

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 and Reported EBITDA excluding stock-based compensation are not measures of financial performance under accounting principles generally accepted in the United States of America ("GAAP"), and they might not be comparable to similarly titled measures. Reported EBITDA and Reported EBITDA excluding stock-based compensation do 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 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. 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 and Reported EBITDA excluding stock-based compensation are useful in measuring the Company's ability to fund capital expenditures and service debt. The Company primarily uses Reported EBITDA excluding stock-based compensation targets in determining management bonuses. Additionally, the company believes that reported EBITDA excluding stock-based compensation is an important measurement for comparability purposes as prior periods do not reflect the impact of the adoption of SFAS 123R.

Presented below is a reconciliation of Reported EBITDA and Reported EBITDA excluding stock-based compensation to net loss of the Company calculated in accordance with GAAP for the three months ended October 31, 2005 and 2004.

	(In thousands)	
	Three Months Ended	
	October 31,	
	2005	2004
Mountain segment net operating revenue	\$ 40,277	\$ 34,493
Mountain segment expense excluding stock-based compensation expense	(71,336)	(63,908)
Mountain equity investment income, net	850	794
Mountain Reported EBITDA excluding stock-based compensation expense	(30,209)	(28,621)
Mountain segment stock-based compensation expense	(955)	(53)
Mountain Reported EBITDA	(31,164)	(28,674)
Lodging segment net operating revenue	41,750	46,275
Lodging segment expense excluding stock-based compensation expense	(37,235)	(43,530)
Lodging equity investment loss, net	--	(1,918)
Lodging Reported EBITDA excluding stock-based compensation expense	4,515	827
Lodging segment stock-based compensation expense	(406)	(18)
Lodging Reported EBITDA	4,109	809
Resort Reported EBITDA	(27,055)	(27,865)
Resort Reported EBITDA excluding stock-based compensation expense	(25,694)	(27,794)
Real Estate segment net operating revenue	3,393	17,115
Real Estate segment expense excluding stock-based compensation expense	(5,688)	(10,041)
Real Estate equity investment income (loss), net	69	(35)
Real Estate Reported EBITDA excluding stock-based compensation expense	(2,226)	7,039
Real Estate segment stock-based compensation expense	(381)	(20)
Real Estate Reported EBITDA	(2,607)	7,019
Total Reported EBITDA	(29,662)	(20,846)
Depreciation and amortization expense	(18,923)	(21,076)
Asset impairment charge	(136)	--
Loss on disposal of fixed assets	(240)	(858)
Investment income, net	1,188	128
Interest expense	(9,437)	(10,576)
(Loss) gain on put options, net	(992)	213
Other income (expenses), net	--	(33)
Minority interest in income of consolidated subsidiaries, net	1,926	1,900
Loss before benefit from income taxes	(56,276)	(51,148)
Benefit from income taxes	21,947	19,692
Net loss	\$ (34,329)	\$ (31,456)

* Resort represents the sum of Mountain and Lodging.

Presented below is a reconciliation of net loss excluding stock-based compensation expense, tax effected, to net loss of the Company calculated in accordance with GAAP for the three months ended October 31, 2005 and 2004. 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, 2005 and 2004. The Company has presented these non-GAAP measures as it believes that this presentation provides a more comparable measure of the Company's results from ongoing operations for the three months ended October 31, 2005 compared to October 31, 2004.

(In thousands, except per share amounts)	Three Months Ended October 31,	
	<u>2005</u>	<u>2004</u>
Net loss excluding stock-based compensation expense	\$(33,266)	\$(31,400)
Stock-based compensation expense, before benefit from income taxes	(1,742)	(91)
Adjustment to benefit from income taxes	<u>679</u>	<u>35</u>
Net loss	<u><u>\$(34,329)</u></u>	<u><u>\$(31,456)</u></u>
Diluted net loss per common share excluding stock-based compensation expense	\$ (0.90)	\$ (0.89)
Stock-based compensation expense per diluted common share, before benefit from income taxes	(0.05)	(0.00)
Adjustment to benefit from income taxes, per diluted common share	<u>0.02</u>	<u>0.00</u>
Diluted net loss per common share	<u><u>\$ (0.93)</u></u>	<u><u>\$ (0.89)</u></u>

A reconciliation of the low and high ends of the forecasted guidance range given for Reported EBITDA and Reported EBITDA excluding stock-based compensation for the Company's fiscal year ending July 31, 2006 is presented below.

	(In thousands)	
	For the Year Ending	
	July 31, 2006	
	<u>Low End</u>	<u>High End</u>
	<u>Range</u>	<u>Range</u>
Mountain Reported EBITDA excluding stock-based compensation	\$ 165,000	\$ 175,000
Mountain segment stock-based compensation	(3,800)	(3,800)
Mountain Reported EBITDA	161,200	171,200
Lodging Reported EBITDA excluding stock-based compensation	8,000	15,000
Lodging segment stock-based compensation	(1,600)	(1,600)
Lodging Reported EBITDA	6,400	13,400
*Resort Reported EBITDA excluding stock-based compensation	175,000	185,000
Resort segment stock-based compensation	(5,400)	(5,400)
*Resort Reported EBITDA	169,600	179,600
Real Estate Reported EBITDA excluding stock-based compensation	5,000	10,000
Real Estate segment stock-based compensation	(1,500)	(1,500)
Real Estate Reported EBITDA	3,500	8,500
Total Reported EBITDA	173,100	188,100
Depreciation and amortization expense	(80,200)	(80,200)
Loss on disposal of fixed assets	(1,200)	(1,200)
Investment income, net	1,700	1,700
Interest expense	(39,900)	(39,900)
Mold remediation cost	800	800
Other income (expenses), net	--	--
Minority interest in income of consolidated subsidiaries, net	(5,250)	(5,750)
Income before provision for income taxes	49,950	64,450
Provision for income taxes	(19,980)	(25,780)
Net income	\$ 29,970	\$ 38,670

* Resort represents the sum of Mountain and Lodging. The Company provides Reported EBITDA and Reported EBITDA excluding stock-based compensation 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 and Reported EBITDA excluding stock-based compensation ranges 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 and Resort Reported EBITDA excluding stock-based compensation 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.

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A reconciliation of the low and high ends of the forecasted guidance range given for net income excluding stock-based compensation for the Company's fiscal year ending July 31, 2006 is presented below.

	(In thousands)	
	For the Year Ending	
	July 31, 2006	
	<u>Low End</u>	<u>High End</u>
	<u>Range</u>	<u>Range</u>
Net income excluding stock-based compensation	\$ 34,110	\$ 42,810
Stock-based compensation expense, before benefit from income taxes	(6,900)	(6,900)
Adjustment to provision for income taxes	2,760	2,760
Net income	\$ 29,970	\$ 38,670