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INTRAWEST CORP
Form 6-K
May 28, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE MONTH OF MARCH 2002

INTRAWEST CORPORATION
(Registrant's name)
SUITE 800, 200 BARRARD STREET, VANCOUVER, BC V6C 3L6 CANADA
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F X
 --- ---

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X
 --- ---

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.

INTRAWEST 3

THIRD QUARTER
NINE MONTHS ENDED MARCH 31, 2002

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") should be read in conjunction with the more detailed MD&A (which includes a discussion of business risks) contained in the Company's June 30, 2001 annual report.

THREE MONTHS ENDED MARCH 31, 2002 (THE "2002 QUARTER") COMPARED WITH THE THREE MONTHS ENDED MARCH 31, 2001 (THE "2001 QUARTER")

REVIEW OF SKI AND RESORT OPERATIONS

Ski and resort operation revenue was \$273.1 million in the 2002 quarter, up from \$267.9 million in the 2001 quarter. Revenue from the mountain resorts increased from \$254.7 million to \$260.3 million due mainly to a 4% increase in skier visits from 4,348,000 to 4,527,000. Given the slow economy and in the aftermath of September 11, the Company was very pleased with this performance. A number of factors contributed to the skier visit growth, including:

- o The addition of approximately 1,000 new beds across the Company's resorts after the 2001 third quarter.
- o The timing of Easter in the 2002 quarter versus the fourth quarter of fiscal 2001.
- o A 9% increase in the number of season passes and frequency cards sold during the year from 249,000 to 271,000.
- o The strong competitive position of each of the Company's resorts due to past investments in on-mountain facilities, village amenities and snowmaking.
- o The Company's marketing capability, including its centralized call center at Resort Reservations, which enabled a quick response to the shortened booking trends experienced this year.

Revenue per skier visit across all the resorts decreased 2% from \$53.34 to \$52.17 due to the shift in visits from destination to local and regional. Local and regional guests typically generate lower revenue per visit since they spend less on non-ticket items. Revenue per visit actually increased at all of the Company's resorts except for Whistler Blackcomb which has a higher proportion of "fly-to" customers than the other resorts. Revenue from the Company's non-skier visit related businesses (Alpine, the Breeze/Max retail chain and Resort Reservations) increased a combined 6% to \$24.1 million in the 2002 quarter compared with the 2001 quarter.

Revenue from the warm-weather resorts was \$12.8 million in the 2002 quarter, down from \$13.2 million in the 2001 quarter mainly due to reduced corporate and group business at the Raven golf courses in Arizona.

The composition of ski and resort operation revenue was as follows:

| | 2002 Quarter (millions) | 2001 Quarter (millions) | Increase (decrease) (millions) | Per |
|--|----------------------------|----------------------------|--------------------------------------|-------------|
| | | | | (unaudited) |

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| | | | |
|---|----------|----------|----------|
| Mountain operations | \$ 128.9 | \$ 129.2 | \$ (0.3) |
| Retail and rental | 48.7 | 46.1 | 2.6 |
| Food and beverage | 31.9 | 31.7 | 0.2 |
| Lodging and property management | 28.6 | 27.5 | 1.1 |
| Ski school | 21.0 | 19.5 | 1.5 |
| Golf | 5.9 | 6.3 | (0.4) |
| Other | 8.1 | 7.6 | 0.5 |
| <hr style="border-top: 1px dashed black;"/> | | | |
| | \$ 273.1 | \$ 267.9 | \$ 5.2 |
| <hr style="border-top: 1px dashed black;"/> | | | |

The flat performance of mountain operations reflects the impact of increased season pass and other regional visits. The 6% increase in retail and rental revenue was due mainly to additional outlets at Blue Mountain and Tremblant and to a maturing of the new village at Copper. The 4% increase in lodging and property management

revenue was due to 19,000 additional room nights booked during the 2002 quarter and a \$10 increase in the average daily room rate. The 8% increase in ski school revenue was attributable mainly to the timing of Easter and spring break, which are traditionally high demand periods for ski school programs. The 6% decline in golf revenue was due mainly to lower yields at the Arizona courses in response to reduced hotel occupancies in Phoenix and Tucson.

