

2nd quarter

Six months ended December 31, 1999

INTERANVEST

To Our Shareholders

Intrawest's solid second quarter results reflect our success in growing a portfolio of village-centered resorts and building complementary businesses around them. Our past investments in these endeavors provide the basis for consistent top and bottom line growth for the Company in the coming quarters and years.

Our confidence is based on the diversity of our businesses as well as the synergy we have created among them. At its core is the continued strong market acceptance of our unique village resorts, which are becoming destinations of choice, cutting across multiple climate zones and offering distinct yet connected experiences to a broad demographic base. As our loyal guests increase the frequency and length of their visits, they take advantage of a broad range of products and services, including ski and golf schools, lodging, restaurants and entertainment as well as other recreational activities. This reflects itself in a mix of revenue which is balanced across the seasons and across resorts making the Company much less weather dependent than the pure ski companies. These positive trends will continue, and be enhanced, by the village expansions underway at all of our resorts.

Operating Results (all dollar amounts are in US currency)

Income from continuing operations for the second quarter ended December 31, 1999 grew to \$4.3 million, or 10 cents per share, compared with \$1.9 million, or 5 cents per share for the quarter ended December 31, 1998. Revenue for the quarter increased 45% to \$146.1 million, from \$100.8 million for the second quarter of 1998. Total Company EBITDA for the period increased 68% to \$26.7 million, compared with \$15.9 million in the comparable period last year. The weighted average number of shares outstanding increased to 43,345,000 from the 39,555,000 reported for the quarterly period ended December 31, 1998.

Income from continuing operations for the six months ended December 31, 1999 was \$1.1 million, or 3 cents per share on revenue of \$271.8 million, compared with income from continuing operations of \$185,000, or less than 1 cent per share, on revenue of \$184.5 million, reported in the six months ended December 31, 1998.

Ski and resort operations revenue was \$82.5 million, 33% more than last year's second quarter revenue of \$61.8 million. Revenue from the mountain resorts increased from \$57.1 million to \$72.6 million. Overall skier visits for the second quarter were comparable to the second quarter last year, highlighting the benefits of our geographic diversification as excellent early season conditions in the Pacific Northwest offset the effects of warm weather in the East and in Colorado. On a same-store resort basis, revenue from the mountain resorts increased 9% over last year with Whistler/Blackcomb and Snowshoe showing the strongest performances. Revenue from the warm weather resorts more than doubled to \$9.9 million in the quarter from \$4.7 million last year with both Sandestin and Raven showing significant improvements. For the six-month period ended December 31, 1999, ski and resort revenue increased to \$137.6 million, compared with \$99.0 million for the comparable period ended December 31, 1998.

Operating profit from ski and resort operations for the second quarter was \$10.1 million, increasing 64% from \$6.2 million last year. Revenue growth combined with effective cost control during the early season ramp up of operations increased margins and operating profits. For the six months ended December 31, 1999, operating profit from ski and ski resort operations was \$9.3 million, compared with \$5.0 million in the same period last year.

Real estate sales totalled \$60.9 million, an increase of 62% from the corresponding period last year, with approximately half the sales closed during the quarter generated by the delivery of the first condo-hotel project at Mammoth. Club Intrawest's quarterly revenue increased 85% to \$5.2 million from the \$2.8 million in the comparable period last year. Operating profit from real estate sales increased 63% to \$13.4 million, while the profit margin held at last year's 22% level, as the Company continued to manage costs effectively. For the six month period ended December 31, 1999, real estate revenue and operating profit were 59% and 49%, respectively, higher than the corresponding period last year.

NRP Shares

The Company announced that it will redeem 1,876,000, or approximately 20%, of its non-resort preferred ("NRP") shares on April 1, 2000 by payment of \$2.65 per share for each NRP share to be redeemed.

On December 22, 1999, the Company filed a Notice of Intention to Make a Normal Course Issuer Bid (the "Notice") with The Toronto Stock Exchange ("TSE") for the purchase of up to 1,022,000 NRP shares, being no greater than 10% of the public float of NRP shares as at December 22, 1999, during the period commencing on December 29, 1999 and ending on December 28, 2000. Purchases of NRP shares pursuant to the normal course issuer bid will be effected, on behalf of the Company, by a registered investment dealer through the facilities of the TSE. The price paid by the Company for any NRP shares purchased by it will be the market price of the shares at the time of the purchase. The purchase of NRP shares pursuant to the normal course bid is subject to limitations and restrictions in the share rights attached to the NRP shares which provides, among other things, that the Company may purchase NRP shares only to the extent of "Available Cumulative NRP Net Cash Flow" as defined in such share rights, that the aggregate purchase price of all NRP shares during any fiscal quarter shall not exceed Cdn.\$1,000,000 and that any purchases shall be made at a price per share not to exceed Cdn.\$2.38. To February 11, 2000, the Company has purchased an aggregate of 5,500 NRP shares to date for an aggregate purchase price of Cdn.\$8,810 representing an average price of Cdn.\$1.60 per share.

