

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. In addition, the Company also uses the term Net Real Estate Cash Flow, which is not a measure of financial performance or liquidity under GAAP, as the Company believes it is important as a cash flow indicator for our Real Estate segment.

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, 2012 and 2011.

	(In thousands) (Unaudited) Three Months Ended October 31,	
	2012	2011
Mountain Reported EBITDA	\$ (55,202)	\$ (48,455)
Lodging Reported EBITDA	702	(1,707)
Resort Reported EBITDA*	(54,500)	(50,162)
Real Estate Reported EBITDA	(3,684)	(4,738)
Total Reported EBITDA	(58,184)	(54,900)
Depreciation and amortization	(31,679)	(28,930)
Loss on disposal of fixed assets, net	(2)	(114)
Investment income, net	54	64
Interest expense, net	(8,375)	(8,241)
Loss before benefit from income taxes	(98,186)	(92,121)
Benefit from income taxes	37,583	36,387
Net loss	(60,603)	(55,734)
Net loss attributable to noncontrolling interests	23	25
Net loss attributable to Vail Resorts, Inc.	\$ (60,580)	\$ (55,709)

* 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, 2012.

	(In thousands) (Unaudited) Twelve Months Ended October 31, 2012
Mountain Reported EBITDA	\$ 192,161
Lodging Reported EBITDA	8,762
Resort Reported EBITDA*	200,923
Real Estate Reported EBITDA	(14,953)
Total Reported EBITDA	185,970
Depreciation and amortization	(130,330)
Loss on disposal of fixed assets, net	(1,352)
Investment income, net	459
Interest expense, net	(33,720)
Income before provision for income taxes	21,027
Provision for income taxes	(9,505)
Net income	\$ 11,522
Net loss attributable to noncontrolling interests	60
Net income attributable to Vail Resorts, Inc.	\$ 11,582

* Resort represents the sum of Mountain and Lodging

The following table reconciles Net Debt to long-term debt and the calculation of Net Debt to Total Reported EBITDA for the twelve months ended October 31, 2012.

	(In thousands) (Unaudited) As of October 31, 2012
Long-term debt	\$ 489,525
Long-term debt due within one year	848
Total debt	490,373
Less: cash and cash equivalents	43,985
Net debt	\$ 446,388
Net debt to Total Reported EBITDA	2.4

The following table reconciles Real Estate Reported EBITDA to Net Real Estate Cash Flow for the three months ended October 31, 2012.

	(In thousands) (Unaudited) Three Months Ended October 31, 2012
Real Estate Reported EBITDA	\$ (3,684)
Non-cash Real Estate cost of sales	9,241
Non-cash Real Estate stock-based compensation	382
Change in Real Estate deposits less investments in Real Estate	(477)
Net Real Estate Cash Flow	<u>\$ 5,462</u>