Consolidated Financial Statements of

# WHISTLER BLACKCOMB HOLDINGS INC.

For the year ended September 30, 2012 and the period from November 9, 2010 to September 30, 2011

### INDEPENDENT AUDITORS' REPORT

To the Shareholders of Whistler Blackcomb Holdings Inc.

We have audited the accompanying consolidated financial statements of Whistler Blackcomb Holdings Inc., which comprise the consolidated statements of financial position as at September 30, 2012, September 30, 2011 and November 9, 2010, the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Whistler Blackcomb Holdings Inc. as at September 30, 2012, September 30, 2011 and November 9, 2010, and its consolidated financial performance and its consolidated cash flows for the year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011 in accordance with International Financial Reporting Standards.

Other Matter

We draw attention to the fact that the supplementary information included in note 21 does not form part of the audited consolidated financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

(Signed) "KPMG"

Chartered Accountants December 12, 2012 Vancouver, Canada

WHISTLER BLACKCOMB HOLDINGS INC.
Consolidated Statements of Comprehensive Income
(in thousands, except per share amounts)

		Year ended September 30, 2012		ovember 9, 2010 to ptember 30, 2011
				(Adjusted – Note 20)
Revenue (note 4)	\$	236,372	\$	212,065
Operating expenses (note 4)		124,225		109,459
Depreciation and amortization		38,803		38,969
Selling, general and administrative (note 4)		26,938		20,527
Acquisition-related costs (note 3)		-		1,070
		189,966		170,025
Earnings from operations		46,406		42,040
Disposal gains (losses)		(26)		56
Finance expense, net (note 11)		(17,458)		(15,700)
Net earnings before income tax		28,922		26,396
Income tax expense (note 12)		(5,560)		(5,704)
Net earnings and comprehensive income	\$	23,362	\$	20,692
Net earnings and comprehensive income: Attributable to Whistler Blackcomb Holdings Inc. shareholders Attributable to non-controlling interest	\$	15,676 7,686 23,362	\$	13,161 7,531 20,692
Earnings per share				
Basic Diluted	\$ \$	0.41 0.41	\$ \$	0.35 0.35
Weighted average number of common shares outstanding Basic Diluted		37,896 37,966		37,865 37,910

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Financial Position (Expressed in thousands)

	Septer	mber 30, 2012	Sept	ember 30, 2011	ľ	November 9, 2010
		2012	(,	Adjusted -		2010
				Note 20)		(Note 20)
Assets						
Current assets:						
Cash and cash equivalents (note 18)	\$	43,634	\$	30,023	\$	1
Accounts receivable		3,481		3,204		-
Income taxes receivable		240	)	-		-
Inventory (note 5)		13,788	3	13,314		-
Prepaid expenses		3,104	ļ	3,922		-
Notes receivable (note 6)		303	3	296		-
		64,550	)	50,759		1
Notes receivable (note 6)		2,792	2	2,946		-
Property, buildings and equipment (note 7)		328,414	Ļ	343,108		-
Intangible assets (note 8)		324,028	3	337,933		-
Goodwill (note 3)		135,574	ļ	135,574		-
Property held for development		9,244	ļ	9,244		-
	\$	864,602	2 \$	879,564	\$	1
Current liabilities:  Accounts payable and accrued liabilities Income taxes payable Provisions (note 9) Deferred revenue	\$	24,060 153 2,903 20,718	3	20,642 603 2,710 18,804	\$	- - -
Deterred revenue		47,834		42,759		
Long-term debt (note 10)		256,800		255,812		
						-
Deferred income tax liabilities (note 12)		15,489	,	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	5	440,994		1
Additional paid-in capital		721		654		-
Deficit		(31,887	")	(10,613)		-
Total Whistler Blackcomb Holdings Inc.						
shareholders' equity		410,310		431,035		1
Non-controlling interest		134,169	)	139,733		-
		544,479	)	570,768		1
	\$	864,602	2 \$	879,564	\$	1

Commitments and contingencies (note 16) Subsequent events (note 14 and 17)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:

Consolidated Statements of Changes in Equity (in thousands)