A shareholder may obtain a copy of the Notice, without charge, by contacting the Corporate Secretary of the Company at Suite 800, 200 Burrard Street, Vancouver, British Columbia V6C 3L6.

Developments

Subsequent to the end of the quarter, the Company completed a US\$135 million, 10 year 10.5% senior unsecured note offering, thereby reducing its exposure to floating interest rates from 35% to approximately 25% of total debt.

In February we announced the signing of a letter of intent with Four Seasons Hotels and Resorts to develop a luxury hotel at the base of Blackcomb Mountain, Whistler, British Columbia. The proposed 224-room property will include full spa, health club, outdoor pool and 10,000 square feet of meeting and banquet rooms. The Four Seasons Whistler will be the first Four Seasons resort sold to individuals as condominiums and then managed by Four Seasons as a full service hotel. We are confident that the guests of this hotel will make a significant contribution to our operating business.

With the growth of our enterprise, we continue to explore avenues to build on the increasing brand recognition and reputation for quality that Intrawest has developed. Last quarter, we announced Intrawest Vacations, an integrated reservation system which allows travelers to plan for and book every aspect of their stay at our destination resorts. In the coming quarters, we expect to announce other new marketing and operational programs as we integrate the power of the Internet with our network of resort villages and the hundreds of thousands of loyal Intrawest guests. We look forward to reporting to you on our progress in these exciting new initiatives.

We are confident that we will show strong results for the remainder of this fiscal year and are already building the base for next year. Over the next 4 months we will launch 18 projects consisting of a planned 1,800 units. This continuing expansion of our villages represents a very powerful engine driving our operating results for the future.



Joe S. Housian
Chairman, President and
Chief Executive Officer



Daniel O. Jarvis
Executive Vice President
and Chief Financial Officer

February 11, 2000

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended December 31		Six months ended December 31	
	1999	1998	1999	1998
(in thousands of US dollars, except per share amounts) (unaudited)				
Revenue:				
Ski and resort operations	\$ 82,494	\$ 61,816	\$ 137,600	\$ 99,021
Real estate sales	60,916	37,636	128,138	80,770
Rental properties	1,614	897	3,059	2,270
Interest and other income	1,056	414	3,001	2,410
	146,080	100,763	271,798	184,471
Expenses:				
Ski and resort operations	72,368	55,637	128,272	93,980
Real estate costs	47,476	29,370	104,478	64,852
Rental properties	821	317	1,486	1,013
Interest	9,466	5,270	17,983	11,070
Depreciation and amortization	7,506	5,380	14,049	9,630
General and administrative	1,291	1,394	2,984	2,928
	138,928	97,368	269,252	183,473
Income before undernoted	7,152	3,395	2,546	998
Provision for income taxes	1,558	911	523	234
Income before non-controlling interest and discontinued operations	5,594	2,484	2,023	764
Non-controlling interest	1,312	570	931	579
Income from continuing operations	4,282	1,914	1,092	185
Results of discontinued operations	(170)	(125)	68	31
Income for the period	\$ 4,112	\$ 1,789	\$ 1,160	\$ 216
Income per common share:				
Income from continuing operations	\$ 0.10	\$ 0.05	\$ 0.03	\$ 0.00
Net income	\$ 0.10	\$ 0.05	\$ 0.03	\$ 0.00
Weighted average number of common shares outstanding (in thousands)	43,345	39,555	43,310	39,435

CONSOLIDATED BALANCE SHEETS

As at December 31
(in thousands of US dollars) (unaudited)

	1999	1998
Assets		
Current assets:		
Cash and short-term deposits	\$ 75,393	\$ 24,282
Amounts receivable	50,553	65,941
Other assets	89,931	63,811
Properties:		
Resort	175,950	169,461
Discontinued operations	84	4,912
	391,911	328,407
Ski and resort operations	759,648	618,285
Properties:		
Resort	357,141	264,449
Discontinued operations	9,866	20,435
Amounts receivable	48,063	32,122
Other assets	63,170	53,980
Goodwill	19,124	17,402
	\$ 1,648,923	\$ 1,335,080
Liabilities and Shareholders' Equity		
Current liabilities:		
Amounts payable	\$ 116,421	\$ 87,856
Deferred revenue	82,501	53,818
Bank and other indebtedness, current portion:		
Resort	122,028	122,393
Discontinued operations	552	5,359
	321,502	269,426
Bank and other indebtedness:		
Resort	717,388	568,612
Discontinued operations	4,042	4,163
Due to joint venture partners	16,571	7,912
Deferred revenue	32,360	10,779
Deferred income taxes	6,657	7,777
Non-controlling interest in subsidiaries	24,187	17,931
	1,122,707	886,600
Shareholders' equity:		
Capital stock	430,578	375,025
Retained earnings	135,045	104,752
Foreign currency translation adjustment	(39,407)	(31,297)
	526,216	448,480
	\$ 1,648,923	\$ 1,335,080

