Condensed Interim Consolidated Financial Statements of

WHISTLER BLACKCOMB HOLDINGS INC.

For the three and nine months ended June 30, 2012 (Unaudited)

WHISTLER BLACKCOMB HOLDINGS INC. Condensed Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(in thousands, except per share amounts)

	Th	ree months ended	Three months ended	Nine	months ended		November 9, 2010 to
		June 30, 2012	June 30, 2011	J	Tune 30, 2012		June 30, 2011
			(Adjusted – Note 17)				(Adjusted – Note 17)
Resort revenue (note 4)	\$	34,422	\$ 30,543	\$ 2	209,017	\$	186,245
Real estate revenue		-	-		-		240
		34,422	30,543	2	209,017		186,485
Operating expenses (note 4)		24,012	22,104	1	103,201		89,246
Depreciation and amortization		9,598	10,931		28,865		28,615
Selling, general and administrative (note 4)		5,479	5,522		20,779		14,901
Real estate expenses		-	(4)		-		140
Acquisition-related costs (note 3)		-	-				1,070
		39,089	38,553		152,845		133,972
Earnings (loss) from operations		(4,667)	(8,010)		56,172		52,513
Disposal gains (losses)		4	35		(22)		41
Finance expense, net (note 9)		(4,285)	(4,357)		(13,276)		(11,231)
Net earnings (loss) before income tax		(8,948)	(12,332)		42,874		41,323
Income tax (expense) benefit (note 10)		1,572	2,126		(8,208)		5,338
Net earnings (loss) and comprehensive income (loss)	\$	(7,376)	\$ (10,206)	\$	34,666	\$	46,661
Net earnings (loss) and comprehensive income (loss): Attributable to Whistler Blackcomb							
Holdings Inc. shareholders	\$	(5,202)		\$	23,639	\$	35,632
Attributable to non-controlling interest	\$	(2,174) (7,376)	(2,903) \$ (10,206)	\$	11,027 34,666	\$	11,029 46,661
	Ψ	(7,570)	ψ (10,200)	4	2 1,500	Ψ	70,001
Earnings (loss) per share	¢.	(0.14)	¢ (0.10)	ф	0.62	Ф	0.04
Basic Diluted	\$ \$	(0.14) (0.14)	\$ (0.19) \$ (0.19)		0.62 0.62	\$ \$	0.94 0.94
Weighted average number of common shares outstanding Basic		37,908	37,868		37,892		37,864
Diluted		37,954	37,901		37,953		37,895

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

(Expressed in thousands)

	June 30, 2012	Sept	ember 30, 2011	1	November 9, 2010
	2012	(,	Adjusted -		
Assets			Note 17)		(Note 17)
Current assets:					
Cash and cash equivalents	\$ 53,638	\$	30,023	\$	1
Accounts receivable	3,922	2	3,204		-
Inventory (note 5)	8,476	j	13,314		-
Prepaid expenses	2,164		3,922		-
Notes receivable	303		296		_
	68,503		50,759		1
Notes receivable	2,805		2,946		-
Property, buildings and equipment (note 6)	331,053	;	343,108		-
Intangible assets (note 7)	327,504		337,933		-
Goodwill (note 3)	135,574		135,574		-
Property held for development	9,244	ļ.	9,244		
	\$ 874,683	\$	879,564	\$	1
Current liabilities: Accounts payable and accrued liabilities	\$ 21,654	\$	23,955	\$	-
Deferred revenue	11,602		18,804		-
	33,256	<u>, </u>	42,759		-
Long-term debt (note 8)	256,492	!	255,812		-
Deferred income tax liability	16,725	i	10,225		-
Equity Whistler Blackcomb Holdings Inc. shareholders' equity Preferred shares; no par value; unlimited number authorized; nil outstanding Common shares; no par value; unlimited number authorized; 37,908 outstanding;					
(September 30, 2011 – 37,868)	441,476	<u>, </u>	440,994		1
Additional paid-in capital	594		654		-
Deficit	(14,684	.)	(10,613)		
Total Whistler Blackcomb Holdings Inc.	405.00		401.007		د
shareholders' equity	427,386		431,035		1
Non-controlling interest	140,824		139,733		-
	568,210)	570,768		1
	\$ 874,683	\$	879,564	\$	

Contingencies (note 14) Subsequent events (notes 11 and 12)

Condensed Interim Consolidated Statements of Changes in Equity (Unaudited) (in thousands)

	Common	shares	Ad	ditional		Retained			Non-		Total
		Share		Paid-in		Earnings		cc	ontrolling S	Shai	eholders'
	Number	capital		Capital		(Deficit)	Total		Interest		Total
(Adjusted – Note 17)											_
Opening balance, November 9, 2010	1	\$ 1	\$	-	\$	-	\$ 1	\$	-	\$	1
Initial public offering	25,000	300,000		-		-	300,000		-		300,000
Redemption of common share	(1)	(1)		-		-	(1)		-		(1)
Share issuance costs (net of \$4,471											
of deferred tax benefit)	-	(13,416)		-		-	(13,416)		-		(13,416)
Business acquisition (note 3)	12,843	154,110		-		-	154,110		205,100		359,210
Distribution to non-controlling											
interest	-	-		-		-	-		(60,963)		(60,963)
Closing balance, November 9, 2010	37,843	440,694		-		-	440,694		144,137		584,831
Net earnings	-	-		-		35,632	35,632		11,029		46,661
Share-based compensation	25	300		446		-	746		-		746
Dividends declared	-	-		-		(14,544)	(14,544)		-		(14,544)
Distributions to non-controlling interest	-	-		-		-	-		(8,625)		(8,625)
Balance, June 30, 2011	37,868	\$ 440,994	\$	446	,	\$ 21,088	\$ 462,528	\$	146,541	\$	609,069

	Number	Share capital	A	dditional Paid-in Capital	Retained Earnings (Deficit)	Total	cc	Non- ontrolling Interest	Sha	Total reholders' Equity
Balance, October 1, 2011										
(Adjusted – Note 17)	37,868	\$ 440,994	\$	654	\$ (10,613)	\$ 431,035	\$	139,733	\$	570,768
Net earnings	-	-		-	23,639	23,639		11,027		34,666
Share-based compensation (note 11)	40	482		(60)	-	422		-		422
Distributions to non-controlling										
interest	-	-		-	-	-		(9,936)		(9,936)
Dividends declared (note 12)	-	-		-	(27,710)	(27,710)		-		(27,710)
Balance, June 30, 2012	37,908	\$ 441,476	\$	594	\$(14,684)	\$ 427,386	\$	140,824	\$	568,210

Condensed Interim Consolidated Statements of Cash Flows (Unaudited) (in thousands)

