

## **Reconciliation of Non-GAAP Financial Measures**

Resort, Mountain, Lodging and Real Estate Reported EBITDA and Resort, Mountain Lodging and Real Estate Reported EBITDA excluding stock-based compensation have been presented herein as measures of the Company's financial operating performance. Reported EBITDA and Reported EBITDA excluding stock-based compensation are not measures of financial performance under accounting principles generally accepted in the United States of America ("GAAP"), and they might not be comparable to similarly titled measures. Reported EBITDA and Reported EBITDA excluding stock-based compensation do not purport to represent cash provided by operating activities and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The Company believes that Reported EBITDA and Reported EBITDA excluding stock-based compensation are indicative measures of the Company's operating performance, and each similar to performance metrics generally used by investors to evaluate companies in the resort and lodging industries. The Company primarily uses Reported EBITDA excluding stock-based compensation targets in determining management bonuses. Additionally, the Company believes that Reported EBITDA excluding stock-based compensation is an important measurement for comparability purposes as prior periods do not reflect the impact of the adoption of SFAS 123R.

Presented below is a reconciliation of Reported EBITDA and Reported EBITDA excluding stock based compensation to net income for the Company calculated in accordance with GAAP for the three and twelve months ended July 31, 2006 and 2005.

	<b>(In thousands)</b>	
	<b>Three Months Ended</b>	
	<b>July 31,</b>	
	<b>(Unaudited)</b>	
	<b>2006</b>	<b>2005</b>
Mountain revenue, net	\$ 39,163	\$ 35,371
Mountain operating expense excluding stock-based compensation	(69,697)	(62,629)
Mountain equity investment income, net	792	300
Mountain Reported EBITDA excluding stock-based compensation	(29,742)	(26,958)
Mountain stock-based compensation	(1,032)	(50)
Mountain Reported EBITDA	(30,774)	(27,008)
Lodging revenue, net	42,486	51,202
Lodging operating expense excluding stock-based compensation	(41,293)	(50,170)
Lodging Reported EBITDA excluding stock-based compensation	1,193	1,032
Lodging stock-based compensation	(351)	(17)
Lodging Reported EBITDA	842	1,015
Resort Reported EBITDA*	(29,932)	(25,993)
Resort Reported EBITDA excluding stock-based compensation*	(28,549)	(25,926)
Real Estate revenue, net	42,378	33,452
Real Estate operating expense excluding stock-based compensation	(32,412)	(25,297)
Real Estate equity investment income, net	711	5
Real Estate Reported EBITDA excluding stock-based compensation	10,677	8,160
Real Estate stock-based compensation	(441)	(18)
Real Estate Reported EBITDA	10,236	8,142
Total Reported EBITDA	(19,696)	(17,851)
Depreciation and amortization	(22,802)	(20,580)
Relocation and separation charges	(1,317)	--
Asset impairment charges	(75)	(977)
Mold remediation credit	559	--
Loss on disposal of fixed assets, net	(200)	(9)
Investment income, net	2,605	623
Interest expense, net	(8,690)	(9,565)
Loss on sale of businesses, net	--	(13,043)
Contract dispute charges	(2,467)	--
(Loss) gain on put options, net	(1,133)	417
Minority interest in loss of consolidated subsidiaries, net	1,966	1,742
Loss before benefit for income taxes	(51,250)	(59,243)
Benefit for income taxes	19,987	22,808
Net loss	\$ (31,263)	\$ (36,435)

\* Resort represents the sum of Mountain and Lodging

**(In thousands)**  
**Twelve Months Ended**  
**July 31,**  
**(Unaudited)**

	<b>2006</b>	<b>2005</b>
Mountain revenue, net	\$ 620,441	\$ 540,855
Mountain operating expense excluding stock-based compensation	(439,431)	(391,635)
Mountain equity investment income, net	3,876	2,303
Mountain Reported EBITDA excluding stock-based compensation	184,886	151,523
Mountain stock-based compensation	(3,685)	(254)
Mountain Reported EBITDA	181,201	151,269
Lodging revenue, net	155,807	196,351
Lodging operating expense excluding stock-based compensation	(141,359)	(177,381)
Lodging equity investment loss, net	--	(2,679)
Lodging Reported EBITDA excluding stock-based compensation	14,448	16,291
Lodging stock-based compensation	(1,334)	(88)
Lodging Reported EBITDA	13,114	16,203
Resort Reported EBITDA*	194,315	167,472
Resort Reported EBITDA excluding stock-based compensation*	199,334	167,814
Real Estate revenue, net	62,604	72,781
Real Estate operating expense excluding stock-based compensation	(55,172)	(58,159)
Real Estate equity investment income (loss), net	791	(102)
Real Estate Reported EBITDA excluding stock-based compensation	8,223	14,520
Real Estate stock-based compensation	(1,504)	(95)
Real Estate Reported EBITDA	6,719	14,425
Total Reported EBITDA	201,034	181,897
Depreciation and amortization	(86,098)	(89,968)
Relocation and separation charges	(5,096)	--
Asset impairment charges	(210)	(2,550)
Mold remediation credit	1,411	--
Loss on disposal of fixed assets, net	(1,035)	(1,528)
Investment income, net	7,995	2,066
Interest expense, net	(36,478)	(40,298)
Loss on extinguishment of debt	--	(612)
Gain (loss) on sale of businesses, net	4,625	(7,353)
Contract dispute charges	(3,282)	--
(Loss) gain on put options, net	(1,212)	1,158
Other income, net	50	50
Minority interest in income of consolidated subsidiaries, net	(6,694)	(5,239)
Income before provision for income taxes	75,010	37,623
Provision for income taxes	(29,254)	(14,485)
Net income	\$ 45,756	\$ 23,138

