

Reconciliation of Non-GAAP Financial Measures

Resort, Mountain, Lodging and Real Estate 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 the Company's 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 Reported EBITDA to net loss of the Company calculated in accordance with GAAP for the three months and the years ended July 31, 2004 and 2003.

	Three Months Ended July 31,		Year Ended July 31,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Reconciliation to consolidated net income:				
Resort Reported EBITDA	\$ (21,887)	\$ (31,206)	\$ 144,606	\$ 103,608
Real Estate Reported EBITDA	<u>(838)</u>	<u>(1,003)</u>	<u>30,939</u>	<u>17,721</u>
Total Reported EBITDA	(22,725)	(32,209)	175,545	121,329
Depreciation and amortization	(21,037)	(19,600)	(86,377)	(82,242)
Asset impairment charge	(175)	(4,830)	(1,108)	(4,830)
Mold remediation charge	--	--	(5,500)	--
Loss on disposal of fixed assets, net	(779)	(506)	(2,345)	(794)
Other income (expense):				
Investment income	548	927	1,886	2,011
Interest expense	(10,550)	(12,520)	(47,479)	(50,001)
Loss on extinguishment of debt	(889)	--	(37,084)	--
Gain (loss) on put option, net	(136)	198	(1,875)	1,569
Other income (expense), net	(170)	(2)	(179)	17
Minority interest in (income) loss of consolidated subsidiaries, net	<u>2,181</u>	<u>1,832</u>	<u>(4,000)</u>	<u>(1,064)</u>
Loss before benefit from income taxes	(53,732)	(66,710)	(8,516)	(14,005)
Benefit from income taxes	<u>17,428</u>	<u>33,037</u>	<u>2,557</u>	<u>5,478</u>
Net loss	<u>\$ (36,304)</u>	<u>\$ (33,673)</u>	<u>\$ (5,959)</u>	<u>\$ (8,527)</u>

* Resort represents the sum of Mountain and Lodging.

Presented below is a reconciliation of net income excluding the mold remediation charge and loss on extinguishment of debt and including an adjustment to adjust the effective tax rate to a normalized rate of 40% to net loss of the Company calculated in accordance with GAAP for the year ended July 31, 2004. Also presented is a reconciliation of net income per diluted share excluding the mold remediation charge and loss on extinguishment of debt and including an adjustment to adjust the effective tax rate to a normalized rate of 40% to net income per diluted share of the Company calculated in accordance with GAAP for the year ended July 31, 2004. The Company has presented these non-GAAP measures as it believes that this presentation is more indicative of the Company's results from continuing operations.

	Year Ended <u>July 31, 2004</u>
Net loss	\$ (5,959)
Remove benefit for income taxes	<u>(2,557)</u>
Loss before benefit for income taxes	(8,516)
Mold remediation charge, before provision for income taxes	5,500
Loss on extinguishment of debt, before provision for income taxes	37,084
Less income tax provision provided for at 40%	<u>(13,627)</u>
Adjusted Net Income	<u>\$ 20,441</u>
Diluted net loss per common share	\$ (0.17)
Add back provision for income taxes per diluted common share	<u>(0.07)</u>
Loss before provision for income taxes per diluted common share	(0.24)
Mold remediation charge per diluted common share, before provision for income taxes	0.16
Loss on extinguishment of debt per diluted common share, before provision for income taxes	1.05
Less income tax provision provided for at 40% per diluted common share	<u>(0.39)</u>
Adjusted diluted net income per share	<u>\$ 0.58</u>

A reconciliation of the low and high ends of the forecasted guidance range given for Reported EBITDA for the Company's fiscal year ending July 31, 2005 is presented below.

	For the Year Ending July 31, 2005	
	<u>Low End Range</u>	<u>High End Range</u>
Reconciliation to consolidated loss before provision for income taxes:		
*Resort Reported EBITDA	\$ 152,000	\$ 160,000
Real Estate EBITDA	<u>10,000</u>	<u>16,000</u>
Total Reported EBITDA	162,000	176,000
Depreciation and amortization	(91,900)	(91,900)
Other income (expense):		
Investment income	1,500	1,500

Interest expense	(44,500)	(43,800)
Minority interest in income of consolidated subsidiaries, net	<u>(4,500)</u>	<u>(5,000)</u>
Income before provision for income taxes	22,600	36,800
Provision for income taxes	(8,800)	(14,400)
Net income	<u>\$ 13,800</u>	<u>\$ 22,400</u>

* 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