	Thre	ee months	Three months	Nine months		November 9,
		ended	ended	ended		2010 to
		June 30,	June 30,	June 30,		June 30,
		2012	2011	2012		2011
			(Adjusted –			(Adjusted –
			Note 17)			Note 17)
Cash provided by (used in):						
Operations:						
Net earnings (loss)	\$	(7,376)	\$ (10,206)	\$ 34,666	\$	46,661
Items not involving cash:						
Depreciation and amortization		9,598	10,931	28,865		28,615
Disposal losses (gains)		(4)	(35)			(41)
Share-based compensation		96	206	422		746
Amortization of debt issuance costs		315	314	949		804
Deferred income tax expense (benefit)		(2,605)	(2,098)			(5,491)
		24	(888)			71,294
Changes in non-cash operating working capital (note 16)		(2,182)	(2,897)	(3,625)		(17,636)
		(2,158)	(3,785)	67,799		53,658
Financing:						
Dividends paid on common shares (note 12)		(9,240)	(9,230)	(27,710)		(14,544)
Distributions to non-controlling interest		(3,313)	(3,310)			(69,588)
Proceeds on issuance of common shares		-	-	-		300,000
Share issuance costs		_	(4)	-		(17,887)
Proceeds on issuance of long-term debt		(269)	-	(269)		261,000
Debt issuance costs		-	-	-		(6,369)
Due to partner		-	-	-		(10,661)
		(12,822)	(12,544)	(37,915)		441,951
Investing:						
Expenditures on property, buildings and equipment		(1,861)	(1,594)	(6,796)		(4,246)
Proceeds from sale of property and equipment		29	(1,5)+)	393		(4,240)
Repayment of notes receivable		4	5	134		188
Business acquisition, net of cash acquired (note 3)		· -	-	-		(451,007)
		(1,828)	(1,589)	(6,269)		(455,065)
Increase (decrease) in each and each equivalent		(16 909)	(17.019)	22 (15		40.544
Increase (decrease) in cash and cash equivalents Cash and cash equivalents, beginning of period		(16,808) 70,446	(17,918) 58,462	23,615 30,023		40,544
Cash and cash equivalents, beginning of period Cash and cash equivalents, end of period	\$	53,638	\$ 40,544	\$ 53,638	\$	40,544
Cash and Cash equivalents, end of period	Ф	23,038	φ 40,344	ф 33,038	φ	40,344

See supplemental cash flows information (note 16)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

1. Operations:

The principal business activity of the Whistler Blackcomb Holdings Inc. (the "Corporation") is the operation of a four season mountain resort in Whistler, British Columbia. The address of the Corporation's registered office is 4545 Blackcomb Way, Whistler, British Columbia, V0N 1B4.

The Corporation was incorporated on October 4, 2010 under the *Canada Business Corporations Act* and continued into British Columbia under the *Business Corporations Act* (British Columbia) on October 29, 2010. On November 9, 2010, the Corporation completed an initial public offering (the "Offering") and acquired a 75% interest, including a general partner interest, in each of Whistler Mountain Resort Limited Partnership and Blackcomb Skiing Enterprises Limited Partnership, (collectively, the "Partnerships") (the "Business Acquisition"). The 25% interest in the Partnerships that is not owned by the Corporation is owned by Nippon Cable Co. Ltd. and its affiliates ("Nippon Cable"), which are unrelated to the Corporation. See note 3 for additional information about the Offering and Business Acquisition.

2. Significant accounting policies:

The accompanying condensed interim consolidated financial statements comply with International Financial Reporting Standards ("IFRS").

Beginning on October 1, 2011, the Corporation adopted IFRS in the preparation of its consolidated financial statements. The Corporation's consolidated financial statements for the year ending September 30, 2012 will be the Corporation's first annual financial statements that comply with IFRS. The accompanying condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Corporation's consolidated financial statements as of September 30, 2011 and for the period from November 9, 2010 to September 30, 2011. The Corporation's consolidated financial statements were previously prepared under Canadian generally accepted accounting principles ("Canadian GAAP"). An explanation of the adjustments made to the financial position, financial performance and cash flows of the Corporation previously reported under Canadian GAAP as a result of the adoption of IFRS is provided in note 17.

These condensed interim consolidated financial statements were authorized for issuance by the Corporation's Board of Directors on August 7, 2012.

The significant accounting policies applied in preparing the Corporation's condensed interim consolidated financial statements are described below.

(a) Basis of preparation:

The Corporation's condensed interim consolidated financial statements are measured at its historical cost.

The presentation currency and functional currency used to prepare the Corporation's condensed interim consolidated financial statements are Canadian dollars.

The Corporation did not have any activities from October 4, 2010, the date of its incorporation, to November 9, 2010. Accordingly, the Corporation's condensed interim consolidated financial statements for the nine months ended June 30, 2012 are not entirely comparable with its condensed interim consolidated financial statements from November 9, 2010 to June 30, 2011. Note 18 provides selected financial information of the Partnerships on a combined and consolidated basis for the period from October 1, 2010 to November 8, 2010.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

2. Significant accounting policies (continued):

(b) Principles of consolidation:

The Corporation consolidates all entities in which it has a controlling financial interest. Accordingly, the Corporation's consolidated financial statements include all of the assets, liabilities, revenues, expenses and cash flows of the Corporation, the Partnerships and their subsidiaries and the Corporation's wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated on consolidation.

(c) Non-controlling interest:

The 25% interest in the Partnerships' that is owned by Nippon Cable is accounted for as a non-controlling interest. The non-controlling interest's share of the Partnerships' net assets are presented within equity, separately from the equity of the Corporation's shareholders, and has been initially measured at fair value as of November 9, 2010, the date the Corporation obtained control of the Partnerships.

The Corporation's consolidated net earnings (loss) and comprehensive income (loss) includes all of the net earnings (loss) and the comprehensive income (loss) of the Corporation, the Partnerships and their subsidiaries and the Corporation's wholly-owned subsidiaries. Net earnings (loss) attributable to the Corporation includes the Corporation's share of the net earnings (loss) of the Partnerships and their subsidiaries plus all of the net earnings (loss) of the Corporation and its wholly-owned subsidiaries. Net earnings (loss) attributable to the non-controlling interest includes only the non-controlling interest's share of the net earnings (loss) of the Partnerships and the Partnerships' subsidiaries.

(d) Seasonality:

The Corporation's operations experience significant seasonality. The majority of skier visits occur between mid-December and the end of March. The three months ending March 31, generally generates the highest amount of revenue and net earnings.

The policies used to recognize and defer revenues and expenses as of an interim period end are consistent with those as of the Corporation's year end, which are described in this note 2.

(e) Resort segment:

The Corporation's only reportable segment is the Resort Segment, which comprises the four season mountain resort operations and related ancillary activities. The Corporation's real estate activities are not significant. The Corporation's real estate assets comprise its property held for development.

(f) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and amounts in transit from banks for customer credit card and debit card transactions. These transactions are generally processed within one business day.

Cash and cash equivalents also include cash received from guests and held in trust by the Corporation's reservations division. Such cash is held in trust until the guest's arrival date at which time the cash is released to the Corporation or paid to the vacation partner.