\* Resort represents the sum of Mountain and Lodging

Presented below is a reconciliation of net income excluding stock-based compensation, tax effected, to net income of the Company calculated in accordance with GAAP for the three and twelve months ended July 31, 2006 and 2005. Also presented is a reconciliation of diluted net income per share excluding stock-based compensation, tax effected, to diluted net income per share of the Company calculated in accordance with GAAP for the three and twelve months ended July 31, 2006 and 2005. The Company has presented these non-GAAP measures as it believes that this presentation provides a more comparable measure of the Company's results from ongoing operations for the three and twelve months ended July 31, 2006 compared to July 31, 2005.

(In thousands, except per share amounts)	<b>Three Months Ended July 31, (Unaudited)</b>	
	<b>2006</b>	<b>2005</b>
Net loss excluding stock-based compensation	\$ (30,124)	\$ (36,382)
Stock-based compensation expense, before benefit from income taxes	(1,824)	(85)
Adjustment to benefit from income taxes	685	32
<b>Net loss</b>	<b>\$ (31,263)</b>	<b>\$ (36,435)</b>
Diluted loss per share excluding stock-based compensation	\$ (0.78)	\$ (1.00)
Stock-based compensation expense per diluted share, before benefit from income taxes	(0.04)	(0.00)
Adjustment to benefit from income taxes, per diluted share	0.02	0.00
<b>Diluted net loss per share</b>	<b>\$ (0.80)</b>	<b>\$ (1.00)</b>

(In thousands, except per share amounts)	<b>Twelve Months Ended July 31, (Unaudited)</b>	
	<b>2006</b>	<b>2005</b>
Net income excluding stock-based compensation	\$ 49,829	\$ 23,411
Stock-based compensation expense, before benefit from income taxes	(6,523)	(437)
Adjustment to benefit from income taxes	2,450	164
<b>Net income</b>	<b>\$ 45,756</b>	<b>\$ 23,138</b>
Diluted net income per share excluding stock-based compensation	\$ 1.29	\$ 0.64
Stock-based compensation expense per diluted share, before benefit from income taxes	(0.17)	(0.01)
Adjustment to benefit from income taxes, per diluted share	0.07	0.01
<b>Diluted net income per share</b>	<b>\$ 1.19</b>	<b>\$ 0.64</b>

A reconciliation of the low and high ends of the forecasted guidance range given for Reported EBITDA and Reported EBITDA excluding stock-based compensation for the Company's fiscal year ending July 31, 2007 is presented below.

	<b>(In thousands)</b>	
	<b>For the Year Ending</b>	
	<b>July 31, 2007</b>	
	<b>Low End</b>	<b>High End</b>
	<b>Range<sup>(1)</sup></b>	<b>Range<sup>(1)</sup></b>
Resort Reported EBITDA excluding stock-based compensation <sup>(2)</sup>	\$ 207,000	\$ 217,000
Resort segment stock-based compensation	(7,000)	(7,000)
Resort Reported EBITDA <sup>(2)</sup>	200,000	210,000
Real Estate Reported EBITDA excluding stock-based compensation	3,000	7,000
Real Estate segment stock-based compensation	(2,000)	(2,000)
Real Estate Reported EBITDA	1,000	5,000
Total Reported EBITDA	201,000	215,000
Depreciation and amortization	(83,000)	(83,000)
Relocation and separation charges	(1,700)	(1,300)
Loss on disposal of fixed assets, net	(600)	(600)
Investment income	8,000	8,000
Interest expense	(36,700)	(36,700)
Minority interest in income of consolidated subsidiaries, net	(7,900)	(8,300)
Income before provision for income taxes	79,100	93,100
Provision for income taxes	(31,245)	(35,844)
Net income	\$ 47,855	\$ 57,256

(1) Does not include any estimate for the Cheeca Lodge & Spa contract dispute.

(2) Resort represents the sum of Mountain and Lodging. The Company provides Reported EBITDA ranges for the Mountain and Lodging segments, as well as for the two combined. Readers are cautioned to recognize that the low end of the expected ranges provided for the Lodging and Mountain segments, while possible, do not sum to the low end of the Resort Reported EBITDA range provided because we do not necessarily expect or assume that we will actually hit the low end of both ranges, as the actual Resort Reported EBITDA will depend on the actual mix of the Lodging and Mountain components. Similarly, the high end of the ranges for the Lodging and Mountain segments do not sum to the high end of the Resort range.

A reconciliation of the low and high ends of the forecasted guidance range given for net income excluding stock-based compensation for the Company's fiscal year ending July 31, 2007 is presented below.

	<b>(In thousands)</b>	
	<b>For the Year Ending</b>	
	<b>July 31, 2007</b>	
	<b>Low End</b>	<b>High End</b>
	<b>Range</b>	<b>Range</b>
Net income excluding stock-based compensation	\$ 53,300	\$ 62,791
Stock-based compensation expense, before benefit from income taxes	(9,000)	(9,000)
Adjustment to provision for income taxes	3,555	3,465
Net income	\$ 47,855	\$ 57,256