



### 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 attributable to Vail Resorts, Inc. calculated in accordance with GAAP for the three and twelve months ended July 31, 2010 and 2009.

	(In thousands)			
	(Unaudited)			
	Three Months Ended July 31,		Twelve Months Ended July 31,	
	2010	2009	2010	2009
Mountain Reported EBITDA	\$ (32,718)	\$ (33,415)	\$ 184,036	\$ 164,389
Lodging Reported EBITDA	(2,813)	(1,957)	2,392	6,759
Resort Reported EBITDA*	(35,531)	(35,372)	186,428	171,148
Real Estate Reported EBITDA	6,351	3,780	(4,308)	44,080
Total Reported EBITDA	(29,180)	(31,592)	182,120	215,228
Depreciation and amortization	(27,870)	(27,115)	(110,638)	(107,213)
Loss on disposal of fixed assets, net	(532)	(256)	(615)	(1,064)
Investment (expense) income	(118)	365	445	1,793
Interest expense, net	(4,859)	(5,816)	(17,515)	(27,548)
(Loss) income before benefit (provision) for income taxes	(62,559)	(64,414)	53,797	81,196
Benefit (provision) for income taxes	20,375	23,096	(18,022)	(30,644)
Net (loss) income	(42,184)	(41,318)	35,775	50,552
Net loss (income) attributable to noncontrolling interests	263	2,588	(5,390)	(1,602)
Net (loss) income attributable to Vail Resorts, Inc.	\$ (41,921)	\$ (38,730)	\$ 30,385	\$ 48,950

\* 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, 2010.

	<b>(In thousands)</b> <b>(Unaudited)</b> <b>As of July 31, 2010</b>
Long-term debt	\$ 524,842
Long-term debt due within one year	1,869
Total debt	526,711
Less: cash and cash equivalents	14,745
Net debt	\$ 511,966
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Net debt to Total Reported EBITDA	2.8x

The following table reflects the forecasted guidance range for the Company's fiscal year ending July 31, 2011, for Reported EBITDA (after stock-based compensation expense) and reconciles such Reported EBITDA guidance to net income guidance for Fiscal 2011.

	<b>Fiscal 2011 Guidance</b> <b>(In thousands)</b> <b>For the Year Ending</b> <b>July 31, 2011</b>	
	<b>Low End</b> <b>Range</b>	<b>High End</b> <b>Range</b>
Mountain Reported EBITDA <sup>(1)</sup>	\$ 194,000	\$ 204,000
Lodging Reported EBITDA <sup>(2)</sup>	2,000	8,000
Resort Reported EBITDA <sup>(3)</sup>	200,000	210,000
Real Estate Reported EBITDA <sup>(4)</sup>	(4,000)	4,000
Total Reported EBITDA	196,000	214,000
Depreciation and amortization	(114,500)	(115,000)
Loss on disposal of fixed assets, net	(400)	(1,500)
Investment income	1,600	1,600
Interest expense, net	(34,300)	(34,300)
Income before provision for income taxes	48,400	64,800
Provision for income taxes	(18,440)	(24,840)
Net income	29,960	39,960
Net loss attributable to the noncontrolling interests	40	40
Net income attributable to Vail Resorts, Inc.	\$ 30,000	\$ 40,000

(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.