

Reconciliation of Non-GAAP Financial Measures

Resort, mountain and lodging Reported EBITDA have been presented herein as measures of the Company's financial operating performance. Reported EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States ("GAAP"), and it might not be comparable to similarly titled measures. Reported EBITDA does 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 is an indicative measure of resort and lodging companies' operating performance, and it is generally used by investors to evaluate companies in the resort and lodging industries. In addition, because of the significance of long-lived assets to the operations of the Company and the level of the Company's indebtedness, the Company also believes that Reported EBITDA is useful in measuring the Company's ability to fund capital expenditures and service debt. The Company uses Reported EBITDA targets in determining management bonuses.

Presented below is a reconciliation of resort Reported EBITDA to net income for the Company calculated in accordance with GAAP for the three months ended July 31, for the fiscal years 2002 and 2003.

	Three Months Ended July 31, 2003					Three Months Ended July 31, 2002				
	<u>Total</u>	<u>Real Estate</u>	<u>Resort*</u>	<u>Mountain</u>	<u>Lodging</u>	<u>Total</u>	<u>Real Estate</u>	<u>Resort*</u>	<u>Mountain</u>	<u>Lodging</u>
Net Income	\$ (33,673)					\$ (33,258)				
Adjustments to reconcile income to Reported EBITDA:										
Depreciation and amortization	19,600					19,633				
Asset impairment charge	4,830					--				
Loss on disposal of fixed assets	506					134				
Investment income	(427)					(335)				
Interest expense	12,519					11,272				
Gain on put option	(198)					--				
Other income	2					(223)				
Minority interest in income of consolidated subsidiaries	(1,832)					(2,640)				
Benefit (provision) for income taxes	<u>(33,037)</u>	--	--	--	--	<u>(19,644)</u>	--	--	--	--
Reported EBITDA	<u>\$ (31,710)</u>	<u>\$ (503)</u>	<u>\$ (31,207)</u>	<u>\$ (27,135)</u>	<u>\$ (4,072)</u>	<u>\$ (25,062)</u>	<u>\$ 1,844</u>	<u>\$ (26,906)</u>	<u>\$ (25,681)</u>	<u>\$ (1,225)</u>

* Resort represents the sum of Mountain and Lodging.

Presented below is a reconciliation of resort Reported EBITDA to net income for the Company calculated in accordance with GAAP for the fiscal years ended July 31, 2002 and July 31, 2003.

	Year Ended July 31, 2003					Year Ended July 31, 2002				
	<u>Total</u>	<u>Real Estate</u>	<u>Resort*</u>	<u>Mountain</u>	<u>Lodging</u>	<u>Total</u>	<u>Real Estate</u>	<u>Resort*</u>	<u>Mountain</u>	<u>Lodging</u>
Net Income	\$ (8,527)					\$ 7,050				
Adjustments to reconcile income to Reported EBITDA:										
Depreciation and amortization	82,242					68,480				
Asset impairment charge	4,830					--				
Loss on disposal of fixed assets	794					226				
Investment income	(2,011)					(1,295)				
Interest expense	50,001					38,788				
Gain on put option	(1,569)					--				
Other income	(17)					(155)				
Minority interest in income of consolidated subsidiaries	1,064					569				
Benefit (provision) for income taxes	(5,478)					6,843				
Cumulative effect of change in accounting principle, net to income taxes of \$1,046	--	--	--	--	--	1,708	--	--	--	--
Reported EBITDA	<u>\$ 121,329</u>	<u>\$ 17,721</u>	<u>\$ 103,608</u>	<u>\$ 100,378</u>	<u>\$ 3,230</u>	<u>\$ 122,214</u>	<u>\$ 15,272</u>	<u>\$ 106,942</u>	<u>\$ 93,330</u>	<u>\$ 13,612</u>

* Resort represents the sum of Mountain and Lodging.

A reconciliation of the low and high ends of the range given for Reported EBITDA for the Company's fiscal year ending July 31, 2004 is presented below.

For the Year Ending
July 31, 2004

	<u>Low End Range*</u>					<u>High End Range*</u>				
	<u>Total</u>	<u>Real Estate</u>	<u>Resort*</u>	<u>Mountain</u>	<u>Lodging</u>	<u>Total</u>	<u>Real Estate</u>	<u>Resort*</u>	<u>Mountain</u>	<u>Lodging</u>
Net Income	\$ 2,000					\$ 10,000				
Adjustments to reconcile income to Reported EBITDA:										
Depreciation and amortization	86,000					91,000				
Loss on disposal of fixed assets	1,000					--				
Investment income	--					(1,700)				
Interest expense	52,550					48,500				
Minority interest in income of consolidated subsidiaries	--					3,950				
Benefit (provision) for income taxes	1,450	--	--	--	--	7,250	--	--	--	--
Reported EBITDA	<u>\$ 143,000</u>	<u>\$ 13,000</u>	<u>\$ 130,000</u>	<u>\$ 120,000</u>	<u>\$ 6,000</u>	<u>\$ 159,000</u>	<u>\$ 19,000</u>	<u>\$ 140,000</u>	<u>\$ 130,000</u>	<u>\$ 12,000</u>

* 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.