

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 income (loss) attributable to Vail Resorts, Inc. calculated in accordance with GAAP for the three and six months ended January 31, 2012 and 2011.

	(In thousands)			
	(Unaudited)			
	Three Months Ended January 31,		Six Months Ended January 31,	
	2012	2011	2012	2011
Mountain Reported EBITDA	\$ 120,627	\$ 127,191	\$ 72,172	\$ 85,614
Lodging Reported EBITDA	1,213	881	(494)	2,424
Resort Reported EBITDA*	121,840	128,072	71,678	88,038
Real Estate Reported EBITDA	(3,475)	(197)	(8,213)	4,001
Total Reported EBITDA	118,365	127,875	63,465	92,039
Depreciation and amortization	(33,050)	(30,276)	(61,980)	(58,008)
Loss on disposal of fixed assets, net	(919)	(400)	(1,033)	(308)
Investment income	310	226	374	464
Interest expense, net	(8,542)	(8,659)	(16,783)	(16,595)
Income (loss) before (provision) benefit for income taxes	76,164	88,766	(15,957)	17,592
(Provision) benefit for income taxes	(29,743)	(34,209)	6,644	(6,095)
Net income (loss)	46,421	54,557	(9,313)	11,497
Net (income) loss attributable to noncontrolling interests	(32)	(6)	(7)	31
Net income (loss) attributable to Vail Resorts, Inc.	\$ 46,389	\$ 54,551	\$ (9,320)	\$ 11,528

* 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 January 31, 2012.

	(In thousands) (Unaudited) Twelve Months Ended January 31, 2012
Mountain Reported EBITDA	\$ 199,725
Lodging Reported EBITDA	5,837
Resort Reported EBITDA*	205,562
Real Estate Reported EBITDA	(17,249)
Total Reported EBITDA	188,313
Depreciation and amortization	(121,929)
Loss on disposal of fixed assets, net	(1,280)
Asset impairment charge	(2,561)
Investment income	629
Interest expense, net	(33,829)
Loss on extinguishment of debt	(7,372)
Income before provision for income taxes	21,971
Provision for income taxes	(8,359)
Net income	\$ 13,612
Net loss attributable to noncontrolling interests	29
Net income attributable to Vail Resorts, Inc.	\$ 13,641

* 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 January 31, 2012.

	(In thousands) (Unaudited) As of January 31, 2012
Long-term debt	\$ 490,302
Long-term debt due within one year	1,058
Total debt	491,360
Less: cash and cash equivalents	95,642
Net debt	\$ 395,718
Net debt to Total Reported EBITDA	2.1x