Ski and resort operations EBITDA increased to \$99.6 million in the 2002 quarter from \$93.2 million in the 2001 quarter. The cost control measures that had a positive impact on ski and resort operations EBITDA in the first two quarters of fiscal 2002 continued to benefit the Company in the third quarter and, while revenue grew by 1.9%, costs declined by 0.7%. The EBITDA margin improved from 34.8% to 36.5%.

REVIEW OF REAL ESTATE OPERATIONS

Revenue from the sale of real estate was \$64.2 million in the 2002 quarter compared with \$65.5 million in the 2001 quarter. A total of 126 units were closed in the 2002 quarter compared with 171 units in the 2001 quarter. The closings in the 2002 quarter were below expectations as construction delays at the First Ascent project in Squaw Valley moved some closings of pre-sold units into the fourth quarter of fiscal 2002. The average sales price per unit increased 24%, reflecting unit type and resort mix as well as price escalation. Approximately one-third of the units closed in the 2002 quarter were at Squaw Valley which has high average prices in excess of \$600 per square foot. The Company's vacation ownership business, Club Intrawest, experienced a strong third quarter, with revenue of \$16.5 million compared with \$13.2 million in the 2001 quarter.

Operating profit from real estate sales was \$11.9 million in the 2002 quarter, down slightly from \$12.0 million in the 2001 quarter. The margin on sales improved to 18.6% from 18.3%, reflecting the change in resort and unit type mix referred to above.

REVIEW OF CORPORATE OPERATIONS

Interest and other income for the 2002 quarter was \$1.7 million compared with \$3.1 million in the 2001 quarter due mainly to lower interest rates. Interest

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expense was \$10.2 million in the 2002 quarter, up slightly from \$10.0 million in the 2001 quarter as the impact of higher debt balances was offset by reduced interest rates. Depreciation and amortization expense increased to \$30.1 million in the 2002 quarter from \$26.7 million in the 2001 quarter due to new capital expenditures at the resorts over the past year. The tax rate decreased to 12% in the 2002 quarter from 18% in the 2001 quarter due mainly to utilization of available tax shelter and to reductions in Canadian federal and provincial corporate tax rates. Non-controlling interest decreased to \$6.4 million in the 2002 quarter from \$7.5 million in the 2001 quarter due to reduced real estate closings at Whistler Blackcomb.

NINE MONTHS ENDED MARCH 31, 2002 (THE "2002 PERIOD") COMPARED WITH THE NINE MONTHS ENDED MARCH 31, 2001 (THE "2001 PERIOD")

REVIEW OF SKI AND RESORT OPERATIONS

Ski and resort operation revenue was \$419.3 million in the 2002 period compared with \$425.4 million in the 2001 period. Revenue from the mountain resorts decreased from \$385.7 million to \$379.2 million as the increase in revenue in the third quarter described above was offset by revenue reductions in the first and second quarters. Late season openings at the eastern resorts, caused by unusually warm weather in November and December, and the aftermath of the events of September 11, reduced mountain resort revenue in the second quarter by \$7.7 million. In addition, the Company's decision to turn over management of the waterpark at Mountain Creek to a third-party operator reduced revenue by \$4.1 million in the first quarter.

Revenue from the warm-weather resorts increased to \$40.0 million in the 2002 period from \$39.7 million in the 2001 period. An increase in revenue due to the opening of the new Raven golf course at Three Peaks was offset by a reduction in revenue at the Arizona courses due mainly to slower group and corporate business.

Ski and resort operations EBITDA increased to \$115.8 million in the 2002 period from \$110.5 million in the 2001 period as effective control over costs more than offset the decline in revenue. The margin on sales was 27.6% in the 2002 period compared with 26.0% in the 2001 period.

REVIEW OF REAL ESTATE OPERATIONS

Revenue from the sale of real estate was \$238.2 million in the 2002 period, down from \$240.0 million in the 2001 period. A total of 654 units were closed in the 2002 period compared with 783 units in the 2001 period. The average sales price per unit increased 17%, reflecting unit type and resort mix as well as price escalation. The Resort Club generated \$32.7 million of the real estate revenue for the 2002 period, 12% more than the 2001 period.

