

VAIL RESORTS

EXTRAORDINARY RESORTS
EXCEPTIONAL EXPERIENCES

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, 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) for the Company calculated in accordance with GAAP for the three and twelve months ended July 31, 2009 and 2008.

	(In thousands) (Unaudited)			
	Three Months Ended July 31,		Twelve Months Ended July 31,	
	2009	2008	2009	2008
Mountain Reported EBITDA	\$ (33,415)	\$ (29,075)	\$ 164,389	\$ 220,561
Lodging Reported EBITDA	(1,957)	2,023	6,759	10,225
Resort Reported EBITDA*	(35,372)	(27,052)	171,148	230,786
Real Estate Reported EBITDA	3,780	38,133	44,080	45,937
Total Reported EBITDA	(31,592)	11,081	215,228	276,723
Loss on disposal of fixed assets, net	(256)	(1,167)	(1,064)	(1,534)
Depreciation and amortization	(27,115)	(23,941)	(107,213)	(93,794)
Investment income, net	365	589	1,793	8,285
Interest expense, net	(5,816)	(7,047)	(27,548)	(30,667)
Contract dispute credit, net	--	--	--	11,920
Minority interest in loss (income) of consolidated subsidiaries, net	2,588	2,548	(1,602)	(4,920)
(Loss) income before benefit (provision) for income taxes	(61,826)	(17,937)	79,594	166,013
Benefit (provision) for income taxes	23,096	6,814	(30,644)	(63,086)
Net (loss) income	\$ (38,730)	\$ (11,123)	\$ 48,950	\$ 102,927

* Resort represents the sum of Mountain and Lodging

Presented below 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 July 31, 2009.

	(In thousands) As of July 31, 2009
Long-term debt	\$ 491,608
Long-term debt due within one year	352
Total debt	491,960
Less: cash and cash equivalents	69,298
Net debt	\$ 422,662
Net debt to Total Reported EBITDA	1.96x

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 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 non-controlling 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.