

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 nine months ended April 30, 2010 and 2009.

	(In thousands) (Unaudited)			
	Three Months Ended April 30,		Nine Months Ended April 30,	
	2010	2009	2010	2009
Mountain Reported EBITDA	\$ 146,597	\$ 133,772	\$ 216,754	\$ 197,804
Lodging Reported EBITDA	5,585	5,908	5,205	8,716
Resort Reported EBITDA*	152,182	139,680	221,959	206,520
Real Estate Reported EBITDA	(5,227)	(4,722)	(10,659)	40,300
Total Reported EBITDA	146,955	134,958	211,300	246,820
Depreciation and amortization	(27,812)	(27,582)	(82,768)	(80,098)
Gain (loss) on disposal of fixed assets, net	18	(206)	(83)	(808)
Investment income	141	449	563	1,428
Interest expense, net	(3,673)	(6,490)	(12,656)	(21,732)
Income before provision for income taxes	115,629	101,129	116,356	145,610
Provision for income taxes	(39,238)	(36,737)	(38,397)	(53,740)
Net income	76,391	64,392	77,959	91,870
Net income attributable to noncontrolling interests	(3,602)	(2,753)	(5,653)	(4,190)
Net income attributable to Vail Resorts, Inc.	\$ 72,789	\$ 61,639	\$ 72,306	\$ 87,680

* 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 April 30, 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 April 30, 2010.

	(In thousands) (Unaudited) Twelve Months Ended April 30, 2010
Mountain Reported EBITDA	\$ 183,339
Lodging Reported EBITDA	3,248
Resort Reported EBITDA*	186,587
Real Estate Reported EBITDA	(6,879)
Total Reported EBITDA	179,708
Depreciation and amortization	(109,883)
Loss on disposal of fixed assets, net	(339)
Investment income	928
Interest expense, net	(18,472)
Income before provision for income taxes	51,942
Provision for income taxes	(15,301)
Net income	\$ 36,641
Net income attributable to noncontrolling interests	(3,065)
Net income attributable to Vail Resorts, Inc	\$ 33,576

* Resort represents the sum of Mountain and Lodging

	(In thousands) (Unaudited) As of April 30, 2010
Long-term debt	\$ 489,822
Long-term debt due within one year	1,851
Total debt	491,673
Less: cash and cash equivalents	51,147
Net debt	\$ 440,526
Net debt to Total Reported EBITDA	2.5x

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.