

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 (loss), 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 loss attributable to Vail Resorts, Inc. calculated in accordance with GAAP for the three months ended October 31, 2011 and 2010.

	(In thousands)	
	(Unaudited)	
	Three Months Ended	
	October 31,	
	2011	2010
Mountain Reported EBITDA	\$ (48,455)	\$ (41,577)
Lodging Reported EBITDA	(1,707)	1,543
Resort Reported EBITDA*	(50,162)	(40,034)
Real Estate Reported EBITDA	(4,738)	4,198
Total Reported EBITDA	(54,900)	(35,836)
Depreciation and amortization	(28,930)	(27,732)
(Loss) gain on disposal of fixed assets, net	(114)	92
Investment income	64	238
Interest expense, net	(8,241)	(7,936)
Loss before benefit from income taxes	(92,121)	(71,174)
Benefit from income taxes	36,387	28,114
Net loss	(55,734)	(43,060)
Net loss attributable to noncontrolling interests	25	37
Net loss attributable to Vail Resorts, Inc.	\$ (55,709)	\$ (43,023)

* Resort represents the sum of Mountain and Lodging

Presented below is a reconciliation of Total Reported EBITDA to net income attributable to Vail Resorts, Inc. calculated in accordance with GAAP for the twelve months ended October 31, 2011.

	(In thousands) (Unaudited) Twelve Months Ended October 31, 2011
Mountain Reported EBITDA	\$ 206,289
Lodging Reported EBITDA	5,505
Resort Reported EBITDA*	211,794
Real Estate Reported EBITDA	(13,971)
Total Reported EBITDA	197,823
Depreciation and amortization	(119,155)
Loss on disposal of fixed assets, net	(761)
Asset impairment charge	(2,561)
Investment income	545
Interest expense, net	(33,946)
Loss on extinguishment of debt	(7,372)
Income before provision for income taxes	34,573
Provision for income taxes	(12,825)
Net income	\$ 21,748
Net loss attributable to noncontrolling interests	55
Net income attributable to Vail Resorts, Inc	\$ 21,803

* Resort represents the sum of Mountain and Lodging

The following table reconciles Net Debt to long-term debt and the calculation of Net Debt to Total Reported EBITDA for the twelve months ended October 31, 2011.

	(In thousands) (Unaudited) As of October 31, 2011
Long-term debt	\$ 490,377
Long-term debt due within one year	1,063
Total debt	491,440
Less: cash and cash equivalents	44,738
Net debt	\$ 446,702
Net debt to Total Reported EBITDA	2.3x