



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. For Resort, the Company defines Resort EBITDA Margin as Resort Reported EBITDA divided by Resort net revenue, which is not a measure of financial performance under GAAP, as the Company believes it is an important measurement of operating performance. 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) income attributable to Vail Resorts, Inc. calculated in accordance with GAAP for the three and twelve months ended July 31, 2013 and 2012.

	(In thousands) (Unaudited)			
	Three Months Ended July 31,		Twelve Months Ended July 31,	
	2013	2012	2013	2012
Mountain Reported EBITDA	\$ (51,272)	\$ (43,975)	\$ 228,699	\$ 198,908
Lodging Reported EBITDA	1,331	(22)	12,161	6,353
Resort Reported EBITDA*	(49,941)	(43,997)	240,860	205,261
Real Estate Reported EBITDA	306	(4,312)	(9,106)	(16,007)
Total Reported EBITDA	(49,635)	(48,309)	231,754	189,254
Depreciation and amortization	(33,861)	(32,335)	(132,688)	(127,581)
Loss on disposal of fixed assets, net	(465)	(341)	(1,222)	(1,464)
Investment income, net	45	113	351	469
Interest expense, net	(13,698)	(8,360)	(38,966)	(33,586)
(Loss) income before benefit (provision) for	(97,614)	(89,232)	59,229	27,092
Benefit (provision) for income taxes	37,710	35,408	(21,619)	(10,701)
Net (loss) income	\$ (59,904)	\$ (53,824)	\$ 37,610	\$ 16,391
Net loss attributable to noncontrolling interests	36	28	133	62
Net (loss) income attributable to Vail Resorts, Inc.	\$ (59,868)	\$ (53,796)	\$ 37,743	\$ 16,453

* 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 July 31, 2013.

	(In thousands) (Unaudited) As of July 31, 2013
Long-term debt	\$ 795,928
Long-term debt due within one year	994
Total debt	796,922
Less: cash and cash equivalents	138,604
Net debt	\$ 658,318
Net debt to Total Reported EBITDA	2.8x

The following table reconciles Real Estate Reported EBITDA to Net Real Estate Cash Flow for the three and twelve months ended July 31, 2013.

	(In thousands) (Unaudited) Three Months Ended July 31, 2013	(In thousands) (Unaudited) Twelve Months Ended July 31, 2013
Real Estate Reported EBITDA	\$ 306	\$ (9,106)
Non-cash Real Estate cost of sales	6,210	36,492
Non-cash Real Estate stock-based compensation	325	1,425
Change in Real Estate deposits less investments in Real Estate	309	(1,331)
Net Real Estate Cash Flow	\$ 7,150	\$ 27,480

The following table reconciles Resort Net Revenue to Resort EBITDA Margin for the twelve months ended July 31, 2013 and for fiscal 2014 guidance.

	(In thousands) (Unaudited) Twelve Months Ended July 31, 2013	(In thousands) (Unaudited) Fiscal 2014 Guidance**
Resort net revenue*	\$ 1,078,488	\$ 1,250,773
Resort EBITDA*	240,860	287,500
Resort EBITDA margin*	22.3%	23.0%

*Resort represents the sum of Mountain and Lodging

**Represents the mid-point range of Guidance