UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2015

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 001-35883

SeaWorld Entertainment, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**27-1220297**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

9205 South Park Center Loop, Suite 400
Orlando, Florida 32819
(Address of principal executive offices)(Zip Code)

(407) 226-5011
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One:)

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had outstanding 89,627,620 shares of Common Stock, par value $0.01 per share as of November 2, 2015.

SEAWORLD ENTERTAINMENT, INC. AND SUBSIDIARIES
FORM 10-Q

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. All statements, other than statements of historical facts, 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, may be forward-looking statements. Words such as "might," "will," "may," "should," "estimates," "expects," "continues," "contemplates," "anticipates," "projects," "plans," "potential," "predicts," "intends," "believes," "forecasts," "future" 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 that 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 Quarterly Report on Form 10-Q. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth under "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission (the "SEC"), as such risk factors may be updated from time to time in our periodic filings with the SEC, including this report, and are accessible on the SEC's website at *www.sec.gov*, including the following:

- a decline in discretionary consumer spending or consumer confidence;
- various factors beyond our control adversely affecting attendance and guest spending at our theme parks;
- changes in federal and state regulations governing the treatment of animals and claims and lawsuits by activist groups;
- incidents or adverse publicity concerning our theme parks;
- inability to protect our intellectual property or the infringement on intellectual property rights of others;
- 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 and employee health and welfare benefits;
- 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;
- 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 The Blackstone Group L.P to significantly influence our decisions.

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. There can be no assurance that: (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of this report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

All references to "we," "us," "our," "Company" or "SeaWorld" in this Quarterly Report on Form 10-Q mean SeaWorld Entertainment, Inc., its subsidiaries and affiliates.

Website and Social Media Disclosure

We use our website (*www.seaworldentertainment.com*) and our corporate Twitter account (*@Seaworld*) as channels of distribution of company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about SeaWorld when you enroll your e-mail address by visiting the "Email Alerts" section of our website at *www.seaworldinvestors.com*. The contents of our website and social media channels are not, however, a part of this report.

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).

Solely for convenience, the trademarks, service marks, and trade names referred to in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q may contain 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 Quarterly Report on Form 10-Q are, to our knowledge, the property of their respective owners.

PART I—FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

SEAWORLD ENTERTAINMENT, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 119,651	$ 43,906
Accounts receivable, net	48,534	37,002
Inventories	32,267	33,134
Prepaid expenses and other current assets	18,078	20,894
Deferred tax assets, net	7,268	7,268
Total current assets	225,798	142,204
Property and equipment, at cost	2,706,758	2,612,052
Accumulated depreciation	(993,668)	(867,421)
Property and equipment, net	1,713,090	1,744,631
Goodwill	335,610	335,610
Trade names/trademarks, net	163,091	164,188
Other intangible assets, net	22,037	24,525
Other assets	15,772	11,313
Total assets	$ 2,475,398	$ 2,422,471
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 79,182	$ 88,279
Current maturities on long-term debt	16,850	14,050
Accrued salaries, wages and benefits	15,600	19,068
Deferred revenue	98,101	79,367
Dividends payable	18,396	172
Other accrued expenses	20,669	20,149
Total current liabilities	248,798	221,085
Long-term debt, net of debt issuance costs of $14,563 and $20,003 as of September 30, 2015 and December 31, 2014, respectively	1,581,309	1,569,400
Deferred tax liabilities, net	57,423	31,760
Other liabilities	47,163	20,691
Total liabilities	1,934,693	1,842,936
Commitments and contingencies (Note 10)		
Stockholders' Equity:		
Preferred stock, $0.01 par value—authorized, 100,000,000 shares, no shares issued or outstanding at September 30, 2015 and December 31, 2014	—	—
Common stock, $0.01 par value—authorized, 1,000,000,000 shares; 90,305,888 and 90,191,100 shares issued at September 30, 2015 and December 31, 2014, respectively	903	902
Additional paid-in capital	623,044	655,471
Accumulated other comprehensive loss	(15,843)	(483)
Retained earnings	57,472	33,516
Treasury stock, at cost; 4,941,938 and 4,105,970 shares at September 30, 2015 and December 31, 2014, respectively	(124,871)	(109,871)
Total stockholders' equity	540,705	579,535
Total liabilities and stockholders' equity	$ 2,475,398	$ 2,422,471

See accompanying notes to unaudited condensed consolidated financial statements.

SEAWORLD ENTERTAINMENT, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Net revenues:				
Admissions	$ 304,626	$ 306,495	$ 679,917	$ 693,144
Food, merchandise and other	192,313	189,339	423,230	420,131
Total revenues	496,939	495,834	1,103,147	1,113,275
Costs and expenses:				
Cost of food, merchandise and other revenues	36,959	38,219	83,974	88,630
Operating expenses (exclusive of depreciation and amortization shown separately below)	196,931	200,891	541,944	557,993
Selling, general and administrative	47,684	49,242	172,082	152,882
Restructuring and other related costs	—	1,196	267	1,196
Secondary offering costs	—	—	—	747
Depreciation and amortization	44,505	44,371	138,469	128,733
Total costs and expenses	326,079	333,919	936,736	930,181
Operating income	170,860	161,915	166,411	183,094
Other expense (income), net	41	(56)	511	(84)
Interest expense	15,019	20,857	50,929	61,087
Loss on early extinguishment of debt and write-off of discounts and debt issuance costs	—	461	20,348	461
Income before income taxes	155,800	140,653	94,623	121,630
Provision for income taxes	57,850	53,477	34,462	46,265
Net income	$ 97,950	$ 87,176	$ 60,161	$ 75,365
Other comprehensive income:				
Unrealized (loss) gain on derivatives, net of tax	(10,740)	1,087	(15,360)	7
Comprehensive income	$ 87,210	$ 88,263	$ 44,801	$ 75,372
Earnings per share:				
Net income per share, basic	$ 1.14	$ 1.01	$ 0.70	$ 0.86
Net income per share, diluted	$ 1.14	$ 1.00	$ 0.70	$ 0.86
Weighted average common shares outstanding:				
Basic	86,006	86,715	86,096	87,329
Diluted	86,100	87,024	86,207	87,648
Cash dividends declared per share:				
Cash dividends declared per share	$ 0.21	$ 0.21	$ 0.84	$ 0.62

See accompanying notes to unaudited condensed consolidated financial statements.

SEAWORLD ENTERTAINMENT, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015
(In thousands, except share and per share amounts)

	Shares of Common Stock Issued	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at Cost	Total Stockholders' Equity
Balance at December 31, 2014	90,191,100	$ 902	$655,471	$ 33,516	$ (483)	$(109,871)	$ 579,535
Equity-based compensation	—	—	4,800	—	—	—	4,800
Unrealized loss on derivatives, net of tax benefit of $8,799	—	—	—	—	(15,360)	—	(15,360)
Vesting of restricted shares	156,733	1	(1)	—	—	—	—
Shares withheld for tax withholdings	(41,945)	—	(838)	—	—	—	(838)
Cash dividends declared to stockholders ($0.84 per share)	—	—	(36,388)	(36,205)	—	—	(72,593)
Repurchase of 835,968 shares of treasury stock, at cost	—	—	—	—	—	(15,000)	(15,000)
Net income	—	—	—	60,161	—	—	60,161
Balance at September 30, 2015	90,305,888	$ 903	$623,044	$ 57,472	$ (15,843)	$(124,871)	$ 540,705

See accompanying notes to unaudited condensed consolidated financial statements.

SEAWORLD ENTERTAINMENT, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Nine Months Ended September 30, 2015	2014
Cash Flows From Operating Activities:		
Net income	$ 60,161	$ 75,365
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	138,469	128,733
Amortization of debt issuance costs and discounts	5,170	7,068
Loss on early extinguishment of debt and write-off of discounts and debt issuance costs	20,348	461
Loss on sale or disposal of assets	4,334	1,694
Loss on derivatives	288	—
Deferred income tax provision	34,462	45,356
Equity-based compensation	4,800	1,905
Changes in assets and liabilities:		
Accounts receivable	(15,097)	(3,091)
Inventories	556	(557)
Prepaid expenses and other current assets	3,195	1,890
Accounts payable	(1,771)	(3,746)
Accrued salaries, wages and benefits	(3,468)	(11,595)
Deferred revenue	22,608	9,191
Other accrued expenses	6,510	14,162
Other assets and liabilities	(645)	3,103
Net cash provided by operating activities	279,920	269,939
Cash Flows From Investing Activities:		
Capital expenditures	(117,129)	(122,809)
Change in restricted cash	(379)	(373)
Acquisition of intangible assets	—	(1,900)
Net cash used in investing activities	(117,508)	(125,082)
Cash Flows From Financing Activities:		
Proceeds from the issuance of debt	280,000	—
Repayment of long-term debt	(271,938)	(42,025)
Proceeds from draw on revolving credit facility	45,000	40,000
Repayment of revolving credit facility	(45,000)	(40,000)
Dividends paid to stockholders	(54,370)	(53,639)
Debt issuance costs	(4,571)	—
Redemption premium payment	(14,300)	—
Purchase of treasury stock	(20,650)	(50,708)
Payment of tax withholdings on equity-based compensation through shares withheld	(838)	(134)
Net cash used in financing activities	(86,667)	(146,506)
Change in Cash and Cash Equivalents	75,745	(1,649)
Cash and Cash Equivalents—Beginning of period	43,906	116,841
Cash and Cash Equivalents—End of period	$ 119,651	$ 115,192
Supplemental Disclosures of Noncash Investing and Financing Activities		
Capital expenditures in accounts payable	$ 18,404	$ 13,616
Dividends declared, but unpaid	$ 18,396	$ 18,647

See accompanying notes to unaudited condensed consolidated financial statements.

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business

SeaWorld Entertainment, Inc., through its wholly-owned subsidiary, SeaWorld Parks & Entertainment, Inc. (“SEA”) (collectively, the “Company”), owns and operates eleven theme parks within the United States. Prior to December 1, 2009, the Company did not have any operations. Prior to its initial public offering in April 2013, the Company was owned by ten limited partnerships (the “Partnerships” or the “selling stockholders”), ultimately owned by affiliates of The Blackstone Group L.P. (“Blackstone”) and certain co-investors.

The Company operates SeaWorld theme parks in Orlando, Florida; San Antonio, Texas; and San Diego, California, and Busch Gardens theme parks in Tampa, Florida, and Williamsburg, Virginia. The Company operates water park attractions in Orlando, Florida (Aquatica); San Diego, California (Aquatica); Tampa, Florida (Adventure Island); and Williamsburg, Virginia (Water Country USA). The Company also operates a reservations-only attraction offering interaction with marine animals (Discovery Cove) and a seasonal park in Langhorne, Pennsylvania (Sesame Place).

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2014 included in the Company’s Annual Report on Form 10-K filed with the SEC. The unaudited condensed consolidated balance sheet as of December 31, 2014 has been derived from the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K.

In the opinion of management, such unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results of operations for the year ending December 31, 2015 or any future period due to the seasonal nature of the Company’s operations. Based upon historical results, the Company typically generates its highest revenues in the second and third quarters of each year and incurs a net loss in the first and fourth quarters, in part because six of its theme parks are only open for a portion of the year.

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, including SEA. All intercompany accounts have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions include, but are not limited to, the accounting for self-insurance, deferred tax assets, deferred revenue, equity compensation and the valuation of goodwill and other indefinite-lived intangible assets. Actual results could differ from those estimates.

Segment Reporting

The Company maintains discrete financial information for each of its eleven theme parks, which is used by the Chief Operating Decision Maker (“CODM”), identified as the Chief Executive Officer, as a basis for allocating resources. Each theme park has been identified as an operating segment and meets the criteria for aggregation due to similar economic characteristics. In addition, all of the theme parks provide similar products and services and share similar processes for delivering services. The theme parks have a high degree of similarity in the workforces and target similar consumer groups. Accordingly, based on these economic and operational similarities and the way the CODM monitors and makes decisions affecting the operations, the Company has concluded that its operating segments may be aggregated and that it has one reportable segment.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 2015 presentation, in particular debt issuance costs, which were previously included in other assets in the unaudited condensed consolidated balance sheets, have been reclassified to long-term debt as a result of the adoption of a new Accounting Standards Update ("ASU"). See Note 2—Recently Issued Accounting Pronouncements for further details. In addition, $1,196 of restructuring and other related costs, which were previously included in selling, general and administrative expenses during the three and nine month periods ended September 30, 2014, but were reclassified in the fourth quarter of 2014 to separately disclose such costs, are reflected in restructuring and other related costs in the accompanying unaudited condensed consolidated statement of comprehensive income to be consistent. These costs relate primarily to third party consulting costs associated with the development of the Company's cost savings plan.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Company reviews new accounting pronouncements as they are issued or proposed by the Financial Accounting Standards Board ("FASB").

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory.* This ASU simplifies the accounting for inventory by requiring inventory to be measured at the "lower of cost and net realizable value" and eliminates options that currently exist for measuring inventory at "market value". The ASU defines net realizable value as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation." No other changes were made to the current guidance on inventory measurement. The ASU is effective for interim and annual periods beginning after December 15, 2016. Early application is permitted and should be applied prospectively. The Company does not expect a material impact to its consolidated financial statements upon adoption of this ASU.

In April 2015, the FASB issued ASU No. 2015-03, *Interest—Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs.* This ASU simplifies the accounting for debt issuance costs by requiring such costs to be presented as a direct deduction from the related debt liability rather than as an asset. Debt disclosures include the face amount of the debt liability and the effective interest rate. This ASU requires retrospective adoption and is effective for annual periods beginning on or after December 15, 2015, with early adoption permitted. The Company elected to early adopt this ASU as of June 30, 2015. The ASU has been applied retrospectively as a change in accounting principle for all periods presented in the accompanying unaudited condensed consolidated balance sheets. As a result of adopting this ASU, the Company reclassified $20,003 of unamortized debt issuance costs at December 31, 2014, from other assets to long-term debt on the accompanying unaudited condensed consolidated balance sheet. The adoption of this ASU did not impact the Company's consolidated results of operations, stockholders' equity or cash flows. Furthermore, in August 2015, the FASB issued ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements: Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting.* This ASU expands on the guidance set forth in ASU 2015-03 and clarifies that an entity may elect to present debt issuance costs related to line-of-credit arrangements as an asset which is subsequently amortized over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the arrangement. The Company has elected to record debt issuance costs related to its senior secured revolving credit facility as a deduction to long-term debt on the accompanying unaudited condensed consolidated balance sheets and to amortize the debt issuance costs over the term of the arrangement. See Note 6—Long-Term Debt for further details.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC Topic 605, *Revenue Recognition*. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,* which defers the effective date to annual reporting periods beginning after December 15, 2017 using one of two retrospective application methods with earlier adoption permitted for annual periods beginning after December 15, 2016. The Company has not yet selected a transition method and is evaluating the accounting and disclosure requirements on its consolidated financial statements but does not currently anticipate a material impact upon adoption; however, the Company is in the process of evaluating the effect this ASU will have on the classification of revenue and related disclosures.

(In thousands, except share and per share amounts)

3. EARNINGS PER SHARE

Earnings per share is computed as follows:

	Three Months Ended September 30,						Nine Months Ended September 30,					
	2015			2014			2015			2014		
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Basic earnings per share	$97,950	86,006	$ 1.14	$87,176	86,715	$ 1.01	$60,161	86,096	$ 0.70	$75,365	87,329	$ 0.86
Effect of dilutive incentive-based awards		94			309			111			319	
Diluted earnings per share	$97,950	86,100	$ 1.14	$87,176	87,024	$ 1.00	$60,161	86,207	$ 0.70	$75,365	87,648	$ 0.86

In accordance with the *Earnings Per Share* Topic of the ASC, basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period (excluding treasury stock and unvested restricted stock). The shares of unvested restricted stock are eligible to receive dividends; however, dividend rights will be forfeited if the award does not vest. Accordingly, only vested shares of outstanding restricted stock are included in the calculation of basic earnings per share. The weighted average number of repurchased shares during the period, if any, which are held as treasury stock are excluded from common stock outstanding.

Diluted earnings per share is determined using the treasury stock method based on the dilutive effect of unvested restricted stock and certain shares of common stock that are issuable upon exercise of stock options. There were approximately 2,463,000 and 27,000 anti-dilutive shares of common stock excluded from the computation of diluted earnings per share during the three months ended September 30, 2015 and 2014, respectively. During the nine months ended September 30, 2015 and 2014, there were approximately 1,599,000 and 21,000 anti-dilutive shares of common stock excluded from the computation of diluted earnings per share, respectively.

The Company's outstanding performance share awards are considered contingently issuable shares and are excluded from the calculation of diluted earnings per share as the performance criteria has not been met as of the end of the reporting period. See further discussion in Note 11–Equity-Based Compensation.

4. INCOME TAXES

Income tax expense or benefit is recognized based on the Company's estimated annual effective tax rate which is based upon the tax rate expected for the full calendar year applied to the pre-tax income or loss of the interim period. The Company's consolidated effective tax rate for the three and nine months ended September 30, 2015 was 37.1% and 36.4%, respectively, and differs from the statutory federal income tax rate primarily due to state income taxes and other permanent items. The Company's consolidated effective tax rate for the three and nine months ended September 30, 2014 was 38.0%, and differs from the statutory federal income tax rate primarily due to state income taxes and other permanent items.

The Company has determined that there are no positions currently taken that would rise to a level requiring an amount to be recorded or disclosed as an uncertain tax position. If such positions do arise, it is the Company's intent that any interest or penalty amount related to such positions will be recorded as a component of tax expense to the applicable period.

(In thousands, except share and per share amounts)

5. OTHER ACCRUED EXPENSES

Other accrued expenses at September 30, 2015 and December 31, 2014, consisted of the following:

	September 30, 2015	December 31, 2014
Accrued property taxes	$ 11,089	$ 2,039
Accrued interest	362	2,604
Self-insurance reserve	7,207	7,800
Other	2,011	7,706
Total other accrued expenses	$ 20,669	$ 20,149

6. LONG-TERM DEBT

Long-term debt as of September 30, 2015 and December 31, 2014 consisted of the following:

	September 30, 2015	December 31, 2014
Term B-2 Loans (effective interest rate of 3.26% at September 30, 2015 and December 31, 2014)	$ 1,341,900	$ 1,352,438
Term B-3 Loans (effective interest rate of 4.33% at September 30, 2015)	278,600	—
Revolving Credit Facility	—	—
Senior Notes (effective interest rate of 12.07% at December 31, 2014)	—	260,000
Total long-term debt	1,620,500	1,612,438
Less discounts	(7,778)	(8,985)
Less debt issuance costs	(14,563)	(20,003)
Less current maturities	(16,850)	(14,050)
Total long-term debt, net	$ 1,581,309	$ 1,569,400

SEA is the borrower under the senior secured credit facilities, as amended pursuant to a credit agreement dated as of December 1, 2009 (the "Senior Secured Credit Facilities"). Also on December 1, 2009, SEA issued $400,000 aggregate principal amount of unsecured senior notes due December 1, 2016 (the "Senior Notes").

On March 30, 2015, SEA entered into an incremental term loan amendment, Amendment No. 7 (the "Incremental Amendment"), to its existing Senior Secured Credit Facilities. On April 7, 2015, SEA borrowed $280,000 of additional term loans (the "Term B-3 Loans") pursuant to the Incremental Amendment. The proceeds, along with cash on hand, were used to redeem all of the $260,000 outstanding principal of the Senior Notes at a redemption price of 105.5% plus accrued and unpaid interest and pay fees, costs and other expenses in connection with the Term B-3 Loans. The redemption premium of $14,300 along with a write-off of approximately $6,048 in related discounts and debt issuance costs is included in the loss on early extinguishment of debt and write-off of discounts and debt issuance costs on the accompanying unaudited condensed consolidated statements of comprehensive income for the nine months ended September 30, 2015.

