

# VAIL RESORTS

EXTRAORDINARY RESORTS  
EXCEPTIONAL EXPERIENCES

## Reconciliation of Non-GAAP Financial Measures

Resort, Mountain and Lodging, and Real Estate Reported EBITDA have been presented herein as measures of the Company's financial operating performance. Reported EBITDA and Net Debt are not measures of financial performance or liquidity under accounting principles generally accepted in the United States of America ("GAAP"), and they might not be comparable to similarly titled measures of other companies. Reported EBITDA and Net Debt should not be considered in isolation or as an alternative to, or substitute for, measures of financial performance or liquidity prepared in accordance with GAAP including net income, net change in cash and cash equivalents or other financial statement data. The Company believes that Reported EBITDA is an indicative measurement of the Company's operating performance, and is similar to performance metrics generally used by investors to evaluate companies in the resort and lodging industries. The Company primarily uses Reported EBITDA based targets in evaluating performance. The Company believes that Net Debt is an important measurement as it is an indicator of the Company's ability to obtain additional capital resources for its future cash needs.

Presented below is a reconciliation of Total Reported EBITDA to net income for the Company calculated in accordance with GAAP for the three and six months ended January 31, 2009 and 2008.

	(In thousands)			
	(Unaudited)			
	Three Months Ended January 31,		Six Months Ended January 31,	
	2009	2008	2009	2008
Mountain Reported EBITDA	\$ 103,462	\$ 117,460	\$ 64,032	\$ 81,017
Lodging Reported EBITDA	2,453	(1,955)	2,808	126
Resort Reported EBITDA*	105,915	115,505	66,840	81,143
Real Estate Reported EBITDA	29,649	1,771	45,022	6,891
Total Reported EBITDA	135,564	117,276	111,862	88,034
Depreciation and amortization	(27,438)	(23,621)	(52,516)	(44,383)
Loss on disposal of fixed assets, net	(422)	(157)	(602)	(391)
Investment income	336	2,019	979	5,237
Interest expense, net	(7,295)	(7,535)	(15,242)	(15,179)
Contract dispute credit, net	--	--	--	11,920
Minority interest in income of consolidated subsidiaries, net	(3,788)	(4,910)	(1,437)	(2,847)
Income before provision for income taxes	96,957	83,072	43,044	42,391
Provision for income taxes	(36,412)	(31,753)	(17,003)	(15,685)
Net income	\$ 60,545	\$ 51,319	\$ 26,041	\$ 26,706

\* Resort represents the sum of Mountain and Lodging

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Presented below is a reconciliation of Total Reported EBITDA to net income for the Company calculated in accordance with GAAP for the twelve months ended January 31, 2009. Also presented is a reconciliation of Net Debt to Long-term Debt and the calculation of Net Debt to Total Reported EBITDA for the twelve months ended January 31, 2009.

	<b>(In thousands)</b> <b>Twelve</b> <b>Months Ended</b> <b>January 31,</b> <b>2009</b>
Mountain Reported EBITDA	\$ 203,576
Lodging Reported EBITDA	12,907
Resort Reported EBITDA*	216,483
Real Estate Reported EBITDA	84,068
Total Reported EBITDA	300,551
Depreciation and amortization	(101,927)
Loss on disposal of fixed assets, net	(1,745)
Investment income	4,027
Interest expense, net	(30,730)
Minority interest in income of consolidated subsidiaries, net	(3,510)
Income before provision for income taxes	166,666
Provision for income taxes	(64,404)
Net income	\$ 102,262

\* Resort represents the sum of Mountain and Lodging

	<b>(In thousands)</b> <b>As of</b> <b>January 31,</b> <b>2009</b>
Long-term debt	\$ 491,777
Long-term debt due within one year	304
Total debt	492,081
Less: cash and cash equivalents	139,172
Net debt	\$ 352,909
Net debt to Total Reported EBITDA	1.2x

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The following table reflects our current forecasted guidance range for the Company's fiscal year ending July 31, 2009, for Reported EBITDA (after stock-based compensation expense) and reconciles such Reported EBITDA guidance to net income guidance for fiscal 2009.

	<b>Current Fiscal 2009 Guidance (In thousands) For the Year Ending July 31, 2009</b>	
	<b>Low End Range</b>	<b>High End Range</b>
Mountain Reported EBITDA <sup>(1)</sup>	\$ 152,000	\$ 162,000
Lodging Reported EBITDA <sup>(2)</sup>	9,000	15,000
Resort Reported EBITDA <sup>(3)</sup>	164,000	174,000
Real Estate Reported EBITDA <sup>(4)</sup>	40,000	44,000
Total Reported EBITDA	204,000	218,000
Depreciation and amortization	(108,000)	(106,000)
Loss on disposal of fixed assets, net	(1,100)	(1,000)
Investment income	1,800	1,900
Interest expense, net	(28,400)	(26,900)
Minority interest in income of consolidated subsidiaries, net	(800)	(2,000)
Income before provision for income taxes	67,500	84,000
Provision for income taxes	(26,500)	(33,000)
Net income	\$ 41,000	\$ 51,000

- (1) Mountain Reported EBITDA includes approximately \$4 million of stock-based compensation.
- (2) Lodging Reported EBITDA guidance includes approximately \$2 million of stock-based compensation and includes CME contribution of approximately \$5.0 million.
- (3) 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 Reported EBITDA range.
- (4) Real Estate Reported EBITDA includes approximately \$4 million of stock-based compensation.