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, 2011 and 2010.

	(In thousands)			
	(Unaudited)			
	Three Months Ended July 31,		**Twelve Months Ended July 31,**	
	2011	**2010**	**2011**	**2010**
Mountain Reported EBITDA	$ (42,135)	$ (32,718)	$ 213,167	$ 184,036
Lodging Reported EBITDA	(2,503)	(2,813)	8,755	2,392
Resort Reported EBITDA*	(44,638)	(35,531)	221,922	186,428
Real Estate Reported EBITDA	(3,948)	6,351	(5,035)	(4,308)
Total Reported EBITDA	(48,586)	(29,180)	216,887	182,120
Depreciation and amortization	(29,012)	(27,870)	(117,957)	(110,638)
Loss on disposal of fixed assets, net	(212)	(532)	(555)	(615)
Asset impairment charge	--	--	(2,561)	--
Investment income (loss)	141	(118)	719	445
Interest expense, net	(8,531)	(4,859)	(33,641)	(17,515)
Loss on extinguishment of debt	(757)	--	(7,372)	--
(Loss) income before benefit (provision) for income taxes	(86,957)	(62,559)	55,520	53,797
Benefit (provision) for income taxes	33,042	20,375	(21,098)	(18,022)
Net (loss) income	(53,915)	(42,184)	34,422	35,775
Net loss (income) attributable to noncontrolling interests	9	263	67	(5,390)
Net (loss) income attributable to Vail Resorts, Inc.	$ (53,906)	$ (41,921)	$ 34,489	$ 30,385

* 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 for the twelve months ended July 31, 2011.

	(In thousands) (Unaudited) As of July 31, 2011
Long-term debt	$ 490,698
Long-term debt due within one year	1,045
Total debt	491,743
Less: cash and cash equivalents	70,143
Net debt	$ 421,600
Net debt to Total Reported EBITDA	1.9x

Presented below is a reconciliation of Resort free cash flow to net increase in cash and cash equivalents for the twelve months ended July 31, 2011.

	In millions (Unaudited) Twelve Months Ended July 31, 2011	
Resort Reported EBITDA (excl. stock comp)	$	231.2
Resort Capex, net of adj. from consol. subs		(82.6)
Debt service (excluding principal payments)		(31.2)
Cash taxes		(1.4)
Changes in working capital		(13.2)
Free Cash Flow before other items	**$**	**102.8**
Other items:		
Net Real Estate proceeds	$	166.0
Real Estate investment and operating expenses		(87.7)
Acquisitions (Northstar, Accomodation Station and O2 Gear)		(62.7)
Dividends		(5.4)
Principal Repayments on Debt		(2.6)
Re-financing Fees Paid for New Bonds and Credit Facility		(16.8)
Prepayment of Accrued Interest on Bond Re-financing		(5.4)
Revolver borrowing payments, net		(35.0)
Other adjustments, net		2.2
Net increase in Cash and Cash Equivalents	**$**	**55.4**