In connection with the issuance of the Term B-3 Loans, SEA recorded a discount of $1,400 and debt issuance costs of $3,171 during the nine months ended September 30, 2015. Debt issuance costs and discounts are amortized to interest expense using the effective interest method over the term of the related debt and are included in long-term debt, net, in the accompanying unaudited condensed consolidated balance sheets. Unamortized debt issuance costs and discounts for the Term B-2 Loans, Term B-3 Loans and senior secured revolving credit facility (the "Revolving Credit Facility") were $15,583, $4,110 and $2,648, respectively, at September 30, 2015. Unamortized debt issuance costs and discounts for the Term B-2 Loans, Senior Notes and Revolving Credit Facility were $18,205, $6,921 and $3,862, respectively at December 31, 2014. See Note 2–Recently Issued Accounting Pronouncements for more details on the Company's adoption of ASU 2015-03 in the second quarter of 2015.

As of September 30, 2015, SEA was in compliance with all covenants in the provisions contained in the documents governing the Senior Secured Credit Facilities.

Senior Secured Credit Facilities

As of September 30, 2015, the Senior Secured Credit Facilities consisted of $1,341,900 in Term B-2 Loans and $278,600 in Term B-3 Loans, which will mature on May 14, 2020, along with a $192,500 Revolving Credit Facility, which was not drawn upon as of September 30, 2015. The Revolving Credit Facility will mature on the earlier of (a) April 24, 2018 and (b) the 91st day prior to the maturity date of any indebtedness incurred to refinance any of the term loans.

The Term B-2 Loans amortize in equal quarterly installments in an aggregate annual amount equal to 1.0% of the original principal amount of the Term B-2 Loans on May 14, 2013, with the balance due on the final maturity date, of May 14, 2020. The Term B-3 Loans amortize in equal quarterly installments in an aggregate annual amount equal to 1.0% of the original principal amount of the Term B-3 Loans on the date of effectiveness of the Incremental Amendment, with the balance due on the final maturity date of May 14, 2020. SEA may voluntarily repay amounts outstanding under the Senior Secured Credit Facilities at any time without premium or penalty, other than customary “breakage” costs with respect to LIBOR loans and other than a prepayment premium on voluntary prepayments of Term B-3 Loans in connection with certain repricing transactions on or prior to the date that is six months after the effectiveness of the Incremental Amendment.

SEA is required to prepay the outstanding Term B-2 and Term B-3 loans, subject to certain exceptions, with (i) 50% of SEA’s annual “excess cash flow” (with step-downs to 25% and 0%, as applicable, based upon achievement by SEA of a certain total net leverage ratio), subject to certain exceptions; (ii) 100% of the net cash proceeds of certain non-ordinary course asset sales or other dispositions subject to reinvestment rights and certain exceptions; and (iii) 100% of the net cash proceeds of any incurrence of debt by SEA or any of its restricted subsidiaries, other than debt permitted to be incurred or issued under the Senior Secured Credit Facilities.

Notwithstanding any of the foregoing, each lender of term loans has the right to reject its pro rata share of mandatory prepayments described above, in which case SEA may retain the amounts so rejected. The foregoing mandatory prepayments will be applied pro rata to installments of term loans in direct order of maturity. There were no mandatory prepayments during the three or nine months ended September 30, 2015 or 2014 since none of the events indicated above occurred. On September 30, 2014, the Company made a voluntary principal repayment of approximately $31,500 on the Term B-2 Loans with available cash on hand. Subsequent to September 30, 2015, the Company made a voluntary principal repayment of approximately $30,000 on the Term B-3 Loans with available cash on hand.

SEA may also increase and/or add one or more incremental term loan facilities to the Senior Secured Credit Facilities and/or increase commitments under the Revolving Credit Facility in an aggregate principal amount of up to $350,000. SEA may also incur additional incremental term loans provided that, among other things, on a pro forma basis after giving effect to the incurrence of such incremental term loans, the First Lien Secured Leverage Ratio, as defined in the Senior Secured Credit Facilities, is no greater than 3.50 to 1.00.

Term B-2 Loans

The Term B-2 Loans were initially borrowed in an aggregate principal amount of $1,405,000. Borrowings under the Senior Secured Credit Facilities bear interest, at SEA’s option, at a rate equal to a margin over either (a) a base rate determined by reference to the higher of (1) the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its “prime rate” and (2) the federal funds effective rate plus 1/2 of 1% or (b) a LIBOR rate determined by reference to the British Bankers Association (“BBA”) LIBOR rate, or the successor thereto if the BBA is no longer making a LIBOR rate available, for the interest period relevant to such borrowing. The applicable margin for the Term B-2 Loans is 1.25%, in the case of base rate loans, and 2.25%, in the case of LIBOR rate loans, subject to a base rate floor of 1.75% and a LIBOR floor of 0.75%. The applicable margin for the Term B-2 Loans (under either a base rate or LIBOR rate) is subject to one 25 basis point step-down upon achievement by SEA of a total net leverage ratio equal to or less than 3.25 to 1.00. At September 30, 2015, SEA selected the LIBOR rate (interest rate of 3.00% at September 30, 2015).

Term B-3 Loans

Borrowings of Term B-3 Loans bear interest at a fluctuating rate per annum equal to, at SEA’s option, (a) a base rate equal to the higher of (1) the federal funds rate plus 1/2 of 1% and (2) the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its “prime rate” or (b) a LIBOR rate determined by reference to the BBA LIBOR rate, or the successor thereto if the BBA is no longer making a LIBOR rate available, for the interest period relevant to such borrowing. The applicable margin for the Term B-3 Loans is 2.25%, in the case of base rate loans, and 3.25%, in the case of LIBOR rate loans, subject to a base rate floor of 1.75% and a LIBOR floor of 0.75%. At September 30, 2015, SEA selected the LIBOR rate (interest rate of 4.00% at September 30, 2015).

Revolving Credit Facility

Borrowings of loans under the Revolving Credit Facility bear interest at a fluctuating rate per annum equal to, at SEA's option, (a) a base rate equal to the higher of (1) the federal funds rate plus 1/2 of 1%, and (2) the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its "prime rate" or (b) a LIBOR rate determined by reference to the BBA LIBOR rate, or the successor thereto if the BBA is no longer making a LIBOR rate available, for the interest period relevant to such borrowing. The applicable margin for borrowings under the Revolving Credit Facility is 1.75%, in the case of base rate loans, and 2.75%, in the case of LIBOR rate loans. The applicable margin (under either a base rate or LIBOR rate) is subject to one 25 basis point step-down upon achievement by SEA of certain corporate credit ratings. At September 30, 2015, SEA selected the LIBOR rate and achieved the corporate credit ratings for an applicable LIBOR margin of 2.50%.

In addition to paying interest on outstanding principal under the Senior Secured Credit Facilities, SEA is required to pay a commitment fee to the lenders under the Revolving Credit Facility in respect of the unutilized commitments thereunder at a rate of 0.50% per annum. SEA is also required to pay customary letter of credit fees.

As of September 30, 2015, SEA had approximately $18,000 of outstanding letters of credit, leaving approximately $174,500 available for borrowing.

Restrictive Covenants

The Senior Secured Credit Facilities contain a number of customary negative covenants. Such covenants, among other things, restrict, subject to certain exceptions, the ability of SEA and its restricted subsidiaries to incur additional indebtedness; make guarantees; create liens on assets; enter into sale and leaseback transactions; engage in mergers or consolidations; sell assets; make fundamental changes; pay dividends and distributions or repurchase SEA's capital stock; make investments, loans and advances, including acquisitions; engage in certain transactions with affiliates; make changes in nature of the business; and make prepayments of junior debt. The Senior Secured Credit Facilities also contain covenants requiring SEA to maintain specified maximum annual capital expenditures, a maximum total net leverage ratio and a minimum interest coverage ratio. All of the net assets of SEA and its consolidated subsidiaries are restricted and there are no unconsolidated subsidiaries of SEA.

The Senior Secured Credit Facilities permit restricted payments in an aggregate amount per annum not to exceed the greater of (1) 6% of initial public offering net proceeds received by SEA or (2) (a) $90,000, so long as, on a Pro Forma Basis (as defined in the Senior Secured Credit Facilities) after giving effect to the payment of any such restricted payment, the Total Leverage Ratio, (as defined in the Senior Secured Credit Facilities), is no greater than 5.00 to 1.00 and greater than 4.50 to 1.00, (b) $120,000, so long as, on a Pro Forma Basis after giving effect to the payment of any such restricted payment, the Total Leverage Ratio is no greater than 4.50 to 1.00 and greater than 4.00 to 1.00, (c) the greater of (A) $120,000 and (B) 7.5% of Market Capitalization (as defined in the Senior Secured Credit Facilities), so long as, on a Pro Forma Basis after giving effect to the payment of any such restricted payment, the Total Leverage Ratio is no greater than 4.00 to 1.00 and greater than 3.50 to 1.00 and (d) an unlimited amount, so long as, on a Pro Forma Basis after giving effect to the payment of any such restricted payment, the Total Leverage Ratio is no greater than 3.50 to 1.00.

As of September 30, 2015, the Total Leverage Ratio as calculated under the Senior Secured Credit Facilities was 4.13 to 1.00, which results in the Company having a $120,000 capacity for restricted payments in 2015. During the nine months ended September 30, 2015, the Company has used approximately $87,700 of its available restricted payments capacity. As a result, under the Senior Secured Credit Facilities, the Company currently has the ability to declare dividends or make certain other restricted payments in an aggregate amount of up to approximately $32,300 for the remainder of calendar year 2015. The amount available for dividend declarations, share repurchases and certain other restricted payments under the covenant restrictions in the debt agreements adjusts at the beginning of each quarter as set forth above.

(In thousands, except share and per share amounts)

Long-term debt at September 30, 2015, is repayable as follows and does not include the impact of any future prepayments:

Years Ending December 31,	
2015	$ 4,213
2016	16,850
2017	16,850
2018	16,850
2019	16,850
Thereafter	1,548,887
Total	$1,620,500

Interest Rate Swap Agreements

As of September 30, 2015, SEA has four traditional interest rate swap agreements (collectively, the "Interest Rate Swap Agreements"). Three of the interest rate swap agreements have a combined notional amount of $1,000,000; mature on September 30, 2016; require the Company to pay a fixed rate of interest between 1.049% and 1.051% per annum; pay swap counterparties a variable rate of interest based upon the greater of 0.75% or the three month BBA LIBOR; and have interest settlement dates occurring on the last day of March, June, September and December through maturity.

In April 2015, the Company executed the fourth traditional interest rate swap agreement to effectively fix the interest rate on $250,000 of the Term B-3 Loans. The interest rate swap became effective on June 30, 2015; has a notional amount of $250,000; is scheduled to mature on September 30, 2016; requires the Company to pay a fixed rate of interest of 0.901% per annum; pays swap counterparties a variable rate of interest based upon the greater of 0.75% or the three month BBA LIBOR; and has interest settlement dates occurring on the last day of September, December, March and June through maturity.

On June 10, 2015, the Company entered into five forward interest rate swap agreements ("the Forward Swaps") to effectively fix the interest rate on the three month LIBOR-indexed interest payments associated with $1,000,000 of SEA's outstanding long-term debt. The Forward Swaps have an effective date of September 30, 2016; have a total notional amount of $1,000,000; mature on May 14, 2020; require the Company to pay a weighted-average fixed rate of 2.45% per annum; pay swap counterparties a variable rate of interest based upon the greater of 0.75% or the three month BBA LIBOR; and have interest settlement dates occurring on the last day of September, December, March and June through maturity.

SEA designated the Interest Rate Swap Agreements and the Forward Swaps above as qualifying cash flow hedge accounting relationships as further discussed in Note 7–Derivative Instruments and Hedging Activities which follows.

Cash paid for interest relating to the Senior Secured Credit Facilities, the Senior Notes and the Interest Rate Swap Agreements was $49,681 and $49,133 for the nine month period ended September 30, 2015 and 2014, respectively.

7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's borrowings. The Company does not speculate using derivative instruments.

As of September 30, 2015 and December 31, 2014, the Company did not have any derivatives outstanding that were not designated in hedge accounting relationships.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy.

(In thousands, except share and per share amounts)

During the three and nine months ended September 30, 2015 and 2014, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt. As of September 30, 2015, the Company had four outstanding interest rate swap agreements with a combined notional value of $1,250,000 and five forward interest rate swap agreements with a combined notional value of $1,000,000 that were designated as cash flow hedges of interest rate risk. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive loss and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During the three and nine months ended September 30, 2015, a loss of $1 and $288, respectively, related to the ineffective portion was recognized in other expense (income), net on the accompanying unaudited condensed consolidated statements of comprehensive income. There was no ineffective portion during the three or nine months ended September 30, 2014. Amounts reported in accumulated other comprehensive loss related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. During the next 12 months, the Company estimates that an additional $3,337 will be reclassified as an increase to interest expense.

Tabular Disclosure of Fair Values of Derivative Instruments on the Balance Sheet

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the unaudited condensed consolidated balance sheets as of September 30, 2015 and December 31, 2014:

	As of September 30, 2015 Liability Derivatives		As of December 31, 2014 Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate swaps	Other liabilities	$ 2,844	Other liabilities	$ 628
Forward interest rate swaps	Other liabilities	22,167		—
Total derivatives designated as hedging instruments		$ 25,011		$ 628

The unrealized loss on derivatives is recorded net of a tax benefit of $8,799 for the nine months ended September 30, 2015, and is included within the unaudited condensed consolidated statements of changes in stockholders' equity and the unaudited condensed consolidated statements of comprehensive income.

Tabular Disclosure of the Effect of Derivative Instruments on the Statements of Comprehensive Income

The table below presents the pre-tax effect of the Company's derivative financial instruments on the unaudited condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2015 and 2014:

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Derivatives in Cash Flow Hedging Relationships:				
(Loss) gain related to effective portion of derivatives recognized in accumulated other comprehensive loss	$(17,490)	$1,005	$(26,471)	$(1,868)
Gain related to effective portion of derivatives reclassified from accumulated other comprehensive loss to interest expense	$ 843	$ 746	$ 2,312	$ 1,879
Loss related to ineffective portion of derivatives recognized in other expense (income), net	$ (1)	$ —	$ (288)	$ —

(In thousands, except share and per share amounts)

Credit Risk-Related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations.

As of September 30, 2015, the termination value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, related to these agreements was $27,602. As of September 30, 2015, the Company has posted no collateral related to these agreements. If the Company had breached any of these provisions at September 30, 2015, it could have been required to settle its obligations under the agreements at their termination value of $27,602.

Changes in Accumulated Other Comprehensive Loss

The following table reflects the changes in accumulated other comprehensive loss for the nine months ended September 30, 2015, net of tax:

	(Losses) Gains on Cash Flow Hedges
Accumulated other comprehensive loss:	
Balance at December 31, 2014	$ (483)
Other comprehensive loss before reclassifications	(16,830)
Amounts reclassified from accumulated other comprehensive loss to interest expense	1,470
Unrealized loss on derivatives, net of tax	(15,360)
Balance at September 30, 2015	$(15,843)

8. FAIR VALUE MEASUREMENTS

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement is required to be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The Company has determined that the majority of the inputs used to value its derivative financial instruments using the income approach fall within Level 2 of the fair value hierarchy. The Company uses readily available market data to value its derivatives, such as interest rate curves and discount factors. ASC 820, *Fair Value Measurement,* also requires consideration of credit risk in the valuation. The Company uses a potential future exposure model to estimate this credit valuation adjustment ("CVA"). The inputs to the CVA are largely based on observable market data, with the exception of certain assumptions regarding credit worthiness which make the CVA a Level 3 input. Based on the magnitude of the CVA, it is not considered a significant input and the derivatives are classified as Level 2. Of the Company's long-term obligations, the Term B-2 Loans and Term B-3 Loans are classified in Level 2 of the fair value hierarchy. The fair value of the term loans as of September 30, 2015 approximates their carrying value, excluding unamortized debt issuance costs and discounts, due to the variable nature of the underlying interest rates and the frequent intervals at which such interest rates are reset. The Senior Notes were classified in Level 3 of the fair value hierarchy as of December 31, 2014 and were valued using significant inputs that are not observable in the market including a discount rate of 11.37% and projected cash flows of the underlying Senior Notes as of December 31, 2014. The Senior Notes were redeemed in full on April 7, 2015 as discussed in Note 6–Long-Term Debt.

(In thousands, except share and per share amounts)

There were no transfers between Levels 1, 2 or 3 during the three or nine months ended September 30, 2015. The Company did not have any assets measured at fair value as of September 30, 2015. The following table presents the Company's estimated fair value measurements and related classifications as of September 30, 2015:

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2015
Liabilities:				
Derivative financial instruments [a]	$ —	$ 25,011	$ —	$ 25,011
Long-term obligations [b]	$ —	$1,620,500	$ —	$ 1,620,500

(a) Reflected at fair value in the unaudited condensed consolidated balance sheet as other liabilities of $25,011.
(b) Reflected at carrying value, net of unamortized debt issuance costs and discounts, in the unaudited condensed consolidated balance sheet as current maturities on long-term debt of $16,850 and long-term debt of $1,581,309 as of September 30, 2015.

There were no transfers between Levels 1, 2 or 3 during the year ended December 31, 2014. The Company did not have any assets measured at fair value as of December 31, 2014. The following table presents the Company's estimated fair value measurements and related classifications as of December 31, 2014:

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2014
Liabilities:				
Derivative financial instruments [a]	$ —	$ 628	$ —	$ 628
Long-term obligations [b]	$ —	$1,352,438	$ 263,197	$ 1,615,635

(a) Reflected at fair value in the unaudited condensed consolidated balance sheet as other liabilities of $628.
(b) Reflected at carrying value, net of unamortized debt issuance costs and discounts, in the unaudited condensed consolidated balance sheet as current maturities on long-term debt of $14,050 and long-term debt of $1,569,400 as of December 31, 2014.

9. RELATED-PARTY TRANSACTIONS

On January 5, March 3, June 10, and September 16, 2015, the Board declared a cash dividend of $0.21 per share to all common stockholders of record at the close of business on January 13, March 13, June 22, and September 29, 2015, respectively. In connection with these dividend declarations, certain affiliates of Blackstone were paid dividends in the amount of $4,095 on January 22, April 1, July 1, and October 6, 2015 (see Note 12—Stockholders' Equity).

The Company repurchased shares of its common stock from the selling stockholders concurrently with the closing of the secondary offering in April 2014. See further discussion in Note 12—Stockholders' Equity.

As of September 30, 2015, approximately $86,000 aggregate principal amount of Term B-2 Loans and $18,000 aggregate principal amount of Term B-3 Loans were owned by affiliates of Blackstone. As of December 31, 2014, approximately $65,000 aggregate principal amount of the Senior Notes and approximately $87,000 aggregate principal amount of Term B-2 Loans were owned by affiliates of Blackstone. The Company makes periodic interest payments on such debt in accordance with its terms. On April 7, 2015, the Senior Notes were redeemed as discussed in Note 6—Long-Term Debt.

10. COMMITMENTS AND CONTINGENCIES

Securities Class Action Lawsuit

On September 9, 2014, a purported stockholder class action lawsuit consisting of purchasers of the Company's common stock during the periods between April 18, 2013 to August 13, 2014, captioned Baker v. SeaWorld Entertainment, Inc., et al., Case No. 14-CV-02129-MMA (KSC), was filed in the U.S. District Court for the Southern District of California against the Company, the Chairman of the Company's Board of Directors, certain of its executive officers and Blackstone. On February 27, 2015, Court-appointed Lead Plaintiffs, Pensionskassen For Børne- Og Ungdomspædagoger and Arkansas Public Employees Retirement System, together with additional plaintiffs, Oklahoma City Employee Retirement System and Pembroke Pines Firefighters and Police Officers Pension Fund (collectively, "Plaintiffs"), filed an amended complaint against the Company, the Chairman of the Company's Board of Directors, certain of its executive officers, Blackstone, and underwriters of the initial public offering and secondary public offerings. The amended complaint alleges, among other things, that the prospectus and registration statements filed contained materially false and misleading information in violation of the federal securities laws and seeks unspecified compensatory damages and other relief. Plaintiffs contend that defendants knew or were reckless in not knowing that Blackfish was impacting SeaWorld's business at the time of each public statement. On May 29, 2015, the Company and the other defendants filed a motion to dismiss the amended complaint. The Plaintiffs filed an opposition to the motion to dismiss on July 31, 2015. The Company and the other defendants filed a reply in further support of their motion to dismiss on September 18, 2015. The Company believes that the class action lawsuit is without merit and intends to defend the lawsuit vigorously; however, there can be no assurance regarding the ultimate outcome of this lawsuit.