(g) Inventory:

Inventory is recorded at the lower of cost and net realizable value, and consists primarily of retail goods, food and beverage products and mountain operating supplies.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

2. Significant accounting policies (continued):

(h) Property, buildings and equipment:

Property, buildings and equipment, including ski lifts and area improvements, are stated at cost less accumulated depreciation. Certain buildings, ski lifts, area improvements and equipment are located on leased or licensed land.

Assets not available for use are classified as capital-in-progress and are not depreciated.

Depreciation is provided over the estimated useful lives of each significant part of each asset using the straight-line method as follows:

Asset category	Years
Buildings and building improvements	5 – 40
Ski lifts and lifts maintenance	5 – 30
Area improvements	5 - 20
Automotive, furniture and other equipment	3 – 10

(i) Decommissioning liabilities:

A decommissioning obligation is an obligation associated with dismantling and removing items of property, buildings and equipment. All property located on leased land will become of the property of the Province of British Columbia at the end of the lease terms to the extent the agreements are not renewed or extended. It is the intent of the Corporation to operate the resort indefinitely. Certain of the Corporation's land leases provide that the Province of British Columbia may elect to not retain certain property located on leased land at the end of the lease term. It is unknown which property the Corporation will be required to be removed at the end of the lease term. As a result, a liability for decommissioning obligations has not been recorded.

(j) Property held for development:

Property held for development consists of property and development rights and is recorded at the lower of cost and net realizable value.

(k) Intangible assets:

Intangible assets acquired individually or as part of a group of other assets are initially recognized and measured at cost. Intangible assets acquired in a business combination, which are separable or arise from contractual rights, are recognized apart from goodwill and are initially recognized and measured at fair value.

The Corporation's brand-related intangible assets and property management agreements have indefinite lives and are not amortized.

Intangible assets with finite useful lives are amortized as follows.

Intangible asset	Method	Rate
Customer list	Declining balance	30% per year
Land tenures	Straight-line	to 2024
Mountain operating rights with Province of British Columbia	Straight-line	to 2029 and 2032

The Corporation obtained additional information about its customer-related intangible assets and prospectively changed the amortization rate from 50% per year to 30% per year commencing July 1, 2011.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

2. Significant accounting policies (continued):

(1) Impairment of non-financial assets:

At the end of each reporting period, the Corporation assesses whether there is any indication that property, buildings and equipment or intangible assets subject to amortization may be impaired. If any such indication exists, the recoverable amount of the asset or cash-generating unit to which the asset belongs is estimated and compared to its carrying value. The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and its value in use. An impairment loss is recognized to the extent the carrying amount exceeds the recoverable amount.

Indefinite-lived intangible assets are tested for impairment annually, and whenever there is any indication that the asset is impaired, by comparing its carrying amount with its recoverable amount. When the carrying amount of the indefinite-lived intangible asset exceeds its recoverable amount, an impairment loss is recognized in an amount equal to the excess.

When an indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased, the recoverable amount of that asset is estimated. A reversal of an impairment loss is recognized immediately in profit or loss if the recoverable amount of a previously impaired asset has subsequently increased to the lower of the asset's or cash generating unit's recoverable amount of carrying value had no impairment loss been recognized for asset or cash-generating unit in prior years.

Goodwill is tested for impairment annually, and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying value of the cash-generating unit with the recoverable amount of the cash-generating unit. If the carrying amount of the cash-generating unit exceeds the recoverable amount, an impairment loss is recognized first to reduce goodwill and then to reduce the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the cash-generating unit.

The determination of an asset's or cash generating unit's recoverable amount involve a number of assumptions and estimates including the extent and timing of future cash flows, growth rates and discount rates.

(m) Debt issuance costs:

Costs incurred to issue long-term debt, net of accumulated amortization, are recorded as a reduction of the related debt. Debt issuance costs are amortized over the contractual term of the related debt using the effective interest method and recognized in interest expense.

(n) Financial instruments:

The Corporation accounts for its classes of financial instruments as follows:

Class	Classification	Accounting method
Cash	Available-for-sale	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Notes receivable	Loans and receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

2. Significant accounting policies (continued):

(o) Provisions:

A provision is a liability of uncertain timing or amount. A provision is recognized when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The Corporation purchases insurance for primarily property, automobile and general liability risk and evaluates the cost of settling claims in reference to the amount of the insurance deductible. A provision is recorded for management's best estimate of the ultimate cost to settle claims considering historical claims experience.

(p) Income taxes:

Income taxes consist of current and deferred income taxes. Current income taxes are recognized for the estimated income taxes payable for the current year. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities, calculated using the currently enacted or substantively enacted tax rates anticipated to apply in the period that the temporary differences are expected to reverse. The carrying value of a deferred tax asset is reviewed each reporting period and reduced to the extent it is not probable that the deferred tax asset will be recovered.

In the Corporation's condensed interim consolidated financial statements, income tax expense is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full fiscal year.

(q) Leases:

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Otherwise the lease is classified as an operating lease. All of the Corporation's leases, which include property and land leases, are classified as operating leases. Operating lease expense is charged to earnings over the term of the lease.

(r) Revenue recognition:

Revenue is derived from a wide variety of sources, including sales of ski and non-ski lift tickets (including season passes), ski school operations, food and beverage operations, retail and rental operations and other related or ancillary activities including property management, and is recognized as products are delivered or services are performed.

Deferred revenue primarily relates to the sale of ski and summer lift products, which includes season passes, frequency cards and multi-day lift tickets. Revenue from the sale of season passes and frequency cards is recognized over the period to which the products relate based on actual usage in proportion to estimates of the total number of expected visits associated with the product over the full period to which the product applies. Estimates of the total number of expected visits from a product are based on historical experience. Revenue from the sale of multi-day lift tickets is recognized based on usage of the product.

(s) Share-based compensation:

Share-based compensation granted to employees and directors are measured at the awards' grant date fair values. For awards that vest on a single date in the future (cliff vesting), their grant date fair values are recognized on a straight-line basis over the vesting period. For awards that vest in tranches (graded vesting), each tranche is treated as a separate award and their grant date fair values are recognized on a straight-line basis over the vesting period of each tranche.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

2. Significant accounting policies (continued):

(t) Finance income (expense):

Finance income (expense) primarily consists of interest income and interest expense. Interest income is earned on financial assets such as cash and accounts and notes receivable. Interest expense is incurred on financial liabilities such as long-term debt and also includes amortization of debt issuance costs.

(u) Earnings per share:

Basic earnings per share is computed by dividing net earnings (loss) attributable to the Corporation's shareholders by the weighted average number of shares outstanding during the period.

The incremental number of shares added to the denominator in the computation of diluted earnings per share associated with the Corporation's share-based compensation awards is computed using the treasury stock method.

(v) Estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those estimates.

The significant areas requiring management estimates involve the recognition of deferred revenue as revenue, the useful lives of non-financial assets, the impairment of non-financial assets and the estimated fair values of assets acquired and liabilities assumed in the Business Acquisition.

The significant areas requiring management judgments involve lease classification and the impairment of non-financial assets

(w) Accounting standards or interpretations issued but not yet effective:

Standards issued by the International Accounting Standards Board, but which are not yet effective include those described below.

- Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after July 1, 2012.
- IAS 27 Separate Financial Statements (amended 2011) is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- IFRS 9 Financial Instruments is effective for annual periods beginning on or after January 1, 2015. Earlier
 application is permitted.
- IFRS 10 *Consolidated Financial Statements* is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- IFRS 12 *Disclosure of Interests in Other Entities* is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

The Corporation is evaluating the impact that these standards will have on its consolidated financial statements and when they will be adopted by the Corporation.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

3. Initial Public Offering and Business Acquisition:

On November 9, 2010 (the "Closing"), the Corporation completed the Offering and issued 25,000 common shares for gross proceeds of \$300.0 million and received net proceeds of \$282.1 million, after deducting the Underwriters' fee and commissions and the expenses of the Offering of \$17.9 million. Concurrent with the Closing, the Corporation acquired directly and indirectly a 75% interest in the Partnerships and 100% of the Non-Material Subsidiaries from Intrawest ULC ("Intrawest") in exchange for \$618.8 million settled with 12,843 common shares of the Corporation and cash in the amount of \$463.9 million.

The Business Acquisition has been accounted for using the acquisition method under IFRS 3 *Business Combinations*. Under this method, the assets acquired, liabilities assumed (except for deferred income tax liabilities) and non-controlling interest have been measured at fair value. The earnings of the Partnerships and the Non-Material Subsidiaries have been included in the Corporation's consolidated financial statements beginning on November 9, 2010.

The following summarizes the consideration paid and the amounts of the assets acquired, liabilities assumed and the fair value of the non-controlling interest in the Partnerships at the acquisition date.

Consideration: Cash	\$	463,887
	φ	•
12,843 common shares of the Corporation		154,110
	\$	617,997
Assets acquired net of liabilities assumed:		
Cash	\$	12,880
Non-cash working capital		(30,248)
Notes receivable		3,433
Property held for development		9,369
Property, buildings, and equipment		358,851
Intangible assets		353,886
Due to partner		(10,661)
Deferred income tax liabilities		(9,987)
Non-controlling interest in the Partnerships		(205,100)
		482,423
Goodwill		135,574
	\$	617,997

All of the goodwill and intangible assets recognized in the Business Acquisition are allocated to the Resort Segment. Approximately \$62 million of the goodwill acquired is tax deductible. Acquisition-related costs totaled \$1,070 and have been recorded as an expense. The fair value of the non-controlling interest in the Partnerships was determined based on the price paid by the Corporation for its interest in the Partnerships and the price in a sale of interests in the Partnerships prior to the Business Acquisition.

See note 17 for a comparison of the assets acquired, liabilities assumed and non-controlling interest prepared under IFRS and Canadian GAAP.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

3. Initial Public Offering and Business Acquisition (continued):

Pro-forma Condensed Financial Information

Had the Business Acquisition been completed on October 4, 2010, the date of the Corporation's incorporation, the results for the following periods would have been:

	October 4, 2010 to June 30,	October 4, 2010 to September 30,
	2011	2011
Revenue	\$ 190,428	\$ 216,008
Net earnings attributable to Whistler Blackcomb Holdings Inc. shareholders	\$ 26,811	\$ 4,698
Non-controlling interest	\$ 7.842	\$ 4,344
Consolidated net earnings and comprehensive income	\$ 34,653	\$ 9,042
Earnings per share, basic and diluted	\$ 0.71	\$ 0.12

The above pro-forma results include the revenue and expenses of the Partnerships and the Non-Material Subsidiaries from October 1, 2010 to November 8, 2010, the impact of additional depreciation and amortization of acquisition accounting adjustments and additional interest expense on the Credit Facilities had the Business Acquisition been completed on October 4, 2010.

4. Resort operations:

Resort revenue, operating expenses (excluding depreciation and amortization) and selling, general and administrative are comprised of the following:

	Thr	ee months	Tl	ree months	N	Vine months]	November 9,
		ended		ended		ended		2010 to
		June 30,		June,		June 30,		June 30,
		2012		2011		2012		2011
Resort revenue:								
Lift	\$	16,953	\$	15,360	\$	109,484	\$	99,783
Retail and rental shop		5,400		4,953		34,045		29,181
Ski school		3,488		2,448		23,787		19,537
Food and beverage		4,815		4,530		25,203		22,563
Other		3,766		3,252		16,498		15,181
Total resort revenue	\$	34,422	\$	30,543	\$	209,017	\$	186,245
Operating expenses:								
Operating labour and benefits	\$	11,764	\$	11,064	\$	50,040	\$	44,105
Retail and food services cost of sales	T	4.085	-	3,679	-	22,212	-	18,972
Property taxes, utilities, rent and insurance		4,077		4,378		15,124		13,235
Supplies, maintenance and other		4,086		2,983		15,825		12,934
Total operating expenses	\$	24,012	\$	22,104	\$	103,201	\$	89,246
Selling, general and administrative expenses:								
Labour and benefits	\$	3,495	\$	2,091	\$	9,229	\$	5,414
Other	Ψ	1,984	7	3,431	7	11,550	7	9,487
Total selling, general and administrative	\$	5,479	\$	5,522	\$	20,779	\$	14,901

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

5. Inventory:

	June 3	,	September 30, 2011
Retail goods	\$ 7,6	64	\$ 11,658
Food and beverage	4	12	246
Mountain operating supplies	4	00	1,410
	\$ 8,4	76	\$ 13,314

6. Property, buildings and equipment:

						Ski lifts	Aı	utomotive,				
						and area		rniture and		Capital		
		Land	Вι	ıildings	impı	rovements		equipment	ir	progress		Total
Cost												
Business acquisition,												
November 9, 2010	\$	18,504	\$	102,426	\$	195,568	\$	38,440	\$	3,913	\$	358,851
Additions		-		1,068		2,622		4,282		-		7,972
Change		-		-		-		-		(633)		(633)
Disposals		-		-		-		(77)		-		(77)
September 30, 2011		18,504		103,494		198,190		42,645		3,280		366,113
Additions		-		558		1,149		4,003		-		5,710
Change		-		-		_		_		1,084		1,084
Disposals		-		(2))	-		(565)		-		(567)
June 30, 2012	\$	18,504	\$	104,050	\$	199,339	\$	46,083	\$	4,364	\$	372,340
Accumulated depreciation												
•												
Business acquisition,	Φ.		Φ.		Φ.		ф		Φ.		ф	
November 9, 2010	\$	-	\$	- 0.42	\$	- 11 412	\$	4.750	\$	-	\$	22.015
Depreciation		-		6,843		11,413		4,759		-		23,015
Disposals		-		-		-		(10)		-		(10)
September 30, 2011		-		6,843		11,413		4,749		-		23,005
Depreciation		-		5,472		9,534		3,429		-		18,435
Disposals		-		-		-		(153)		-		(153)
June 30, 2012	\$	-	\$	12,315	\$	20,947	\$	8,025	\$	-	\$	41,287
Net book value												
At September 30, 2011	\$	18,504	\$	96,651	\$	186,777	\$	37,896	\$	3,280	\$	343,108
At June 30, 2012	Ф \$	18,504	\$	91.735	\$	178,392	\$	38,058	\$	4,364	\$	331,053
111 5 4110 50, 2012	Ψ	10,507	Ψ	71,133	Ψ	110,372	Ψ	30,030	Ψ	¬,50¬	Ψ	331,033

