

## **Vail Resorts Announces Fiscal 2002 First Quarter And Comments On The 2001-2002 Ski Season D**

**VAIL, Colo. - Dec. 12, 2001** - Vail Resorts, Inc. (NYSE: MTN) today announced financial results for the first quarter of fiscal 2002, which ended October 31, 2001.

Resort Revenue for the quarter, which excludes revenue from real estate and technology operations, decreased 5.4% to \$57.4 million from \$60.7 million in the comparable period of fiscal 2001. Total Revenue for the quarter, which includes revenue from real estate and technology operations, grew 5.5% to \$74.3 million versus \$70.4 million in the fiscal first quarter last year.

For the first quarter of fiscal 2002, the Company reported a loss from resort operations before interest, income taxes, depreciation and amortization ("Resort EBITDA") of \$24.6 million compared to a loss of \$18.6 million last year. Losses in the fiscal first quarter are anticipated due to the seasonality of the Company's ski resort operations; however, this quarter's loss reflects impacts resulting from the September 11th terrorist attacks and their aftermath.

Real estate revenue for the first quarter of fiscal 2002 was \$15.9 million compared to \$9.0 million during the same period of the prior year, a 76.7% increase. Real estate operating income for the quarter was \$6.3 million, compared to operating income of \$4.7 million in fiscal 2001, a 35.2% increase.

Technology revenue for the first quarter was \$1.1 million compared to \$0.7 million during the same period last year, and Technology operating income for the quarter was a loss of \$64,000, compared to income of \$121,000 in fiscal 2001.

The net loss for the quarter was \$24.4 million, or \$0.70 per diluted share, compared to last year's first quarter net loss of \$21.2 million, or \$0.61 per diluted share. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", which the Company adopted as of August 1, 2001, the Company no longer amortizes goodwill and other intangibles with indefinite lives, resulting in a favorable impact of approximately \$0.03 per fiscal quarter.

Adam Aron, chairman and chief executive officer of Vail Resorts said, "Like many in the U.S. travel industry, Vail Resorts felt the effects of a nationwide downturn in travel following the terrorist attacks on September 11. Despite post-September 11 economic and political conditions, the Company performed as expected given these uncertain times."

Commenting on the current 2001-2002 ski season, Aron said, "The ski season prior to and including an early Thanksgiving holiday showed weakness due to only limited ski terrain being open. However, snow has been bountiful in Colorado since then, with Vail for example having received some seven feet of snow and significant skier visitation after Thanksgiving Day. We are pleased to report that ski conditions are now excellent at Vail, Breckenridge and Beaver Creek. Looking ahead, while ski vacation bookings have been building since the low levels immediately after September 11, these difficult times have caused a near-term reduction in vacation travel within the U.S. which are likely to affect Vail Resorts throughout fiscal 2002. Accordingly, aggressive cost reduction efforts have been accompanied by a myriad of sales and marketing initiatives to optimize performance in what looks to be a sobering year."

Aron further added, "However, since such September 11 effects are being felt broadly throughout the U.S. travel and tourism industry, they may create real opportunity for Vail Resorts, as evidenced by our October announcement of the purchase of The Ritz-Carlton, Rancho Mirage and a majority interest in Rockresorts, both on favorable terms."

Vail Resorts, Inc. is the premier mountain resort operator in North America. The Company operates the Colorado mountain resorts of Vail, Beaver Creek, Breckenridge and Keystone, and the Grand Teton Lodge Company in Jackson Hole, Wyo. In addition, the Company's Rockresorts luxury resort hotel company operates 11 resort hotels throughout the United States. The Vail Resorts' corporate website is [www.vailresorts.com](http://www.vailresorts.com) and the consumer website is [www.snow.com](http://www.snow.com). Vail Resorts is a publicly held company traded on the New York Stock Exchange (NYSE: MTN).

*Statements in this press release, other than statements of historical information, are forward looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. Such risks and uncertainties include but are not limited to general business and economic conditions, competitive factors in the ski and resort industries, failure or delay to close announced transactions, the impact of the September 11 terrorist attacks on the travel industry and the company and/or misinterpretation of same, the possibility of additional terrorist attacks, and the weather.*

*Investors are also directed to other risks discussed in documents filed by the Company with the Securities and Exchange Commission.*

**Vail Resorts Contacts:**

**Investor Relations:**

Leslie Roubos  
(970) 845-2958  
lroubos@vailresorts.com

**Media:**

Kelly Ladyga  
(970) 845-5720  
kladyga@vailresorts.com