

Reconciliation of Non-GAAP Financial Measures

Resort, Mountain and Lodging, and Real Estate Reported EBITDA have been presented herein as measures of our 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. We believe that Reported EBITDA is an indicative measurement of our operating performance, and is similar to performance metrics generally used by investors to evaluate companies in the resort and lodging industries. We primarily use Reported EBITDA based targets in evaluating performance. We believe that Net Debt is an important measurement as it is an indicator of our ability to obtain additional capital resources for its future cash needs.

Presented below is a reconciliation of Total Reported EBITDA to net loss attributable to Vail Resorts, Inc. calculated in accordance with GAAP for the three months ended October 31, 2010 and 2009.

	(In thousands)	
	(Unaudited)	
	Three Months Ended	
	October 31,	
	2010	2009
Mountain Reported EBITDA	\$ (41,577)	\$ (37,010)
Lodging Reported EBITDA	1,543	(1,268)
Resort Reported EBITDA*	(40,034)	(38,278)
Real Estate Reported EBITDA	4,198	1,115
Total Reported EBITDA	(35,836)	(37,163)
Depreciation and amortization	(27,732)	(27,184)
Gain (loss) on disposal of fixed assets, net	92	(113)
Investment income	238	230
Interest expense, net	(7,936)	(4,835)
Loss before benefit from income taxes	(71,174)	(69,065)
Benefit from income taxes	28,114	25,554
Net loss	\$ (43,060)	\$ (43,511)
Net loss attributable to noncontrolling interests	37	2,338
Net loss attributable to Vail Resorts, Inc.	\$ (43,023)	\$ (41,173)

* 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 October 31, 2010. Also presented 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 October 31, 2010.

	(In thousands) (Unaudited) Twelve Months Ended October 31, 2010
Mountain Reported EBITDA	\$ 179,469
Lodging Reported EBITDA	5,202
Resort Reported EBITDA*	184,671
Real Estate Reported EBITDA	(1,224)
Total Reported EBITDA	183,447
Depreciation and amortization	(111,186)
Loss on disposal of fixed assets, net	(411)
Investment income	453
Interest expense, net	(20,616)
Income before provision for income taxes	51,687
Provision for income taxes	(15,462)
Net income	\$ 36,225
Net income attributable to noncontrolling interests	(7,690)
Net income attributable to Vail Resorts, Inc	\$ 28,535

* Resort represents the sum of Mountain and Lodging

	(In thousands) (Unaudited) As of October 31, 2010
Long-term debt	\$ 513,007
Long-term debt due within one year	1,958
Total debt	514,965
Less: cash and cash equivalents	19,578
Net debt	\$ 495,387
Net debt to Total Reported EBITDA	2.7x

The following table reflects the forecasted guidance range for our fiscal year ending July 31, 2011, for Reported EBITDA (after stock-based compensation expense) and reconciles such Reported EBITDA guidance to net income attributable to Vail Resorts, Inc. guidance for fiscal 2011.

	Fiscal 2011 Guidance (In thousands) For the Year Ending July 31, 2011	
	Low End Range	High End Range
Mountain Reported EBITDA ⁽¹⁾	\$ 203,000	\$ 213,000
Lodging Reported EBITDA ⁽²⁾	6,000	12,000
Resort Reported EBITDA ⁽³⁾	211,000	221,000
Real Estate Reported EBITDA ⁽⁴⁾	(10,000)	--
Total Reported EBITDA	201,000	221,000
Depreciation and amortization	(115,750)	(117,250)
Loss on disposal of fixed assets, net	(500)	(1,275)
Investment income	1,200	1,200
Interest expense, net	(35,000)	(36,000)
Income before provision for income taxes	50,950	67,675
Provision for income taxes	(18,991)	(25,716)
Net income	31,959	41,959
Net loss attributable to noncontrolling interests	41	41
Net income attributable to Vail Resorts, Inc.	\$ 32,000	\$ 42,000

- (1) Mountain Reported EBITDA includes approximately \$7 million of stock-based compensation.
- (2) Lodging Reported EBITDA includes approximately \$2 million of stock-based compensation.
- (3) 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 of the Resort Reported EBITDA range.
- (4) Real Estate Reported EBITDA includes approximately \$3 million of stock-based compensation.

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