Operating profit from real estate sales was \$38.0 million in the 2002 period, down from \$38.8 million in the 2001 period. The margin on sales was 15.9% in the 2002 period compared with 16.2% in the 2001 period. The lower margin reflects the lower weighting of lot sales in the 2002 period (9% of closings versus 16% in the 2001 period). Lots typically have a higher margin than condo-hotel units or townhomes.

REVIEW OF CORPORATE OPERATIONS

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Interest and other income was \$3.1 million in the 2002 period compared with \$4.6 million in the 2001 period due to lower interest rates. Interest expense was \$31.8 million in the 2002 period, up slightly from \$31.7 million in the 2001 period as the impact of higher debt in the 2002 period was offset by lower interest rates. Depreciation and amortization expense was \$49.9 million in the 2002 period, up from \$43.7 million in the 2001 period mainly because of the capital expenditures at the resorts during the past two fiscal years. Corporate general and administrative expense was \$8.8 million for the 2002 period compared with \$7.0 million for the 2001 period due primarily to increased information technology costs.

LIQUIDITY AND CAPITAL RESOURCES

The major sources and uses of cash in the three and nine months ended March 31, 2002 and March 31, 2001 were as follows:

| | Three months ended March 31 2002 (millions) | 2001 (millions) | Nine months e 2002 (millions) (unaudited) |
|--|---|--------------------|--|
| Funds from continuing operations | \$ 90.9 | \$ 82.4 | \$ 109.2 |
| Working capital for real estate developed for sale | (79.7) | (15.5) | (145.9) |
| Acquisitions and resort capital expenditures | (13.1) | (20.1) | (69.6) |
| (Increase) decrease in other net assets | (1.9) 52.5 | 46.8 8.8 | (106.3) 40.3 |
| Net cash flows before non-construction financing | 50.6 | 55.6 | (66.0) |
| Net financing inflows (repayments) excluding construction financing | (30.4) | (30.2) | 94.1 |
| Increase in cash | \$ 20.2 | \$ 25.4 | \$ 28.1 |
| Net new investment in real estate developed for sale | \$ (82.3) | \$ (53.9) | \$ (187.3) |
| Less: net proceeds from construction financing | 2.6 | 38.4 | 41.4 |
| Working capital for real estate developed for sale | \$ (79.7) | \$ (15.5) | \$ (145.9) |

Working capital for real estate used \$79.7 million of cash in the 2002 quarter compared with \$15.5 million in the third quarter last year. The increase in use of cash reflects the increased number of units under development. Quarterly changes in working capital for real estate are not necessarily indicative of

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annual changes since the timing of project completions, and therefore unit closings, heavily impacts them. During the nine-month period real estate development used \$145.9 million cash, up from \$47.4 million in the nine months last year. The Company expects to close significantly more units in the fourth quarter of fiscal 2002 than the fourth quarter of fiscal 2001 which will result in working capital for real estate for fiscal 2002 being similar to fiscal 2001. The net investment in real estate developed for sale is expected to decline significantly in fiscal 2003 as the production of units levels off and spending on up-front infrastructure costs begins to decline.

Acquisitions and resort capital expenditures used \$13.1 million of cash in the 2002 quarter compared with \$20.1 million in the 2001 quarter. For the nine months, acquisitions and resort capital expenditures used \$69.6 million cash, down from \$80.4 million in the same period last year. These reductions are in keeping with the Company's strategy of leveraging its expertise rather than its capital to grow its business. The Company expects to spend significantly less in fiscal 2002 and future years on these items than it spent in past years as it assembled and upgraded its network of resorts.

Other net assets decreased by \$52.5 million in the 2002 quarter mainly due to collection of receivables in connection with certain real estate closings in the second quarter. For the nine-month period other net assets provided \$40.3 million cash compared with a use of cash of \$28.7 million in the same period last year due mainly to an increase in payables and deferred revenue, resulting from increased real estate pre-sales.

At March 31, 2002, the Company had net debt (i.e., bank and other indebtedness net of cash and cash equivalents) of \$1,019.6 million. The ratio of net debt to net tangible assets stood at approximately 50%. The Company's goal is to move this ratio down to approximately 35% within the next three years and it expects to achieve this objective primarily by increasing funds from continuing operations, reducing its net investment in real estate developed for sale, selling selected non-core assets and continuing to reduce resort capital expenditures.