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

7. Intangible assets:

	Mountain						Property	
	operating	(Customer-	Land	Brand-	ma	nagement	
	rights		related	tenures	related	a	greements	Total
Cost								
Business acquisition,								
November 9, 2010 and								
balance at								
September 30, 2011 and								
June 30, 2012	\$ 227,300	\$	14,000	\$ 3,270	\$ 106,116	\$	3,200	\$ 353,886
Accumulated amortization								
Business acquisition,								
November 9, 2010	\$ -	\$	-	\$ -	\$ -	\$	-	\$ -
Amortization	10,002		5,717	234	-		-	15,953
September 30, 2011	10,002		5,717	234	-		-	15,953
Amortization	8,385		1,864	180	-		-	10,429
June 30, 2012	\$ 18,387	\$	7,581	\$ 414	\$ -	\$	-	\$ 26,382
Net book value								
At September 30, 2011	\$ 217,298	\$	8,283	\$ 3,036	\$ 106,116	\$	3,200	\$ 337,933
At June 30, 2012	\$ 208,913	\$	6,419	\$ 2,856	\$ 106,116	\$	3,200	\$ 327,504

8. Long-term debt:

		June 30, 2012	Sep	otember 30, 2011
First Lien Facility (a) Term loan Available under revolving credit facility Undrawn amount under revolving credit facility	\$ \$ 15,000 (15,000)	135,000	\$ \$ 15,000 (15,000)	135,000
Second Lien Facility (b)	 (12,000)	126,000	(12,000)	126,000
Unamortized debt issuance costs		261,000 (4,508)		261,000 (5,188)
	\$	256,492	\$	255,812

The Corporation, through the Partnerships, has entered into credit facilities, consisting of the first lien facilities (the "First Lien Facilities") with a syndicate of financial institutions and the second lien facility (the "Second Lien Facility") with a Canadian institutional investor (collectively, the "Credit Facilities").

The Credit Facilities are subject to customary representations, warranties, covenants, events of default and other terms and conditions.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

8. Long-term debt (continued):

(a) First Lien Facilities:

On June 22, 2012, the First Lien Facilities were amended to extend the maturity date from November 9, 2014 to May 9, 2015 and to reduce the margin on outstanding amounts as described below.

The First Lien Facilities are comprised of (1) a senior secured term facility in the principal amount of \$135 million, repayable in full on May 9, 2015, and (2) a senior secured revolving credit facility of up to \$15 million, available until May 9, 2015 with amounts drawn repayable in full on May 9, 2015.

Under the First Lien Facilities, interest is payable monthly, quarterly or semi-annually depending upon whether the Partnerships have elected the borrowings to bear interest at the prime rate or by way of the issue of bankers' acceptances and depending upon the maturities of such bankers' acceptances, plus an applicable margin in the case of bankers' acceptances, 2.00% to 3.00% per annum (2.25% to 3.50% prior to the June 22, 2012 amendment) and, in the case of prime rate borrowings, an applicable margin that is 1.00% less than the margin applicable to bankers' acceptances, in each case depending upon the Partnerships' then total leverage ratio.

The First Lien Facilities are guaranteed by the Corporation, certain subsidiaries of the Corporation and all of the Partnerships' direct and indirect subsidiaries (collectively, the "Subsidiary Guarantors"), and will be secured by first ranking security interests over substantially all of the tangible and intangible assets of the Partnerships and the Subsidiary Guarantors, including material real property and an assignment by way of security of material agreements and by a pledge of the Corporation's interests in the Partnerships and in the Subsidiary Guarantors that are subsidiaries of the Corporation, a pledge by the Partnerships of their interests in the other Subsidiary Guarantors and a pledge by the non-controlling interest of their interests in the Partnerships.

(b) Second Lien Facility:

Second lien senior notes (the "Second Lien Notes") were issued under the Second Lien Facility and are repayable in full on November 8, 2016.

Under the Second Lien Notes, interest at the rate of 8.75% per annum is paid quarterly.

The Second Lien Notes are guaranteed by the Subsidiary Guarantors and the Corporation and are secured by second ranking security interests over substantially all of the tangible and intangible assets of the Partnerships and the Subsidiary Guarantors, including material real property and an assignment by way of security of material agreements and by a pledge of the Corporation's interests in the Partnerships and in the Subsidiary Guarantors that are subsidiaries of the Corporation, a pledge by the Partnerships of their interests in the other Subsidiary Guarantors and a pledge by the non-controlling interest of their interests in the Partnerships.

Prepayments of the Second Lien Notes are subject to certain make-whole payments and prepayment premiums that are dependent upon the length of time until the maturity date.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

9. Finance expense, net:

	Three months	Three months	Nine months	November 9,
	ended	ended	ended	2010 to
	June 30,	June 30,	June 30,	June 30,
	2012	2011	2012	2011
Interest income	\$ 238	\$ 177	\$ 532	\$ 362
Interest expense	(4,523)	(4,534)	(13,808)	(11,593)
Finance expense, net	\$ (4,285)	\$ (4,357)) \$ (13,276)	\$ (11,231)

10. Income taxes:

	T	hree months	Three months	Nine months	November 9,
		ended	ended	ended	2010 to
		June 30,	June 30,	June 30,	June 30,
		2012	2011	2012	2011
Current tax (expense) benefit	\$	(1,033)	\$ 28	\$ (1,708)	\$ (153)
Deferred tax (expense) benefit		2,605	2,098	(6,500)	5,491
	\$	1,572	\$ 2,126	\$ (8,208)	\$ 5,338

The Corporation's effective tax rate for the three and nine months ended June 30, 2012 varies from the statutory tax rate of 25.4% primarily because the Corporation's condensed interim consolidated financial statements only include its share of income tax expense associated with the Partnerships' net earnings. The non-controlling interest's income taxes on its share of the Partnerships' net earnings are not recorded in the Corporation's condensed interim consolidated financial statements.

In the periods ended June 30, 2011, the Corporation's income tax benefit included the estimated benefit associated with an agreement that the Partnerships' 2011 taxable income be allocated to Intrawest. In the three months ended September 30, 2011, additional steps were taken to provide that the Partnerships have certain tax bases in the assets acquired from Intrawest in the Business Acquisition. These steps reduced the amount of taxable income allocated to Intrawest for the period from November 9, 2010 to September 30, 2011. As a result, for the period from November 9, 2010 to September 30, 2011, the Corporation's effective tax rate was 21.6% as a percentage of net earnings before income taxes.

