

Reconciliation of Non-GAAP Financial Measures

Resort, Mountain, Lodging and Real Estate Reported EBITDA and Resort, Mountain, Lodging and Real Estate Reported EBITDA excluding stock-based compensation have been presented herein as measures of the Company's financial operating performance. Reported EBITDA, Reported EBITDA excluding stock-based compensation and Net Debt (defined as long-term debt plus long-term debt due within one year less cash and cash equivalents) 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, Reported EBITDA excluding stock-based compensation and Net Debt do not purport to represent cash flows generated by operating, investing or financing activities or other financial statement data and should not be considered in isolation or as a substitute for measures of financial performance or liquidity prepared in accordance with GAAP. The Company believes that Reported EBITDA and Reported EBITDA excluding stock-based compensation are indicative measures of the Company's operating performance, and each similar to performance metrics generally used by investors to evaluate companies in the resort and lodging industries. The Company primarily uses Reported EBITDA excluding stock-based compensation targets in determining management bonuses.

VAIL RESORTS, INC.

Presented below is a reconciliation of Reported EBITDA and Reported EBITDA excluding stock-based compensation to net loss for the Company calculated in accordance with GAAP for the three months ended October 31, 2007 and 2006.

	(In thousands)	
	Three Months Ended	
	October 31,	
	(Unaudited)	
	2007	2006
Mountain revenue, net	\$ 42,536	\$ 46,164
Mountain operating expense excluding stock-based compensation	(79,803)	(78,467)
Mountain equity investment income, net	1,969	835
Mountain Reported EBITDA excluding stock-based compensation	(35,298)	(31,468)
Mountain stock-based compensation	(1,144)	(1,020)
Mountain Reported EBITDA	(36,442)	(32,488)
Lodging revenue, net	43,317	40,408
Lodging operating expense excluding stock-based compensation	(40,975)	(36,016)
Lodging Reported EBITDA excluding stock-based compensation	2,342	4,392
Lodging stock-based compensation	(261)	(333)
Lodging Reported EBITDA	2,081	4,059
Resort Reported EBITDA excluding stock-based compensation*	(32,956)	(27,076)
Resort Reported EBITDA*	(34,361)	(28,429)
Real Estate revenue, net	12,034	26,922
Real Estate operating expense excluding stock-based compensation	(6,345)	(25,510)
Real Estate Reported EBITDA excluding stock-based compensation	5,689	1,412
Real Estate stock-based compensation	(568)	(608)
Real Estate Reported EBITDA	5,121	804
Total Reported EBITDA	(29,240)	(27,625)
Depreciation and amortization	(20,761)	(21,585)
Relocation and separation charges	--	(735)
Loss on disposal of fixed assets, net	(234)	(81)
Investment income	3,218	2,063
Interest expense, net	(7,644)	(8,936)
Contract dispute credit (charges), net	11,920	(3,605)
Minority interest in loss of consolidated subsidiaries, net	2,063	1,790
Loss before benefit from income taxes	(40,678)	(58,714)
Benefit from income taxes	16,068	22,899
Net loss	\$ (24,610)	\$ (35,815)

* Resort represents the sum of Mountain and Lodging

VAIL RESORTS, INC.

Presented below is a reconciliation of net loss excluding stock-based compensation, tax effected, to net loss of the Company calculated in accordance with GAAP for the three months ended October 31, 2007 and 2006. Also presented is a reconciliation of net loss per diluted share excluding stock-based compensation, tax effected, to net loss per diluted share of the Company calculated in accordance with GAAP for the three months ended October 31, 2007 and 2006. The Company has presented these non-GAAP measures as it believes that this presentation provides a more comparable measure of the Company's historical results from ongoing operations for the three months ended October 31, 2007 and 2006 to prior periods.

(In thousands, except per share amounts)	Three Months Ended October 31, (Unaudited)	
	2007	2006
Net loss excluding stock-based compensation	\$ (23,385)	\$ (34,591)
Stock-based compensation expense, before benefit from income taxes	(1,973)	(1,961)
Adjustment for benefit from income taxes	748	737
Net loss	\$ (24,610)	\$ (35,815)
Diluted net loss per share excluding stock-based compensation	\$ (0.60)	\$ (0.89)
Stock-based compensation expense per diluted common share, before benefit from income taxes	(0.05)	(0.05)
Adjustment for benefit from income taxes, per diluted common share	0.02	0.02
Diluted net loss per share	\$ (0.63)	\$ (0.93)

VAIL RESORTS, INC.

