

Reconciliation of Non-GAAP Financial Measures

Resort, mountain, lodging and real estate Reported EBITDA have been presented herein as measures of the Company's financial operating performance. Reported EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States ("GAAP"), and it might not be comparable to similarly titled measures. Reported EBITDA does not purport to represent cash provided by operating activities and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The Company believes that Reported EBITDA is an indicative measure of the Company's operating performance, and it is generally used by investors to evaluate companies in the resort and lodging industries. In addition, because of the significance of long-lived assets to the operations of the Company and the level of the Company's indebtedness, the Company also believes that Reported EBITDA is useful in measuring the Company's ability to fund capital expenditures and service debt. The Company uses Reported EBITDA targets in determining management bonuses.

Presented below is a reconciliation of Reported EBITDA to net income for the Company calculated in accordance with GAAP for the three and nine months ended April 30, for the fiscal years 2004 and 2003.

	Three Months Ended April 30,		Nine Months Ended April 30,	
	<u>2004</u>	<u>2003</u> (as restated)	<u>2004</u>	<u>2003</u> (as restated)
Reconciliation to consolidated net income:				
Mountain Reported EBITDA	\$ 108,167	\$ 92,080	\$ 155,406	\$ 127,474
Lodging Reported EBITDA	<u>11,897</u>	<u>11,683</u>	<u>11,083</u>	<u>7,340</u>
Resort Reported EBITDA	120,064	103,763	166,489	134,814
Real Estate EBITDA	<u>13,229</u>	<u>1,177</u>	<u>31,782</u>	<u>18,724</u>
Total Reported EBITDA	133,293	104,940	198,271	153,538
Depreciation and amortization	(22,406)	(22,878)	(65,340)	(62,642)
Asset impairment charge	--	--	(933)	--
Mold remediation charge	--	--	(5,500)	--
Loss on disposal of fixed assets, net	(11)	(270)	(1,567)	(289)
Other income (expense):				
Investment income	445	474	1,338	1,084
Interest expense	(10,664)	(12,767)	(36,930)	(37,481)
Loss on extinguishment of debt	--	--	(36,195)	--
Gain (loss) on put option, net	(433)	--	(1,739)	1,371
Other income (expense), net	1	--	(9)	20
Minority interest in income of consolidated subsidiaries, net	<u>(4,178)</u>	<u>(2,577)</u>	<u>(6,181)</u>	<u>(2,896)</u>
Income before provision for income taxes	96,047	66,922	45,215	52,705
Provision for income taxes	<u>(33,562)</u>	<u>(33,386)</u>	<u>(14,871)</u>	<u>(27,559)</u>
Net income	<u>\$ 62,485</u>	<u>\$ 33,536</u>	<u>\$ 30,344</u>	<u>\$ 25,146</u>

* Resort represents the sum of Mountain and Lodging.

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Presented below is a reconciliation of net income excluding the mold remediation charge and loss on extinguishment of debt and including an adjustment to adjust the effective tax rate to a normalized rate of 40% to net loss of the Company calculated in accordance with GAAP for the nine months ended April 30, 2004. Also presented is a reconciliation of net income per diluted share excluding the mold remediation charge and loss on extinguishment of debt and including an adjustment to adjust the effective tax rate to a normalized rate of 40% to net income per diluted share of the Company calculated in accordance with GAAP for the nine months ended April 30, 2004. The Company has presented these non-GAAP measures as it believes that this presentation is more indicative of the Company's results from continuing operations.

	Nine Months Ended <u>April 30, 2004</u>
Net income	\$ 30,344
Add back provision for income taxes	<u>14,871</u>
Income before provision for income taxes	45,215
Mold remediation charge, before provision for income taxes	5,500
Loss on extinguishment of debt, before provision for income taxes	36,195
Less income tax provision provided for at 40%	<u>(34,764)</u>
Adjusted Net Income	<u>\$ 52,146</u>
Diluted net income per common share	\$ 0.86
Add back provision for income taxes per diluted common share	<u>0.42</u>
Income before provision for income taxes per diluted common share	1.28
Mold remediation charge per diluted common share, before provision for income taxes	0.16
Loss on extinguishment of debt per diluted common share, before provision for income taxes	1.02
Less income tax provision provided for at 40% per diluted common share	<u>(0.98)</u>
Adjusted diluted net income per share	<u>\$ 1.48</u>

A reconciliation of the low and high ends of the forecasted guidance range given for Reported EBITDA for the Company's fiscal year ending July 31, 2004 is presented below.

	For the Year Ending July 31, 2004	
	<u>Low End Range</u>	<u>High End Range</u>
Reconciliation to consolidated loss before provision for income taxes:		
Mountain Reported EBITDA	\$ 124,000	\$ 134,000
Lodging Reported EBITDA	<u>8,000</u>	<u>14,000</u>
*Resort Reported EBITDA	135,000	145,000
Real Estate EBITDA	<u>28,000</u>	<u>34,000</u>
Total Reported EBITDA	163,000	179,000
Depreciation and amortization	(88,100)	(88,100)
Asset impairment charge	(933)	(933)
Mold remediation charge	(5,500)	(5,500)
Loss on disposal of fixed assets, net	(1,800)	(1,800)
Other income (expense):		
Investment income	1,650	1,800
Interest expense	(48,000)	(47,000)
Loss on extinguishment of debt	(37,081)	(37,081)
Gain (loss) on put option, net	(1,739)	(1,739)
Other income (expense), net	(100)	--
Minority interest in income of consolidated subsidiaries, net	<u>(3,000)</u>	<u>(4,000)</u>
Loss before benefit for income taxes	(21,603)	(5,353)
Benefit for income taxes	7,129	1,767
Net loss	<u>\$ (14,474)</u>	<u>\$ (3,586)</u>

* 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 range.

Presented below is a reconciliation of the forecasted net income calculated in accordance with GAAP to forecasted net income excluding the mold remediation charge and loss on extinguishment of debt and including an adjustment to adjust the effective tax rate to a normalized rate of 40% for the Company for the year ending July 31, 2004.

	<u>Low End Range</u>	<u>High End Range</u>
Forecasted net loss	\$ (14,474)	\$ (3,586)
Add back forecasted benefit for income taxes	<u>(7,129)</u>	<u>(1,767)</u>
Forecasted loss before benefit of income taxes	(21,603)	(5,353)
Forecasted mold remediation charge	5,500	5,500
Forecasted loss on extinguishment of debt	37,081	37,081
Less forecasted income tax provision provided for at 40%	<u>(8,391)</u>	<u>(14,890)</u>
Adjusted Forecasted Net Income	<u>\$ 12,587</u>	<u>\$ 22,338</u>