	Common	shares	Additional	Retained		Non-	Total
		Share	Paid-in	Earnings		controlling S	Shareholders'
	Number	capital	Capital	(Deficit)	Total	Interest	Equity
(Adjusted – Note 20)							
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	-	-	-	13,161	13,161	7,531	20,692
Share-based compensation	25	300	654	-	954	-	954
Dividends declared	-	-	-	(23,774)	(23,774)	-	(23,774)
Distributions to non-controlling							
interest	-	-	-	-	-	(11,935)	(11,935)
Balance, September 30, 2011	37,868	440,994	\$ 654	\$ (10,613) \$	431,035	\$ 139,733	\$ 570,768
Net earnings	_	-	-	15,676	15,676	7,686	23,362
Share-based compensation (note 13)	40	482	67	_	549	-	549
Distributions to non-controlling							
interest	-	-	-	-	-	(13,250)	(13,250)
Dividends declared (note 14)			-	(36,950)	(36,950)		(36,950)
Balance, September 30, 2012	37,908	\$ 441,476	\$ 721	\$ (31,887) \$	410,310	\$ 134,169	\$ 544,479

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows (in thousands)

	Year ended September 30, 2012	November 9, 2010 to September 30, 2011
		(Adjusted –
		Note 20)
Cash provided by (used in):		
Operations:		
Net earnings	\$ 23,362	\$ 20,692
Items not involving cash:		
Depreciation and amortization	38,803	38,969
Disposal losses (gains)	26	(56)
Share-based compensation	549	954
Amortization of debt issuance costs	1,257	1,181
Deferred income tax expense	5,264	4,709
	69,261	66,449
Changes in non-cash operating working capital (note 18)	4,902	(7,804)
	74,163	58,645
Financing:		
Dividends paid on common shares (note 14)	(36,950)	(23,774)
Distributions to non-controlling interest	(13,250)	(72,898)
Proceeds on issuance of common shares	-	300,000
Share issuance costs	-	(17,887)
Proceeds on issuance of long-term debt	-	261,000
Debt issuance costs	(269)	(6,369)
Due to partner	-	(10,661)
	(50,469)	429,411
Investing:		
Expenditures on property, buildings and equipment	(10,617)	(7,217)
Proceeds from sale of property and equipment	387	(7,217)
Repayment of notes receivable	147	191
Business acquisition, net of cash acquired (note 3)		(451,007)
	(10,083)	
Increase in cash and cash equivalents	13,611	30,023
Cash and cash equivalents, beginning of period	30,023	30,023
Cash and cash equivalents, beginning of period  Cash and cash equivalents, end of period	\$ 43,634	\$ 30,023
Cash and cash equivalents, end of period	\$ 43,034	φ 30,023

See supplemental cash flow information (note 18)

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 1. Operations:

The principal business activity of 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 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 and these consolidated financial statements are the Corporation's first annual financial statements that comply with IFRS. 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 20.

These consolidated financial statements were authorized for issuance by the Corporation's Board of Directors on December 12, 2012.

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

#### (a) Basis of preparation:

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

The presentation currency and functional currency used to prepare the Corporation's 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 consolidated financial statements for the year ended September 30, 2012 are not comparable with its consolidated financial statements from November 9, 2010 to September 30, 2011. Note 21 provides selected financial information of the Partnerships on a combined and consolidated basis for the period from October 1, 2010 to November 8, 2010.

#### (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.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 2. Significant accounting policies (continued):

#### (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 acquired control of the Partnerships.

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

#### (d) 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.

#### (e) Cash and cash equivalents:

Cash and cash equivalents include cash on hand 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.

#### (f) Inventory:

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

#### (g) 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 yet 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

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 2. Significant accounting policies (continued):

#### (g) Property, buildings and equipment (continued):

The estimated useful lives of property, buildings and equipment are determined based on various factors including historical data and the Corporation's expected use of the asset. Significant judgment is required in determining the estimated useful lives of property, buildings and equipment.

#### (h) 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 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.

#### (i) 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.

#### (i) 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 as their underlying contracts are renewable without significant cost and are, therefore, not amortized.

Intangible assets subject to amortization are amortized as follows.

