

## 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 income for the Company calculated in accordance with GAAP for the three months ended October 31, for the fiscal years 2004 and 2003.

	Three Months Ended October 31, 2003					Three Months Ended October 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	\$ (25,403)					\$ (25,114)				
Adjustments to reconcile income to Reported EBITDA:										
Loss on disposal of fixed assets	1,010					16				
Depreciation and amortization	20,366					18,625				
Interest income	(565)					(206)				
Interest expense	13,408					11,778				
Loss on put option	610					--				
Other income	--					(30)				
Minority interest in income of consolidated joint ventures	(2,091)					(2,024)				
Benefit from income taxes	<u>(17,910)</u>	--	--	--	--	<u>(18,104)</u>	--	--	--	--
Reported EBITDA	<u>\$ (10,575)</u>	<u>\$ 16,884</u>	<u>\$ (27,459)</u>	<u>\$ (27,853)</u>	<u>\$ 394</u>	<u>\$ (15,059)</u>	<u>\$ 14,878</u>	<u>\$ (29,937)</u>	<u>\$ (29,938)</u>	<u>\$ 1</u>

\* Resort represents the sum of Mountain and Lodging.