Vail Resorts Announces Fiscal First Quarter Results

VAIL, Colo. - December 11, 2002 - Vail Resorts, Inc. (NYSE: MTN) announced today financial results for the first quarter ended October 31, 2002.

Mountain revenue for the first quarter of fiscal 2003 was $34.4 million, a 17.1% increase from $29.4 million for the comparable period last year. Lodging revenue for the first quarter increased $11.5 million, or 40.0%, to $40.1 million. Real estate revenue for the first quarter rose from $15.0 million to $39.4 million. Total revenue for the quarter was $113.9 million compared to $73.0 million in the same period in 2002, an increase of 55.9%.

In fiscal 2002, Vail Resorts acquired numerous properties, including the Heavenly Ski Resort, the Vail Marriott and the Lodge at Rancho Mirage hotels, and a majority interest in the RockResorts brand name. In addition, in the first quarter of fiscal 2003, the Company began recognizing its portion of the joint venture operating results associated with The Ritz-Carlton, Bachelor Gulch hotel in Beaver Creek, which opened on November 21, 2002. Excluding these acquisitions, "same-store" mountain revenue grew 7.1% while "same-store" lodging revenue grew 14.1% for the quarter. Total revenue excluding acquisitions rose 41.7%.

Mountain earnings before interest, income taxes, depreciation and amortization ("EBITDA") decreased $5.8 million, or 24.1%, to a loss of $30.0 million. Lodging EBITDA increased $0.5 million, or 100%, to $0.0 million. Included in mountain EBITDA is a $1.3 million severance charge associated with the previously announced management restructuring. Total resort EBITDA, excluding real estate, declined $5.3 million, or 21.7%, to a loss of $30.0 million. Real estate EBITDA rose $8.6 million to $14.9 million.

Excluding acquisitions and severance, mountain EBITDA decreased $0.7 million, or 3.0% and lodging EBITDA increased $2.5 million, or 522.2%. Total resort EBITDA increased $1.7 million, or 7.1%, to a loss of $22.9 million.

Net loss for the quarter improved 5.0% to $24.8 million, or $0.71 per diluted share, compared to a loss of $26.1 million, or $0.75 per diluted share, for the comparable period last year.

Adam Aron, Chairman and Chief Executive Officer, commented, "I am pleased to report that Vail Resorts' financial performance in the first quarter of fiscal 2003 was better than we had originally expected. The lodging segment had a strong performance, growing both revenues and EBITDA on a same-store basis versus last year. In addition, both our mountain and lodging segments were successful in initiating their cost savings plans earlier than anticipated. Our real estate group also had a banner quarter, closing on many properties sooner than expected."

Commenting on the current 2002-2003 ski season, Aron said, "We are highly encouraged by the momentum Vail Resorts has generated so far in this year's ski season. Early season snowfall has been abundant, the best in nearly two decades, allowing us to open our flagship resort, Vail, a week early to record skier numbers with a record amount of open terrain. Beaver Creek also opened with record numbers and record terrain. Indeed, early season visitation and spending at our ski resorts have been robust.

"For the fourth year in a row, we experienced record season pass sales, and bookings into our resorts and hotels are strong year-over-year. We are also excited about the opening of new lifts and terrain at Breckenridge, the renovation of the all-new Vail Marriott, improved ski conditions and a new children's center at Keystone, a host of cosmetic upgrades at Heavenly, as well as the grand opening of the spectacular Ritz-Carlton, Bachelor Gulch hotel in Beaver Creek, which we believe will further solidify Beaver Creek's reputation as an elegant destination resort."

Aron added further, "Indeed, while early season signs are highly encouraging, we have only completed less than 10% of the 2002-2003 ski season, and we still have to contend with the impacts, if any, of difficulties in the U.S. airline industry, a weak national economy, and the possibility of war. It is much too early to declare victory as we look at Vail Resorts' fiscal 2003, but we are certainly off to a good start."

CONFERENCE CALL

For further discussion of the contents of this press release, please listen to our live webcast today at 11:00 am ET, available on www.vailresorts.com.

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 and the consumer websites are www.snow.com and 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 the anticipated cost savings and anticipated operational efficiency, or conversely adverse consequences from the 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; the impact of the September 11 terrorist attacks on the travel industry and the company and/or misinterpretation of same; the possibility of war, continued or worsening economic slowdown or 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.

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