Shareholder Derivative Lawsuit

On December 8, 2014, a putative derivative lawsuit captioned Kistenmacher v. Atchison, et al., Civil Action No. 10437, was filed in the Court of Chancery of the State of Delaware against, among others, the Chairman of the Board of Directors, certain of the Company's executive officers, directors and shareholders, and Blackstone. The Company is a "Nominal Defendant" in the lawsuit. On March 30, 2015, the plaintiff filed an amended complaint against the same set of defendants. The amended complaint alleges, among other things, that the defendants breached their fiduciary duties, aided and abetted breaches of fiduciary duties, violated Florida Blue Sky laws and were unjustly enriched by (i) including materially false and misleading information in the prospectus and registration statements; and (ii) causing the Company to repurchase certain shares of its common stock from certain shareholders at an alleged artificially inflated price. The Company does not maintain any direct exposure to loss in connection with this shareholder derivative lawsuit as the lawsuit does not assert any claims against the Company. The Company's status as a "Nominal Defendant" in the action reflects the fact that the lawsuit is maintained by the named plaintiff on behalf of the Company and that the plaintiff seeks damages on the Company's behalf. On May 21, 2015, the defendants filed a motion to stay the lawsuit pending resolution of the Company's securities class action lawsuit. On September 21, 2015, the Court granted the motion and ordered that the derivative action to be stayed in favor of the securities class action captioned Baker v. SeaWorld Entertainment, Inc., et al., Case No. 14-CV-02129-MMA (KSC).

Consumer Class Action Lawsuits

On March 25, 2015, a purported class action was filed in the United States District Court for the Southern District of California against the Company, captioned Holly Hall v. SeaWorld Entertainment, Inc., Case No. 3:15-cv-00600-CAB-RBB (the "Hall Matter"). The complaint identifies three putative classes consisting of all consumers nationwide who at any time during the four-year period preceding the filing of the original complaint, purchased an admission ticket, a membership or a SeaWorld "experience" that includes an "orca experience" from the SeaWorld amusement park in San Diego, California, Orlando, Florida or San Antonio, Texas respectively. The complaint alleges causes of action under California Unfair Competition Law, California Consumers Legal Remedies Act, California False Advertising Law, California Deceit statute, Florida Unfair and Deceptive Trade Practices Act, Texas Deceptive Trade Practices Act, as well as claims for Unjust Enrichment. Plaintiffs' claims are based on their allegations that the Company misrepresented the physical living conditions and care and treatment of its killer whales, resulting in confusion or misunderstanding among ticket purchasers, and omitted material facts regarding its killer whales with intent to deceive and mislead the plaintiff and purported class members. The complaint further alleges that the specific misrepresentations heard and relied upon by Holly Hall in purchasing her SeaWorld tickets concerned the circumstances surrounding the death of a SeaWorld trainer. The complaint seeks actual damages, equitable relief, attorney's fees and costs. Plaintiffs claim that the amount in controversy exceeds $5,000, but the liability exposure is speculative until the size of the class is determined (if certification is granted at all).

In addition, four other purported class actions were filed against the Company and its affiliates. The first three actions were filed on April 9, 2015, April 16, 2015 and April 17, 2015, respectively, in the following federal courts: (i) the United States District Court for the Middle District of Florida, captioned Joyce Kuhl v. SeaWorld LLC et al., 6:15-cv-00574-ACC-GJK (the "Kuhl Matter"), (ii) the United States District Court for the Southern District of California, captioned Jessica Gaab, et. al. v. SeaWorld Entertainment, Inc., Case No. 15:cv-842-CAB-RBB (the "Gaab Matter"), and (iii) the United States District Court for the Western District of Texas, captioned Elaine Salazar Browne v. SeaWorld of Texas LLC et al., 5:15-cv-00301-XR (the "Browne Matter"). On May 1, 2015, the Kuhl Matter and Browne Matter were voluntarily dismissed without prejudice by the respective plaintiffs. On May 7, 2015, plaintiffs Kuhl and Browne re-filed their claims, along with a new plaintiff Valerie Simo, in the United States District Court for the Southern District of California in an action captioned Valerie Simo et al. v. SeaWorld Entertainment, Inc., Case No. 15:cv-1022-CAB-RBB (the "Simo Matter"). All four of these cases, in essence, reiterate the claims made and relief sought in the Hall Matter.

On August 7, 2015, the Gaab Matter and Simo Matter were consolidated with the Hall Matter, and the plaintiffs filed a First Consolidated Amended Complaint ("FAC") on August 21, 2015. The FAC pursues the same seven causes of action as the original Hall complaint, and adds a request for punitive damages pursuant to California Consumers Legal Remedies Act. On October 5, 2015, the Company filed a motion to dismiss the FAC in its entirety. The motion will be fully briefed on November 23, 2015.

On April 13, 2015, a purported class action was filed in the Superior Court of the State of California for the City and County of San Francisco against SeaWorld Parks & Entertainment, Inc., captioned Marc Anderson, et. al., v. SeaWorld Parks & Entertainment, Inc., Case No. CGC-15-545292 (the "Anderson Matter"). The putative class consists of all consumers within California who, within the past four years, purchased tickets to SeaWorld San Diego. On May 11, 2015, the plaintiffs filed a First Amended Class Action Complaint (the "Amended Complaint"). The Amended Complaint alleges causes of action under the California False Advertising Law, California Unfair Competition Law and California Consumers Legal Remedies Act. Plaintiffs' claims are based on their allegations that the Company misrepresented the physical living conditions and care and treatment of its killer whales, resulting in confusion or misunderstanding among ticket purchasers, and omitted material facts regarding its killer whales with intent to deceive and mislead the plaintiff and purported class members. The Amended Complaint seeks actual damages, equitable relief, attorneys' fees and costs. Based on plaintiffs' definition of the class, the amount in controversy exceeds $5,000, but the liability exposure is speculative until the size of the class is determined (if certification is granted at all). On May 14, 2015, the Company removed the case to the United States District Court for the Northern District of California, Case No. 15:cv-2172-SC. On May 19, 2015, the plaintiffs filed a motion to remand. On September 18, 2015, the Company filed a motion to dismiss the Amended Complaint in its entirety. The motion is fully briefed. On September 24, 2015, the Court denied plaintiffs' motion to remand. On October 5, 2015, plaintiffs filed a motion for leave to file a motion for reconsideration of this order, and contemporaneously filed a petition for permission to appeal to the Ninth Circuit. On October 14, 2015, the district court granted plaintiffs' motion for leave and set a deadline of October 29, 2015 for plaintiffs to file their motion for reconsideration, which plaintiffs filed on that date. The opposition to that motion is due on November 12, 2015. The petition for permission to appeal remains pending.

The Company believes that these consumer class action lawsuits are without merit and intends to defend these lawsuits vigorously; however, there can be no assurance regarding the ultimate outcome of these lawsuits.

Other Matters

The Company is a party to other various claims and legal proceedings arising in the normal course of business. From time to time, third-party groups may also bring lawsuits against the Company. Matters where an unfavorable outcome to the Company is probable and which can be reasonably estimated are accrued. Such accruals, which are not material for any period presented, are based on information known about the matters, the Company's estimate of the outcomes of such matters, and the Company's experience in contesting, litigating and settling similar matters. Matters that are considered reasonably possible to result in a material loss are not accrued for, but an estimate of the possible loss or range of loss is disclosed, if such amount or range can be determined. At this time, management does not expect any known claims or legal proceedings to have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

11. EQUITY-BASED COMPENSATION

In accordance with ASC 718, *Compensation-Stock Compensation,* the Company measures the cost of employee services rendered in exchange for share-based compensation based upon the grant date fair market value. The cost, net of estimated forfeitures, is recognized over the requisite service period, which is generally the vesting period unless service or performance conditions require otherwise. The Company has granted stock options, time-vesting restricted share awards and performance-vesting restricted share awards. The Company used the Black-Scholes Option Pricing Model to value its stock options and the closing stock price on the date of grant to value both its time-vesting and performance-vesting restricted share awards granted in 2015.

(In thousands, except share and per share amounts)

The Company has reserved 15,000,000 shares of common stock for issuance under the Company's 2013 Omnibus Incentive Plan (the "Omnibus Incentive Plan"). The Omnibus Incentive Plan is administered by the Compensation Committee of the Board of Directors, and provides that the Company may grant equity incentive awards to eligible employees, directors, consultants or advisors in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based and performance compensation awards. If an award under the Omnibus Incentive Plan terminates, lapses, or is settled without the payment of the full number of shares subject to the award, the undelivered shares may be granted again under the Omnibus Incentive Plan.

As of September 30, 2015, there were 10,707,185 shares of common stock available for future issuance under the Company's Omnibus Incentive Plan. Total equity compensation expense was $1,549 and $4,800 for the three and nine months ended September 30, 2015, respectively, and $570 and $1,905 for the three and nine months ended September 30, 2014, respectively, and is included in selling, general and administrative expenses and in operating expenses in the accompanying unaudited condensed consolidated statements of comprehensive income. Total unrecognized equity compensation expense for all equity compensation awards probable of vesting as of September 30, 2015 was approximately $24,000 which is expected to be recognized over the respective service periods.

The activity related to the Company's time-vesting and performance-vesting share awards during the nine months ended September 30, 2015 is as follows:

	Time-Vesting Restricted shares		Performance-Vesting Restricted shares: Bonus Performance Restricted shares		Performance-Vesting Restricted shares: Long-Term Incentive Performance Restricted shares		Performance-Vesting Restricted shares: 2.25x Performance Restricted shares		Performance-Vesting Restricted shares: 2.75x Performance Restricted shares	
	Shares	Weighted Average Grant Date Fair Value per Share	Shares	Weighted Average Grant Date Fair Value per Share	Shares	Weighted Average Grant Date Fair Value per Share	Shares	Weighted Average Grant Date Fair Value per Share	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding at December 31, 2014	164,545	$ 11.68	—	—	—	—	1,451,453	$ 20.96	1,451,453	$ 12.61
Granted	941,994	$ 18.60	462,895	$ 18.99	79,279	$ 18.90	—	—	—	—
Vested	(156,733)	$ 14.46	—	—	—	—	—	—	—	—
Forfeited	(60,985)	$ 12.78	(28,955)	$ 18.96	(11,673)	$ 18.96	(80,632)	$ 22.90	(80,632)	$ 15.76
Outstanding at September 30, 2015	888,821	$ 18.49	433,940	$ 19.00	67,606	$ 18.89	1,370,821	$ 20.63	1,370,821	$ 11.81

The activity related to the Company's stock option awards during the nine months ended September 30, 2015 is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2014	—	—		
Granted	2,409,282	$ 19.20		
Forfeited	(88,144)	$ 18.96		
Outstanding at September 30, 2015	2,321,138	$ 19.21	9.56	$ 101
Exercisable at September 30, 2015	—	—	—	—

(In thousands, except share and per share amounts)

Key weighted-average assumptions utilized in the Black-Scholes Option Pricing Model for stock options granted during the nine months ended September 30, 2015 were:

Grant date fair value	$ 4.39
Risk- free interest rate	1.66%
Expected volatility	36.71%
Expected dividend yield	4.37%
Expected life (in years)	6.25

The expected life was estimated using the simplified method, as the Company does not have sufficient historical exercise data due to the limited period of time its common stock has been publicly traded. In addition, due to the Company's limited history as a public company, the volatility for the Company's stock at the date of each grant was estimated using the average volatility calculated for a peer group, which is based upon daily price observations over the estimated term of options granted.

2015 Bonus Plan Grant

On March 3, 2015, the Board approved an annual bonus plan (the "2015 Bonus Plan") for the fiscal year ending December 31, 2015 (the "Fiscal 2015") under which certain employees are eligible to receive a bonus with respect to Fiscal 2015, payable 50% in cash and 50% in performance-vesting restricted shares (the "Bonus Performance Restricted shares") based upon the Company's achievement of pre-established performance goals with respect to Adjusted EBITDA. Once actual Adjusted EBITDA is finalized for Fiscal 2015, the Bonus Performance Restricted shares vest if the performance goal is met and forfeit immediately if the performance goal is not met or if the employee terminates prior to the last day of Fiscal 2015. Subsequent grants were made on July 1 and October 7, 2015 to newly hired bonus-eligible employees based on their hire date and/or to certain newly promoted employees.

In accordance with ASC 718, equity compensation expense is not recorded until the performance condition is probable of being achieved. Based on the Company's progress toward the Adjusted EBITDA performance goal, the Bonus Performance Restricted shares are not considered probable of vesting as of September 30, 2015; therefore, no equity compensation expense has been recorded related to these shares. If the performance condition is considered probable of being achieved in a subsequent period, all equity compensation expense that would have been recorded over the requisite service period had the condition been considered probable from inception, will be recorded as a cumulative catch-up at such subsequent date. Total unrecognized equity compensation expense related to the Bonus Performance Restricted shares not considered probable of vesting was approximately $8,200 as of September 30, 2015.

2015 Long-Term Incentive Plan Grant

On March 3, 2015, the Board also approved a long-term incentive plan grant (the "2015 Long-Term Incentive Plan") for Fiscal 2015 comprised of nonqualified stock options ("Long-Term Incentive Options"), time-vesting restricted shares ("Long-Term Incentive Time Restricted shares") and performance-vesting restricted shares ("Long-Term Incentive Performance Restricted shares") to certain of the Company's management and executive officers. Subsequent grants were made on July 1 and October 7, 2015 to newly hired employees based on their hire date and/or to certain promoted management and executive officers.

Long-Term Incentive Options

The Long-Term Incentive Options vest ratably over four years from the date of grant (25% per year), subject to continued employment through the applicable vesting date and will expire 10 years from the date of grant or earlier if the employee's service terminates. The options have an exercise price per share equal to the closing price of the Company's common stock on the date of grant. Equity compensation expense will be recognized using the straight line method for each tranche over the four year vesting period.

Long-Term Incentive Time Restricted Shares

The Long-Term Incentive Time Restricted shares vest ratably over four years from the date of grant (25% per year), subject to continued employment through the applicable vesting date. Equity compensation expense will be recognized using the straight line method over the four year vesting period.

Long-Term Incentive Performance Restricted Shares

The Long-Term Incentive Performance Restricted shares vest following the end of a three-year performance period beginning on January 1, 2015 and ending on December 31, 2017 based upon the Company's achievement of certain performance goals with respect to Adjusted EBITDA for each fiscal year performance period. The total number of shares eligible to vest is based on the level of achievement of the Adjusted EBITDA target for each fiscal year in the performance period which ranges from 0% (if below threshold performance), to 50% (for threshold performance), to 100% (for target performance), and up to 200% (at or above maximum performance). For actual performance between the specified threshold, target, and maximum levels, the resulting vesting percentage will be adjusted on a linear basis. Total shares earned (approximately 33% are eligible to be earned per year) based on the actual performance percentage for each performance year will vest on the date the Company's Compensation Committee determines the actual performance percentage for fiscal year 2017 if the employee has not terminated prior to the last day of fiscal year 2017 and all unearned shares will forfeit immediately as of such date. The Adjusted EBITDA target for each fiscal year will be set in the first quarter of each respective year, at which time the grant date and the grant-date fair value for accounting purposes related to that performance year will be established based on the closing price of the Company's stock on such date. Equity compensation expense will be recognized ratably for each fiscal year, if the performance condition is probable of being achieved, beginning on the date of grant and through the end of the final performance period on December 31, 2017.

During the nine months ended September 30, 2015, the Company awarded 202,850 Long-Term Incentive Performance Restricted shares, net of forfeitures, under the 2015 Long-Term Incentive Plan, which represents the total shares that could be earned under the maximum performance level of achievement for all three performance periods combined, with approximately one-third related to each respective performance period. The performance goal for the first performance period was established as of the award date on March 3, 2015, as such, for accounting purposes, 67,606 of these shares have a grant date in 2015 and a grant-date fair value per share determined using the closing price of the Company's common stock on the date of grant. The performance targets for the second and third performance periods have not yet been set and will be determined by the Compensation Committee during the first quarter of each respective fiscal year, at which time, for accounting purposes, the grant date and respective grant-date fair value will be determined for those related shares. As the Long-Term Incentive Performance Restricted shares have both a service and a performance condition, the requisite service period over which equity compensation expense will be recognized once the performance condition is probable of achievement begins on the date of grant and extends through December 31, 2017. Based on the Company's progress toward the Adjusted EBITDA performance goal for the first performance period, a percentage of the target performance level for the first performance period is considered probable; as such 20,281 Long-Term Incentive Performance Restricted shares related to the 2015 performance year are considered probable of vesting as of September 30, 2015. Total unrecognized equity compensation expense related to the first performance period expected to be recognized over the remaining vesting term if performance conditions continue to be probable of vesting at the current percentage of the target performance level was approximately $311 as of September 30, 2015. Unrecognized equity compensation expense related to the maximum performance level for the first performance period is an additional $890 as of September 30, 2015. Total unrecognized equity compensation expense related to the second and third performance periods has not been determined as the grant date and grant-date fair value for these awards have not yet occurred for accounting purposes, as such no expense has been recorded related to the second and third performance periods.

Other 2015 Grants

On September 8, 2015, the Company granted its new Chief Creative Officer 2,882 Bonus Performance Restricted shares, 126,689 time-vesting restricted shares and 254,452 nonqualified stock options. The time-vesting restricted shares and nonqualified stock options vest ratably over four years.

On September 1, 2015, in connection with the appointment of the Company's new Chief Financial Officer, the Company granted 4,364 Bonus Performance Restricted shares, 116,076 time-vesting restricted shares and 134,048 nonqualified stock options to the Company's Chief Financial Officer. Also on September 1, 2015, the Company granted 7,738 Long-Term Incentive Performance Restricted shares, 3,869 time-vesting restricted shares and 17,873 nonqualified stock options to the Company's Chief Accounting Officer as compensation for his service as Interim Chief Financial Officer from June 1 through September 1, 2015. The time-vesting restricted shares and the nonqualified stock options vest ratably over four years.

On April 7, 2015, in connection with the appointment of the Company's new President and Chief Executive Officer, the Company granted 27,623 Bonus Performance Restricted shares, 249,875 time-vesting restricted shares and 1,089,324 nonqualified stock options to the Company's President and Chief Executive Officer. The time-vesting restricted shares and the nonqualified stock options vest ratably over four years.

On January 15, 2015, the Company granted 100,000 time-vesting restricted shares to its Interim Chief Executive Officer (the "Interim CEO") in accordance with his appointment to such role. The shares had a grant date fair value per share of $16.50 and a vest date on the earlier of the start date of a new Chief Executive Officer or June 30, 2015. As a new Chief Executive Officer was appointed with a start date of April 7, 2015, these shares fully vested on such date accordingly.

(In thousands, except share and per share amounts)

Also during the nine months ended September 30, 2015, the Company granted 49,284 of time-vesting restricted shares to certain Board members. These shares vest ratably over a three-year term.

