

## **Vail Resorts Reduces Fiscal 2003 Financial Guidance**

**VAIL, Colo. - April 29, 2003** - Vail Resorts, Inc. (NYSE: MTN) announced today that, based on its third quarter performance to date, the Company anticipates its financial results will fall below consensus analyst estimates for the quarter ending April 30, 2003 as well as for the 2003 fiscal year.

The Company announced that with the completion of the 2002/2003 ski season, fiscal 2003 year-end income from operations is expected to range between \$47 million and \$56 million. The Company is also reducing its formerly announced resort EBITDA range for fiscal 2003 to \$108 million to \$118 million, including all severance payouts, as well as the previously expected \$4 million to \$7 million loss associated with the start-up and first year operations of the Ritz Carlton, Bachelor Gulch. (See attached Reconciliation of Non-GAAP Financial Measures table.) At the end of the fiscal second quarter, the Company had given a guidance range for resort EBITDA of \$128 million to \$138 million, before severance payouts of approximately \$2.5 million, for the fiscal year. Therefore, the resort EBITDA guidance range is being reduced by \$17.5 million. Real estate is expected to perform in the range as previously announced.

In commenting on fiscal third quarter projected results, Adam Aron, Chairman and Chief Executive Officer, commented, "Heightened public debate about the prospects of impending war, followed by the actual outbreak of hostilities, in what would normally be the busiest time during Vail Resorts' year, had a profound impact on our resort revenues and profitability in our fiscal third quarter. This was especially true for the month of March. For example, lift ticket revenues, which had been running approximately 30% ahead of last year season-to-date through the end of February, were actually 1% behind last year in the month of March. This war related fall-off in March revenues was seen in just about every aspect of the company's resort business activities."

Aron further added, "Back in the fall of 2002, Vail Resorts anticipated that the possibility of war could make fiscal 2003 challenging. Accordingly, a significant cost reduction effort was implemented at that time. While the cost cuts were fully implemented, the revenue fall-off as a result of war in the Middle East was severe. Even though Vail Resorts continues to outperform a broad array of other companies in the US travel industry, we are nonetheless disappointed by this outcome. Looking ahead, the company is assessing significant additional cost reductions, while maintaining its commitment to offering an excellent guest service experience, to generate increased profitability in fiscal 2004 and beyond."

Further comments on the contents of this press release will be discussed on the Company's regularly scheduled fiscal third quarter earnings conference call on Thursday, June 12 at 11:00 am ET.

Vail Resorts, Inc. is the premier mountain resort operator in North America. The Company's subsidiaries operate the mountain resorts of Vail, Beaver Creek, Breckenridge and Keystone in Colorado, Heavenly Resort in California and Nevada and the Grand Teton Lodge Company in Jackson Hole, Wyoming. In addition, the Company's RockResorts luxury resort hotel company operates 10 resort hotels throughout the United States. The Vail Resorts corporate website is [www.vailresorts.com](http://www.vailresorts.com) and the consumer websites are [www.snow.com](http://www.snow.com) and [www.rockresorts.com](http://www.rockresorts.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; failure to achieve anticipated cost savings and anticipated operational efficiency, or conversely adverse consequences from cost reductions and/or position eliminations; competitive factors in the ski and resort industries; failure to successfully integrate acquisitions; uncertainties and issues arising, positive or negative, related to the restatement of earnings, including the change in accounting for the revenue recognition of club membership fees or the SEC investigation of same; the impact of the September 11 terrorist attacks on the travel industry and the company and/or misinterpretation of same; uncertainties and impacts of the threat of war or actual war; continued or worsening economic slowdown or additional terrorist attacks; expenses or adverse consequences arising from current or potential litigation against the Company; implications arising from the implementation of FIN No. 46 and other such new FASB/governmental legislation, rulings or interpretations; and the weather. Investors are also directed to other risks discussed in documents filed by the Company with the Securities and Exchange Commission.

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