11. Share-based compensation:

The Corporation established the 2010 Omnibus Incentive Plan (the "Plan") effective November 9, 2010 under which the Corporation's common shares, stock options on shares of the Corporation's common stock and other share-based awards may be granted to directors, officers, employees or consultants of the Corporation or its affiliates. Under the Plan, 3,784 shares of the Corporation's common stock are reserved for issuance.

In January 2012, 40 restricted share units vested and were settled by the issuance of 40 shares of the Corporation's common stock. At June 30, 2012, the Corporation had 80 restricted share units unvested and outstanding (September 30, 2011 – 120 restricted share units unvested and outstanding), which vest based on providing service to January 2013 and 2014.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

11. Share-based compensation (continued):

On July 18, 2012, 98,000 restricted share units were granted of which:

- 49,000 restricted share units will vest if an earnings target, as defined in the award agreements, for the year ending September 30, 2012 is met and if service is provided to September 30, 2015, and
- 49,000 restricted share units will vest if the same earnings target for the year ending September 30, 2012 above is
 met and if an earnings target, as defined in the award agreements, is met for the year ending September 30, 2013
 or 2014.

12. Dividends:

Dividend per common share	Declaration date	Record date	Payment date	d	Total listribution
\$0.24375 \$0.24375 \$0.24375	October 11, 2011 January 10, 2012 April 10, 2012	October 24, 2011 January 24, 2012 April 24, 2012	October 28, 2011 January 27, 2012 April 27, 2012	\$	9,230 9,240 9,240
\$0.73125				\$	27,710
\$0.24375	July 10, 2012	July 24, 2012	July 27, 2012	\$	9,240

13. Capital resources:

In managing capital, the Corporation's definition of capital comprises long-term debt and shareholders' equity. The Corporation's objective in managing capital is to maintain an appropriate level of capital at an appropriate cost necessary to generate returns from its business activities. To achieve this objective, the Corporation invests in its resort operations assets (e.g., through capital expenditures). The Corporation is not subject to external capital requirements.

14. Contingencies:

The Corporation is involved in several lawsuits arising from the ordinary course of business. Although the outcome of such matters cannot be predicted with certainty, management does not consider the Corporation's incremental exposure to loss to be material to these condensed interim consolidated financial statements.

Under various agreements with third parties, the Corporation and/or the Partnerships have agreed and will, in the future, agree to indemnify such third parties in certain circumstances.

15. Related party transactions:

In the three and nine months ended June 30, 2012, the Corporation was charged \$176 and \$535, respectively, (three months ended June 30, 2011 – \$182; November 9, 2010 to June 30, 2011 – \$466) by Intrawest, which owns 24% of the Corporation's common shares, for administrative services. These expenses have been included in selling, general and administrative expenses.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

16. Supplemental cash flows information:

The changes in non-cash operating working capital consist of the following:

	Thr	ee months	Three month	is]	Nine months	November 9,
		ended	ende	d	ended	2010 to
		June 30,	June 30),	June 30,	June 30,
		2012	201	1	2012	2011
Cash provided by (used in):						
Accounts receivable	\$	7,041	\$ 3,95	9 \$	(718)	\$ (3,330)
Inventory		1,396	66	6	4,838	2,711
Prepaid expenses		435	62	8	1,758	1,276
Accounts payable and accrued liabilities		(8,225)	(7,70	7)	(2,301)	(3,010)
Deferred revenue		(2,829)	(44	3)	(7,202)	(15,283)
	\$	(2,182)	\$ (2,89	7) \$	(3,625)	\$ (17,636)

	TU		T	1 41		T*	 NT 1 0
	In	ree months	1	hree months	ľ	Vine months	November 9,
		ended		ended		ended	2010 to
		June 30,		June 30,		June 30,	June 30,
		2012		2011		2012	2011
Supplemental information:							
Interest paid, net	\$	3,979	\$	4,426	\$	12,283	\$ 8,866
Income taxes paid	\$	108	\$	44	\$	827	\$ 304
Non-cash transaction:							
Common shares issued as consideration in							
business acquisition (note 3)	\$	-	\$	-	\$	-	\$ 154,110

17. Transition to IFRS:

Beginning on October 1, 2011, the Corporation adopted IFRS in the preparation of its consolidated financial statements. The Corporation's consolidated financial statements for the year ending September 30, 2012 will be the Corporation's first annual financial statements that comply with IFRS. Prior to the adoption of IFRS, the Corporation's consolidated financial statements were prepared under Canadian GAAP. The Corporation's consolidated financial statements as at September 30, 2011 and in all periods from November 9, 2010 to September 30, 2011 have been adjusted to comply with IFRS.

The Corporation's IFRS transition date is the beginning of November 9, 2010. The Corporation did not have any activities from October 4, 2010, the date of its incorporation, to the beginning of November 9, 2010. As the Corporation did not prepare financial statements prior to the IFRS transition date of the beginning of November 9, 2010, the exemptions available in IFRS 1 *First-Time Adoption of International Financial Reporting Standards* are not applicable to the Corporation.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

17. Transition to IFRS (continued):

The following reconciles the Corporation's equity, comprehensive income, and cash flows previously reported under Canadian GAAP to IFRS:

Reconciliation of Equity - Canadian GAAP to IFRS

			September 30,		June 30,		November 9,
			2011		2011		2010
		_		_		_	
Total equity, Canadian GAAP		\$	407,863	\$	444,942	\$	1
Measurement of non-controlling interest at fair value	(a)		171,412		171,412		-
Acquisition-related costs	(b)		(1,070)		(1,070)		-
Measurement period adjustments - impact on							
depreciation and amortization	(c)		(1,831)		(1,759)		-
Measurement of non-controlling interest's share							
of assets acquired at fair value – impact on							
depreciation and amortization	(d)		(6,564)		(4,896)		-
Income tax impact of above adjustments			458		440		-
Temporary differences of intangible assets for							
tax purposes	(e)		500		-		-
Total equity, IFRS		\$	570,768	\$	609,069	\$	1
Total equity, IFRS							
Whistler Blackcomb Holdings Inc. shareholders		\$	431,035	\$	462,528	\$	1
Non-controlling interest			139,733	•	146,541		-
Total equity, IFRS		\$	570,768	\$	609,069	\$	1

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

17. Transition to IFRS (continued):

Reconciliation of	of net o	earnings and	l compre	hensive i	income – (Canadian	GAAP 1	to IFRS

		No	vember 9,	N	lovember 9,	T	hree months
			2010 to		2010 to		ended
		Sept	ember 30,		June 30,		June 30,
			2011		2011		2011
Net earnings and comprehensive income, Canadian	GAAP	\$	15,104	\$	38,021	\$	(6,838)
Non-controlling interest's share of net earnings	(f)		14,095		15,925		(1,064)
Acquisition-related costs	(b)		(1,070)		(1,070)		-
Measurement period adjustments – impact on							
depreciation and amortization	(c)		(1,831)		(1,759)		(620)
Measurement of non-controlling interest's share							
of assets acquired at fair value - impact on							
depreciation and amortization	(d)		(6,564)		(4,896)		(1,839)
Income tax impact of above adjustments			458		440		155
Temporary differences of intangible assets for							
tax purposes	(e)		500		-		-
Net earnings (loss) and comprehensive income (loss), IFRS	\$	20,692	\$	46,661	\$	(10,206)
Net earnings (loss) and comprehensive income (loss), IFRS, attribi	utable to:					
Whistler Blackcomb Holdings Inc.		\$	13,161	\$	35,632	\$	(7,303)
Non-controlling interest	(f)		7,531		11,029		(2,903)
Net earnings (loss), IFRS		\$	20,692	\$	46,661	\$	(10,206)
Earnings (loss) per share, basic and diluted							
Canadian GAAP		\$	0.40	\$	1.00	\$	(0.18)
IFRS		\$	0.35	\$	0.94	\$	(0.19)