2.25x and 2.75x Performance Restricted Shares

The Company has outstanding under both its Omnibus Incentive Plan and its previous incentive plan (the "Pre-IPO Incentive Plan") certain performance-vesting restricted shares consisting of 2.25x and 2.75x Performance Restricted shares. The 2.25x Performance Restricted shares will vest if the employee is employed by the Company when and if certain investment funds affiliated with Blackstone receive cash proceeds (not subject to any clawback, indemnity or similar contractual obligation) in respect of their Partnerships units equal to (x) a 20% annualized effective compounded return rate on such funds' investment and (y) a 2.25x multiple on such funds' investment. The 2.75x Performance Restricted shares will vest if the employee is employed by the Company when and if such funds receive cash proceeds (not subject to any clawback, indemnity or similar contractual obligation) in respect of their Partnerships units equal to (x) a 15% annualized effective compounded return rate on such funds' investment and (y) a 2.75x multiple on such funds' investment.

No equity compensation expense will be recorded related to the 2.25x and 2.75x Performance Restricted shares until their vesting is probable. Accordingly, no equity compensation expense has been recorded during the three and nine months ended September 30, 2015 or 2014 related to these 2.25x and 2.75x Performance Restricted shares. Total unrecognized equity compensation expense as of September 30, 2015, was approximately $28,000 and $16,000 for the 2.25x and 2.75x Performance Restricted shares, respectively.

Based on cash proceeds previously received by certain investment funds affiliated with Blackstone from the Company's initial public offering and subsequent secondary offerings of stock, the Company's repurchase of shares and the cumulative dividends paid by the Company through October 6, 2015, if such funds receive additional future cash proceeds of approximately $4,100 and other vesting conditions are satisfied, the 2.25x Performance Restricted shares will vest. Similarly, if such funds receive additional future cash proceeds of approximately $432,000 and other vesting conditions are satisfied, the 2.75x Performance Restricted shares will vest. As receipt of these future cash proceeds will be primarily related to liquidity events, such as secondary offerings of stock or additional dividends paid to such funds, the shares are not considered probable of vesting until such events are consummated. If the Company's current dividend policy remains in effect, the 2.25x Performance Restricted shares will become probable of vesting in early 2016; therefore, the accumulated dividends and equity compensation expense related to those shares will be recorded at such time accordingly.

12. STOCKHOLDERS' EQUITY

As of September 30, 2015, 90,305,888 shares of common stock were issued on the accompanying unaudited condensed consolidated balance sheet, which excludes 4,267,253 unvested shares of common stock held by certain participants in the Company's equity compensation plans (see Note 11–Equity-Based Compensation) and includes 4,941,938 shares of treasury stock held by the Company.

Dividends

The Board has adopted a policy to pay, subject to legally available funds, a regular quarterly dividend. The payment of cash dividends is within the discretion of the Board and depends on many factors, including, but not limited to, the Company's results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in its debt agreements and in any preferred stock, business prospects and other factors that the Board may deem relevant.

In the nine months ended September 30, 2015, the Board declared or paid quarterly cash dividends to all common stockholders of record as follows:

Record Date	Payment Date	Cash Dividend per Common Share
January 13, 2015	January 22, 2015	$ 0.21
March 13, 2015	April 1, 2015	$ 0.21
June 22, 2015	July 1, 2015	$ 0.21
September 29, 2015	October 6, 2015	$ 0.21

As the Company had an accumulated deficit at the time the March 13 and June 22, 2015 dividends were declared, these dividends were accounted for as a return of capital and recorded as a reduction to additional paid-in capital on the accompanying unaudited condensed consolidated statement of changes in stockholders' equity. Dividends declared to common stockholders were $72,593 in the nine months ended September 30, 2015. The Company expects that for tax purposes, a portion of these dividends will be treated as a return of capital to stockholders.

As of September 30, 2015, the Company had $18,396 of cash dividends recorded as dividends payable in the accompanying unaudited condensed consolidated balance sheet, of which approximately $17,900 was paid on October 6, 2015. The remainder of the dividends payable relates to unvested time restricted shares and unvested performance restricted shares with a performance condition considered probable of being achieved. These shares carry dividend rights and therefore the dividends will be paid as the shares vest in accordance with the underlying stock compensation grants. These dividend rights will be forfeited if the shares do not vest.

Dividends on the 2.25x and 2.75x Performance Restricted shares were approximately $2,820 for each tranche and will accumulate and be paid only if and to the extent these 2.25x and 2.75x Performance Restricted shares vest in accordance with their terms. Dividends on the Bonus Performance Restricted shares were approximately $261 and will accumulate and be paid only if these shares vest in accordance with their terms. Dividends on the Long-Term Incentive Performance Restricted shares related to the first performance period were approximately $43, of which approximately $12 was recorded related to the portion of the shares considered probable of vesting. The remainder will accumulate and be paid only if the respective shares vest in accordance with their terms. The Company does not record a dividend payable when the performance conditions on the related unvested shares are not considered probable of being achieved.

Share Repurchase Program

On August 12, 2014, the Board authorized the repurchase of up to $250,000 of the Company's common stock (the "Share Repurchase Program"). Under the Share Repurchase Program, the Company is authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The Share Repurchase Program has no time limit and may be suspended or discontinued completely at any time. The number of shares to be purchased and the timing of purchases will be based on the level of the Company's cash balances, general business and market conditions, and other factors, including legal requirements, debt covenant restrictions and alternative investment opportunities.

Pursuant to the Share Repurchase Program, during the fourth quarter of 2014, the Company repurchased a total of 855,970 shares of common stock at an average price of $17.50 per share and a total cost of approximately $15,000. The Company paid $5,650 in January 2015 for settlement of shares repurchased in December 2014.

During the third quarter of 2015, the Company repurchased a total of 835,968 shares of common stock at an average price of $17.92 per share and a total cost of approximately $15,000, leaving $220,000 available for future repurchases under the Share Repurchase Program as of September 30, 2015.

Secondary Offerings

In April 2014, the selling stockholders completed an underwritten secondary offering of 17,250,000 shares of common stock. The selling stockholders received all of the net proceeds from the offering and no shares were sold by the Company. In the nine months ended September 30, 2014, the Company incurred fees and expenses of $747, in connection with the secondary offering, which is shown as secondary offering expense on the accompanying unaudited condensed consolidated statements of comprehensive income.

Concurrently with the closing of the secondary offering in April 2014, the Company repurchased 1,750,000 shares of its 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.

All of the repurchased shares from the Share Repurchase Program and shares repurchased directly from the selling stockholders during previous secondary offerings were recorded as treasury stock at a total cost of $124,871 and $109,871 as of September 30, 2015 and December 31, 2014, respectively, and are reflected as a reduction to stockholders' equity on the accompanying unaudited condensed consolidated balance sheets and unaudited condensed consolidated statement of changes in stockholders' equity.

(In thousands, except share and per share amounts)

13. RESTRUCTURING PROGRAM

In December 2014, the Company implemented a restructuring program in an effort to centralize certain functions and reduce duplication to increase efficiencies (the “Restructuring Program”). The Restructuring Program involved the elimination of approximately 300 positions across the Company’s eleven theme parks and corporate headquarters. As a result, the Company has incurred total cumulative costs of $11,834 in pre-tax restructuring and other related costs associated with this Restructuring Program, of which $267 was incurred in the nine months ended September 30, 2015 and $1,196 was incurred in the three and nine months ended September 30, 2014 on the accompanying unaudited condensed consolidated statements of comprehensive income. The costs incurred in the three and nine months ended September 30, 2014 relate primarily to third party consulting costs associated with development of the Company’s cost savings plan and were previously included in selling, general and administrative expenses but were reclassified to restructuring and other related costs in the fourth quarter of 2014 to separately disclose such costs in the statement of comprehensive income. The Company will not incur any additional costs associated with the Restructuring Program as all continuing service obligations were completed as of June 30, 2015.

The Restructuring Program activity for the nine months ended September 30, 2015 was as follows:

	Severance and Other Employment Expenses
Liability as of December 31, 2014	$ 7,691
Costs incurred	267
Payments made	(7,958)
Liability as of September 30, 2015	$ —

Item 2. 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 the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. 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 our Annual Report on Form 10-K, as such risk factors may be updated from time to time in our periodic filings with the SEC. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read “Special Note Regarding Forward-Looking Statements” in this Quarterly Report on Form 10-Q.

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 zoological collection of approximately 89,000 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. During the three months ended September 30, 2015, we hosted approximately 8.4 million guests in our theme parks, including approximately 1.2 million international guests. In the three months ended September 30, 2015, we generated total revenues of $496.9 million and net income of $98.0 million. During the nine months ended September 30, 2015, we hosted approximately 18.1 million guests in our theme parks, including approximately 2.6 million international guests. In the nine months ended September 30, 2015, we generated total revenues of $1.10 billion and net income of $60.2 million.

Key Business Metrics Evaluated by Management

Attendance

We define attendance as the number of guest visits to our theme parks. Attendance drives admissions revenue 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, competitive offerings, weather, global and regional economic conditions, 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 61% and 62% of our total revenue for the three and nine months ended September 30, 2015, respectively. For the third quarter of 2015, we reported $36.39 in admission per capita, representing a slight decrease of 0.2% from the third quarter of 2014. For the nine months ended September 30, 2015, we reported $37.64 in admission per capita, representing a decrease of 2.1% from the nine months ended September 30, 2014. Admission per capita is driven by ticket pricing, the admissions product mix and the park attendance mix. The admissions product mix is defined as the mix of tickets purchased such as single day, multi-day and annual passes and the park attendance mix is defined as the mix of theme parks visited. The mix of theme parks visited can impact admission per capita based on the theme park’s respective pricing.
- *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 three and nine months ended September 30, 2015, food, merchandise and other revenue accounted for approximately 39% and 38% of our total revenue, respectively. For the third quarter of 2015, we reported $22.97 of in-park per capita spending, an increase of 2.0% from the third quarter of 2014. For the nine months ended September 30, 2015, we reported $23.43 of in-park per capita spending, an increase of 0.6% from the nine months ended September 30, 2014. In-park per capita spending is driven by pricing changes, penetration levels (percentage of guests purchasing), new product offerings, the mix of guests (such as local, passholders, domestic or international guests) and the mix of in-park spending.

Trends Affecting Our Results of Operations

In 2014, we experienced negative attendance trends beginning in the second quarter which we believe resulted from a combination of factors affecting our destination parks, including negative media attention in California and a challenging competitive environment in Florida. To address our near term challenges, we adjusted our attraction and marketing plans, launched a new reputation campaign and executed a cost savings plan which is on track to deliver approximately $50.0 million of annual cost savings by the end of 2015 (the “Cost Savings Plan”). The impact of these cost reductions have been offset by normal inflationary increases in labor and other expenses and an increase in marketing spending and legal costs.

Our ability to attract and retain customers depends, in part, upon the external perceptions of our brands and reputation. Adverse publicity concerning our business generally could harm our brands, reputation and results of operations. The considerable expansion in the use of social media over recent years has amplified the impact of negative publicity. Recently, our SeaWorld-branded parks have been the target of negative media attention, particularly in the state of California, and we believe we have experienced demand pressures in California, due to such media attention. We have introduced a number of initiatives, including new marketing and reputation campaigns to address public perceptions, share facts and correct misinformation. We also introduced a number of promotions in an effort to increase demand.

In the first nine months of 2015, we experienced slight attendance growth when compared to the prior year period primarily resulting from an improvement in demand at all but two of our park locations, due to increased promotional offerings, strong passholder visitation and additional consumer event programs, and a favorable operating schedule due to the later timing of Labor Day in 2015. The impact of these factors was largely offset by reduced attendance in Texas and California.

The decline in Texas relates to a reduction in demand and the impact of record levels of rainfall during the second quarter. The decline in demand primarily relates to a reduction in passholder visitation and promotional offerings, along with a lack of significant competitive offerings at this location.

The decline in California primarily relates to continued SeaWorld brand challenges as discussed above. Looking ahead, we remain cautious as we recognize that fully resolving our brand challenges in California requires sustained focus. We expect our marketing and reputation campaigns will be long-term in nature. 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.

Recent Developments

On October 8, 2015, the California Coastal Commission approved the Company’s previously disclosed whale habitat expansion (Blue World Project) in San Diego but with certain conditions. Those conditions may include, among other things, a prohibition against breeding whales or transporting whales to or from the facility. The Company has announced that it intends to file suit to challenge such potentially precedent setting conditions.

Seasonality

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 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 drive attendance during non-peak times by offering a variety of seasonal programs and events, such as shows for kids, 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.

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, 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, competitive offerings, weather, global and regional economic conditions, and consumer confidence. Admission per capita is driven by ticket pricing, the admissions product mix and the park attendance mix. In-park per capita spending is driven by pricing changes, penetration levels (percentage of guests purchasing), new product offerings, the mix of guests (such as local, domestic or international guests) and the mix of in-park spending. For other factors affecting our revenues, see the “Risk Factors” section of our Annual Report on Form 10-K, as such risk factors may be updated from time to time in our periodic filings with the SEC.

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 and 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 the "Risk Factors" section of our Annual Report on Form 10-K, as such risk factors may be updated from time to time in our periodic filings with the SEC.

As part of the Cost Savings Plan, in December 2014, we implemented a restructuring program ("the Restructuring Program") which involved the elimination of approximately 300 positions in an effort to centralize certain functions and reduce duplication to increase efficiencies. For further details, refer to Note 13–Restructuring Program in our notes to the unaudited condensed consolidated financial statements.

We barter theme park admission products for advertising and various other products and services. The fair value of the admission products is recognized into admissions revenue and related expenses at the time of the exchange and approximates the estimated fair value of the goods or services received or provided, whichever is more readily determinable.

Results of Operations

The following discussion provides an analysis of our operating results for the three and nine months ended September 30, 2015 and 2014. This data should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

Comparison of the Three Months Ended September 30, 2015 and 2014

The following table presents key operating and financial information for the three months ended September 30, 2015 and 2014:

	For the Three Months Ended September 30,	
	2015	**2014**
	(Unaudited, in thousands, except per capita data)	
Summary financial data:		
Net revenues:		
Admissions	$ 304,626	$ 306,495
Food, merchandise and other	192,313	189,339
Total revenues	496,939	495,834
Costs and expenses:		
Cost of food, merchandise and other revenues	36,959	38,219
Operating expenses (exclusive of depreciation and amortization shown separately below)	196,931	200,891
Selling, general and administrative	47,684	49,242
Restructuring and other related costs	—	1,196
Depreciation and amortization	44,505	44,371
Total costs and expenses	326,079	333,919
Operating income	170,860	161,915
Other expense (income), net	41	(56)
Interest expense	15,019	20,857
Loss on early extinguishment of debt and write-off of discounts and debt issuance costs	—	461
Income before income taxes	155,800	140,653
Provision for income taxes	57,850	53,477
Net income	$ 97,950	$ 87,176
Other data:		
Attendance	8,371	8,405
Total revenue per capita	$ 59.36	$ 58.99

Admissions revenue. Admissions revenue for the three months ended September 30, 2015 decreased $1.9 million (0.6%) to $304.6 million as compared to $306.5 million for the three months ended September 30, 2014. The decrease in admissions revenue was primarily a result of a decline in attendance of 0.4% when compared to the third quarter of 2014. Attendance decreased as a result of a decline in California and

Texas, largely offset by an increase in demand at the Company's other park locations, related to an increase in promotional offerings, and a favorable operating schedule resulting from the later timing of Labor Day in 2015. The attendance decline in California primarily relates to continued SeaWorld brand challenges, while the decline in Texas primarily relates to a decrease in demand resulting from a reduction in promotional offerings and passholder visitation, along with a lack of significant competitive offerings at this location. Admission per capita decreased slightly by 0.2% to $36.39 for the third quarter of 2015 compared to $36.47 in the prior year quarter.

Food, merchandise and other revenue. Food, merchandise and other revenue for the three months ended September 30, 2015 increased by $3.0 million (1.6%) to $192.3 million as compared to $189.3 million for the three months ended September 30, 2014. This increase was primarily a result of a 2.0% increase in in-park per capita spending to $22.97 in the third quarter of 2015 compared to $22.53 in the third quarter of 2014. In-park per capita spending improved primarily due to pricing increases in culinary offerings.

Costs of food, merchandise and other revenues. Costs of food, merchandise and other revenues for the three months ended September 30, 2015 decreased $1.3 million (3.3%) to $37.0 million as compared to $38.2 million for the three months ended September 30, 2014. These costs represent 19.2% and 20.2% of the related revenue earned for the three months ended September 30, 2015 and 2014, respectively. The decrease as a percent of related revenue primarily resulted from the continued impact of cost reduction initiatives including leveraged buying efforts.

Operating expenses. Operating expenses for the three months ended September 30, 2015 decreased $4.0 million (2.0%) to $196.9 million as compared to $200.9 million for the three months ended September 30, 2014. The decline was primarily a result of cost savings initiatives including a reduction in headcount resulting from the Restructuring Program implemented in December 2014. Operating expenses were 39.6% of total revenues for the three months ended September 30, 2015 compared to 40.5% for the three months ended September 30, 2014.

Selling, general and administrative. Selling, general and administrative expenses for the three months ended September 30, 2015 decreased $1.6 million (3.2%) to $47.7 million as compared to $49.2 million for the three months ended September 30, 2014. The decrease was primarily related to a decline in barter related expenses due to fewer partnership arrangements and barter contracts in place compared to the prior year period, partially offset by incremental equity compensation expense due to new equity grants awarded in 2015 and increased legal costs. The decline in barter related expenses is offset by a comparable decline in admissions revenue. As a percentage of total revenue, selling, general and administrative expenses were 9.6% in the third quarter of 2015 compared to 9.9% in the third quarter of 2014.

Restructuring and other related costs. Restructuring and other related costs for the three months ended September 30, 2014 primarily represent third party consulting costs associated with the development of our Cost Savings Plan. These costs were previously reported as selling, general and administrative expenses but were reclassified to restructuring and other related costs in the fourth quarter of 2014 to separately disclose such costs.

Depreciation and amortization. Depreciation and amortization expense for the three months ended September 30, 2015 increased $0.1 million (0.3%) to $44.5 million as compared to $44.4 million for the three months ended September 30, 2014.

Interest expense. Interest expense for the three months ended September 30, 2015 decreased $5.8 million (28.0%) to $15.0 million as compared to $20.9 million for the three months ended September 30, 2014 due to the redemption of the 11.0% Senior Notes in April 2015 which were replaced with new Term B-3 loans at a lower interest rate (effective rate of 4.33% as of September 30, 2015). See Note 6—Long-Term Debt to our unaudited condensed consolidated financial statements and the "*Our Indebtedness*" section which follows for further details.

Loss on early extinguishment of debt and write-off of discounts and debt issuance costs. Loss on early extinguishment of debt and write-off of discounts and debt issuance costs of $0.5 million for the three months ended September 30, 2014 relates to a write-off of discounts and debt issuance costs related to the voluntary prepayment of $31.5 million on our Senior Secured Credit Facilities during the third quarter of 2014.

Provision for income taxes. The Company reported a provision for income taxes in the three months ended September 30, 2015 of $57.9 million compared to a provision of $53.5 million for the three months ended September 30, 2014. The increase primarily resulted from a higher pretax income in the third quarter of 2015 compared to the third quarter of 2014.