Intangible asset	Method	Rate
Customer list	Declining balance	30% per year
Land tenures	Straight-line	Over agreement term of 14 years
Mountain operating rights with Province of British Columbia	Straight-line	Over agreement terms of 19 to 22 years

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.

#### (k) 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.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 2. Significant accounting policies (continued):

#### (k) Impairment of non-financial assets (continued):

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 is carried out using discounted cash flow projections, which involve a number of assumptions and estimates, including the extent and timing of future cash flows, growth rates and discount rates. The recoverable amounts of the Corporation's indefinite-life intangible assets were determined by using cash flow projections covering a five-year period and a terminal value calculated by discounting the final year in perpetuity. The cash flow projections and terminal value reflect a growth rate approximating inflation and discount rates of 8.5% to 9.25% were applied to the cash flow projections. The Corporation's market capitalization is also considered in the estimate of the cash-generating unit's recoverable amount for goodwill impairment testing.

### (l) 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.

### (m) 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 Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 2. Significant accounting policies (continued):

#### (n) 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.

#### (o) 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.

#### (p) 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, do not transfer substantially all the risks and rewards incidental to ownership of the leased asset and, therefore, are classified as operating leases. Operating lease expense is charged to earnings over the term of the lease.

#### (q) 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.

#### (r) Share-based compensation:

Share-based compensation granted to employees and directors are measured at the awards' grant date fair values. The grant date fair values of share and restricted share unit awards are equal to the quoted closing market price of the Corporation's common shares on the grant date. For awards that vest on a single date in the future (cliff vesting), the grant date fair values of awards expected to vest 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 the grant date fair values of awards expected to vest are recognized on a straight-line basis over the vesting period of each tranche.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 2. Significant accounting policies (continued):

#### (s) 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.

#### (t) 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.

#### (u) 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 (note 2(q)), the useful lives of non-financial assets (notes 2(g) and 2(j)), the impairment of and recoverable amounts of non-financial assets (note 2(k)) and the estimated amount of provisions (note 2(n)).

The significant areas requiring management judgments involve income taxes, (note 2(o)), lease classification (note 2(p)) and the impairment of non-financial assets (note 2(k)).

#### (v) 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 expects to adopt these accounting standards on their effective dates. The Corporation does not expect these standards will have a significant impact on its consolidated financial statements in the period of initial application.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 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
	 154,110
12,843 common shares of the Corporation	 
	\$ 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 20 for a comparison of the assets acquired, liabilities assumed and non-controlling interest prepared under IFRS and Canadian GAAP.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 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,	
	201		
	September		
		2011	
		(unaudited)	
Revenue	\$	216,008	
Net earnings attributable to			
Whistler Blackcomb Holdings Inc. shareholders	\$	6,314	
Non-controlling interest	\$	4,344	
Consolidated net earnings and comprehensive income	\$	10,658	
Earnings per share, basic and diluted	\$	0.17	

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:

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

			N	ovember 9,
	Year ende			2010 to
	Sep	tember 30,	September 30,	
		2012		2011
Revenue:				
Lift	\$	121,093	\$	110,500
Retail and rental shop		39,747		34,708
Ski school		24,899		20,433
Food and beverage		29,815		26,631
Other		20,818		19,793
Total revenue	\$	236,372	\$	212,065
Operating expenses:				
Operating labour and benefits	\$	59,089	\$	52,809
Retail and food services cost of sales		26,409		22,955
Property taxes, utilities, rent and insurance		18,682		16,262
Supplies, maintenance and other		20,045		17,433
Total operating expenses	\$	124,225	\$	109,459
Selling, general and administrative expenses:				
Labour and benefits	\$	12,647	\$	7,232
Other	·	14,291		13,295
Total selling, general and administrative	\$	26,938	\$	20,527

Notes to the Consolidated Financial Statements (in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

### 5. Inventory:

	September 30, 2012	September 30, 2011	
Retail goods Food and beverage Mountain operating supplies	\$ 12,068 200 1,520	\$ 11,658 246 1,410	
	\$ 13,788	\$ 13,314	

Retail and food and beverage costs of sales included in resort operating expenses totaled \$26,409 in the year ended September 30, 2012 (2011 - \$24,410).