Reconciliation of cash flows - Canadian GAAP to IFRS

		N	ovember 9,	N	ovember 9,	Tl	ree months
			2010 to		2010 to		ended
		Sep	otember 30,		June 30,		June 30,
			2011		2011		2011
Cash provided by (used in):							
Operations, Canadian GAAP		\$	59,715	\$	54,728	\$	(3,785)
Acquisition-related costs	(b)		(1,070)		(1,070)		-
Operations, IFRS		\$	58,645	\$	53,658	\$	(3,785)
Financing activities, Canadian GAAP and IFRS		\$	429,411	\$	441,951	\$	(12,544)
Investing activities, Canadian GAAP		\$	(461,248)	\$	(456,135)	\$	(1,594)
Acquisition-related costs	(b)		1,070		1,070		-
Restricted cash	(g)		2,145		-		-
Investing activities, IFRS		\$	(458,033)	\$	(455,065)	\$	(1,594)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

17. Transition to IFRS (continued):

The following compares the allocation of the assets acquired, liabilities assumed and non-controlling interest in the Business Acquisition (note 3) prepared under IFRS and Canadian GAAP:

			Canadian
		IFRS	GAAP
Consideration:			
Cash		\$ 463,887	\$ 463,887
12,843 common shares of the Corporation		154,110	154,110
Acquisition-related costs	(b)	-	1,070
		\$ 617,997	\$ 619,067
Assets acquired net of liabilities assumed:			
Cash		\$ 12,880	\$ 12,880
Non-cash working capital		(30,248)	(30,248)
Notes receivable		3,433	3,433
Property held for development	(d)	9,369	7,679
Property, buildings, and equipment	(d)	358,851	309,405
Intangible assets	(d)	353,886	266,232
Due to partner		(10,661)	(10,661)
Deferred income tax liabilities	(e)	(9,987)	(4,387)
Non-controlling interest in the Partnerships	(a)	(205,100)	(33,688)
		482,423	520,645
Goodwill	(a), (b), (d), (e)	 135,574	98,422
·		\$ 617,997	\$ 619,067

Explanations of the above differences between IFRS and Canadian GAAP applied to the Corporation's consolidated financial statements are as follows:

(a) Measurement of non-controlling interest at fair value:

Under IFRS, the non-controlling interest in the Partnerships has been measured at fair value as of the acquisition date of November 9, 2010. Under Canadian GAAP, the non-controlling interest in the Partnerships' net assets and liabilities was measured at their historical cost.

(b) Acquisition-related costs:

Under IFRS, acquisition-related costs are expensed when incurred. Under Canadian GAAP, acquisition-related costs were included in the cost of the Business Acquisition.

(c) Measurement period adjustments:

Under IFRS, the measurement period provides the acquirer with a reasonable time to obtain the information necessary to identify and measure the identifiable assets acquired, liabilities assumed, non-controlling interest and goodwill. Adjustments, including the impact on depreciation and amortization expense, made to provisional amounts during the measurement period are made retrospectively as if the information had been available at the acquisition date of November 9, 2010. Under Canadian GAAP, adjustments made to provisional amounts, including the impact on depreciation and amortization expense were made prospectively.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

17. Transition to IFRS (continued):

(d) Measurement of non-controlling interest's share of assets acquired and liabilities assumed at fair value:

Under IFRS, assets acquired and liabilities assumed (except for deferred income tax liabilities) in the Business Acquisition were measured at fair value, including the non-controlling interest's share of the Partnerships' net assets, as of the acquisition date of November 9, 2010. Under Canadian GAAP, the non-controlling interest's share of the Partnerships' net assets was measured at historical cost. As a result of measuring the non-controlling interest's share of the Partnerships' net assets at fair value, which is higher than their historical cost, the Corporation records additional depreciation and amortization expense on those net assets.

(e) Temporary differences of intangible assets for tax purposes:

Under IFRS, deferred income tax assets and liabilities on intangible assets are recognized for temporary differences between their tax and accounting bases. IFRS does not provide that temporary differences be adjusted for the non-taxable portion of proceeds on the sale of intangible assets for tax purposes. Canadian GAAP requires temporary differences intangible assets for tax purposes are adjusted for the non-taxable portion of proceeds on the sale of intangible assets for tax purposes.

(f) Non-controlling interest's share of net earnings:

Under IFRS, the non-controlling interest's share of the Partnerships' net earnings and comprehensive income is included in the Corporation's consolidated net earnings and comprehensive income. Under Canadian GAAP, the non-controlling interest's share of the Partnerships' net earnings is included in the statement of earnings and comprehensive income as a deduction in the determination of consolidated net earnings.

(g) Restricted cash:

Under IFRS, the amount of significant cash that is not available for use is included in cash. Under Canadian GAAP, cash subject to restrictions is not included in cash.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

18. Selected supplementary financial information of the Corporation and of the Partnerships:

The following provides selected supplementary information about the financial performance and cash flows of the Partnerships for the period from October 1, 2010 to November 8, 2010 ("supplementary information"). This supplementary information has been prepared by management to show the financial performance and cash flows of the Partnerships from October 1, 2010 to the date of their acquisition by the Corporation. This supplementary information is prepared using previous Canadian GAAP and was presented previously in the annual financial statements of the Corporation for the year ended September 30, 2011. This supplementary information of the Partnerships has been prepared on a combined and consolidated basis. Management has determined that there would be no material differences had this information been prepared under IFRS.

The supplementary information presented in this note has been prepared by management and has not been reviewed in accordance with the standards established for a review of interim financial statements by an entity's auditor.

Presented alongside the supplementary information is certain information of the Corporation for periods after November 9, 2010 reproduced from information included elsewhere in these condensed interim consolidated financial statements.