ADDITIONAL INFORMATION

TOTAL COMPANY EBITDA

| | Three months ended March 31 | | Nine months ended | |
|--------------------------------|---------------------------------|------------|-------------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| | (in thousands of US dollars) (u | | | |
| Income before tax | \$ 71,305 | \$ 70,191 | \$ 69,507 | \$ 69,507 |
| Depreciation and amortization | 30,141 | 26,725 | 49,853 | 49,853 |
| Interest expense | 10,201 | 10,028 | 31,783 | 31,783 |
| Interest in real estate costs | 3,097 | 3,174 | 12,147 | 12,147 |
| Less interest and other income | (1,678) | (3,083) | (3,063) | (3,063) |
| Total Company EBITDA | \$ 113,066 | \$ 107,035 | \$ 160,227 | \$ 160,227 |

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EBITDA FROM SKI AND RESORT OPERATIONS

| | Three months ended March 31 | | Nine months ended March 31 | |
|--|--------------------------------|------------|-------------------------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| (in thousands of US dollars) (unaudited) | | | | |
| Ski and resort operation revenue | \$ 273,105 | \$ 267,932 | \$ 419,286 | \$ 419,286 |
| Ski and resort operation expenses | 173,458 | 174,688 | 303,458 | 303,458 |
| EBITDA from ski and resort operations | \$ 99,647 | \$ 93,244 | \$ 115,828 | \$ 115,828 |

EBITDA does not have a standardized meaning prescribed by generally accepted accounting principles (GAAP) and may not be comparable to similar measures presented by other publicly traded companies. A reconciliation between net earnings as determined in accordance with Canadian GAAP and EBITDA is presented above.

Statements in this report 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, 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.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

| | Three months ended March 31 | | Nine months ended March 31 | |
|--|--------------------------------|------|-------------------------------|------|
| | 2002 | 2001 | 2002 | 2001 |
| (in thousands of US dollars, except per share amounts) (unaudited) | | | | |

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REVENUE:

| | | | | |
|---|------------|------------|------------|---------|
| Ski and resort operations | \$ 273,105 | \$ 267,932 | \$ 419,286 | \$ 425, |
| Real estate sales | 64,213 | 65,508 | 238,233 | 239, |
| Rental properties | 3,146 | 2,490 | 6,645 | 5, |
| Interest and other income | (199) | 1,269 | 1,186 | 2, |
| Income from equity accounted investment | 1,877 | 1,814 | 1,877 | 1, |

342,142 339,013 667,227 675,

EXPENSES:

| | | | | |
|--------------------------------------|---------|---------|---------|------|
| Ski and resort operations | 173,458 | 174,688 | 303,458 | 314, |
| Real estate costs | 52,285 | 53,550 | 200,269 | 201, |
| Rental properties | 1,507 | 1,106 | 3,536 | 2, |
| Interest | 10,201 | 10,028 | 31,783 | 31, |
| Depreciation and amortization | 30,141 | 26,725 | 49,853 | 43, |
| Corporate general and administrative | 3,245 | 2,725 | 8,821 | 6, |

270,837 268,822 597,720 601,

| | | | | |
|----------------------------|--------|--------|--------|-----|
| Income before undernoted | 71,305 | 70,191 | 69,507 | 74, |
| Provision for income taxes | 8,660 | 12,670 | 8,316 | 8, |

Income before non-controlling interest

| | | | | |
|-----------------------------|--------|--------|--------|-----|
| and discontinued operations | 62,645 | 57,521 | 61,191 | 66, |
| Non-controlling interest | 6,441 | 7,456 | 8,727 | 8, |

| | | | | |
|---|--------|--------|--------|-----|
| Income from continuing operations | 56,204 | 50,065 | 52,464 | 57, |
| Results of discontinued operations (note 4) | (45) | (130) | (17) | |

| | | | | |
|--|---------|---------|---------|------|
| Income for the period | 56,159 | 49,935 | 52,447 | 57, |
| Retained earnings, beginning of period | 181,956 | 137,203 | 187,922 | 131, |
| Dividends | -- | -- | (2,254) | (2, |

| | | | | |
|----------------------------------|------------|------------|------------|---------|
| Retained earnings, end of period | \$ 238,115 | \$ 187,138 | \$ 238,115 | \$ 187, |
|----------------------------------|------------|------------|------------|---------|