#### 6. Notes receivable:

	Septe	ember 30,	Sept	ember 30
		2012		2011
Secured notes receivable	\$	3,068	\$	3,207
Unsecured notes receivable		27		35
		3,095		3,242
Current portion		303		296
	\$	2,792	\$	2,946

Notes receivable comprises several notes with interest rates ranging from 6.0% to 8.5% and maturities ranging from 2013 to 2022. The secured notes are secured by real estate.

### 7. Property, buildings and equipment:

						Ski lifts		utomotive,				
			ъ			and area		rniture and		Capital		T . 1
		Land	Ві	ildings	ımp	rovements		equipment	1ľ	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
Transfers, net		-		-		-		-		(633)		(633)
Disposals		-		-		-		(77)		-		(77)
September 30, 2011		18,504		103,494		198,190		42,645		3,280		366,113
Additions		-		1,046		2,163		6,298		10,273		19,780
Transfers, net		-		-		-		-		(9,163)		(9,163)
Disposals		-		(2)	)	-		(565)		-		(567)
September 30, 2012		18,504		104,538		200,353		48,378		4,390		376,163
Accumulated depreciation												
Business acquisition,												
November 9, 2010	\$	_	\$	_	\$	_	\$	_	\$	_	\$	_
Depreciation	Ψ	_	Ψ	6,843		11,413	Ψ	4,759	Ψ	_	Ψ	23,015
Disposals		_		-		-		(10)		-		(10)
September 30, 2011				6,843		11.413		4,749				23,005
Depreciation		_		7,315		12,747		4.835		_		24,897
Disposals		_				-		(153)		-		(153)
September 30, 2012		-		14,158		24,160		9,431		-		47,749
Net book value		_		<u> </u>		·				·		
At September 30, 2011	\$	18,504	\$	96,651	\$	186,777	\$	37,896	\$	3,280	\$	343,108
At September 30, 2012	\$	18,504	\$	90,380		176,193	\$	38,947	\$	4,390	\$	328,414

Notes to the Consolidated Financial Statements

(in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

### 8. Intangible assets:

		Mountain operating rights	(	Customer- related		Land tenures		Brand- related		Property nagement greements		Total
Cost												
Business acquisition, November 9, 2010 and												
balance at												
September 30, 2011 and												
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		11,180		2,485		240		-		-		13,905
September 30, 2012		21,182		8,202		474		-		-		29,858
Net book value	Φ.	215 200	ф	0.202	ф	2.026	ф	106116	Φ.	2 200	ф	227.022
At September 30, 2011	\$	217,298	\$	8,283	\$	3,036	\$	106,116	\$	3,200	\$	337,933
At September 30, 2012	\$	206,118	\$	5,798	\$	2,796	\$	106,116	\$	3,200	\$	324,028

### 9. Provisions:

Balance, November 8, 2010	\$ _
Assumed in business combination	3,302
Changes in estimate	(200)
Payments	(392)
Balance, September 30, 2011	2,710
Changes in estimate	301
Payments	(108)
Balance, September 30, 2012	\$ 2,903

The timing of cash flows associated with settlement of provisions is unknown.

### 10. Long-term debt:

	Sept	ember 30, 2012	Sep	tember 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)	 (13,000)	126,000	(13,000)	126,000
Unamortized debt issuance costs		261,000 (4,200)		261,000 (5,188)
	\$	256,800	\$	255,812

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 10. Long-term debt (continued):

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.

#### (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. In the case of bankers' acceptances, borrowings bear interest at bankers' acceptances rates plus an applicable margin of 2.00% to 3.00% per annum (2.25% to 3.50% prior to the June 22, 2012 amendment), depending on the Partnerships' then total leverage ratio. In the case of prime rate borrowings, borrowings bear interest at prime rate plus an applicable margin that is 1.00% less than the margin applicable to bankers' acceptances.