The information presented below for the Corporation for periods after November 9, 2010 is labeled "Successor" and supplementary information for the Partnerships from October 1, 2010 to November 8, 2010 is labeled "Predecessor". The Successor and Predecessor periods have been separated by a vertical line in the tables provided in this note to distinguish the financial information between pre-acquisition and post-acquisition periods and to highlight the fact that it represents information of different legal entities and are not entirely comparable. For example, comparability is impacted by the different cost base of the assets and liabilities as a result of the acquisition transaction.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

18. Selected supplementary financial information of the Corporation and of the Partnerships (continued):

Statement of Comprehensive Income (Loss)

	Thre	e months	Th	ree months	Nine months	N	ovember 9,	C	October 1,
		ended		ended	ended		2010 to		2010 to
	June 30,			June 30,	June 30,		June 30,	Nov	ember 8,
		2012		2011	2012		2011		2010
	(S	uccessor)	(Successor)	(Successor)	((Successor)	(Pre	decessor)
Resort revenue Real estate revenue	\$	34,422	\$	30,543	\$ 209,017	\$	186,245 240	\$	3,902
		34,422		30,543	209,017		186,485		3,902
Operating expenses		24,012		22,104	103,201		89,246		8,246
Depreciation and amortization		9,598		10,931	28,865		28,615		1,510
Selling, general and administration		5,479		5,522	20,779		14,901		2,574
Real estate expenses		-		(4)	-		140		53
Acquisition-related costs		-		-	-		1,070		-
		39,089		38,553	152,845		133,972		12,383
Earnings (loss) from operations		(4,667))	(8,010)	56,172		52,513		(8,481)
Disposal gains (losses)		4		35	(22)	41		(63)
Finance income (expense), net		(4,285))	(4,357)	(13,276)	(11,231)		19
Net earnings (loss) before income tax		(8,948))	(12,332)	42,874		41,323		(8,525)
Income tax (expense) benefit		1,572		2,126	(8,208)	5,338		-
Net earnings (loss) and									
comprehensive income (loss)	\$	(7,376)	\$	(10,206)	\$ 34,666	\$	46,661	\$	(8,525)

Resort Operations

	Three months		Three months N		Nine months		November 9,		October 1	
	ended June 30, 2012			ended		ended		2010 to		2010 to
			June 30, 2011		June 30, 2012		June 30, 2011		November 8,	
										2010
	(S	uccessor)	(S	Successor)	(S	Successor)	(S	Successor)	(Pre	decessor)
Resort revenue:										
Lift	\$	16,953	\$	15,360	\$	109,484	\$	99,783	\$	497
Retail and rental shop		5,400		4,953		34,045		29,181		2,353
Ski school		3,488		2,448		23,787		19,537		22
Food and beverage services		4,815		4,530		25,203		22,563		227
Other		3,766		3,252		16,498		15,181		803
Total resort revenue	\$	34,422	\$	30,543	\$	209,017	\$	186,245	\$	3,902
Operating expenses:										
Operating labour and benefits	\$	11,764	\$	11,064	\$	50,040	\$	44,105	\$	2,966
Retail and food services cost of sales	Ψ	4,085	Ψ	3,679	Ψ	22,212	Ψ	18,972	Ψ	1,455
Property taxes, utilities, rent and insurance		4,077		4,378		15,124		13,235		1,604
Supplies, maintenance and other		4,086		2,983		15,825		12,934		2,221
Total operating expenses	\$	24,012	\$	22,104	\$	103,201	\$	89,246	\$	8,246
Calling games and administrative armonage										
Selling, general and administrative expenses: Labour and benefits	\$	3,495	\$	2,091	\$	9,229	\$	5,414	8	734
Other	Ф	1,984	Ф	,	Ф	11,550	Ф	,	Φ	
	Φ.		¢.	3,431	φ		φ	9,487	Φ.	1,840
Total selling, general and administrative	\$	5,479	\$	5,522	\$	20,779	\$	14,901	\$	2,574

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) (in thousands, except as indicated)
Periods ended June 30, 2012 and 2011

18. Selected supplementary financial information of the Corporation and of the Partnerships (continued):

Statement of Cash Flows

Statement of Cash Flows	mi u	TC1		NT .1	N. 1 0	0.1.1
					November 9,	October 1,
	ende		ended	ended	2010 to	2010 to
	June 3	- ,	June 30,	June 30,	June 30,	November 8,
	201	2	2011	2012	2011	2010
	(Successo	r)	(Successor)	(Successor)	(Successor)	(Predecessor)
Cash provided by (used in):						
Operations:						
Net earnings (loss)	\$ (7,37	6) \$	(10,206)	\$ 34,666	\$ 46,661	\$ (8,525)
Items not involving cash:						
Depreciation and amortization	9,59	8	10,931	28,865	28,615	1,510
Disposal losses (gains)		4)	(35)	22	(41)	63
Share-based compensation	9	6	206	422	746	_
Amortization of debt issuance costs	31	5	314	949	804	_
Deferred income tax expense (benefit)	(2,60	5)	(2,098)	6,500	(5,491)	-
	2	4	(888)	71,424	71,294	(6,952)
Changes in non-cash operating working capital	(2,18	2)	(2,897)	(3,625)		
	(2,15	8)	(3,785)	67,799	53,658	7,320
Financing:						
Dividends paid on common shares	(9,24	$\cdot 0)$	(9,230)	(27,710)	(14,544)	-
Distributions to non-controlling interest	(3,31	3)	(3,310)	(9,936)	(69,588)	-
Proceeds on issuance of common shares		-	-	-	300,000	-
Share issuance costs		-	(4)	-	(17,887)	-
Proceeds on issuance of long-term debt		-	-	-	261,000	-
Debt issuance costs	(26	9)	-	(269)	(6,369)	-
Due to partner		-	-	-	(10,661)	349
Distributions to partners		-	-	-	-	(16,794)
	(12,82	2)	(12,544)	(37,915)	441,951	(16,445)
Investing:						
Expenditures on property, buildings and equipn	nent (1,86	1)	(1,594)	(6,796)	(4,246)	(728)
Proceeds from sale of property and equipment	2	9	-	393	-	
Repayment of notes receivable		4	5	134	188	8
Business acquisition, net of cash acquired		-	-	-	(451,007)	-
	(1,82	8)	(1,589)	(6,269)	(455,065)	(720)
Increase (decrease) in cash and cash equivalents	(16,80	8)	(17,918)	23,615	40,544	(9,845)
Cash and cash equivalents, beginning of period	70,44		58,462	30,023	-	19,681
Cash and cash equivalents, end of period	\$ 53,63	8 \$		\$ 53,638	\$ 40,544	\$ 9,836

Changes in non-cash operating working capital

	Thre	Three months		Three months		Nine months		November 9,		October 1,
	ended June 30,		ended June 30,		ended June 30,		2010 to June 30,			2010 to
									Nov	vember 8,
		2012		2011		2012		2011		2010
	(St	uccessor)	(S	uccessor)	(St	iccessor)	(S	uccessor)	(Pre	decessor)
Cash provided by (used in):										
Accounts receivable	\$	7,041	\$	3,959	\$	(718)	\$	(3,330)	\$	12,000
Inventory		1,396		666		4,838		2,711		(88)
Prepaid expenses		435		628		1,758		1,276		(859)
Accounts payable and accrued liabilities		(8,225)		(7,707)		(2,301)		(3,010)		(3,844)
Deferred revenue		(2,829)		(443)		(7,202)		(15,283)		7,063
	\$	(2,182)	\$	(2,897)	\$	(3,625)	\$	(17,636)	\$	14,272