

INTRAWEST



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

INTRAWEST CORPORATION ANNOUNCES SALE OF MAMMOTH MOUNTAIN SKI AREA

- An entity controlled by Starwood Capital Group Global, L.L.C. (Starwood) signs an agreement to purchase a majority interest in Mammoth Mountain Ski Area based on an enterprise value of \$365 million
- Intrawest will maintain a minority equity interest and role in ongoing resort operations and lodging management
- Intrawest and Starwood sign a preliminary agreement to develop the majority of Intrawest's real estate holdings at Mammoth Lakes

ALL DOLLAR AMOUNTS ARE IN U.S. CURRENCY

Vancouver, October 4, 2005 - Intrawest Corporation announced today that an entity controlled by Starwood Capital Group Global, L.L.C. has signed an agreement to acquire a majority interest in Mammoth Mountain Ski Area (Mammoth Mountain). The selling price of the resort is based on a \$365-million enterprise value with customary adjustments for debt assumed, working capital and transaction costs. Intrawest and Rusty Gregory, Mammoth Mountain's chairman and chief executive officer, will retain minority interests. Intrawest's retained interest is anticipated to be approximately 15 per cent. The operations of the resort will remain unchanged with Rusty Gregory continuing as chairman and chief executive officer and with Intrawest providing management expertise and other corporate resources under a management services agreement.

In February 2005 the shareholders of Mammoth Mountain, including Dave McCoy, Mammoth's founder and controlling shareholder, Rusty Gregory and Intrawest agreed to engage Houlihan Lokey Howard & Zukin to explore strategic alternatives to enhance the value of the company's shares, including the possible sale of shares. Prior to the transaction, Intrawest owned a 59.5 per cent interest in Mammoth Mountain.

"We joined forces with Dave McCoy and Rusty Gregory in 1995 and since that time considerable value has been created at Mammoth. It is clearly in Intrawest's best interest to monetize a portion of this value now," said Joe Houssian, chairman, president and chief executive officer of Intrawest Corporation. "We believe Mammoth Mountain represents one of the great growth opportunities in the year-round resort business in North America and therefore we will retain an equity interest in the resort and a 50 per cent interest in Mammoth Hospitality Management, our lodging company at Mammoth. Dave McCoy took Mammoth from a dream in the early 1940s to one of the premier ski resorts in North America today, and we look forward to working together with Rusty and Starwood to grow this wonderful resort to its full potential."

The proposed transaction from the sale of Mammoth Mountain will result in a pre-tax profit to Intrawest of approximately \$101 million. Pre-tax net proceeds to Intrawest after estimated debt assumed, working capital adjustments, transaction costs and reinvestment in Mammoth Mountain are approximately \$166 million, including a pre-transaction dividend. Although the initial use of proceeds will be to pay down debt, Intrawest is evaluating all of its options for the best use of proceeds. The transaction is expected to close within 90 days and is subject to customary closing conditions. Consequently there are no assurances that all of the closing conditions will be satisfied or that the transaction will be completed.

In addition to the Mammoth Mountain transaction, Intrawest and Starwood have entered into a preliminary agreement for a joint venture on the development of the majority of Intrawest's separately owned real estate in the Town of Mammoth Lakes. This transaction includes future development of over 1,000 residential units and 30,000 square feet of commercial space scheduled for build-out over the next five to seven years. The preliminary agreement is subject to Starwood completing its due diligence on the real estate joint venture within the next 45 days.

Mammoth Mountain Ski Area is the leading four-season mountain resort company in California, owning Mammoth Mountain, June Mountain, Tamarack Lodge, Mammoth Mountain Inn and Resort, Mammoth Snowmobile Adventures and Mammoth Mountain Bike Park. The company also operates Sierra Star Golf Club in Mammoth Lakes, California. Mammoth Hospitality Management is a 50/50 joint venture between Mammoth Mountain and Intrawest that currently manages over 380 units in the Village at Mammoth and will be the manager for future units developed on Intrawest's land at Mammoth.

Intrawest Corporation (IDR:NYSE; ITW:TSX) is a world leader in destination resorts and adventure travel. The company has interests in 10 resorts at North America's most popular mountain destinations, including Whistler Blackcomb, a host venue for the 2010 Winter Olympic and Paralympic Games. Intrawest owns Canadian Mountain Holidays, the largest heli-skiing operation in the world, and an interest in Abercrombie & Kent, the world leader in luxury adventure travel. The Intrawest network also includes Sandestin Golf and Beach Resort in Florida and Club Intrawest – a private resort club with nine locations throughout North America. Intrawest develops real estate at its resorts and at other locations across North America and in Europe. Intrawest is headquartered in Vancouver, British Columbia. For more information, visit www.intrawest.com.

Starwood Capital Group Global, L.L.C., which is headquartered in Greenwich, Connecticut with offices (or affiliate offices) in San Francisco, Washington, D.C., Atlanta, London, Luxembourg and Tokyo, has been an innovative leader in real estate investments since its inception in 1991. Its investors include some of the largest state and corporate pension funds, endowments and high-net worth families from around the world. Currently, Starwood Capital manages a real estate portfolio valued at over \$10 billion. In the past fifteen years, Starwood Capital has closed or advised on real estate transactions totaling in excess of \$30 billion and has acquired equity interests in hotels, golf and leisure-related properties, residential land, multifamily and condominium units, senior housing, office, retail and industrial space. Starwood Capital and its affiliates have successfully executed an investment strategy that includes building business enterprises around core real estate portfolios, including; the recapitalization, reorganization and expansion in 1995 of a real estate investment trust to become the company that is today known as Starwood Hotels; the acquisition in 2003, in partnership with affiliates of Goldman Sachs & Co., of National Golf Properties/American Golf Corporation, the largest owner/operators of golf courses and related facilities in the U.S.; and contributing assets to create the company which is today known as iStar Financial (NYSE: SFI), one of the leading publicly traded finance companies specializing in commercial real estate mortgage, mezzanine and net lease financing with a current market capitalization in excess of \$4.5 billion. For more information regarding Starwood Capital, see www.starwoodcapital.com.

A conference call is scheduled for Wednesday, October 5, 2005 at 7:30am PT (10:30am ET) to discuss this transaction. To access the call dial 877-691-0877 before the scheduled start time. A playback version of the conference call will be available until October 12, 2005 at 877-519-4471 with password 6563614. The call will also be webcast live on www.intrawest.com.

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Statements contained in this release that are not historical facts are forward-looking statements that involve risks and uncertainties. Intrawest's actual results could differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, Intrawest's ability to implement its business strategies, seasonality, weather conditions, competition, general economic conditions, currency fluctuations and other risks detailed in the company's filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission. In addition, the completion of the transactions contemplated by this release are conditional upon a number of factors, many of which are outside of Intrawest's control. There is no assurance that the transactions will be completed at all or upon the same terms and conditions described above.

For additional information, please contact Mr. John Currie, chief financial officer, at (604) 669-9777 or Mr. Tim McNulty, director, investor relations at (604) 623-6620 or at tmcnulty@intrawest.com

If you would like to receive future news releases by email, please contact: investor.relations@intrawest.com