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 Consolidated Financial Statements (in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

### 11. Finance expense, net:

	Year ended tember 30,	2010 to tember 30, 2011
Interest income	\$ 714	\$ 508
Interest expense	(18,172)	(16,208)
Finance expense, net	\$ (17,458)	\$ (15,700)

### 12. Income taxes:

		November 9,
	Year ended	2010 to
	September 30,	September 30,
	2012	2011
Current tax expense	\$ 296	\$ 995
Deferred tax expense	5,264	4,709
	\$ 5,560	\$ 5,704

The following is a reconciliation of the statutory income tax rate to income tax expense:

			Nov	ember 9,
	Ye	ar ended		2010 to
	Septe	mber 30,	Septe	ember 30,
		2012		2011
Statutory income tax rate		25%	Ó	27%
Income tax expense at the statutory tax rate	\$	7,339	\$	7,127
Non-controlling interest's share of Partnerships' net earnings		(1,909)		(2,003)
Non-deductible expenses		104		502
Other		26		78
	\$	5,560	\$	5,704

The Corporation's deferred tax assets and liabilities were caused by differences between the financial reporting and income tax bases of the following:

	Septe	eptember 30, 2012		otember 30, 2011
Share issuance costs Property, buildings and equipment Intangible assets Goodwill	\$	2,690 (7,900) (8,292) (1,987)	\$	3,675 (5,264) (7,670) (966)
	\$	(15,489)	\$	(10,225)

Notes to the Consolidated Financial Statements (in thousands, except as indicated) Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 13. 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, 10 percent of the Corporation's common shares are reserved for issuance.

The following provides a summary of the Corporation's share-based compensation awards:

		Weighted		Weighted
	Shares	average grant date fair value	Restricted share units	average grant date fair value
		(dollars)		(dollars)
Unvested, November 9, 2010	-	-	-	-
Granted	25	12.00	120	12.00
Vested	(25)	12.00	-	12.00
Unvested, September 30, 2011	-	-	120	12.00
Granted	-	-	98	11.45
Vested	-	-	(40)	12.00
Forfeited	-	-	(18)	11.70
Unvested, September 30, 2012	-	-	160	11.70

Of the restricted share units unvested and outstanding at September 30, 2012:

- 72 will vest as to one half on the second anniversary of the grant and the remainder on the third anniversary of the grant so long as service is provided to the vesting dates,
- 44 will vest on September 30, 2015 so long as service is rendered to that date, and
- 44 will vest if an earnings target, as defined in the award agreements, is met for the year ending September 30, 2013 or 2014 and service is rendered to the date the earnings targets have been determined.

#### 14. Dividends:

Dividend per common share	Declaration date	Record date	Payment date	Ċ	Total listribution
\$0.14042 <sup>(1)</sup> \$0.24375	January 12, 2011 April 12, 2011	January 24, 2011 April 25, 2011	January 28, 2011 April 29, 2011	\$	5,314 9,230
\$0.24375 \$0.62792	July 12, 2011	July 25, 2011	July 29, 2011	\$	9,230 23,774
\$0.24375 \$0.24375	October 11, 2011 January 10, 2012	October 24, 2011 January 24, 2012	October 28, 2011 January 27, 2012	\$	9,230 9,240
\$0.24375 \$0.24375 \$0.24375	April 10, 2012 July 10, 2012	April 24, 2012 July 24, 2012	April 27, 2012 July 27, 2012		9,240 9,240
\$0.97500				\$	36,950
\$0.24375	October 9, 2012	October 23, 2012	October 26, 2012	\$	9,240

<sup>(1)</sup> Represents a quarterly dividend of \$0.24375 per common share pro-rated for the period from November 9, 2010 to December 31, 2010.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 15. Capital resources:

The Corporation's capital comprises long-term debt and equity. The Corporation's objective is to maintain an appropriate level of capital at an appropriate cost to generate returns from its resort segment. To achieve this objective, the Corporation invests in its resort segment assets (e.g., through capital expenditures) (note 16(a)(i)). The Corporation is otherwise not subject to external capital requirements.