Income from continuing operations
per common share:

| | | | | |
|---------------|---------|---------|---------|------|
| Basic | \$ 1.28 | \$ 1.15 | \$ 1.19 | \$ 1 |
| Fully diluted | \$ 1.25 | \$ 1.12 | \$ 1.18 | \$ 1 |

Net income per common share:

| | | | | |
|---------------|---------|---------|---------|------|
| Basic | \$ 1.28 | \$ 1.15 | \$ 1.19 | \$ 1 |
| Fully diluted | \$ 1.25 | \$ 1.12 | \$ 1.18 | \$ 1 |

Weighted average number of
common shares outstanding (in
thousands)

| | | | | |
|---------------|--------|--------|--------|-----|
| Basic | 44,031 | 43,721 | 44,031 | 43, |
| Fully diluted | 45,024 | 44,587 | 44,417 | 44, |

See accompanying notes to consolidated financial statements.

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CONSOLIDATED BALANCE SHEETS
(in thousands of US dollars)

| | March 31 | June 30 |
|---|---------------------|-------------------|
| | 2002 (unaudited) | 2001 (audited) |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 114,546 | \$ 86,430 |
| Amounts receivable | 68,580 | 82,536 |
| Other assets | 96,580 | 105,545 |
| Resort properties | 437,743 | 329,177 |
| Future income taxes | 3,619 | 4,168 |
| | 721,068 | 607,856 |
| Ski and resort operations | 832,746 | 813,741 |
| Properties: | | |
| Resort | 439,472 | 371,451 |
| Discontinued operations | 6,334 | 7,080 |
| | 445,806 | 378,531 |
| Amounts receivable | 58,437 | 50,416 |
| Other assets | 96,341 | 86,640 |
| Goodwill | 16,545 | 19,128 |
| | \$ 2,170,943 | \$ 1,956,312 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Amounts payable | \$ 159,221 | \$ 146,464 |
| Deferred revenue | 124,303 | 81,537 |
| Bank and other indebtedness, current portion: | | |
| Resort | 330,869 | 201,558 |
| Discontinued operations | -- | 82 |
| | 614,393 | 429,641 |
| Bank and other indebtedness: | | |
| Resort | 800,430 | 804,991 |
| Discontinued operations | 2,846 | 3,363 |
| | 803,276 | 808,354 |
| Due to joint venture partners | 5,816 | 8,818 |
| Deferred revenue | 7,818 | 26,750 |
| Future income taxes | 83,676 | 83,771 |
| Non-controlling interest in subsidiaries | 32,890 | 30,616 |
| | 1,547,869 | 1,387,950 |
| Shareholders' equity: | | |
| Capital stock (note 5) | 414,030 | 414,220 |
| Retained earnings | 238,115 | 187,922 |
| Foreign currency translation adjustment | (29,071) | (33,780) |
| | 623,074 | 568,362 |
| | \$ 2,170,943 | \$ 1,956,312 |

