

## Vail Resorts Takes Several Steps To Enhance Corporate Governance

- Class A Common Shares converted to Common Shares
- Board of Directors to become smaller, more tightly focused, more independent

**VAIL, Colo. - September 30, 2004** - Vail Resorts, Inc. (NYSE: MTN) announced today several steps designed to improve its corporate governance. Most notable are the cessation of the dual class share structure of Common Stock and Class A Common Stock that has been in place since 1992 and changes in Vail Resorts' Board of Directors and Board Committee composition. These changes are the result of Apollo Ski Partners L.P., holders of approximately 17.8% of Vail Resorts total outstanding shares, having advised the Company that effective immediately it will voluntarily waive and permanently forego many of its existing rights.

### CESSATION OF DUAL CLASS SHARE STRUCTURE

As of September 28, 2004, Apollo Ski Partners owned approximately 6.1 million shares of Class A Common Stock (99.995% of the Class A Common Stock outstanding), which was substantially identical to Common Stock except that the holder of the Class A shares had the right to elect up to two-thirds of the Board of Directors. On September 28, 2004, as a result of an action by Apollo Ski Partners, 100.0% of the Class A Common Shares were converted into Common Shares. As a result, Apollo Ski Partners no longer has any special rights to elect members of the Company's Board of Directors.

Separately, Apollo Ski Partners has advised the Company that it intends within 30 days, or as soon as is practicable, to distribute its holding of Common Shares directly to its limited partner investors. As a result, all these shares will become freely tradable, in part because the Company has agreed, as part of Apollo's agreement to convert its Class A shares, to file a registration statement covering certain of the shares to be owned by the limited partners of Apollo Ski Partners.

As a result of these actions, Apollo Ski Partners will no longer be deemed an "affiliate" of Vail Resorts, and will no longer be deemed to be in control of Vail Resorts, either directly or indirectly.

Also as a result of the distribution of shares from Apollo Ski Partners, the Shareholder Agreement between Apollo Ski Partners, Ralcorp Holdings and the Company is being terminated. However, the Company has agreed that Ralcorp Holdings will retain its registration rights.

### ELIMINATION OF MANAGEMENT FEE

For more than a decade, in connection with Apollo Ski Partners L.P.'s shareholdings in Vail Resorts, Apollo Advisors L.P., a New York-based private equity firm, has received an annual management fee for providing financial and strategic advisory services to the Company. Apollo and Vail Resorts have terminated this arrangement effective October 1, 2004.

### CHANGES IN BOARD OF DIRECTOR AND COMMITTEE COMPOSITION

As part of the change in ownership structure represented by the conversion of the Class A shares into Common Shares, the Vail Resorts Board of Directors has decided to reduce the size of the existing board in the interest of improving the effectiveness and focus of the Directors. As such, of the 12 Directors who have previously served on the Vail Resorts Board of Directors, seven will remain in position and five have resigned as of September 27, 2004. Of the seven Directors who will continue, all six non-management directors will be "independent" under NYSE rules.

#### The Board of Directors of Vail Resorts will now include:

Adam M. Aron, Chairman of the Board and CEO of Vail Resorts

John Hannan, Founding Principal, Apollo Management L.P.

Roland A. Hernandez, CEO of Hernandez Media Ventures and former Chairman,

President and CEO of Telemundo Group

Robert A. Katz, associated with Apollo Management L.P.

Joe R. Micheletto, Vice Chairman of Ralcorp Holdings and former President and CEO of

### **Ralcorp Holdings**

John Sorte, President and CEO of Morgan Joseph & Co.

William P. Stirtz, Chairman of Ralcorp Holdings and Energizer Holdings, and former

Chairman and CEO of the Ralston Purina Company

### **The Board's Committees and assignment of duties will now consist of:**

*Lead Director:* Mr. Katz

*Executive:* Messrs. Aron, Katz and Micheletto

*Audit:* Messrs. Micheletto (Chairman), Hernandez and Katz

*Compensation:* Messrs. Katz (Chairman), Micheletto and Sorte

*Nominating and Governance:* Messrs. Stirtz (Chairman), Hannan and Hernandez

The Board's membership and Committee assignments comply with the NYSE requirements for independence.

The Directors leaving the Vail Resorts Board include Frank Biondi, John Hauge, Thomas Lee, William Mack, and James Tisch. The Company wished to emphasize that these departures were fully amicable.

Commenting on these developments, Adam M. Aron, Vail Resorts Chairman and CEO since 1996, said, "We are very grateful for the leadership provided by Apollo since 1992. The Company took many steps over the past decade to further establish its position as the premier mountain resort operator in North America, including: the acquisition of Arrowhead and Bachelor Gulch, and the development of Beaver Creek; the acquisition of Keystone, Breckenridge and Heavenly; the opening of Vail's Blue Sky Basin, Breckenridge's Peak 7 and Keystone's Bergman and Erickson Bowls; the acquisition of the Grand Teton Lodge Company, RockResorts and a number of luxury lodging properties; the building of Keystone's River Run Village; the planning for Vail's New Dawn and Breckenridge's proposed Alpine Village; as well as the creation of Red Sky Ranch; among others. We also fully understand that as an investment fund, there is need for Apollo to distribute its shares in Vail Resorts to its own investors."

Aron added, "The changes in our Board of Directors are also of import. We have been very fortunate to have for many years the benefit of advice and guidance from some incredibly talented individuals. Several will now be leaving the Board. While we will miss their sage counsel, the Board, at a smaller size of seven, can now be more tightly focused and committed to the future of Vail Resorts. And that future is a bright one in our view. We have just completed in fiscal 2004 a fabulous year, from a Reported EBITDA perspective the best in the Company's 42-year history. We have every reason to be highly optimistic as we look to the future."

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, Inc. 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. Investors are also directed to other risks discussed in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2003 and other 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