#### 16. Commitments and contingencies:

#### (a) Operating lease commitments:

(i) The Corporation, through the Partnerships, holds land leases and rights-of-way, expiring in 2032 and 2029, which provide for the use of land at Whistler Mountain and Blackcomb Mountain, respectively, in Whistler, British Columbia for skiing and other activities. Payments to the Province of British Columbia under these leases and rights-of-way equal 2% of gross lift revenue. The terms of the leases allow the Province of British Columbia to increase the royalty by a maximum of 1.0% and 0.5% every 10 years for Whistler Mountain and Blackcomb Mountain, respectively. Under provisions of agreements with the Province of British Columbia to occupy these lands and rights-of-way, the Partnerships are obligated to develop and operate recreational ski facilities and improvements. The Partnerships also have options and rights of first refusal to acquire certain property at Blackcomb Mountain under terms of the agreement with the Province of British Columbia.

For the year ended September 30, 2012, land lease expense totaled \$2,411 (November 9, 2010 to September 30, 2011 - \$2,203).

(ii) The Corporation is committed to minimum lease payments under other operating leases, primarily for buildings, vehicles, and equipment, as of September 30, 2012 as follows:

2013		390
2014	5,6	543
2015	5,3	327
2016	4,7	66
2017	4,0	)58
Thereafter	21,6	589
	\$ 47,3	373

For the year ended September 30, 2012, expenses recognized for other operating leases totaled \$6,488 (November 9, 2010 to September 30, 2011 - \$5,563).

#### (b) Legal claims:

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 exposure to loss to be material to these consolidated financial statements.

#### (c) Indemnities:

Under 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.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 16. Commitments and contingencies (continued):

#### (d) Distributions from Partnerships:

The Partnerships are obligated to make minimum annual distributions to Nippon Cable equal to 9% of their capital contributions to the Partnerships, plus the estimated amount of Nippon Cable's income taxes payable on its share of the Partnerships' taxable income for the preceding fiscal year. As of September 30, 2012, 9% of Nippon Cable's contributions to the Partnerships equals \$4 million and the estimated amount of Nippon Cable's income taxes on the Partnerships' taxable income for the year ended September 30, 2012 is \$3.5 million.

### 17. Related party transactions:

In the year ended September 30, 2012, the Corporation was charged \$580 (November 9, 2010 to September 30, 2011 – \$648) by Intrawest, which owned 24% of the Corporation's common shares, for administrative services. These expenses have been included in selling, general and administrative expenses. On December 4, 2012, Intrawest sold its common shares in the Corporation to an entity unrelated to the Corporation.

Key management personnel consist of the Corporation's Board of Directors and executive officers. Total compensation expense for key management personnel is as follows:

		November 9,	
	Year ended	2010 to	
	September 30,	September 30,	
	2012	2011	
Short-term employee benefits	\$ 1,722	\$ 1,171	
Share-based payment	232	557	
	\$ 1,954	\$ 1,728	

#### 18. Supplemental cash flow information:

Cash and cash equivalents are comprised of:

	September 30,	Se	ptember 30,
	2012		2011
			_
Cash	\$ 40,534	\$	27,878
Cash held in trust (note 2(e))	3,100		2,145
	\$ 43,634	\$	30,023

Notes to the Consolidated Financial Statements (in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 18. Supplemental cash flow information (continued):

The changes in non-cash operating working capital, which excludes the amounts acquired in the Business Acquisition (note 3), consist of the following:

			No	vember 9,
	Year en	ded		2010 to
	September	September 30,		tember 30,
	20	012		2011
Cash provided by (used in):				
Accounts receivable	\$ (1	277)	\$	(724)
Inventory	(4	474)		(2,296)
Prepaid expenses	;	818		(173)
Accounts payable and accrued liabilities	3,	418		2,861
Income taxes	(	690)		603
Provisions		193		(592)
Deferred revenue	1,	914		(7,483)
	\$ 4,	902	\$	(7,804)

	Se	Year ended September 30, 2012		2010 to tember 30, 2011
Supplemental information:				
Interest paid, net	\$	16,180	\$	13,040
Income taxes paid	\$	986	\$	245
Non-cash transaction:  Common shares issued as consideration in				
business acquisition (note 3)	\$	-	\$	154,110

### 19. Financial instruments:

#### (a) Fair values:

The carrying values of the Corporation's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The carrying value of the Corporation's notes receivable approximates its fair value. Based on a discounted cash flow approach, the Corporation estimates that the fair value of its long-term debt is approximately \$267 million at September 30, 2012.