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended December 31		Six months ended December 31	
	1999	1998	1999	1998
	(in thousands of US dollars) (unaudited)			
Cash provided by (used for)				
Operations:				
Income from continuing operations	\$ 4,282	\$ 1,914	\$ 1,092	\$ 185
Items not affecting cash:				
Depreciation and amortization	7,506	5,380	14,049	9,630
Non-controlling interest	1,312	570	931	579
Recovery of costs through real estate sales	47,476	29,370	104,478	64,852
(Increase) decrease in amounts receivable, net	3,424	(25,338)	2,299	(28,086)
Acquisition and development of properties held for sale	(100,557)	(67,062)	(177,654)	(118,896)
Changes in non-cash operating working capital	103	3,211	10,510	9,284
Cash used for continuing operations	(36,454)	(51,955)	(44,295)	(62,452)
Cash provided by discontinued operations	6,307	3,424	7,344	2,182
	(30,147)	(48,531)	(36,951)	(60,270)
Financing:				
Bank and other borrowings, net	117,984	84,826	119,855	247,252
Redemption of non-resort preferred shares	—	—	(8,705)	(13,621)
Issue of capital stock	130	(507)	130	14,245
Proceeds on sale of partnership interest	—	—	—	10,641
Dividends paid	(2,403)	(2,070)	(2,403)	(2,070)
Distributions to non-controlling interests	—	—	—	(766)
	115,711	82,249	108,877	255,681
Investments:				
Proceeds from (expenditures on) revenue-producing properties, net	4,681	(275)	4,475	(1,052)
Expenditures on ski and resort operation assets, net	(63,716)	(46,028)	(76,626)	(61,484)
Expenditures on other assets, net	(4,712)	(12,589)	(6,839)	(27,089)
Expenditures on business acquisitions, net of cash acquired	—	(801)	—	(161,240)
	(63,747)	(59,693)	(78,990)	(250,865)
Increase (decrease) in cash and short-term deposits	21,817	(25,975)	(7,064)	(55,454)
Cash and short-term deposits, beginning of period	53,576	50,257	82,457	79,736
Cash and short-term deposits, end of period	\$ 75,393	\$ 24,282	\$ 75,393	\$ 24,282

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Three months ended December 31		Six months ended December 31	
	1999	1998	1999	1998
(in thousands of US dollars) (unaudited)				
Supplemental information:				
Interest paid	\$ 10,837	\$ 10,104	\$ 25,761	\$ 16,079
Taxes paid	194	35	375	98
Non-cash financing activities:				
Issue of capital stock	\$ -	\$ 3,581	\$ 1,420	\$ 6,003
Bank and other borrowings	-	-	-	4,711
Non-cash investing activities:				
Business acquisitions	\$ -	\$ 3,581	-	\$ 10,714

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Three months ended December 31		Six months ended December 31	
	1999	1998	1999	1998
(in thousands of US dollars) (unaudited)				
Retained earnings, beginning of period	\$ 133,336	\$ 105,034	\$ 136,288	\$ 106,607
Income for the period	4,112	1,789	1,160	216
Dividends	(2,403)	(2,071)	(2,403)	(2,071)
Retained earnings, end of period	\$ 135,045	\$ 104,752	\$ 135,045	\$ 104,752

SEGMENT DISCLOSURES

The following table presents the Company's results from continuing operations by reportable segment:

	Three months ended December 31		Six months ended December 31	
	1999	1998	1999	1998
(in thousands of US dollars) (unaudited)				
Revenue from external customers:				
Ski and resort	\$ 72,548	\$ 57,132	\$ 113,532	\$ 80,719
Real estate	62,530	38,533	131,197	83,040
Warm-weather	9,946	4,684	24,068	18,302
Corporate and all other	1,056	414	3,001	2,410
	\$ 146,080	\$ 100,763	\$ 271,798	\$ 184,471
Operating income (loss) before interest, depreciation and amortization, and income taxes:				
Ski and resort	\$ 10,471	\$ 6,988	\$ 7,208	\$ 3,554
Real estate	14,233	8,846	25,233	17,175
Warm-weather	(345)	(809)	2,120	1,487
Corporate and all other	1,056	414	3,001	2,410
	25,415	15,439	37,562	24,626
Less:				
Interest	9,466	5,270	17,983	11,070
Depreciation and amortization	7,506	5,380	14,049	9,630
General and administrative	1,291	1,394	2,984	2,928
	18,263	12,044	35,016	23,628
	\$ 7,152	\$ 3,395	\$ 2,546	\$ 998

There have been no changes from the June 30, 1999 audited consolidated financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

INTRAWEST



Suite 800, 200 Burrard Street
 Vancouver, BC Canada V6C 3L6
 Tel: (604) 669-9777 Fax: (604) 669-0605
 Web site: www.intrawest.com