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three months ended March 31 | | |
|---|--------------------------------|-----------|----|
| | 2002 | 2001 | |
| | (in thousands of dollars) | | |
| CASH PROVIDED BY (USED IN) | | | |
| OPERATIONS: | | | |
| Income from continuing operations | \$ 56,204 | \$ 50,065 | \$ |
| Items not affecting cash: | | | |
| Depreciation and amortization | 30,141 | 26,725 | |
| Future income taxes | -- | -- | |
| Income from equity accounted investment | (1,877) | (1,814) | |
| Non-controlling interest | 6,441 | 7,456 | |
| Funds from continuing operations | 90,909 | 82,432 | |
| Recovery of costs through real estate sales | 52,285 | 53,550 | |
| Acquisition and development of properties held for sale | (134,556) | (107,403) | |
| Increase in amounts receivable, net | (1,086) | (4,336) | |
| Changes in non-cash operating working capital (note 8) | 58,560 | 20,060 | |
| Cash provided by (used in) continuing operating activities | 66,112 | 44,303 | |
| Cash provided by (used in) discontinued operations (note 4) | 299 | (395) | |
| | 66,411 | 43,908 | |
| FINANCING: | | | |
| Bank and other borrowings, net | (25,319) | 7,099 | |
| Issue of common shares for cash | 74 | 1,106 | |
| Redemption and repurchase of non-resort preferred shares | (13) | (1,673) | |
| Dividends paid | -- | -- | |
| Distributions to non-controlling interests | (2,532) | -- | |
| | (27,790) | 6,532 | |
| INVESTMENTS: | | | |
| Proceeds from (expenditures on): | | | |
| Revenue-producing properties | (226) | 87 | |
| Ski and resort operation assets | (13,075) | (20,092) | |
| Other assets | (5,167) | (5,006) | |
| Business acquisitions, net of cash acquired | -- | -- | |
| | (18,468) | (25,011) | |
| Increase in cash and cash equivalents | 20,153 | 25,429 | |
| Cash and cash equivalents, beginning of period | 94,393 | 67,289 | |
| Cash and cash equivalents, end of period | \$ 114,546 | \$ 92,718 | \$ |

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(Supplemental information (note 8))

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in thousands of US dollars, unless otherwise indicated)

1. BASIS OF PRESENTATION:

These interim consolidated financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended June 30, 2001. In the opinion of Management, all adjustments necessary for a fair presentation are reflected in the interim financial statements. Such adjustments are of a normal and recurring nature. The results of operations for the interim periods reported are not necessarily indicative of the operating results expected for the year.

The significant accounting policies used in preparing these consolidated financial statements are consistent with those used in preparing the Company's consolidated financial statements for the year ended June 30, 2001, except as described in note 3 below.

2. SEASONALITY OF OPERATIONS:

Ski and resort operations are highly seasonal which impacts reported quarterly earnings. The majority of the Company's ski and resort operation revenue is generated during the period from November to April. Furthermore, during this period a significant portion of ski and resort operation revenue is generated on certain holidays (particularly Christmas, Presidents' Day and school spring breaks) and on weekends.

The Company's real estate operations tend to be somewhat seasonal as well, with construction primarily taking place during the summer and the majority of sales closing in the December to June period.

3. CHANGE IN ACCOUNTING POLICY:

The Company has adopted, effective July 1, 2001, the new recommendations of The Canadian Institute of Chartered Accountants relating to the method of calculation, presentation and disclosure of earnings per share. These new recommendations were applied retroactively and have resulted in the restatement of fully diluted earnings per share for the three months and nine months ended March 31, 2001. The fully diluted earnings per share for the three months ended March 31, 2002 and March 31, 2001 are more dilutive by \$0.03 than it would have been under the previous standard. The fully diluted earnings per share for the nine months ended March 31, 2002 and March 31, 2001 are more dilutive by \$0.01 and \$0.03, respectively, than it would have been under the previous standard.

4. DISCONTINUED OPERATIONS:

For reporting purposes, the results of operations and cash flow from operating activities of the non-resort real estate business have been disclosed separately from those of continuing operations for the periods presented.

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The results of discontinued operations are as follows:

| | Three months ended March 31 | | Nine months ended |
|------------------------------------|-----------------------------|-------------|-------------------|
| | 2002 | 2001 | 2002 |
| | (unaudited) | (unaudited) | (unaudited) |
| Revenue | \$ 362 | \$ 309 | \$ 803 |
| Loss before current income taxes | \$ (46) | \$ (130) | \$ -- |
| Provision for current income taxes | (1) | -- | 17 |
| Loss from discontinued operations | \$ (45) | \$ (130) | \$ (17) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of US dollars, unless otherwise indicated)

