



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, 2010 and 2009.

| | (In thousands) | | | |
|--|-----------------------------------|------------|---------------------------------|-----------|
| | (Unaudited) | | | |
| | Three Months Ended January 31, | | Six Months Ended January 31, | |
| | 2010 | 2009 | 2010 | 2009 |
| Mountain Reported EBITDA | \$ 107,167 | \$ 103,462 | \$ 70,157 | \$ 64,032 |
| Lodging Reported EBITDA | 888 | 2,453 | (380) | 2,808 |
| Resort Reported EBITDA* | 108,055 | 105,915 | 69,777 | 66,840 |
| Real Estate Reported EBITDA | (6,547) | 29,649 | (5,432) | 45,022 |
| Total Reported EBITDA | 101,508 | 135,564 | 64,345 | 111,862 |
| Depreciation and amortization | (27,772) | (27,438) | (54,956) | (52,516) |
| Gain (loss) on disposal of fixed assets, net | 12 | (422) | (101) | (602) |
| Investment income | 192 | 336 | 422 | 979 |
| Interest expense, net | (4,148) | (7,295) | (8,983) | (15,242) |
| Income before provision for income taxes | 69,792 | 100,745 | 727 | 44,481 |
| (Provision) benefit for income taxes | (24,713) | (36,412) | 841 | (17,003) |
| Net income | 45,079 | 64,333 | 1,568 | 27,478 |
| Net income attributable to noncontrolling interests | (4,389) | (3,788) | (2,051) | (1,437) |
| Net income (loss) attributable to Vail Resorts, Inc. | \$ 40,690 | \$ 60,545 | \$ (483) | \$ 26,041 |

* 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, 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 January 31, 2010.

| | (In thousands) (Unaudited) Twelve Months Ended January 31, 2010 |
|---|--|
| Mountain Reported EBITDA | \$ 170,514 |
| Lodging Reported EBITDA | 3,571 |
| Resort Reported EBITDA* | 174,085 |
| Real Estate Reported EBITDA | (6,374) |
| Total Reported EBITDA | 167,711 |
| Depreciation and amortization | (109,653) |
| Loss on disposal of fixed assets, net | (563) |
| Investment income | 1,236 |
| Interest expense, net | (21,289) |
| Income before provision for income taxes | 37,442 |
| Provision for income taxes | (12,800) |
| Net income | \$ 24,642 |
| Net income attributable to noncontrolling interests | (2,216) |
| Net income attributable to Vail Resorts, Inc | \$ 22,426 |

* Resort represents the sum of Mountain and Lodging

| | (In thousands) (Unaudited) As of January 31, 2010 |
|------------------------------------|--|
| Long-term debt | \$ 489,865 |
| Long-term debt due within one year | 1,870 |
| Total debt | 491,735 |
| Less: cash and cash equivalents | 58,008 |
| Net debt | \$ 433,727 |
| Net debt to Total Reported EBITDA | 2.6x |

The following table reflects the forecasted guidance range for the Company's fiscal year ending July 31, 2010 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 2010.

| | Fiscal 2010 Guidance (In thousands) For the Year Ending July 31, 2010 | |
|---|--|---------------------------|
| | Low End Range | High End Range |
| Mountain Reported EBITDA ⁽¹⁾ | \$ 170,000 | \$ 180,000 |
| Lodging Reported EBITDA ⁽²⁾ | 5,000 | 11,000 |
| Resort Reported EBITDA ⁽³⁾ | 178,000 | 188,000 |
| Real Estate Reported EBITDA ⁽⁴⁾ | (8,000) | -- |
| Total Reported EBITDA | 170,000 | 188,000 |
| Depreciation and amortization | (111,000) | (111,000) |
| Loss on disposal of fixed assets, net | (1,100) | (1,100) |
| Investment income | 800 | 850 |
| Interest expense, net | (17,000) | (17,000) |
| Income before provision for income taxes | 41,700 | 59,750 |
| Provision for income taxes | (16,050) | (23,000) |
| Net income | 25,650 | 36,750 |
| Net income attributable to the noncontrolling interests | (650) | (1,750) |
| Net income attributable to Vail Resorts, Inc. | \$ 25,000 | \$ 35,000 |

- (1) Mountain Reported EBITDA includes approximately \$5 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 \$4 million of stock-based compensation.