

Vail Resorts Announces Fiscal 2001 Second Quarter And Six Month Results

Vail, Colo., - March 13, 2001 - Vail Resorts, Inc. (NYSE: MTN) today announced financial results for the second fiscal quarter and six months ended January 31, 2001.

Resort revenue (which excludes revenue from real estate operations) for the quarter ended January 31, 2001, increased 11.5% to \$179.6 million from \$161.1 million in the comparable period last year. Total revenue for the quarter (which includes revenue from real estate operations) was \$189.4 million compared to the \$162.9 million reported in the same period in 2000, an increase of 16.3%.

Earnings from resort operations before interest, income taxes, depreciation and amortization ("Resort EBITDA") for the second fiscal quarter increased 12.9% to \$54.3 million, prior to a one-time, non-recurring charge of \$2.3 million relating to taxes owed for prior years. After the tax charge, Resort EBITDA increased 8.2% to \$52.0 million. Resort EBITDA in the same quarter last year was \$48.1 million.

Real estate revenues for the second quarter of fiscal 2001 were \$9.8 million compared to \$1.7 million during the same period of the prior year. Real estate operating income for the quarter increased \$5.1 million to \$3.1 million in fiscal 2001, compared to a loss of \$2.0 million in fiscal 2000.

Net income for the quarter, prior to the one-time, non-recurring tax adjustment was \$17.7 million, or \$0.50 per diluted share. After the tax adjustment, net income was \$16.1 million, or \$0.46 per diluted share. Net income for the same quarter last year was \$10.9 million, or \$0.31 per diluted share.

The one-time non-recurring charges of \$2.3 million and interest of \$0.3 million, for property and sales tax adjustments arising from prior years, stem primarily from a Colorado Supreme Court decision of February 26, 2001. By a 4-3 vote, the Court reversed three lower court rulings and rendered unconstitutional portions of a 1996 act of the Colorado Legislature relating to taxation. On an ongoing basis, commencing in fiscal 2002, the Company's taxes are expected to rise by about \$300,000 annually from this decision.

Resort revenue for the six months ended January 31, 2001 increased 10.6% to \$241.0 million from \$218.0 million in the same period last year. Total revenue was \$259.8 million compared to \$228.7 million in the first half of fiscal 2000, up 13.6%.

Resort EBITDA for the six-month period was \$35.8 million, up 29.4% prior to the one-time, non-recurring tax charge. After the tax charge, Resort EBITDA increased 21.2% to \$33.5 million. Resort EBITDA for the six months ended January 31, 2000 was \$27.7 million.

Real estate revenues for the six months ended January 31, 2001 were \$18.8 million compared to \$10.7 million during the same period of the prior year. Real estate operating income for the six-month period increased \$6.6 million to \$7.7 million in fiscal 2001, compared to \$1.1 million in fiscal 2000.

The net loss in the first half of fiscal 2001, prior to the one-time, non-recurring tax adjustment was \$3.5 million, or \$0.10 per diluted share. After the tax adjustment, the net loss was \$5.0 million, or \$0.14 per diluted share. Net loss for the same six-month period last year was \$11.5 million, or \$0.33 per diluted share, an improvement of 56.4%. Due to seasonality, losses in the first half of the year are anticipated.

Total skier days for the first half of fiscal 2001, which includes the Christmas and New Year holidays, were up 14.1% from the prior year to 2.3 million across all four resorts.

Adam Aron, Chairman and Chief Executive Officer, commented, "We are very pleased with our results for the second quarter, which show a dramatic improvement over last year. Skier visitation soared at our four Colorado ski resorts, especially at Vail with a 32.2% increase year-over-year through January 31st."

Aron added, "Looking to the third quarter, we remain encouraged by excellent ski conditions and solid advance hospitality bookings. However, we are also aware of a more tenuous national economy. Balancing these trends, and consistent with all our previous public comments, we remain comfortable only with the lower end of the current range of analyst Resort EBITDA estimates for full year fiscal 2001. We are also comfortable with consensus analyst estimates of EPS for full year fiscal 2001."

Aron also noted that commencing with the third quarter of fiscal 2001, the Company will begin reporting Technology as a separate business segment (along with Resort and Real Estate). This third segment arises from the Company's increased Technology investments over the past few years, highlighted by the Company's joint venture with Resort Technology Partners, LLC announced in March 2001.

Vail Resorts, Inc. is the premier mountain resort operator in North America. The Company operates the Colorado mountain resorts of Vail, Breckenridge, Keystone, and Beaver Creek and the Grand Teton Lodge Company in Jackson Hole, Wyoming. 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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