Assets and liabilities presented in the consolidated balance sheets include the following assets and liabilities of discontinued operations:

| | MARCH 31 | June 30 |
|-------------------------------|-------------|-----------|
| | 2002 | 2001 |
| | (unaudited) | (audited) |
| Current assets: | | |
| Amounts receivable | \$ 2,767 | \$ 4,126 |
| Other non-cash current assets | (22) | -- |
| Properties | 6,634 | 7,080 |
| Other non-current assets | 26 | 166 |
| Current liabilities | (465) | (900) |
| Non-current liabilities | (2,683) | (3,258) |

The cash flows from discontinued operations are as follows:

| | Three months ended March 31 | | Nine months ended |
|--|-----------------------------|-------------|-------------------|
| | 2002 | 2001 | 2002 |
| | (unaudited) | (unaudited) | (unaudited) |

Cash provided by (used in):

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| | | | |
|--|--------|------------|----------|
| Operations | \$ 299 | \$ (395) | \$ 1,503 |
| Financing | (134) | (2,044) | (902) |
| Investing | -- | 366 | -- |
| ----- | | | |
| Increase (decrease) in cash and cash equivalents | \$ 165 | \$ (2,073) | \$ 601 |
| ----- | | | |

The Company has the right to apply the net cash flow from the discontinued operations from January 1, 1997 to the redemption of non-resort preferred ("NRP") shares.

5. CAPITAL STOCK:

| | | |
|---------------|---------------------------------|------------------------------|
| | MARCH 31 2002 (unaudited) | June 30 2001 (audited) |
| ----- | | |
| Common shares | \$ 400,375 | \$ 400,262 |
| NRP shares | 13,655 | 13,958 |
| ----- | | |
| | \$ 414,030 | \$ 414,220 |
| ----- | | |

(i) Common shares:

| | | |
|---|---|-----------------------|
| | Number of common shares (unaudited) | AMOUNT (unaudited) |
| ----- | | |
| Balance, June 30, 2001 | 44,026,394 | \$ 400,262 |
| Issued for cash under stock option plan | 14,150 | 113 |
| ----- | | |
| Balance, March 31, 2002 | 44,040,544 | \$ 400,375 |
| ----- | | |

In addition to the stock options exercised during the quarter, 2,000 stock options were forfeited and 3,736,800 common stock options remain outstanding as at March 31, 2002.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of US dollars, unless otherwise indicated)

(ii) NRP shares:

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| | Number of NRP shares (unaudited) | | AMOUNT (unaudited) |
|----------------------------|--|----|-----------------------|
| Balance, June 30, 2001 | 5,513,936 | \$ | 13,958 |
| Purchased for cancellation | (344,600) | | (303) |
| Balance, March 31, 2002 | 5,169,336 | \$ | 13,655 |

(iii) Stock compensation:

The Company has early-adopted effective July 1, 2001, section 3870 of The Canadian Institute of Chartered Accountants ("CICA 3870") relating to the method of accounting for stock-based compensation. The recommendations require that stock-based compensation be accounted for based on a fair value methodology, although it allows an entity to continue to measure stock-based compensation costs using the intrinsic value based method of accounting. Accordingly, no compensation expense has been recognized for the periods presented. Had compensation expense been determined in accordance with the provisions of CICA 3870 using the Black-Scholes option pricing model at the date of the grant, the following weighted average assumptions would be used for options granted in the current period:

| | |
|-------------------------|---------|
| Dividend yield | 0.6% |
| Risk-free interest rate | 4.88% |
| Expected option life | 7 years |
| Expected volatility | 84% |

Using the above assumptions, the Company's net income for the nine months ended March 31, 2002 would have been reduced to the pro forma amount indicated below:

| | |
|---------------------------------------|--------|
| Net income as reported | 52,447 |
| Estimated fair value of option grants | (569) |
| Pro forma | 51,878 |

The estimated fair value of option grants is based on those options granted since the date of adoption and excludes the effect of those granted before July 1, 2001.

6. EARNINGS PER SHARE:

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Basic earnings per common share ("EPS") is calculated by dividing net income attributable to common shareholders ("numerator") by the weighted average number of common shares outstanding ("denominator"). Fully diluted EPS reflects the potential dilution that could occur if outstanding dilutive options were exercised and the cash received was used to repurchase common shares at the average market price for the period.