Comparison of the Nine Months Ended September 30, 2015 and 2014

The following table presents key operating and financial information for the nine months ended September 30, 2015 and 2014:

	For the Nine Months Ended September 30,	
	2015	2014
	(Unaudited, in thousands, except per capita data)	
Summary financial data:		
Net revenues:		
Admissions	$ 679,917	$ 693,144
Food, merchandise and other	423,230	420,131
Total revenues	1,103,147	1,113,275
Costs and expenses:		
Cost of food, merchandise and other revenues	83,974	88,630
Operating expenses (exclusive of depreciation and amortization shown separately below)	541,944	557,993
Selling, general and administrative	172,082	152,882
Restructuring and other related costs	267	1,196
Secondary offering costs	—	747
Depreciation and amortization	138,469	128,733
Total costs and expenses	936,736	930,181
Operating income	166,411	183,094
Other expense (income), net	511	(84)
Interest expense	50,929	61,087
Loss on early extinguishment of debt and write-off of discounts and debt issuance costs	20,348	461
Income before income taxes	94,623	121,630
Provision for income taxes	34,462	46,265
Net income	$ 60,161	$ 75,365
Other data:		
Attendance	18,063	18,034
Total revenue per capita	$ 61.07	$ 61.73

Admissions revenue. Admissions revenue for the nine months ended September 30, 2015 decreased $13.2 million (1.9%) to $679.9 million as compared to $693.1 million for the nine months ended September 30, 2014. The decrease in admissions revenue was a result of a 2.1% decrease in admission per capita to $37.64 from $38.44 in the prior year period, slightly offset by a 0.2% increase in attendance. The decline in admission per capita primarily relates to an increase in promotional offerings and passholder visitation along with an unfavorable change in the park attendance mix compared to the prior year period. Attendance for the first nine months of 2015 primarily benefited from an improvement in demand at all but two of our park locations, due to increased promotional offerings, strong passholder visitation and additional consumer event programs, and a favorable operating schedule due to the later timing of Labor Day in 2015. The impact of these factors was largely offset by reduced attendance in Texas and California. The decline in Texas relates to a reduction in demand and the impact of record levels of rainfall during the second quarter. The decline in demand primarily relates to a reduction in passholder visitation and promotional offerings, along with a lack of significant competitive offerings at this location. The decline in California primarily relates to continued SeaWorld brand challenges.

Food, merchandise and other revenue. Food, merchandise and other revenue for the nine months ended September 30, 2015 increased by $3.1 million (0.7%) to $423.2 million as compared to $420.1 million for the nine months ended September 30, 2014. This increase was primarily a result of a 0.6% increase in in-park per capita spending to $23.43 in the first nine months of 2015 from $23.30 in the first nine months of 2014 along with a 0.2% increase in total attendance.

Costs of food, merchandise and other revenues. Costs of food, merchandise and other revenues for the nine months ended September 30, 2015 decreased $4.7 million (5.3%) to $84.0 million as compared to $88.6 million for the nine months ended September 30, 2014. These costs represent 19.8% and 21.1% of the related revenue earned for the nine months ended September 30, 2015 and 2014, respectively. The decrease as a percent of related revenue primarily resulted from the impact of cost reduction initiatives including leveraged buying efforts.

Operating expenses. Operating expenses for the nine months ended September 30, 2015 decreased $16.0 million (2.9%) to $541.9 million as compared to $558.0 million for the nine months ended September 30, 2014. The decrease was primarily a result of cost savings initiatives including a reduction in headcount resulting from the Restructuring Program implemented in December 2014 and a decrease in entertainment-related costs due primarily to reduced show offerings in the first nine months of 2015. Operating expenses were 49.1% of total revenues for the nine months ended September 30, 2015 compared to 50.1% for the nine months ended September 30, 2014.

Selling, general and administrative. Selling, general and administrative expenses for the nine months ended September 30, 2015 increased $19.2 million (12.6%) to $172.1 million as compared to $152.9 million for the nine months ended September 30, 2014. The increase was largely related to additional third party consulting costs, an increase in marketing costs associated with our reputation campaign, an increase in labor costs primarily related to new equity grants awarded in 2015 and an increase in legal fees when compared to the prior year period. As a percentage of total revenue, selling, general and administrative expenses were 15.6% in the nine months ended September 30, 2015 compared to 13.7% in the nine months ended September 30, 2014.

Restructuring and other related costs. Restructuring and other related costs for the nine months ended September 30, 2015 represent salaries and severance for individuals with continuing service obligations through June 2015, which were impacted by the Restructuring Program announced in December 2014. Restructuring and other related costs for the nine months ended September 30, 2014 primarily relate to third party consulting costs associated with development of our Cost Savings Plan. These costs were previously reported as selling, general and administrative expenses but were reclassified to restructuring and other related costs in the fourth quarter of 2014 to separately disclose such costs.

Secondary offering costs. On April 9, 2014, the selling stockholders completed an underwritten secondary offering of our common stock. Pursuant to the Registration Rights Agreement, we paid all expenses related to the offering, other than underwriting discounts and commissions. No shares were sold by us in the secondary offering and the selling stockholders received all of the net proceeds from the offering. In connection with this secondary offering, we incurred fees and expenses of $0.7 million in the nine months ended September 30, 2014.

Depreciation and amortization. Depreciation and amortization expense for the nine months ended September 30, 2015 increased $9.7 million (7.6%) to $138.5 million as compared to $128.7 million for the nine months ended September 30, 2014 due primarily to approximately $5.0 million of accelerated depreciation related to the closure of the *Gwazi* wooden rollercoaster at our Busch Gardens Tampa park along with additional depreciation due to the impact of new asset additions, offset by fully depreciated assets and asset retirements.

Interest expense. Interest expense for the nine months ended September 30, 2015 decreased $10.2 million (16.6%) to $50.9 million as compared to $61.1 million for the nine months ended September 30, 2014 due to the redemption of the 11.0% Senior Notes in April 2015 which were replaced with new Term B-3 loans at a lower interest rate (effective rate of 4.33% as of September 30, 2015). See Note 6—Long-Term Debt to our unaudited condensed consolidated financial statements and the "*Our Indebtedness"* section which follows for further details.

Loss on early extinguishment of debt and write-off of discounts and debt issuance costs. Loss on early extinguishment of debt and write-off of discounts and debt issuance costs of $20.3 million for the nine months ended September 30, 2015 relates to a $14.3 million premium paid for the early redemption of $260.0 million of our Senior Notes, along with a write-off of approximately $6.0 million in related discounts and debt issuance costs. See Note 6–Long-Term Debt to our unaudited condensed consolidated financial statements and the "*Our Indebtedness"* section which follows for further details. Loss on early extinguishment of debt and write-off of discounts and debt issuance costs of $0.5 million for the nine months ended September 30, 2014 relates to a write-off in discounts and debt issuance costs related to the voluntary prepayment of $31.5 million on our Senior Secured Credit Facilities during the third quarter of 2014.

Provision for income taxes. The provision for income taxes for the nine months ended September 30, 2015 decreased $11.8 million (25.5%) to $34.5 million as compared to a provision for income taxes of $46.3 million for the nine months ended September 30, 2014. The decrease resulted primarily from the impact of a lower pretax income in the first nine months of 2015 and to a lesser extent a decrease in our effective income tax rate from 38.0% to 36.4%. Our effective income tax rate decreased compared to 2014 primarily due to state income taxes and the impact of various permanent items.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash generated from operations, funds from borrowings and existing cash on hand. Our principal uses of cash include the funding of working capital obligations, debt service, investments in theme parks (including capital projects), and common stock dividends. As of September 30, 2015, we had a working capital deficit of approximately $23.0 million. We typically operate with a working capital deficit and we expect that we will continue to have working capital deficits in the future. The working capital deficits are due in part to a significant deferred revenue balance from revenues paid in advance for our theme park admissions products and high turnover of in-park products that results in a limited inventory balance. Our cash flow from operations, along with our revolving credit facilities, have allowed us to meet our liquidity needs while maintaining a working capital deficit.

As market conditions warrant and subject to our contractual restrictions and liquidity position, we, our affiliates and/or our major stockholders, including Blackstone and its affiliates, may from time to time repurchase our outstanding equity and/or debt securities, including our outstanding bank loans in privately negotiated or open market transactions, by tender offer or otherwise. Any such repurchases may be funded by incurring new debt, including additional borrowings under the Senior Secured Credit Facilities. Any new debt may also be secured debt. We may also use available cash on our balance sheet. The amounts involved in any such transactions, individually or in the aggregate, may be material. Further, since some of our debt may trade at a discount to the face amount among current or future syndicate members, any such purchases may result in our acquiring and retiring a substantial amount of any particular series, with the attendant reduction in the trading liquidity of any such series.

Dividends

The Company's Board of Directors (the "Board") has adopted a policy to pay, subject to legally available funds, a regular quarterly dividend. Dividends paid to stockholders were $54.4 million in the nine months ended September 30, 2015, related primarily to dividend declarations to stockholders of record as of January 13, March 13 and June 22, 2015. On October 6, 2015, an additional $17.9 million in dividends were paid related to a dividend declaration to stockholders of record as of September 29, 2015. The amount and timing of any future dividends payable on our common stock is within the sole discretion of the Board. The Company expects that for tax purposes, a portion of the dividends paid in 2015 will be treated as a return of capital to stockholders.

Approximately $0.5 million of dividends declared through September 30, 2015 relate to unvested time restricted shares and unvested performance restricted shares with a performance condition considered probable of being achieved and will be paid if the awards vest in accordance with their terms. Dividends on certain performance-vesting restricted share awards that are not considered probable of vesting were approximately $5.9 million and will accumulate and be paid only if and to the extent the shares vest in accordance with their terms.

See Note 12—Stockholders' Equity to our unaudited condensed consolidated financial statements for further details on our dividend activity and the "*Covenant Compliance"* section which follows for further details on covenants that could restrict our ability to make certain restricted payments, including dividend payments and share repurchases.

Share Repurchases

On August 12, 2014, our Board authorized a share repurchase program of up to $250.0 million of our common stock (the "Share Repurchase Program"). Under the Share Repurchase Program, the Company is authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The Share Repurchase Program has no time limit and may be suspended or discontinued completely at any time. The number of shares to be purchased and the timing of purchases will be based on the level of the Company's cash balances, general business and market conditions, and other factors, including legal requirements, debt covenant restrictions and alternative investment opportunities.

Pursuant to the Share Repurchase Program, during the fourth quarter of 2014, we repurchased a total of 855,970 shares of common stock at an average price of $17.50 per share and a total cost of approximately $15.0 million. In January 2015, we paid $5.7 million for settlement of shares repurchased in December 2014. During the third quarter of 2015, we repurchased a total of 835,968 shares of common stock at an average price of $17.92 per share and a total cost of approximately $15.0 million, leaving $220.0 million available for future repurchases under the Share Repurchase Program.

Other

In June 2015, we entered into five forward interest rate swap agreements ("the Forward Swaps") to effectively fix the interest rate on the three month LIBOR-indexed interest payments associated with $1.0 billion of our outstanding long-term debt. The Forward Swaps have an effective date of September 30, 2016, have a total notional amount of $1.0 billion and mature on May 14, 2020.

In April 2015, we executed a new interest rate swap agreement to effectively fix the interest rate on $250.0 million of the Term B-3 Loans under the Senior Secured Credit Facilities, as defined below. The interest rate swap became effective on June 30, 2015, has a notional amount of $250.0 million and is scheduled to mature on September 30, 2016. See Note 6–Long-Term Debt and Note 7—Derivative Instruments and Hedging Activities to our unaudited condensed consolidated financial statements for further details.

Subsequent to September 30, 2015, we made a voluntary principal repayment of approximately $30.0 million on the Term B-3 Loans with available cash on hand. See Note 6—Long-Term Debt to our unaudited condensed consolidated financial statements for further details.

We believe that existing cash and cash equivalents, cash flow from operations, and available borrowings under the Revolving Credit Facility will be adequate to meet the capital expenditures, dividends and working capital requirements of our operations for at least the next 12 months.

The following table presents a summary of our cash flows provided by (used in) operating, investing, and financing activities for the periods indicated:

	For the Nine Months Ended September 30,	
	2015	2014
	(Unaudited, in thousands)	
Net cash provided by operating activities	$ 279,920	$ 269,939
Net cash used in investing activities	(117,508)	(125,082)
Net cash used in financing activities	(86,667)	(146,506)
Net increase (decrease) in cash and cash equivalents	$ 75,745	$ (1,649)

Cash Flows from Operating Activities

Net cash provided by operating activities was $279.9 million during the nine months ended September 30, 2015 as compared to $269.9 million during the nine months ended September 30, 2014. The change in net cash provided by operating activities was primarily impacted by a reduction in costs, offset by a decrease in revenue when compared to the prior period.

Cash Flows from Investing Activities

Investing activities consist principally of capital investments we make in our theme parks for future attractions and infrastructure. Net cash used in investing activities during the nine months ended September 30, 2015 consisted primarily of capital expenditures of $117.1 million largely related to future attractions. Net cash used in investing activities during the nine months ended September 30, 2014 consisted primarily of $122.8 million of capital expenditures largely related to attractions that opened in 2015.

The amount of our capital expenditures may be affected by general economic and financial conditions, among other things, including restrictions imposed by our borrowing arrangements. We generally expect to fund our capital expenditures through our operating cash flow.

Cash Flows from Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2015 was primarily attributable to $271.9 million in repayment of long-term debt, which included the early redemption of $260.0 million of our Senior Notes, $54.4 million in cash dividends paid to common stockholders, $20.7 million used for treasury stock purchases of which $5.7 million related to repurchases from December 2014 that settled in January 2015, $14.3 million paid as a redemption premium related to the Senior Notes, and $4.6 million paid in debt issuance costs related to the new Term B-3 Loans, offset by $280.0 million in proceeds from the issuance of the Term B-3 Loans under the Senior Secured Credit Facilities, as defined below.

Net cash used in financing activities during the nine months ended September 30, 2014 was primarily attributable to $53.6 million in cash dividends paid to common stockholders, $50.7 million used to repurchase 1.75 million shares of our common stock and $42.0 million paid on our Term B-2 Loan under the Senior Secured Credit Facilities, as defined below, which included a voluntary prepayment of $31.5 million.

Our Indebtedness

The Company is a holding company and conducts its operations through its subsidiaries, which have incurred or guaranteed indebtedness as described below.

Senior Secured Credit Facilities

SeaWorld Parks & Entertainment, Inc. (“SEA”) is the borrower under our senior secured credit facilities (the “Senior Secured Credit Facilities”) pursuant to a credit agreement dated as of December 1, 2009, by and among SEA, as borrower, Bank of America, N.A., as administrative agent, collateral agent, letter of credit issuer and swing line lender and the other agents and lenders party thereto, as the same may be amended, restated, supplemented or modified from time to time. Also on December 1, 2009, SEA issued $400.0 million aggregate principal amount of unsecured senior notes which were due December 1, 2016 (the “Senior Notes”).

On March 30, 2015, SEA entered into an incremental term loan amendment, Amendment No. 7 (the “Incremental Amendment”) to its existing Senior Secured Credit Facilities. On April 7, 2015, SEA borrowed $280.0 million of additional term loans (the “Term B-3 Loans”) pursuant to the Incremental Amendment. The proceeds, along with cash on hand, were used to redeem all of the $260.0 million outstanding principal of the Senior Notes at a redemption price of 105.5% plus accrued and unpaid interest and pay fees, costs and other expenses in connection with the Term B-3 Loans. The redemption premium of $14.3 million along with a write-off of approximately $6.0 million in related discounts and debt issuance costs is included in the loss on early extinguishment of debt and write-off of discounts and debt issuance costs on the accompanying unaudited condensed consolidated statements of comprehensive income for the nine months ended September 30, 2015.

As of September 30, 2015, our Senior Secured Credit Facilities consisted of a $1,341.9 million senior secured term loan facility (the “Term B-2 Loans”), and $278.6 million in Term B-3 Loans which will mature on May 14, 2020 along with a $192.5 million senior secured revolving credit facility (the “Revolving Credit Facility”), which was not drawn upon as of September 30, 2015. The Revolving Credit Facility will mature on the earlier of (a) April 24, 2018 and (b) the 91st day prior to the maturity date of any indebtedness incurred to refinance any of the term loans, and includes borrowing capacity available for letters of credit and for short-term borrowings referred to as the swing line borrowings. As of September 30, 2015, SEA had approximately $18.0 million of outstanding letters of credit, leaving approximately $174.5 million available for borrowing.

The obligations under our Senior Secured Credit Facilities are fully, unconditionally and irrevocably guaranteed by each of the Company, any subsidiary of the Company that directly or indirectly owns 100% of the issued and outstanding equity interests of SEA, and, subject to certain exceptions, each of SEA’s existing and future material domestic wholly-owned subsidiaries (collectively, the “Guarantors”). Our Senior Secured Credit Facilities are collateralized by first priority or equivalent security interests in (i) all the capital stock of, or other equity interests in, substantially all SEA’s direct or indirect material wholly-owned domestic subsidiaries (subject to certain exceptions and qualifications) and 65% of the capital stock of, or other equity interests in, any of SEA’s first tier foreign subsidiaries and (ii) certain tangible and intangible assets of SEA and those of the Guarantors (subject to certain exceptions and qualifications).

Our Senior Secured Credit Facilities contain a number of customary negative covenants. Such covenants, among other things, restrict, subject to certain exceptions, the ability of SEA and its restricted subsidiaries to incur additional indebtedness; make guarantees; create liens on assets; enter into sale and leaseback transactions; engage in mergers or consolidations; sell assets; make fundamental changes; pay dividends and distributions or repurchase SEA’s capital stock; make investments, loans and advances, including acquisitions; engage in certain transactions with affiliates; make changes in nature of the business; and make prepayments of junior debt. Our Senior Secured Credit Facilities also contain covenants requiring SEA to maintain specified maximum annual capital expenditures, a maximum total net leverage ratio and a minimum interest coverage ratio.

See Note 6—Long-Term Debt to our unaudited condensed consolidated financial statements for further details concerning our long-term debt.

Covenant Compliance

As of September 30, 2015, we were in compliance with all covenants in the credit agreement governing the Senior Secured Credit Facilities.

The credit agreement governing the Senior Secured Credit Facilities provide for certain events of default which, if any of them were to occur, would permit or require the principal of and accrued interest, if any, on the loans under the Senior Secured Credit Facilities to become or be declared due and payable (subject, in some cases, to specified grace periods).

Under the credit agreement governing the 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 covenant Adjusted EBITDA.

The Senior Secured Credit Facilities generally defines “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 Senior Secured Credit Facilities. Adjusted EBITDA as defined in the Senior Secured Credit Facilities is consistent with our reported Adjusted EBITDA.

The Senior Secured Credit Facilities contain a number of covenants that, among other things, restrict our ability and the ability of our restricted subsidiaries to, among other things, make certain restricted payments (as defined in the Senior Secured Credit Facilities), including dividend payments and share repurchases. See Note 6–Long-Term Debt to our unaudited condensed consolidated financial statements for further details concerning the calculation of the Total Leverage Ratio (as defined in the Senior Secured Credit Facilities). As of September 30, 2015, the Total Leverage Ratio as calculated under the Senior Secured Credit Facilities was 4.13 to 1.00, which results in a $120.0 million capacity for restricted payments in 2015. During the nine months ended September 30, 2015, we have used approximately $87.7 million of our available restricted payments capacity. As a result, we currently have the ability to declare dividends or make certain other restricted payments in an aggregate amount of up to approximately $32.3 million for the remainder of calendar year 2015. The amount available for dividend declarations, share repurchases and certain other restricted payments under the covenant restrictions in the debt agreements adjusts at the beginning of each quarter as set forth in Note 6—Long-Term Debt to our unaudited condensed consolidated financial statements.

Adjusted EBITDA

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 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 requirements, 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. Adjusted EBITDA eliminates the effect of certain non-cash depreciation of tangible assets and amortization of intangible assets, along with the effects of interest rates and changes in capitalization which management believes may not necessarily be indicative of a company's underlying operating performance.

Adjusted EBITDA is not a recognized term under accounting principles generally accepted in the United States of America ("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.

