

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 (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 Reported EBITDA to net loss for the Company calculated in accordance with GAAP for the three months ended October 31, 2008 and 2007.

	(In thousands)	
	Three Months Ended	
	October 31,	
	(Unaudited)	
	2008	2007
Mountain Reported EBITDA	\$ (39,430)	\$ (36,442)
Lodging Reported EBITDA	355	2,081
Resort Reported EBITDA*	(39,075)	(34,361)
Real Estate Reported EBITDA	15,373	5,121
Total Reported EBITDA	(23,702)	(29,240)
Depreciation and amortization	(25,078)	(20,761)
Loss on disposal of fixed assets, net	(180)	(234)
Investment income	643	3,218
Interest expense, net	(7,947)	(7,644)
Contract dispute credit, net	--	11,920
Minority interest in loss of consolidated subsidiaries, net	2,351	2,063
Loss before benefit for income taxes	(53,913)	(40,678)
Benefit from income taxes	19,409	16,068
Net loss	\$ (34,504)	\$ (24,610)

* Resort represents the sum of Mountain and Lodging

Presented below is a reconciliation of Total Reported EBITDA to net income for the Company calculated in accordance with GAAP for the twelve months ended October 31, 2008. 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, 2008.

	(In thousands)
	Twelve
	Months Ended
	October 31,
	2008
Mountain Reported EBITDA	\$ 217,573
Lodging Reported EBITDA	8,499
Resort Reported EBITDA*	226,072
Real Estate Reported EBITDA	56,189
Total Reported EBITDA	282,261
Depreciation and amortization	(98,111)
Loss on disposal of fixed assets, net	(1,480)
Investment income, net	5,710
Interest expense, net	(30,970)
Minority interest in income of consolidated subsidiaries, net	(4,632)
Income before provision for income taxes	152,778
Provision for income taxes	(59,745)
Net income	\$ 93,033

* Resort represents the sum of Mountain and Lodging

	(In thousands)
	As of
	October 31,
	2008
Long-term debt	\$ 491,778
Long-term debt due within one year	354
Total debt	492,132
Less: cash and cash equivalents	102,668
Net debt	\$ 389,464
Net debt to Total Reported EBITDA	1.38