### (b) Credit risk:

Credit risk is the risk that a financial loss will be realized as a result of a counterparty failing to discharge an obligation due to the Corporation. As at September 30, 2012, the sum of the carrying values of the Corporation's cash and cash equivalents, accounts receivable, and notes receivable provides the best representation of its maximum exposure to credit risk. Credit risk associated with cash and cash equivalents is minimized by placing such amounts on deposit with major financial institutions with investment grade credit ratings. Credit risk associated with customer accounts receivable is minimized by the Corporation's diverse customer base. No significant amounts of accounts receivable are past due and none of the Corporation's notes receivable are past due.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 19. Financial instruments (continued):

#### (c) Liquidity risk:

Liquidity risk is the risk that the Corporation will encounter difficulty meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. To manage liquidity risk, the Corporation, operates within the constraints of leverage ratios that are defined in the Credit Facilities. Additionally, the Corporation's Credit Facilities contain certain restrictions on new borrowings.

The Corporation's undiscounted cash flows on long-term debt, inclusive of interest, are as follows:

2013	\$ 16,014
2014	16,033
2015	149,053
2016	11,033
2017	127,205
	\$ 319,338

#### (d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Amounts outstanding on the Corporation's First Lien Facilities bear interest at floating rates; changes in these rates will cause future borrowing costs to fluctuate. Amounts outstanding on the Corporation's Second Lien Facilities bear interest at a fixed rate; changes in market interest rates will cause the fair value of amounts outstanding under those facilities to fluctuate in the future. The Corporation does not use derivative or non-derivative financial instruments to hedge the fluctuations in borrowing costs or changes in fair value of outstanding debt.

The following sensitivity analysis reflects how consolidated net earnings would have varied if market interest rates had varied by 10 basis points.

	Year ended September 30,		yember 9, 2010 to ember 30,
	2012		2011
\$	(109)	\$	(96)
\$	109	\$	96
_	Sept	September 30, 2012 \$ (109)	Year ended September 30, Septe 2012  \$ (109) \$

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 20. 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 ended September 30, 2012 are 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 for the period 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.

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

Notes to the Consolidated Financial Statements

(in thousands, except as indicated) Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

### 20. Transition to IFRS (continued):

No	ovember 9,
С.	2010 to
Sept	tember 30, 2011
\$	15,104
	14,095
	(1,070
	(1,831
	(6,564
	458
	500
\$	20,692
_	
\$	13,161
	7,531
\$	20,692
\$	0.40
\$	0.35
No	ovember 9,
	2010 to
Sept	tember 30,
	2011
\$	59,715
	(1,070
\$	58,645
\$	429,411
•	(461,248
φ	1,070
	2,145
\$	(458,033
\$	

Notes to the Consolidated Financial Statements (in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 20. 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 Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 20. 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 and is separately presented in the statement of financial position.

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

#### 21. 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 is unaudited.

Presented alongside the supplementary information is certain information of the Corporation for periods after November 9, 2010 reproduced from information included elsewhere in these 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 Consolidated Financial Statements (in thousands, except as indicated)

Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

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

**Statement of Comprehensive Income (Loss)** 

			November 9,	October 1,
		Year ended		2010 to
	S	eptember 30,	September 30,	November 8,
		2012	2011	2010
		(Successor)	(Successor)	(Predecessor) (Unaudited)
Revenue	\$	236,372	\$ 212,065	\$ 3,902
Operating expenses		124,225	109,459	8,299
Depreciation and amortization		38,803	38,969	1,510
Selling, general and administration		26,938	20,527	2,574
Acquisition-related costs		-	1,070	-
		189,966	170,025	12,383
Earnings (loss) from operations		46,406	42,040	(8,481)
Disposal gains (losses)		(26)	56	(63)
Finance income (expense), net		(17,458)	(15,700)	19
Net earnings (loss) before income tax		28,922	26,396	(8,525)
Income tax expense		(5,560)	(5,704)	-
Net earnings (loss) and comprehensive income (loss)	\$	23,362	\$ 20,692	\$ (8,525)