The following table reconciles Adjusted EBITDA to net income for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
	(Unaudited, in thousands)			
Net income	$ 97,950	$ 87,176	$ 60,161	$ 75,365
Provision for income taxes	57,850	53,477	34,462	46,265
Loss on early extinguishment of debt and write-off of discounts and debt issuance costs (a)	—	461	20,348	461
Interest expense	15,019	20,857	50,929	61,087
Depreciation and amortization	44,505	44,371	138,469	128,733
Secondary offering costs (b)	—	—	—	747
Equity-based compensation expense (c)	1,549	570	4,800	1,905
Other unusual items, net of tax of $193 (d)	307	—	307	—
Other adjusting items (e)	—	1,620	—	3,898
Other non-cash expenses (f)	280	602	4,310	1,695
Adjusted EBITDA (g)	$217,460	$209,134	$313,786	$320,156

(a) Reflects a $14.3 million premium paid for the early redemption in April 2015 of $260.0 million of our Senior Notes, along with a write-off of approximately $6.0 million in related discounts and debt issuance costs in the nine months ended September 30, 2015. For the three and nine months ended September 30, 2014, reflects the write-off of discounts and debt issuance costs relating to the voluntary prepayment of $31.5 million on our Senior Secured Credit Facilities.

(b) Reflects fees and expenses incurred in connection with the secondary offering of our common stock in April 2014. Pursuant to the Registration Rights Agreement, we paid all expenses related to the offering, other than underwriting discounts and commissions. No shares were sold by us in the secondary offering and the selling stockholders received all of the net proceeds from the offering.
(c) Reflects non-cash compensation expense associated with the grants of equity compensation.
(d) Reflects the impact of certain items during the three and nine months ended September 30, 2015 which we are permitted to exclude, net of tax, under the credit agreement governing our senior secured credit facilities due to the unusual nature of the items.
(e) Reflects certain non-recurring product and intellectual property development costs and certain restructuring and other related costs incurred in the three and nine months ended September 30, 2014. The restructuring and other related costs primarily represent third party consulting costs associated with the development of our Cost Savings Plan. The Adjusted EBITDA covenant calculations presented in the table above do not reflect certain other adjusting items incurred in the three and nine months ended September 30, 2015 as described in footnote (g) below.
(f) Reflects non-cash expenses related to miscellaneous asset write-offs and non-cash losses on derivatives.
(g) For covenant calculation purposes under our credit agreement, the amount which we are able to add back to Adjusted EBITDA for restructuring and other related costs and certain other adjusting items, including product and intellectual property development costs, is limited to $10.0 million for any four consecutive quarters (with certain unused amounts carried over from the prior fiscal year). Due to these limitations, the Adjusted EBITDA covenant calculations presented in the table above do not reflect $0.3 million related to restructuring and other related costs in the nine months ended September 30, 2015, and $1.3 million and $2.5 million of product and intellectual property development costs incurred in the three and nine months ended September 30, 2015, respectively.

Contractual Obligations

There have been no material changes to our contractual obligations from those previously disclosed in our Annual Report on Form 10-K other than the long-term debt and interest obligations due to our subsequent borrowings of Term B-3 Loans and redemption of our Senior Notes on April 7, 2015. As a result of these changes, our long-term debt obligations as of September 30, 2015, not including any possible prepayments are as follows for the less than one year, 1-3 year, and 3-5 year periods, respectively (in thousands): $16,850; $33,700; and $1,569,950. Our estimated future interest payments for our Senior Secured Credit Facilities based on interest rates in effect at September 30, 2015 are as follows for the less than one year, 1-3 year, and 3-5 year periods, respectively (in thousands): $55,139; $135,634; and $105,975. Interest obligations also include letter of credit and commitment fees for the used and unused portions of our Revolving Credit Facility. Subsequent to September 30, 2015, we made a voluntary principal repayment of approximately $30.0 million on the Term B-3 Loans with available cash on hand. See Note 6-Long-Term Debt to our unaudited condensed consolidated financial statements therein for further discussion.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, revenues and expenses, and disclosure of contingencies during the reporting period. Significant estimates and assumptions include the valuation and useful lives of long-lived tangible and intangible assets, the valuation of goodwill and other indefinite-lived intangible assets, the accounting for income taxes, the accounting for self-insurance, revenue recognition and equity-based compensation. Actual results could differ from those estimates. The critical accounting estimates associated with these policies are described in our Annual Report on Form 10-K under "Management's Discussion and Analysis of Financial Condition and Results of Operations." These critical accounting policies include property and equipment, impairment of long-lived assets, goodwill and other indefinite-lived intangible assets, accounting for income taxes, self-insurance reserves, and revenue recognition. There have been no material changes to our significant accounting policies as compared to the significant accounting policies described in our Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of September 30, 2015.

Recently Issued Financial Accounting Standards

Refer to Note 2—Recently Issued Accounting Pronouncements, in our notes to the unaudited condensed consolidated financial statements for further details.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Inflation

Historically, the impact of inflation has affected, and will continue to affect, our operations significantly. Our costs of food, merchandise and other revenues are influenced by inflation and fluctuations in global commodity prices. In addition, costs for construction, repairs and maintenance are all subject to inflationary pressures.

Interest Rate Risk

We are exposed to market risks from fluctuations in interest rates, and to a lesser extent on currency exchange rates, from time to time, on imported rides and equipment. The objective of our financial risk management is to reduce the potential negative impact of interest rate and foreign currency exchange rate fluctuations to acceptable levels. We do not acquire market risk sensitive instruments for trading purposes.

We manage interest rate risk through the use of a combination of fixed-rate long-term debt and interest rate swaps that fix a portion of our variable-rate long-term debt.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive loss and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. Amounts reported in accumulated other comprehensive loss related to derivatives will be reclassified to interest expense as interest payments are made on our variable-rate debt. During the next 12 months, our estimate is that an additional $3.3 million will be reclassified as an increase to interest expense.

After considering the impact of interest rate swap agreements, at September 30, 2015, approximately $1,250.0 million of our outstanding long-term debt represents fixed-rate debt and approximately $370.5 million represents variable-rate debt. Assuming an average balance on our revolving credit borrowings of approximately $40.0 million, a hypothetical 100 bps increase in 3 month LIBOR on our variable-rate debt would lead to an increase of approximately $2.5 million in annual cash interest costs due to the impact of our fixed-rate swap agreements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), require public companies, including us, to maintain "disclosure controls and procedures," which are defined in Rule 13a-15(e) and Rule 15d-15(e) to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required or necessary disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. Our principal executive officer and principal financial officer have concluded, based on the evaluation of the effectiveness of the disclosure controls and procedures by our management as of the end of the fiscal quarter covered by this Quarterly Report, that our disclosure controls and procedures were effective to accomplish their objectives at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

Regulations under the Exchange Act require public companies, including our Company, to evaluate any change in our "internal control over financial reporting" as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act. There have been no changes in our internal control over financial reporting during the fiscal quarter covered by this Quarterly Report that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10—Commitments and Contingencies to our unaudited condensed consolidated financial statements for further details concerning our legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in Item 1A. to Part I of our Annual Report on Form 10-K, as filed on February 27, 2015, except as noted below and except to the extent factual information disclosed elsewhere in this Quarterly Report on Form 10-Q relates to such risk factors.

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. Also, on July 16, 2015, Senator Dianne Feinstein (D-CA) offered an amendment to the Fiscal Year 2016 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies spending bill as passed by the full Committee on Appropriations. If enacted, the amendment would direct the Animal and Plant Health Inspection Service (APHIS) to issue updated regulations for the display of marine mammals in domestic zoos and aquaria within six months of enactment. It is unclear whether the language of the amendment may be further modified or if the underlying legislation will be enacted into law. On August 28, 2015, APHIS resubmitted to the Office of Management and Budget (OMB) previously submitted proposed rules entitled “Animal Welfare Marine Mammals; Nonconsensus Language and Interactive Programs” which could, in effect, revise or amend the existing APHIS rules for the display of and interaction with marine mammals at zoos and aquaria. It is uncertain what action will be taken by either OMB in commenting on such proposed rules or by APHIS after receiving comments from OMB on such proposed rules. In the event APHIS decides to proceed with such proposed rules (with such revisions as they may deem appropriate) APHIS would then publish such proposed rules for public comment by all stakeholders including the Company. Such rules could impact the way and manner the Company’s marine mammals are displayed and its interaction programs.

More recently, on October 8, 2015, the California Coastal Commission approved our previously disclosed whale habitat expansion—Blue World Project—at SeaWorld San Diego but with certain conditions. Those conditions may include, among other things, a prohibition against breeding whales at or transporting whales to or from the SeaWorld San Diego facility. We have not yet received the California Coastal Commission’s final regulations on this matter but we intend to pursue legal action and challenge these conditions on the grounds that animal welfare is governed by federal and state laws that do not fall within the jurisdiction of the California Coastal Commission. An unfavorable decision in such action may establish a legal precedent for the California Coastal Commission to impose additional conditions when approving capital projects at SeaWorld San Diego, including the Blue World Project, which could create unexpected costs associated with such projects or cause us to delay or abandon such projects.

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. At times, activists and other third-party groups have also attempted to generate negative publicity related to our relationships with our business partners, such as corporate sponsors, promotional partners, vendors, ticket resellers and others. For example, in 2014, we experienced demand pressures, particularly in California, which we believe were partly due to media attention relating to the recent legislation proposed in that state. In addition, we experienced increased media attention in 2014 extending to our relationships with some of our business partners.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company had no unregistered sales of equity securities during the third quarter of 2015. The following table sets forth information with respect to shares of our common stock purchased by the Company during the periods indicated:

Period Beginning	Period Ending	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (2)
July 1, 2015	July 31, 2015	38	$ 18.09	—	$ 235,000,000
August 1, 2015	August 31, 2015	38	$ 18.06	—	$ 235,000,000
September 1, 2015	September 30, 2015	835,999	$ 17.94	835,968	$ 220,000,016
		836,075		835,968	$ 220,000,016

(1) All purchases, except as noted in footnote (2) below, were made pursuant to the Company's Omnibus Incentive Plan, under which participants may satisfy tax withholding obligations incurred upon the vesting of restricted stock by requesting the Company to withhold shares with a value equal to the amount of the withholding obligation.

(2) During the third quarter of 2015, the Company repurchased a total of 835,968 shares of common stock at an average price of $17.92 per share and a total cost of approximately $15.0 million, leaving $220.0 million available for future repurchases under the Share Repurchase Program.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Plans

Our policy governing transactions in our securities by our directors, officers and employees permits such persons to adopt stock trading plans pursuant to Rule 10b5-1 promulgated by the SEC under the Exchange Act. Our directors, officers and employees have in the past and may from time to time establish such stock trading plans. We do not undertake any obligation to disclose, or to update or revise any disclosure regarding, any such plans and specifically do not undertake to disclose the adoption, amendment, termination or expiration of any such plans.

Iran Threat Reduction and Syria Human Rights Act of 2012

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, the Company hereby incorporates by reference herein Exhibit 99.1 of this report, which includes disclosures publicly filed and/or provided to Blackstone, an affiliate of our major stockholders, by Travelport Worldwide Limited and Hilton Worldwide Holdings, Inc., which may be considered the Company's affiliates.

Change in Title of Named Executive Officer

On November 4, 2015, the Board of Directors of the Company approved a change in title for G. Anthony (Tony) Taylor, with such change becoming effective immediately. Mr. Taylor's title has been changed from Chief Legal and Corporate Affairs Officer, General Counsel and Corporate Secretary to Chief Legal Officer, General Counsel and Corporate Secretary to reflect that the Company's Senior Corporate Affairs Officer, Jill Kermes, will now report directly to the Company's Chief Executive Officer. No salary or other compensation changes were made in connection with Mr. Taylor's change in title and responsibilities.

Item 6. Exhibits

See Exhibit Index immediately following signature page hereto, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	SEAWORLD ENTERTAINMENT, INC. (Registrant)
Date: November 6, 2015	By: /s/ Peter J. Crage Peter J. Crage *Chief Financial Officer* (Principal Financial Officer)
Date: November 6, 2015	By: /s/ Marc G. Swanson Marc G. Swanson *Chief Accounting Officer* (Principal Accounting Officer)

EXHIBIT INDEX

The following is a list of all exhibits filed or furnished as part of this report:

Exhibit No.	Description
10.1†*	Employment Agreement, dated August 16, 2015, by and between SeaWorld Entertainment, Inc. and Anthony Esparza
10.2†	Employment Agreement, dated August 17, 2015, between SeaWorld Entertainment, Inc. and Peter J. Crage (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 17, 2015) (No. 001-35883)
31.1*	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1*	Section 13(r) Disclosure
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

† Identifies exhibits that consist of a management contract or compensatory plan or arrangement.
* Filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit 10.1

EXECUTION VERSION

EXECUTIVE EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of this 16th day of August 2015, by and between SeaWorld Entertainment, Inc., a Delaware corporation (the "Company"), and Anthony Esparza (the "Executive").

W I T N E S S E T H :

WHEREAS, the Company desires to employ Executive and to enter into this Agreement embodying the terms of such employment, and Executive desires to enter into this Agreement and to be employed by the Company, subject to the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and Executive hereby agree as follows:

Section 1. Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meaning set forth on Appendix A, attached hereto.

Section 2. Acceptance and Term of Employment.

(a) The Company agrees to employ Executive, and Executive agrees to serve the Company, on the terms and conditions set forth herein. The Term of Employment shall commence on September 8, 2015 (the "Commencement Date") and continue until the third anniversary of the Commencement Date, unless earlier terminated as provided in Section 7 hereof (the "Term of Employment").

(b) Notwithstanding the foregoing and for the avoidance of doubt, if the Executive continues employment with the Company following the expiration of the Term of Employment, (i) such employment shall constitute "at will" employment and may be terminated at any time by either party upon written notice and, notwithstanding Section 22 hereof, (ii) the provisions of Section 7 shall not apply to such "at-will" employment and no longer be of further force or effect, and (iii) Executive shall become a participant in the Company's Key Employee Severance Plan (or a successor plan) and be subject to terms and conditions of such plan.

Section 3. Position, Duties, and Responsibilities; Place of Performance.

(a) Position, Duties, and Responsibilities. During the Term of Employment, Executive shall be employed and serve as the Chief Creative Officer of the Company (together with such other position or positions consistent with Executive's title as the Chief Executive Officer shall specify from time to time) and shall have such duties and responsibilities commensurate with such title and as the Chief Executive Officer may designate from time to time. If requested by the Company, Executive also agrees to serve as an officer and/or director of any other member of the Company Group, in each case without additional compensation. The Executive shall be based at the Company's corporate headquarters in Orlando, Florida.

(b) Performance. Executive shall devote his full business time, attention, skill, and best efforts to the performance of his duties under this Agreement and shall not engage in any other business or occupation during the Term of Employment, including, without limitation, any activity that (x) conflicts with the interests of the Company or any other member of the Company Group, (y) interferes with the proper and efficient performance of Executive's duties for the Company, or (z) interferes with Executive's exercise of judgment in the Company's best interests. Notwithstanding the foregoing, nothing herein shall preclude Executive from (i) serving as a member of the boards of directors or advisory boards (or their equivalents in the case of a non-corporate entity) of charitable organizations or, with the prior written consent of the Board following a recommendation from the Nominating and Governance Committee of the Board, of noncompeting businesses, (ii) engaging in charitable activities and community affairs, and (iii) managing his personal investments and affairs; *provided*, *however*, that the activities set out in clauses (i), (ii), and (iii) shall be limited by Executive so as not to materially interfere, individually or in the aggregate, with the performance of his duties and responsibilities hereunder.

Section 4. Compensation.

During the Term of Employment, Executive shall be entitled to the following compensation:

(a) Base Salary. Executive shall initially be paid an annualized Base Salary, payable in accordance with the regular payroll practices of the Company, of $325,000. No less frequently than annually, the Executive's Base Salary shall be reviewed by the Compensation Committee who may (but is not obligated to) adjust such Base Salary in its sole discretion; *provided* that Base Salary shall not be decreased. Any such increased Base Salary shall be the Executive's "Base Salary" for all purposes under this Agreement.

(b) Annual Bonus. During the Term of Employment, Executive shall be eligible to participate in the annual bonus plan adopted by the Company from time to time (the "Annual Bonus Plan"), pursuant to which Executive shall be eligible to receive an annual incentive bonus award for the current fiscal year, and for each subsequent year during the Term of Employment (the "Annual Bonus"). The target Annual Bonus for each such fiscal year (the "Target Annual Bonus") shall be not less than 100% of Base Salary, with the actual Annual Bonus payable under the Annual Bonus Plan being based upon the level of achievement of Company and/or individual performance objectives for such fiscal year, as established by the Compensation Committee and communicated to Executive; provided that for fiscal year 2015, the target bonus opportunity will be pro-rated based on the Commencement Date and portion of the fiscal year Executive is employed with the Company. The Annual Bonus shall otherwise be subject to the terms and conditions of the Annual Bonus Plan. Any earned Annual Bonus for a fiscal year shall be paid to the Executive at the same time as annual bonuses are generally payable to other senior executives of the Company, subject to Executive's continuous employment through the applicable performance period, but in no event later than the 15th day of the third month following the close of such fiscal year, unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(c) Annual Equity Awards. During the Term of Employment, (i) Executive will be eligible to participate in the long-term equity incentive plan(s) adopted by the Company from time to time, including without limitation, under the Company's 2013 Omnibus Incentive Plan (as applicable, the "Equity Plan") and (ii) commencing with fiscal year 2016 and for each fiscal year thereafter, the Executive shall be a participant in the Company's long term equity compensation program with a long term equity award target value equal to $325,000 (based on grant date fair market value of the Company's common stock ("Common Stock") underlying such awards) subject to such vesting and other terms and conditions as the Compensation Committee shall determine and otherwise, in all respects, subject to the Compensation Committee's annual compensation review discretion and in accordance with the Company's Equity Award Grant Policy, in effect from time to time.

(d) Sign-On Restricted Stock Grant. As soon as practicable following the Commencement Date, Executive shall receive a one-time grant (the "Sign-On Restricted Stock Grant") of restricted shares of Common Stock with a value on the Commencement Date equal to $2,250,000. The Sign-On Restricted Stock Grant shall vest in four equal annual (25%) installments over the first four anniversaries of the date of grant so long as the Executive remains employed by the Company through such dates.

(e) Sign-On Option Grant. As soon as practicable following the Commencement Date, Executive shall receive a one-time grant (the "Sign-On Option Grant") of options to acquire shares of Common Stock at an exercise price per share equal to the fair market value of such shares on the date of grant and calculated in accordance with the applicable Equity Plan. The Sign-On Option Grant shall cover a number of shares of Common Stock resulting in a grant date fair value equal to $1,000,000 based on a Black-Scholes calculation. The Sign-On Option Grant shall vest in four equal annual (25%) installments over the first four anniversaries of the date of grant so long as the Executive remains employed by the Company through such dates.

(f) Sign-On Cash Bonus. Executive shall receive a one-time cash bonus in an amount equal to $10,000 payable on the Company's first regularly scheduled payroll date following the Commencement Date.

(g) Supplemental Bonus. Subject to Executive's continued employment with the Company through March 15, 2016, Executive shall receive a one-time cash bonus in an amount equal to $275,000 payable on the Company's regularly scheduled payroll date on March 15, 2016.

Section 5. Employee Benefits; Vacation.

(a) During the Term of Employment, Executive shall be entitled to participate in health, insurance, retirement, annual leave and time-off, and other benefits provided generally to similarly situated executive officers of the Company. Executive shall also be entitled to the same number of holidays, vacation days, and sick days, as well as any other benefits, in each case as are generally allowed to similarly situated executive officers of the Company in accordance with the Company policy as in effect from time to time. Nothing contained herein shall be construed to limit the Company's ability to amend, suspend, or terminate any employee benefit plan or policy at any time without providing Executive notice, and the right to do so is expressly reserved.

(b) Notwithstanding anything to the contrary in Section 5(a), during the Term of Employment, Executive shall be entitled to four (4) weeks of annual paid vacation days, which shall accrue and be usable in accordance with Company policy, as in effect from time to time; *provided* that for fiscal year 2015, Executive's annual paid vacation shall be prorated based on the Commencement Date and portion of the fiscal year Executive is employed with the Company.

Section 6. Reimbursement of Expenses.