Presented below is a reconciliation of Total Reported EBITDA to net (loss) income for the Company calculated in accordance with GAAP for the twelve months ended October 31, 2007 and 2006. Also presented is a reconciliation of Net Debt to Long-term Debt and the calculation of Net Debt to Total Reported EBITDA.

	Three Months Ended				Twelve Months Ended	Three Months Ended				Twelve Months Ended
	October 31, 2007	July 31, 2007	April 30, 2007	January 31, 2007	October 31, 2007	October 31, 2006	July 31, 2006	April 30, 2006	January 31, 2006	October 31, 2006
Mountain Reported EBITDA	(36,442)	(30,810)	157,375	113,651	203,774	(32,488)	(30,774)	146,122	97,017	179,877
Lodging Reported EBITDA	2,081	(415)	12,517	2,039	16,222	4,059	842	8,977	(815)	13,063
Resort Reported EBITDA*	(34,361)	(31,225)	169,892	115,690	219,996	(28,429)	(29,932)	155,099	96,202	192,940
Real Estate Reported EBITDA	5,121	(984)	(8,127)	5,825	1,835	804	10,236	(4,266)	3,357	10,131
Total Reported EBITDA	(29,240)	(32,209)	161,765	121,515	221,831	(27,625)	(19,696)	150,833	99,559	203,071
Depreciation and amortization	(20,761)	(20,807)	(23,513)	(21,759)	(86,840)	(21,585)	(22,802)	(22,942)	(21,431)	(88,760)
Relocation and separation charges	--	(32)	(166)	(500)	(698)	(735)	(1,317)	(3,778)	--	(5,830)
Asset impairment charges	--	--	--	--	--	--	(75)	--	--	(75)
Mold remediation credit	--	--	--	--	--	--	559	--	852	1,411
Loss on disposal of fixed assets, net	(234)	(751)	(242)	(10)	(1,237)	(81)	(200)	(108)	(486)	(875)
Investment income	3,218	3,588	4,334	2,417	13,557	2,063	2,605	3,156	1,046	8,870
Interest expense, net	(7,644)	(7,739)	(8,039)	(7,911)	(31,333)	(8,936)	(8,690)	(8,849)	(9,502)	(35,977)
(Loss) gain on sale of businesses, net	--	(38)	(601)	--	(639)	--	--	--	4,625	4,625
Contract dispute credit (charges), net	11,920	(181)	(184)	(672)	10,883	(3,605)	(2,467)	(816)	--	(6,888)
Gain (loss) on put options, net	--	--	690	--	690	--	(1,133)	(113)	1,026	(220)
Other income, net	--	--	--	--	--	--	--	--	51	51
Minority interest in loss (income) of consolidated subsidiaries, net	2,063	1,903	(5,343)	(6,152)	(7,529)	1,790	1,966	(5,355)	(5,231)	(6,830)
(Loss) income before benefit (provision) from income taxes	(40,678)	(56,266)	128,701	86,928	118,685	(58,714)	(51,250)	112,028	70,509	72,573
Benefit (provision) from income taxes	16,068	21,944	(50,193)	(33,902)	(46,083)	22,899	19,987	(43,691)	(27,498)	(28,303)
Net (loss) income	\$ (24,610)	\$ (34,322)	\$ 78,508	\$ 53,026	\$ 72,602	\$ (35,815)	\$ (31,263)	\$ 68,337	\$ 43,011	\$ 44,270

*Resort represents the sum of Mountain and Lodging

	As of October 31, 2007	As of October 31, 2006
Long-term debt	\$ 534,527	\$ 542,990
Long-term debt due within one year	76,944	430
Total debt	611,471	543,420
Less: cash and cash equivalents	166,044	117,311
Net debt	\$ 445,427	\$ 426,109

Net Debt to Total Reported EBITDA

2.01

2.10