**Resort Operations** 

			N	ovember 9,	О	ctober 1,
		Year ended		2010 to		2010 to
	Se	ptember 30,	Sep	otember 30,	Nov	ember 8,
	•	2012	•	2011		2010
		(Successor)	(	(Successor)	(Pred	decessor)
					(Uı	naudited)
Revenue:						
Lift	\$	121,093	\$	110,500	\$	497
Retail and rental shop		39,747		34,708		2,353
Ski school		24,899		20,433		22
Food and beverage services		29,815		26,631		227
Other		20,818		19,793		803
Total revenue	\$	236,372	\$	212,065	\$	3,902
Operating expenses:						
Operating labour and benefits	\$	59,089	\$	52,809	\$	2,966
Retail and food services cost of sales	Ψ	26,409	Ψ	22,955	"	1,455
Property taxes, utilities, rent and insurance		18,682		16,262		1,604
Supplies, maintenance and other		20,045		17,433		2,274
Total operating expenses	\$	124,225	\$	109,459	\$	8,299
Selling, general and administrative expenses:	Φ.	10 (15	ф	<b>5.000</b>		50.4
Labour and benefits	\$	12,647	\$	7,232	\$	734
Other		14,291		13,295	-	1,840
Total selling, general and administrative	\$	26,938	\$	20,527	\$	2,574

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

# 21. Selected supplementary financial information of the Corporation and of the Partnerships (continued): Statement of Cash Flows

		November 0	Ootobor 1
	37 1	November 9,	October 1,
	Year ended		2010 to
	September 30	•	November 8,
	2012	2011	2010
	(Successor)	(Successor)	(Predecessor)
Cash provided by (used in):			(Unaudited)
Operations:			
Net earnings (loss)	\$ 23,362	2 \$ 20,692	\$ (8,525)
Items not involving cash:	Ψ 23,302	2 ψ 20,072	Ψ (0,323)
Depreciation and amortization	38,803	38,969	1,510
Disposal losses (gains)	26	,	63
Share-based compensation	549	` /	05
Amortization of debt issuance costs	1,257		
Deferred income tax expense (benefit)	5,264		_
•	69,261	66,449	(6,952)
Changes in non-cash operating working capital	4,902		14,272
	74,163	58,645	7,320
Financing:			
Dividends paid on common shares	(36,950	(23,774)	-
Distributions to non-controlling interest	(13,250	(72,898)	_
Proceeds on issuance of common shares		300,000	_
Share issuance costs		(17,887)	-
Proceeds on issuance of long-term debt		261,000	_
Debt issuance costs	(269	(6,369)	-
Due to partner		(10,661)	349
Distributions to partners			(16,794)
	(50,469	9) 429,411	(16,445)
Investing:			
Expenditures on property, buildings and equipment	(10,617	(7,217)	(728)
Proceeds from sale of property and equipment	387		-
Repayment of notes receivable	147	191	8
Business acquisition, net of cash acquired		(451,007)	-
	(10,083	3) (458,033)	(720)
Increase (decrease) in cash and cash equivalents	13,611	30,023	(9,845)
Cash and cash equivalents, beginning of period	30,023	-	19,681
Cash and cash equivalents, end of period	\$ 43,634	\$ 30,023	\$ 9,836

Notes to the Consolidated Financial Statements (in thousands, except as indicated)
Year ended September 30, 2012 and period from November 9, 2010 to September 30, 2011

# 21. Selected supplementary financial information of the Corporation and of the Partnerships (continued): Changes in non-cash operating working capital

				(	October 1,
	Ŋ	ear ended	2010 to		2010 to
	Sep	tember 30,	September 30,	November 8,	
		2012		2010	
		Successor)	(Successor)	(Predecessor) (Unaudited)	
Cash provided by (used in):					
Accounts receivable	\$	(277)	\$ (724)	\$	12,000
Inventory		(474)	(2,296)		(88)
Prepaid expenses		818	(173)		(859)
Accounts payable and accrued liabilities		3,418	2,861		(3,930)
Income taxes		(690)	603		-
Provisions		193	(592)		86
Deferred revenue		1,914	(7,483)		7,063
	\$	4,902	\$ (7,804)	\$	14,272