(a) Business Expenses. Executive is authorized to incur reasonable business expenses in carrying out his duties and responsibilities under this Agreement, and the Company shall promptly reimburse him for all such reasonable business expenses, subject to documentation in accordance with the Company's policies, as in effect from time to time.

(b) Relocation Expenses. The Company will reimburse Executive for reasonable and documented travel expenses for Executive in accordance with the Company's executive relocation policy, in effect from time to time (the "Relocation Policy"). Notwithstanding anything to the contrary in the Relocation Policy, the Company will (i) extend the home sale/purchase program under the Relocation Policy beyond the one-year period described in the Relocation Policy, as necessary, to the extent Executive permanently relocates to Orlando, Florida subsequent to such one-year period and (ii) will reimburse Executive for the cost of reasonable, documented and temporary housing accommodations in the Orlando, Florida metropolitan area that are provided in accordance with the Relocation Policy and for the period from the Commencement Date through April 30, 2016.

Section 7. Termination of Employment.

(a) General. The Term of Employment shall terminate earlier than as provided in Section 2 hereof upon the earliest to occur of (i) Executive's death, (ii) a termination by reason of a Disability, (iii) a termination by the Company with or without Cause, and (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, Executive shall resign from any and all directorships, committee memberships, and any other positions Executive holds with the Company or any other member of the Company Group. Notwithstanding anything herein to the contrary, other than the requirements of Section 13 hereof, the payment (or commencement of a series of payments) hereunder of any nonqualified deferred compensation (within the meaning of Section 409A of the Code) upon a termination of employment shall be delayed until such time as Executive has also undergone a "separation from service" as defined in Treas. Reg. 1.409A-1(h), at which time such nonqualified deferred compensation (calculated as of the date of Executive's termination of employment hereunder) shall be paid (or commence to be paid) to Executive on the schedule set forth in this Section 7 as if Executive had undergone such termination of employment (under the same circumstances) on the date of his ultimate "separation from service."

(b) Termination Due to Death or Disability. Executive's employment shall terminate automatically upon his death. The Company may terminate Executive's employment immediately upon the occurrence of a Disability, such termination to be effective upon Executive's receipt of written notice of such termination. Upon Executive's death or in the event that Executive's employment is terminated due to his Disability, Executive or his estate or his beneficiaries, as the case may be, shall be entitled to the Accrued Obligations. Following Executive's death or a termination of Executive's employment by reason of a Disability, except as set forth in this Section 7(b), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(c) Termination by the Company for Cause.

(i) The Company may terminate Executive's employment at any time for Cause, effective upon Executive's receipt of written notice of such termination; *provided*, *however*, that with respect to any Cause termination relying on clauses (i), (ii), (vi) or (vii) of the definition of Cause, to the extent that such act or acts or failure or failures to act are curable, Executive shall be given not less than fifteen (15) days' written notice by the Board of the Company's intention to terminate him for Cause, such notice to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Cause is based, and such termination shall be effective at the expiration of such fifteen (15) day notice period unless Executive has fully cured such act or acts or failure or failures to act that give rise to Cause during such period.

(ii) In the event that the Company terminates Executive's employment for Cause, he shall be entitled only to the Accrued Obligations. Following such termination of Executive's employment for Cause, except as set forth in this Section 7(c)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(d) Termination by the Company without Cause. The Company may terminate Executive's employment at any time without Cause, effective upon Executive's receipt of written notice of such termination. In the event that Executive's employment is terminated by the Company without Cause (other than due to death or Disability), Executive shall be entitled to:

(i) The Accrued Obligations;

(ii) An amount equal to the Severance Factor multiplied by the sum of (x) Base Salary and (y) the Target Annual Bonus, such amount to be paid in a lump sum within 15 days following the date of termination;

(iii) Full accelerated vesting and immediately lapse of restrictions on each of the Sign-On Restricted Stock Grant and Sign-On Option Grant; and

(iv) Subject to Executive's election of COBRA continuation coverage under the Company's group health plan, payment, on the first regularly scheduled payroll date of each month during the Severance Term, of an amount equal to the difference between the monthly COBRA premium cost and the monthly contribution paid by active employees for the same coverage; *provided*, that the payments described in this clause (iv) shall cease earlier than the expiration of the Severance Term in the event that Executive becomes eligible to receive any health benefits as a result of subsequent employment or service during the Severance Term.

Notwithstanding the foregoing, the payments and benefits described in clauses (ii), (iii) and (iv) above shall immediately terminate, and the Company shall have no further obligations to Executive with respect thereto, in the event that Executive breaches any provision of the Restrictive Covenants contained in Appendix B attached hereto. Following such termination of Executive's employment by the Company without Cause, except as set forth in this Section 7(d), Executive shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, Executive's sole and exclusive remedy upon a termination of employment by the Company without Cause shall be receipt of the Severance Benefits.

(e) Termination by Executive with Good Reason. Executive may terminate his employment with Good Reason by providing the Company fifteen (15) days' written notice setting forth in reasonable specificity the event that constitutes Good Reason, which written notice, to be effective, must be provided to the Company within sixty (60) days of the Executive's knowledge (whether actual or constructive, including, without limitation, knowledge that Executive would have reasonably obtained after making due and appropriate inquiry) of such event. During such fifteen (15) day notice period, the Company shall have a cure right (if curable), and if not cured within such period, Executive's termination will be effective upon the expiration of such cure period, and Executive shall be entitled to the same payments and benefits as provided in Section 7(d) hereof for a termination by the Company without Cause, subject to the same conditions on payment and benefits as described in Section 7(d) hereof. Following such termination of Executive's employment by Executive with Good Reason, except as set forth in this Section 7(e) and Section 15, Executive shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, Executive's sole and exclusive remedy upon a termination of employment with Good Reason shall be receipt of the Severance Benefits.

(f) Termination by Executive without Good Reason. Executive may terminate his employment without Good Reason by providing the Company thirty (30) days' written notice of such termination. In the event of a termination of employment by Executive under this Section 7(f), Executive shall be entitled only to the Accrued Obligations. In the event of termination of Executive's employment under this Section 7(f), the Company may, in its sole and absolute discretion, by written notice accelerate such date of termination without changing the characterization of such termination as a termination by Executive without Good Reason. Following such termination of Executive's employment by Executive without Good Reason, except as set forth in this Section 7(f), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(g) Release. Notwithstanding any provision herein to the contrary, the payment of any amount or provision of any benefit pursuant to subsection (d) or (e) of this Section 7 (other than the Accrued Obligations) (collectively, the "Severance Benefits") shall be conditioned upon Executive's execution, delivery to the Company, and non-revocation of the Release of Claims (and the expiration of any revocation period contained in such Release of Claims) within sixty (60) days following the date of Executive's termination of employment hereunder. If Executive fails to execute the Release of Claims in such a timely manner so as to permit any revocation period to expire prior to the end of such sixty (60) day period, or timely revokes his acceptance of such release following its execution, Executive shall not be entitled to any of the Severance Benefits. Further, to the extent that any of the Severance Benefits constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code, any payment of any amount or provision of any benefit otherwise scheduled to occur prior to the sixtieth (60^{th}) day following the date of Executive's termination of employment hereunder, but for the condition on executing the Release of Claims as set forth herein, shall not be made until the first regularly scheduled payroll date following such sixtieth (60^{th}) day, after which any remaining Severance Benefits shall thereafter be provided to Executive according to the applicable schedule set forth herein.

(h) Notice of Termination. Any written notice of termination given under Section 7 of this Agreement shall be provided to the other party in accordance with Section 19 of this Agreement. In addition, any written notice pertaining to a termination by the Company for Cause or by Executive for Good Reason shall meet the requirements of a Notice of Termination (as defined in this paragraph). For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) the Date of Termination (as defined below).

(i) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, the date of expiration of the cure period set forth in Section 7(c), (ii) if the Executive's employment is terminated by the Executive for Good Reason, the date of expiration of the cure period specified in Section 7(e), (iii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination or such later date specified by the Company, (iv) if the Executive voluntarily resigns without Good Reason, the date at least thirty (30) days after the Executive notifies the Company, subject to the Company's right to accelerate such date of termination without changing the characterization of such termination as a termination by the Executive without Good Reason as provided in Section 7(f), (v) if the Executive's employment is terminated by reason of death, the date of death of the Executive, or (vi) if the Executive's employment is terminated by the Company due to Disability, the date specified by the Company.

Section 8. Certain Payments.

(a) In the event that any payment or benefit received or to be received by the Executive pursuant to this Agreement or otherwise ("Payments") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) but for this section, be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("Excise Tax"), then, subject to the provisions of this Section 8, such

Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in no portion of such Payments being subject to the Excise Tax ("Reduced Amount"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by the Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax.

(b) Unless the Company and the Executive otherwise agree in writing, any determination required under this Section 8 shall be made by an independent advisor designated by the Company and reasonably acceptable to the Executive ("Independent Advisor"), whose determination shall be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Advisor may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; provided that Independent Advisor shall assume that the Executive pays all taxes at the highest marginal rate. The Company and the Executive shall furnish to Independent Advisor such information and documents as Independent Advisor may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Advisor may incur in connection with any calculations contemplated by this Section. The reduction of the Payments payable hereunder, if applicable, shall be made by first reducing the cash payments under Section 7(d)(ii) and then by reducing any other Payments in a manner determined by the Company, in consultation with the Executive.

(c) If, notwithstanding any reduction described in Section 8 (or in the absence of any such reduction), the Internal Revenue Service ("IRS") determines that the Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then the Executive shall be obligated to surrender or pay back to the Company, within 120 days after a final IRS determination, an amount of such payments or benefits equal to the "Repayment Amount." The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that the Executive's net proceeds with respect to such Payments (after taking into account the payment of the excise tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero if a Repayment Amount of more than zero would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by the Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 8, the Executive shall pay the Excise Tax.

Section 9. Restrictive Covenants.

Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company Group and accordingly agrees, as a condition of Executive's continued employment with the Company, to be bound by and comply with the Restrictive Covenants contained in Appendix B attached hereto and incorporated by reference herein. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 1 of Appendix B (or a material breach or material threatened breach of any of the provisions of Section 2 of Appendix B of this Agreement) would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law and in addition to cessation of payments described in the last paragraph of Section 7(d), the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available. Any action for by the Company for equitable relief shall be brought exclusively in the courts of the State of Florida, and the parties hereto irrevocably agree to submit to the jurisdiction and venue of the courts of the State of Florida for any such action or proceeding. For the avoidance of doubt, the Restrictive Covenants contained in Appendix B shall be in addition to, and not in lieu of, any other similar restrictive covenants contained in any other agreement between Executive and any member of the Company Group.

Section 10. Representations and Warranties of Executive.

Executive represents and warrants to the Company that:

(a) Executive has had the opportunity to consult with, and is represented by, his own tax and legal advisor(s) in connection with the negotiation and preparation of this Agreement;

(b) Executive is entering into this Agreement voluntarily and that his employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by him of any agreement to which he is a party or by which he may be bound;

(c) Executive has not violated, and in connection with his employment with the Company will not violate, any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer by which he is or may be bound; and

(d) in connection with his employment with the Company, Executive will not use any confidential or proprietary information he may have obtained in connection with employment with any prior employer.

Section 11. Taxes.

The Company may withhold from any payments made under this Agreement all applicable taxes, including but not limited to income, employment, and social insurance taxes, as shall be required by law. Executive acknowledges and represents that the Company has not provided any tax advice to him in connection with this Agreement and that he has been advised by the Company to seek tax advice from his own tax advisors regarding this Agreement and payments that may be made to him pursuant to this Agreement, including specifically, the application of the provisions of Section 409A of the Code to such payments.

Section 12. Set Off; Mitigation.

The Company's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim, or recoupment of amounts owed by Executive to the Company or its affiliates. Executive shall not be required to mitigate the amount of any payment provided pursuant to this Agreement by seeking other employment or otherwise, and except as provided in Section 7(d)(iv) hereof, the amount of any payment provided for pursuant to this Agreement shall not be reduced by any compensation earned as a result of Executive's other employment or otherwise.

Section 13. Additional Section 409A Provisions.

Notwithstanding any provision in this Agreement to the contrary:

(a) Any payment otherwise required to be made hereunder to Executive at any date as a result of the termination of Executive's employment shall be delayed for such period of time as may be necessary to meet the requirements of Section 409A(a)(2)(B)(i) of the Code (the "Delay Period"). On the first business day following the expiration of the Delay Period, Executive shall be paid, in a single cash lump sum, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence, and any remaining payments not so delayed shall continue to be paid pursuant to the payment schedule set forth herein.

(b) Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code.

(c) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A of the Code), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided*, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(d) While the payments and benefits provided hereunder are intended to be structured in a manner to avoid the implication of any penalty taxes under Section 409A of the Code, in no event whatsoever shall any member of the Company Group be liable for any additional tax, interest, or penalties that may be imposed on Executive as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code (other than for withholding obligations or other obligations applicable to employers, if any, under Section 409A of the Code). If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A of the Code, the Company shall, after consulting with and receiving the approval of Executive, reform such provision in a manner intended to avoid the incurrence by Executive of any such additional tax or interest.

Section 14. Successors and Assigns; No Third-Party Beneficiaries.

(a) The Company. This Agreement shall inure to the benefit of the Company and its respective successors and assigns. Neither this Agreement nor any of the rights, obligations, or interests arising hereunder may be assigned by the Company to a Person (other than another member of the Company Group, or its or their respective successors) without Executive's prior written consent (which shall not be unreasonably withheld, delayed, or conditioned); *provided*, *however*, that in the event of a sale of all or substantially all of the assets of the Company or any direct or indirect division or subsidiary thereof to which Executive's employment primarily relates, the Company may provide that this Agreement will be assigned to, and assumed by, the acquiror of such assets, division or subsidiary, as applicable, without Executive's consent.

(b) Executive. Executive's rights and obligations under this Agreement shall not be transferable by Executive by assignment or otherwise, without the prior written consent of the Company; *provided*, *however*, that if Executive shall die, all amounts then payable to Executive hereunder shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee, or if there be no such designee, to Executive's estate.

(c) No Third-Party Beneficiaries. Except as otherwise set forth in Section 7(b) or Section 14(b) hereof, nothing expressed or referred to in this Agreement will be construed to give any Person other than the Company, the other members of the Company Group, and Executive any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

Section 15. Disputes; Arbitration.

Subject to the Company's right to seek equitable relief for any violations of the Restrictive Covenants contained in Appendix B (as set forth in Section 9), any dispute or controversy arising under or in connection with this Agreement or Executive's employment with the Company shall be settled exclusively through the Company's Dispute Resolution Program that is in effect from time to time and which includes final and binding arbitration of covered claims.

Section 16. Waiver and Amendments.

Any waiver, alteration, amendment, or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the parties hereto; *provided*, *however*, that any such waiver, alteration, amendment, or modification must be consented to on the Company's behalf by the Compensation Committee and the Board. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

Section 17. Severability.

If any covenants or such other provisions of this Agreement are found to be invalid or unenforceable by a final determination of a court of competent jurisdiction, (a) the remaining terms and provisions hereof shall be unimpaired, and (b) the invalid or unenforceable term or provision hereof shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision hereof.

Section 18. Governing Law; Waiver of Jury Trial.

THIS AGREEMENT IS GOVERNED BY AND IS TO BE CONSTRUED UNDER THE LAWS OF THE STATE OF FLORIDA WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS. THIS AGREEMENT CONTAINS A BINDING ARBITRATION CLAUSE. EACH PARTY TO THIS AGREEMENT ALSO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION, OR PROCEEDING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

Section 19. Notices.

(a) Place of Delivery. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom or which it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; *provided*, that unless and until some other address be so designated, all notices and communications by Executive to the Company shall be mailed or delivered to the Company at its principal executive office to the attention of the General Counsel, and all notices and communications by the Company to Executive may be given to Executive personally or may be mailed to Executive at Executive’s last known address, as reflected in the Company’s records.

(b) Date of Delivery. Any notice so addressed shall be deemed to be given (i) if delivered by hand, on the date of such delivery, (ii) if mailed by courier or by overnight mail, on the first business day following the date of such mailing, and (iii) if mailed by registered or certified mail, on the third business day after the date of such mailing.

Section 20. Section Headings.

The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof or affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Section 21. Entire Agreement.

This Agreement, together with any exhibits and appendices attached hereto and any equity award grants referenced herein to be made by the Company to the Executive, constitutes the entire understanding and agreement of the parties hereto regarding the employment of Executive. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings, and agreements between the parties relating to the subject matter of this Agreement.

Section 22. Survival of Operative Sections.

Upon any termination of Executive's employment, the provisions of Section 7 through Section 22 of this Agreement (together with any related definitions set forth in Section 1 hereof) shall survive to the extent necessary to give effect to the provisions thereof.

Section 23. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

Section 24. Background Check.

Notwithstanding anything to the contrary in this Agreement, Executive shall not become employed by the Company if Executive fails the Company's background check of the Executive or the pre-employment substance test and this Agreement shall be terminated.

* * *

[Signatures to appear on the following page.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

SEAWORLD ENTERTAINMENT, INC.

/s/ David Hammer

By: David Hammer

Title: Chief Human Resources Officer

EXECUTIVE

/s/ Anthony Esparza

ANTHONY ESPARZA

APPENDIX A
Definitions

(a) "Accrued Obligations" shall mean (i) all accrued but unpaid Base Salary through the date of termination of Executive's employment, (ii) any accrued but unpaid Annual Bonus that is required to be paid in accordance with the terms of the Annual Bonus Plan, (iii) any unpaid or unreimbursed expenses incurred in accordance with Section 6 hereof, and (iv) any benefits provided under the Company's employee benefit plans or any incentive plans upon a termination of employment, including rights with respect to Company equity (or equity derivatives), in accordance with the terms contained therein.

(b) "Agreement" shall have the meaning set forth in the preamble hereto.

(c) "Annual Bonus" shall have the meaning set forth in Section 4(b) hereof.

(d) "Base Salary" shall mean the salary provided for in Section 4(a) hereof.

(e) "Board" shall mean the Board of Directors of the Company.

(f) "Cause" shall mean (i) Executive's act(s) of gross negligence or willful misconduct in the course of Executive's employment hereunder, (ii) willful failure or refusal by Executive (or Executive's inability, as a result of circumstances described in clause (v) of this definition) to perform in any material respect his duties or responsibilities, (iii) misappropriation (or attempted misappropriation) by Executive of any assets or business opportunities of the Company or any other member of the Company Group, (iv) embezzlement or fraud committed (or attempted) by Executive, or at his direction, (v) Executive's conviction of, indictment for, or pleading "guilty" or "no contest" to, (x) a felony or (y) any other criminal charge involving moral turpitude or financial dishonesty that has, or could be reasonably expected to have, an adverse impact on the performance of Executive's duties to the Company or any other member of the Company Group or otherwise result in injury to the reputation or business of the Company or any other member of the Company Group, (vi) any violation by Executive of the policies of the Company, including but not limited to those relating to sexual harassment or business conduct, and those otherwise set forth in the manuals or statements of policy of the Company, which causes material harm to the Company, or (vii) Executive's material breach of this Agreement or breach of the Restrictive Covenants contained in Appendix B or any other similar restrictive covenants contained in any other agreement between Executive and any member of the Company Group; *provided*, that, for the avoidance of doubt, the adverse performance of the Company alone (other than as a result of, arising out of or in connection with circumstances described in clauses (i) through (vii), inclusive, of this definition) shall not constitute grounds for a termination of Executive's employment for Cause.

For purposes of this Section (f), no act or failure to act by the Executive shall be considered "willful" unless it is done, or omitted to be done, in bad faith and without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any action or inaction of the Executive taken in reliance on the advice of the Company's legal counsel shall be considered to have been taken or not taken in good faith, and not in bad faith.

(g) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

(h) "Company" shall have the meaning set forth in the preamble hereto.

(i) "Company Group" shall mean the Company together with any of its direct or indirect subsidiaries.

