

Vail Resorts Announces Fiscal 2001 Fourth Quarter And Year End Results

VAIL, Colo. - Oct. 17, 2001 - Vail Resorts, Inc. (NYSE: MTN) today announced financial results for the fourth quarter and fiscal year ended July 31, 2001. For clarity of analysis, the year-over-year information in the following text highlights performance excluding the impact of Reduced Skier Day Insurance in fiscal 2000.

FOURTH QUARTER, FISCAL 2001

Resort revenue (which excludes revenue from real estate and technology operations) for the fourth quarter of fiscal 2001 was \$62.1 million, an 11.5% increase from \$55.7 million in the comparable period last year (excluding \$3.2 million of Reduced Skier Day Insurance proceeds booked in the fourth quarter of fiscal 2000).

Total revenue for the quarter (which includes revenue from real estate and technology operations) increased 2.8% from \$71.3 million in fiscal 2000 (again excluding \$3.2 million of Reduced Skier Day Insurance proceeds in fiscal 2000) to \$73.3 million this year.

Earnings from resort operations before interest, income taxes, depreciation and amortization ("Resort EBITDA") for the fourth fiscal quarter was a loss of \$13.1 million, a 19.7% improvement on a loss of \$16.3 million for the same period last year (excluding \$3.2 million of net proceeds from Reduced Skier Day Insurance in fiscal 2000). Losses in the fiscal fourth quarter are anticipated due to the seasonality of the Company's ski resort operations.

Real estate revenue for the fourth quarter of fiscal 2001 was \$10.0 million compared to \$14.9 million during the same period of the prior year, a decrease which was fully anticipated. Real estate operating income for the quarter was \$5.3 million, compared to operating income of \$5.7 million in fiscal 2000.

As announced in the second quarter, Technology is now being reported as a separate reportable business segment. Technology revenue for the fourth quarter was \$1.2 million and Technology operating income for the quarter was a loss of \$0.8 million.

Net income for the quarter was a loss of \$17.0 million, or \$0.49 per diluted share, compared to a loss of \$17.8 million, or \$0.51 per diluted share, for the same quarter last year (again excluding the \$0.05 per share impact of net proceeds from Reduced Skier Day Insurance in fiscal 2000).

FISCAL YEAR ENDED JULY 31, 2001

Resort revenue for the year ended July 31, 2001 increased 7.7% to \$520.8 million from \$483.5 million in the same period last year (excluding \$15.9 million of Reduced Skier Day Insurance proceeds booked in fiscal 2000).

Total revenue was up 4.1% from \$537.2 million to \$559.3 million (again excluding \$15.9 million of Reduced Skier Day Insurance proceeds in fiscal 2000).

Resort EBITDA for the year increased 19.4% to \$118.1 million from \$98.9 million last year. This excludes \$13.9 million of net proceeds from Reduced Skier Day Insurance booked in fiscal 2000. Including the Reduced Skier Day Insurance, Resort EBITDA increased 4.7% from \$112.8 million last year.

Real estate revenue for the year just ended was \$35.2 million compared to \$51.7 million last year, a sizeable decrease which was fully anticipated. Real estate operating income for the year ended July 31, 2001 was \$12.3 million, up 27.6% from \$9.6 million during the same period last year.

Net income for the year just ended was \$18.7 million, or \$0.53 per diluted share. Net income last year was \$7.5 million, or \$0.22 per diluted share (excluding the \$0.22 per share impact of Reduced Skier Day Insurance).

Adam Aron, Chairman and Chief Executive Officer, commented, "Vail Resorts has just completed the most successful fiscal year in its history, with record skier visits, record revenues and record EBITDA. Yet as we look forward to fiscal 2002, we are facing one of our most challenging seasons in the aftermath of the September 11th terrorist attack. Prior to September 11, we were anticipating about a 10% growth in Resort EBITDA. Given the impacts we have already seen on the travel industry as a

whole since then, it is not yet possible to predict the full impact on our company."

"However, we are taking aggressive measures to manage and control our expenses. In addition, our sales and marketing activity has been focused on maximizing immediate-term revenue. Vail Resorts has little debt compared with our competitors, and our real estate business has already secured significant revenues to be realized in fiscal 2002, so we are better positioned than most in the travel industry during these uncertain times."

Vail Resorts, Inc. is the premier mountain resort operator in North America. The Company operates the Colo. mountain resorts of Vail, Breckenridge, Keystone and Beaver Creek, and the Grand Teton Lodge Company in Jackson Hole, Wyo. The Vail Resorts website is www.vailresorts.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, failure to achieve anticipated performance; general business and economic conditions; competitive factors in the ski and resort industry; 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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