

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 attributable to Vail Resorts, Inc. calculated in accordance with GAAP for the three and twelve months ended July 31, 2012 and 2011.

	(In thousands)			
	(Unaudited)			
	Three Months Ended July 31,		Twelve Months Ended July 31,	
	2012	2011	2012	2011
Mountain Reported EBITDA	\$ (43,975)	\$ (42,135)	\$ 198,908	\$ 213,167
Lodging Reported EBITDA	(22)	(2,503)	6,353	8,755
Resort Reported EBITDA*	(43,997)	(44,638)	205,261	221,922
Real Estate Reported EBITDA	(4,312)	(3,948)	(16,007)	(5,035)
Total Reported EBITDA	(48,309)	(48,586)	189,254	216,887
Depreciation and amortization	(32,335)	(29,012)	(127,581)	(117,957)
Loss on disposal of fixed assets, net	(341)	(212)	(1,464)	(555)
Asset impairment charge	--	--	--	(2,561)
Investment income, net	113	141	469	719
Interest expense, net	(8,360)	(8,531)	(33,586)	(33,641)
Loss on extinguishment of debt	--	(757)	--	(7,372)
(Loss) income before benefit (provision) for income taxes	(89,232)	(86,957)	27,092	55,520
Benefit (provision) for income taxes	35,408	33,042	(10,701)	(21,098)
Net (loss) income	(53,824)	(53,915)	16,391	34,422
Net loss attributable to noncontrolling interests	28	9	62	67
Net (loss) income attributable to Vail Resorts, Inc.	\$ (53,796)	\$ (53,906)	\$ 16,453	\$ 34,489

* Resort represents the sum of Mountain and Lodging

Presented below is a reconciliation of Net Debt to Long-term Debt and the calculation of Net Debt to Total Reported EBITDA as of and for the twelve months ended July 31, 2012.

	(In thousands)
	(Unaudited)
	As of July 31, 2012
Long-term debt	\$ 489,775
Long-term debt due within one year	990
Total debt	490,765
Less: cash and cash equivalents	46,053
Net Debt	\$ 444,712
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Net Debt to Total Reported EBITDA	2.3x