(j) "Compensation Committee" shall mean the committee of the Board designated to make compensation decisions relating to senior executive officers of the Company Group.

(k) "Delay Period" shall have the meaning set forth in Section 13 hereof.

(l) "Disability" shall mean any physical or mental disability or infirmity of Executive that prevents, with reasonable accommodation to the extent required by applicable law, the performance of Executive's duties for a period of (i) one hundred twenty (120) consecutive days or (ii) one hundred eighty (180) non-consecutive days during any twelve (12) month period. Any question as to the existence, extent, or potentiality of Executive's Disability upon which Executive and the Company cannot agree shall be determined by a qualified, independent physician selected by the Company and approved by Executive (which approval shall not be unreasonably withheld). If Executive is unable to make such approval, then such approval shall be made by Executive's legal representative, or if there is no legal representative, then by an adult member of Executive's immediate family. The determination of any such physician shall be final and conclusive for all purposes of this Agreement.

(m) "Executive" shall have the meaning set forth in the preamble hereto.

(n) "Excise Tax" shall have the meaning set forth in Section 8 hereto.

(o) "Good Reason" shall mean, without Executive's consent, (i) a material diminution in Executive's title, duties, or responsibilities as set forth in Section 3 hereof or having to report to any person other than the Chief Executive Officer of the Company, (ii) a material reduction in Base Salary set forth in Section 4(a) hereof or Target Annual Bonus opportunity set forth in Section 4(b) hereof (other than pursuant to an across-the-board reduction applicable to all similarly situated executives), (iii) the relocation of Executive's principal place of employment by more than fifty (50) miles from the Company's headquarters in Orlando, Florida, or (iv) any other material breach of a provision of this Agreement by the Company (other than a provision that is covered by clause (i), (ii), or (iii) above). Executive acknowledges and agrees that his exclusive remedy in the event of any breach of this Agreement shall be to assert Good Reason pursuant to the terms and conditions of Section 7(e) hereof. Notwithstanding the foregoing, during the Term of Employment, in the event that the Board reasonably believes that Executive may have engaged in conduct that could constitute Cause hereunder, the Board may, in its sole and absolute discretion, suspend Executive from performing his duties hereunder, and in no event shall any such suspension constitute an event pursuant to which Executive may terminate employment with Good Reason or otherwise constitute a breach hereunder; *provided*, that no such suspension shall alter the Company's obligations under this Agreement during such period of suspension.

(p) "Independent Advisor" shall have the meaning set forth in Section 8 hereto.

(q) "IRS" shall have the meaning set forth in Section 8 hereto.

(r) "Notice of Termination" shall have the meaning set forth in Section 7(h) hereto.

(s) "Payments" shall have the meaning set forth in Section 8 hereto.

(t) "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust (charitable or non-charitable), unincorporated organization, or other form of business entity.

(u) "Reduced Amount" shall have the meaning set forth in Section 8 hereto.

(v) "Release of Claims" shall mean the Release of Claims in substantially the same form attached hereto as Exhibit A (as the same may be revised from time to time by the Company upon the advice of counsel).

(w) "Repayment Amount" shall have the meaning set forth in Section 8 hereto.

(x) "Restrictive Covenants" shall mean the restrictive covenants contained in Appendix B attached hereto.

(y) "Severance Benefits" shall have the meaning set forth in Section 7(g) hereof.

(z) "Severance Factor" shall mean, during the Term of Employment, 2.0.

(aa) "Severance Term" shall mean the number of months following Executive's termination by the Company without Cause (other than by reason of death or Disability) or by Executive for Good Reason equal to the product of (i) the Severance Factor multiplied by (ii) twelve (12) months.

(bb) "Target Annual Bonus" shall have the meaning set forth in 4(b) hereof.

(cc) "Term of Employment" shall mean the period specified in Section 2 hereof.

APPENDIX B

Restrictive Covenants

1. Non-Competition; Non-Solicitation.

(a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and accordingly agrees as follows:

(i) During Executive's employment with the Company or its subsidiaries (the "Employment Term") and for a period of the greater of (x) one year following the date Executive ceases to be employed by the Company or its subsidiaries and (y) the Severance Term (the "Restricted Period"), Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever ("Person"), directly or indirectly solicit or assist in soliciting in competition with the Restricted Group in the Business, the business of any then current or prospective client or customer with whom Executive (or his direct reports) had personal contact or dealings on behalf of the Company during the one-year period preceding Executive's termination of employment.

(ii) During the Restricted Period, Executive will not directly or indirectly:

(A) engage in the Business in any geographical area that is within 100 miles of any geographical area where the Restricted Group engages in the Business, including the greater metropolitan areas of Orlando, Florida, San Diego, California, San Antonio, Texas, Williamsburg, Virginia and Philadelphia/Langhorne, Pennsylvania;

(B) enter the employ of, or render any services to, a Core Competitor, except where such employment or services do not relate in any manner to the Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Person engaged in the Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(D) intentionally and adversely interfere with, or attempt to adversely interfere with, business relationships between the members of the Restricted Group and any of their clients, customers, suppliers, partners, members, or investors.

(iii) Notwithstanding anything to the contrary in this Appendix B, Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in a Business (including, without limitation, a Core Competitor) which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Executive (i) is not a controlling person of, or a member of a group which controls, such person and (ii) does not, directly or indirectly, own 2% or more of any class of securities of such Person.

(iv) During the Employment Term and for a period of the greater of (x) two years from the date Executive ceases to be employed by the Company or its subsidiaries and (y) the Severance Term, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Restricted Group to leave the employment of the Restricted Group;

(B) hire any Senior Employee who was employed by the Restricted Group as of the date of Executive's termination of employment with the Company or who left the employment of the Restricted Group coincident with, or within one year prior to or after, the termination of Executive's employment with the Company; or

(C) encourage any material consultant of the Restricted Group to cease working with the Restricted Group.

(v) For purposes of this Appendix B:

(A) "Restricted Group" shall mean, collectively, the Company and its subsidiaries and, to the extent engaged in the Business, their respective affiliates.

(B) "Business" shall mean the entertainment and theme park business.

(C) "Core Competitor" shall mean Walt Disney Parks and Resorts, Universal Studios, Six Flags, Inc., Cedar Fair Entertainment Company and Merlin Entertainments Group Ltd., Herschend Family Entertainment and each of their respective affiliates.

(D) "Senior Employee" shall mean any employee of the Company or any of its subsidiaries with the title of Vice President or above.

(b) Non-Disparagement. Executive will not at any time (whether during or after Executive's Employment Term) make public statements or public comments intended to be (or having the effect of being) of defamatory or disparaging nature regarding (including, without limitation, any statements or comments, whether in person, radio, television, film, social media or otherwise, that are (i) likely to be harmful to the business, business reputation or personal reputation of and (ii) for, on behalf of or in association with any trade, industry, activist or other advocacy group that has, at any time, made adverse or critical statements in relation to) the Company or any of its subsidiaries or affiliates or any of their respective businesses, shareholders, members, partners, employees, agents, officers, directors or contractors (it being understood that comments made in Executive's good faith performance of his duties hereunder shall not be deemed disparaging or defamatory for purposes of this paragraph). The Company (via any official statement) shall not, and shall instruct its officers and directors to not, at any time make any public statements or public release which is intended to be (or having the effect of being) of defamatory or disparaging nature regarding Executive's reputation in the business community (it being understood that comments made by the Company in the good faith and in ordinary course of business shall not be deemed disparaging or defamatory for purposes of this paragraph). Notwithstanding anything in this Section 1(b), either the Executive or the Company (including its officers and directors) shall be permitted to (x) provide a reasonable and truthful response to or statement to defend itself or him/herself against any public statement made by the Company or the Executive, as applicable, that is incorrect or disparages such person, to the extent necessary to correct or refute such public statement and (y) provide truthful testimony in any legal proceeding or process.

(c) It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 1 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Appendix B is an unenforceable restriction against Executive, the provisions of this Appendix B shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Appendix B is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(d) The period of time during which the provisions of this Section 1 shall be in effect shall be extended by the length of time during which Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

(e) The provisions of Section 1 hereof shall survive the termination of Executive's employment for any reason, including but not limited to, any termination other than for Cause (except as otherwise set forth in Section 1 hereof).

2. Confidentiality; Intellectual Property.

(a) Confidentiality.

(i) Executive will not at any time (whether during or after Executive's Employment Term) (x) retain or use for the benefit, purposes or account of Executive or any other Person; or (y) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations or otherwise in performance of Executive's duties under Executive's employment and pursuant to customary industry practice), any non-public, proprietary or confidential information — including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals, safety, zoological and/or animal training or care practices, protocols, policies or procedures — concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board. Executive understands and acknowledges that nothing contained in this Appendix B is intended to or should in fact prevent Executive from (x) reporting possible violations of federal or state law or regulation to any government agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, any agency Inspector General, the Equal Employment Opportunity Commission, or the National Labor Relations Board, or (y) making other disclosures that are protected under state or federal whistleblower laws or regulations.

(ii) "Confidential Information" shall not include any information that is (a) generally known to the industry or the public other than as a result of Executive's breach of this covenant; (b) made legitimately available to Executive by a third party without breach of any confidentiality obligation of which Executive has knowledge; or (c) required by law to be disclosed; *provided*, that with respect to subsection (c) Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and reasonably cooperate with any attempts by the Company to obtain a protective order or similar treatment.

(iii) Except as required by law, Executive will not disclose to anyone, other than Executive's family (it being understood that, in this Agreement, the term "family" refers to Executive, Executive's spouse, children, parents and spouse's parents) and advisors, the existence or contents of this Agreement; provided that Executive may disclose to any prospective future employer the provisions of this Appendix B. This Section 2(a)(iii) shall terminate if the Company publicly discloses a copy of this Agreement (or, if the Company publicly discloses summaries or excerpts of this Agreement, to the extent so disclosed).

(iv) Upon termination of Executive's employment with the Company for any reason, Executive shall (x) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; and (y) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information, except that Executive may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information.

(b) Intellectual Property.

(i) If Executive has created, invented, designed, developed, contributed to or improved any works of authorship, inventions, intellectual property, materials, documents, or other work product (including without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content, or audiovisual materials) ("Works"), either alone or with third parties, prior to Executive's employment by the Company, that are relevant to or implicated by such employment ("Prior Works"), Executive hereby grants the Company a perpetual, non-exclusive, royalty-free, worldwide, assignable, sublicensable license under all rights and intellectual property rights (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) therein for all purposes in connection with the Company's current and future business.

(ii) If Executive creates, invents, designs, develops, contributes to or improves any Works, either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and with the use of any the Company resources ("Company Works"), Executive shall promptly and fully disclose same to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(iii) Executive shall take all reasonably requested actions and execute all reasonably requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Prior Works and Company Works. If the Company is unable for any other reason, after reasonable attempt, to secure Executive's signature on any document for this purpose, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute any documents and to do all other lawfully permitted acts required in connection with the foregoing.

(iv) Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. Executive shall comply with all relevant policies and guidelines of the Company that are from time to time previously disclosed to Executive, including regarding the protection of Confidential Information and intellectual property and potential conflicts of interest. Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that Executive remains at all times bound by their most current version from time to time previously disclosed to Executive.

(v) The provisions of Section 2 hereof shall survive the termination of Executive's employment for any reason (except as otherwise set forth in Section 2(a)(iii) hereof).

RELEASE OF CLAIMS

As used in this Release of Claims (this "Release"), the term "claims" will include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, accounts, attorneys' fees, judgments, losses, and liabilities, of whatsoever kind or nature, in law, in equity, or otherwise.

For and in consideration of the Severance Benefits (as defined in my Employment Agreement, dated ___ August, 2015, with SeaWorld Entertainment, Inc. (the "Employment Agreement")), and other good and valuable consideration, I, Anthony Esparza for and on behalf of myself and my heirs, administrators, executors, and assigns, effective the date on which this release becomes effective pursuant to its terms, do fully and forever release, remise, and discharge each of the Company and each of its direct and indirect subsidiaries and affiliates, together with their respective past and present officers, directors, partners, shareholders, employees, and agents (collectively, the "Group") from any and all claims whatsoever up to the date hereof that I had, may have had, or now have against the Group, for or by reason of any matter, cause, or thing whatsoever, including any claim arising out of or attributable to my employment or the termination of my employment with the Company, whether for tort, breach of express or implied employment contract, intentional infliction of emotional distress, wrongful termination, unjust dismissal, defamation, libel, or slander, or under any federal, state, or local law dealing with discrimination based on age, race, sex, national origin, handicap, religion, disability, or sexual orientation. This release of claims includes, but is not limited to, all claims arising under the Age Discrimination in Employment Act ("ADEA"), Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Civil Rights Act of 1991, the Family Medical Leave Act, and the Equal Pay Act, each as may be amended from time to time, and all other federal, state, and local laws, the common law, and any other purported restriction on an employer's right to terminate the employment of employees. The release contained herein is intended to be a general release of any and all claims to the fullest extent permissible by law.

I acknowledge and agree that as of the date I execute this Release, I have no knowledge of any facts or circumstances that give rise or could give rise to any claims under any of the laws listed in the preceding paragraph.

By executing this Release, I specifically release all claims relating to my employment and its termination under ADEA, a United States federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefit plans.

Notwithstanding any provision of this Release to the contrary, by executing this Release, I am not releasing (i) any claims relating to my rights under Section 7 of the Employment Agreement, (ii) any claims that cannot be waived by law, (iii) my right of indemnification as provided by, and in accordance with the terms of, the Company's by-laws or a Company insurance policy providing such coverage, as any of such may be amended from time to time, or (iv) my accrued and vested benefits, rights or payments under any employee benefit, incentive or equity plan or program of the Company.

I expressly acknowledge and agree that I —

• Am able to read the language, and understand the meaning and effect, of this Release;

• Have no physical or mental impairment of any kind that has interfered with my ability to read and understand the meaning of this Release or its terms, and that I am not acting under the influence of any medication, drug, or chemical of any type in entering into this Release;

• Am specifically agreeing to the terms of the release contained in this Release because the Company has agreed to pay me the Severance Benefits in consideration for my agreement to accept it in full settlement of all possible claims I might have or ever had, and because of my execution of this Release;

• Acknowledge that, but for my execution of this Release, I would not be entitled to the Severance Benefits;

• Understand that, by entering into this Release, I do not waive rights or claims under ADEA that may arise after the date I execute this Release;

• Had or could have [twenty-one (21)][forty-five (45)][1] days from the date of my termination of employment (the "Release Expiration Date") in which to review and consider this Release, and that if I execute this Release prior to the Release Expiration Date, I have voluntarily and knowingly waived the remainder of the review period;

• Have not relied upon any representation or statement not set forth in this Release or my Employment Agreement made by the Company or any of its representatives;

• Was advised to consult with my attorney regarding the terms and effect of this Release; and

• Have signed this Release knowingly and voluntarily.

I represent and warrant that I have not previously filed, and to the maximum extent permitted by law agree that I will not file, a complaint, charge, or lawsuit against any member of the Group regarding any of the claims released herein. I acknowledge and agree that nothing in this Release is intended to or shall limit, restrict, or interfere with my right under federal, state and local laws to file an administrative charge or to participate in any governmental investigation. Notwithstanding, if a federal, state or local administrative agency were to pursue any claims relating to my employment with Company, I agree that I shall not be entitled to recover any monetary damages or any other remedies or benefits as a result and that this Release and the Severance Benefits will control as the exclusive remedy and full settlement of all such claims by me.

I hereby agree to waive any and all claims to re-employment with the Company or any other member of the Company Group (as defined in my Employment Agreement) affirmatively agree not to seek further employment with the Company or any other member of the Company Group.

Notwithstanding anything contained herein to the contrary, this Release will not become effective or enforceable prior to the expiration of the period of seven (7) calendar days following the date of its execution by me (the "Revocation Period"), during which time I may revoke my acceptance of this Release by notifying the Company and the Board of Directors of the Company, in writing, delivered to the Company at its principal executive office, marked for the attention of its General Counsel. To be effective, such revocation must be received by the Company no later than 11:59 p.m. on the seventh (7^{th}) calendar day following the execution of this Release. Provided that the Release is executed and I do not revoke it during the Revocation Period, the eighth (8^{th}) day following the date on which this Release is

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1 To be selected based on whether applicable termination was "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967).

executed shall be its effective date. I acknowledge and agree that if I revoke this Release during the Revocation Period, this Release will be null and void and of no effect, and neither the Company nor any other member of the Company will have any obligations to pay me the Severance Benefits.

To the extent reasonably requested by the Board, I shall cooperate with the Company in connection with matters arising out of or related to my employment with the Company.

The provisions of this Release shall be binding upon my heirs, executors, administrators, legal personal representatives, and assigns. If any provision of this Release shall be held by any court of competent jurisdiction to be illegal, void, or unenforceable, such provision shall be of no force or effect. The illegality or unenforceability of such provision, however, shall have no effect upon and shall not impair the enforceability of any other provision of this Release.

EXCEPT WHERE PREEMPTED BY FEDERAL LAW, THIS RELEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL LAW AND THE LAWS OF THE STATE OF FLORIDA, APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN THAT STATE WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS. I HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION, OR PROCEEDING UNDER OR IN CONNECTION WITH THIS RELEASE.

Capitalized terms used, but not defined herein, shall have the meanings ascribed to such terms in my Employment Agreement.

____

Anthony Esparza
Date:

EXHIBIT 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joel K. Manby, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 of SeaWorld Entertainment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2015

Signature: /s/ Joel K. Manby
Joel K. Manby
President and Chief Executive Officer, Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter J. Crage, certify that:

1. I have reviewed this Quarterly Report on form 10-Q for the quarterly period ended September 30, 2015 of SeaWorld Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2015

Signature: /s/ Peter J. Crage
Peter J. Crage
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SeaWorld Entertainment, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2015 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joel K. Manby, President and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 6, 2015

/s/ Joel K. Manby
Joel K. Manby
President and Chief Executive Officer, Director
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SeaWorld Entertainment, Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2015 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Peter J. Crage, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 6, 2015

/s/ Peter J. Crage
Peter J. Crage
Chief Financial Officer
(Principal Financial Officer)

Exhibit 99.1

Section 13(r) Disclosure

The disclosures reproduced below were included in the quarterly reports filed with the Securities and Exchange Commission in accordance with Section 13(r) of the Securities Exchange Act of 1934, as amended, by Travelport Worldwide Limited and Hilton Worldwide Holdings, Inc. with respect to the fiscal quarter ended September 30, 2015. Travelport Worldwide Limited and Hilton Worldwide Holdings, Inc. may be considered affiliates of The Blackstone Group L.P., and, therefore, affiliates of SeaWorld Entertainment Inc. SeaWorld Entertainment, Inc. did not independently verify or participate in the preparation of these disclosures.

Travelport Worldwide included the following disclosure in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015:

The following activities are disclosed as required by Section 13(r)(1)(D)(iii) of the Exchange Act.

As part of our global business in the travel industry, we provide certain passenger travel related Travel Commerce Platform and Technology Services to Iran Air. We also provide certain Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals.

The gross revenue and net profit attributable to these activities in the quarter ended September 30, 2015 were approximately $133,000 and $94,000, respectively.

Hilton Worldwide Holdings, Inc. included the following disclosure in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015:

The following activities are disclosed as required by Section 13(r)(1)(D)(iii) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

During the fiscal quarter ended September 30, 2015, an Iranian governmental delegation stayed at the Transcorp Hilton Abuja for one night. The stays were booked and paid for by the government of Nigeria. The hotel received revenues of approximately $5,320 from these dealings. Net profit to Hilton Worldwide Holdings Inc. ("Hilton") from these dealings was approximately $495. Hilton believes that the hotel stays were exempt from the Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560, pursuant to the International Emergency Economic Powers Act ("IEEPA") and under 31 C.F.R. Section 560.210 (d). The Transcorp Hilton Abuja intends to continue engaging in future similar transactions to the extent they remain permissible under applicable laws and regulations.