The numerator for basic and fully diluted EPS was the same for all periods presented. The reconciliation of the denominators used is as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of US dollars, unless otherwise indicated)

| | Three months ended March 31 2002 (unaudited) | 2001 (unaudited) | Nine months ended Mar 2002 (unaudited) | (unaud) |
|--|--|---------------------|--|---------|
| Denominator (in thousands of shares): | | | | |
| Weighted average number of common shares outstanding - basic | 44,031 | 43,721 | 44,031 | 4 |
| Effect of dilutive stock options | 993 | 866 | 386 | |
| ----- | | | | |
| Weighted average number of common shares outstanding - fully diluted | 45,024 | 44,587 | 44,417 | |

The computation of fully diluted EPS for the nine months ended March 31, 2002 and 2001 excludes the effect of the assumed exercise of options to purchase 2,275,000 and 13,000 common shares, respectively, because the effect would be anti-dilutive.

7. SEGMENTED INFORMATION:

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

| | Three months ended March 31 2002 (unaudited) | 2001 (unaudited) | Nine months ended Ma 2002 (unaudited) | (unau) |
|-------------------------|--|---------------------|---|--------|
| Segment revenue: | | | | |
| Ski and resort | \$ 260,315 | \$ 254,708 | \$ 379,248 | \$ 3 |
| Real estate | 67,359 | 67,998 | 244,878 | 2 |
| Warm-weather | 12,790 | 13,224 | 40,038 | |
| Corporate and all other | 1,678 | 3,083 | 3,063 | |

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| | \$ | 342,142 | \$ | 339,013 | \$ | 667,227 | \$ | 6 |
|--|----|---------|----|---------|----|---------|----|---|
| ----- | | | | | | | | |
| Segment operating profit : | | | | | | | | |
| Ski and resort | \$ | 99,611 | \$ | 91,868 | \$ | 113,638 | \$ | 1 |
| Real estate | | 13,567 | | 13,342 | | 41,073 | | |
| Warm-weather | | 36 | | 1,376 | | 2,190 | | |
| Corporate and all other | | 1,678 | | 3,083 | | 3,063 | | |
| | | 114,892 | | 109,669 | | 159,964 | | 1 |
| ----- | | | | | | | | |
| Less: | | | | | | | | |
| Interest | | 10,201 | | 10,028 | | 31,783 | | |
| Depreciation and amortization | | 30,141 | | 26,725 | | 49,853 | | |
| Corporate general and administrative | | 3,245 | | 2,725 | | 8,821 | | |
| | | 43,587 | | 39,478 | | 90,457 | | |
| ----- | | | | | | | | |
| Income before income taxes, non-controlling interest and discontinued operations | \$ | 71,305 | \$ | 70,191 | \$ | 69,507 | \$ | |
| ----- | | | | | | | | |

8. CASH FLOW INFORMATION:

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

| | | Three months ended March 31 | | Nine months ended March 31 | | | | |
|---|----|-----------------------------|-------------|----------------------------|-------------|---------|----|--|
| | | 2002 | 2001 | 2002 | 2001 | | | |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) | | | |
| ----- | | | | | | | | |
| Cash provided by (used in): | | | | | | | | |
| Amounts receivable | \$ | 34,206 | \$ | 6,059 | \$ | 12,636 | \$ | |
| Other assets | | 29,811 | | 57,655 | | (4,779) | | |
| Amounts payable | | (6,256) | | (12,860) | | 12,996 | | |
| Due to joint venture partners | | 993 | | (1,269) | | (2,943) | | |
| Deferred revenue | | (194) | | (29,525) | | 41,021 | | |
| | \$ | 58,560 | \$ | 20,060 | \$ | 58,931 | \$ | |
| ----- | | | | | | | | |
| Supplemental information: | | | | | | | | |
| Interest paid included in the determination of net income | \$ | 4,909 | \$ | 7,108 | \$ | 24,808 | \$ | |
| Income taxes paid | | 2,210 | | 1,461 | | 7,465 | | |
| ----- | | | | | | | | |

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[INTRAWEST LOGO]

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf by the undersigned, thereunto duly authorized.

INTRAWEST CORPORATION

Date: May 28, 2002

By /s/ ROSS MEACHER

Name: Ross Meacher
Title: Corporate Secretary