

### 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 and six months ended January 31, for the fiscal years 2004 and 2003.

	<u>Three Months Ended</u> <u>January 31,</u>		<u>Six Months Ended</u> <u>January 31,</u>	
	<u>2004</u>	<u>2003</u> (as restated)	<u>2004</u>	<u>2003</u> (as restated)
Reconciliation to consolidated income (loss) before provision for income taxes:				
Mountain Reported EBITDA	\$ 75,094	\$ 65,332	\$ 47,240	\$ 35,394
Lodging Reported EBITDA	<u>(1,209)</u>	<u>(4,345)</u>	<u>(815)</u>	<u>(4,343)</u>
Resort Reported EBITDA	73,885	60,987	46,425	31,051
Real Estate EBITDA	<u>1,667</u>	<u>2,669</u>	<u>18,552</u>	<u>17,548</u>
Total Reported EBITDA	75,552	63,656	64,977	48,599
Depreciation and amortization	(22,568)	(21,138)	(42,933)	(39,764)
Asset impairment charge	(933)	--	(933)	--
Mold remediation charge	(5,500)	--	(5,500)	--
Loss on disposal of fixed assets, net	(545)	(3)	(1,556)	(19)
Other income (expense):				
Investment income	328	404	893	610
Interest expense	(12,857)	(12,935)	(26,266)	(24,714)
Loss on extinguishment of debt	(36,195)	--	(36,195)	--
Gain (loss) on put option, net	(696)	1,371	(1,306)	1,371
Other income (expense), net	(10)	(10)	(10)	19
Minority interest in income of consolidated subsidiaries, net	<u>(4,094)</u>	<u>(2,343)</u>	<u>(2,003)</u>	<u>(319)</u>
Income (loss) before provision for income taxes	<u>\$ (7,518)</u>	<u>\$ 29,002</u>	<u>\$ (50,832)</u>	<u>\$ (14,217)</u>

\* Resort represents the sum of Mountain and Lodging.

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Presented below is a reconciliation of net income (loss) 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 three and six months ended January 31, 2004. Also presented is a reconciliation of net income (loss) 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 loss per diluted share of the Company calculated in accordance with GAAP for the three and six months ended January 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.

	Three Months Ended <u>January 31, 2004</u>	Six Months Ended <u>January 31, 2004</u>
Net loss	\$(6,737)	\$(1)
Mold remediation charge, before provision for income tax	5,500	5,500
Loss on extinguishment of debt, before provision for income tax	36,195	36,195
Adjustment to provision for income taxes to achieve 40% normalized effective tax rate	<u>(14,452)</u>	<u>(15,036)</u>
Net income (loss) excluding mold remediation charge and loss on extinguishment of debt	<u>\$ 20,506</u>	<u>\$ (5,482)</u>
	\$	\$
Diluted net loss per common share	(0.19)	(0.91)
Mold remediation charge per diluted common share, before provision for income tax	0.16	0.16
Loss on extinguishment of debt per diluted common share, before provision for income tax	1.03	1.03
Adjustment to provision for income taxes to achieve 40% normalized effective tax rate, per diluted share	<u>(0.4)</u>	<u>(0.43)</u>
Diluted net income per common share excluding mold remediation charge and loss on extinguishment of debt	<u>\$ 0.58</u>	<u>\$ (0.16)</u>

Presented below is a reconciliation of the forecasted net income calculated in accordance with GAAP to forecasted net income excluding the mold remediation charge and loss on extinguishment of debt for the Company for the year ending July 31, 2004.

	<b>Low End Range</b>	<b>High End Range</b>
	\$	\$
Forecasted net loss	(23,017)	(15,017)
Mold remediation charge, net of 40% normalized effective tax rate	3,300	3,300
Loss on extinguishment of debt, net of 40% normalized effective tax rate	<u>21,717</u>	<u>21,717</u>
Forecasted net income excluding mold remediation charge and loss on extinguishment of debt	<u>\$ 2,000</u>	<u>\$ 10,000</u>