

Breckenridge Ski Resort And The Town Of Breckenridge Announce Gondola Construction To Start This Spring

New gondola will serve as link between town and the Peak 7 and 8 base areas

BRECKENRIDGE, Colo. -- March 13, 2005--Today, Breckenridge Ski Resort and the Town of Breckenridge announced that construction on the much-anticipated Breckenridge gondola will start this spring. The new gondola will start from the Breckenridge Transportation Center located in the parking lot right off historic Main Street and have terminals at both Peak 7 and Peak 8, providing an integral link for skiers, riders and visitors from town to the ski resort base areas. It will allow the ski resort and the Town to upgrade the skier experience and improve the overall experience by reducing the number of people that need to be bussed to the mountain. In addition to stops at the base areas, the new gondola will include a mid-station at Shock Hill. Setting the stage for the planned developments on Peak 7 and 8, the 8-passenger gondola is expected to be completed by Christmas 2006.

"The gondola has been talked about in the community for 20 years and now the timing is perfect as this project will continue the incredible momentum that Breckenridge Ski Resort and the Town of Breckenridge have worked together to build from the success of the Imperial Express, the popularity of the Skyway Skiway and a strong real estate and development market," said Roger McCarthy, co-president of Vail Resorts and chief operating officer of Breckenridge and Keystone.

In May 2002, the Town of Breckenridge and Breckenridge Ski Resort signed a landmark agreement outlining a development plan for Peaks 7 and 8 designed to maintain both the resort town's world-class stature and quality of life. As a part of this plan, the Mountain Thunder Lodge and Townhome project and the Skyway Skiway have been completed in the past year ahead of schedule. The gondola represents one of the last major steps in implementing the development plan and the transportation framework as well as the continued relationship between the Town and the resort.

As part of the agreement, the Town of Breckenridge has committed up to \$6.7 million toward the completion of the gondola. For its part, the ski resort has guaranteed parking at the gondola base, transferred density from the parking lots to the Peak 7 and 8 base, sunset density consistent with the Upper Blue Master Plan and reduced commercial density at the Peak 7 and 8 future bases. In addition to the monetary commitment from the Town of Breckenridge, the Breckenridge Land Company, the developers of Shock Hill, is giving \$500,000 to the gondola project and the necessary easements to complete the gondola.

The mayor of Breckenridge, Ernie Blake, said, "The Town of Breckenridge is thrilled with the ski area's decision. We recognize that Vail Resorts has many choices for its investment dollars and appreciate the confidence it has shown in Breckenridge with this commitment. It comes years ahead of the agreed upon schedule and is another example of what a model public/private partnership can produce. We are fortunate to be economically capable of contributing to this wonderful amenity upgrade for our guest."

The Breckenridge gondola will be one of the most modern gondolas in North America with seating for 8 and room for ski and ride gear inside. Right now, the ski resort plans to operate the gondola in both the winter and summer seasons. It will have a ride time of approximately seven and a half minutes from the transportation center to the base of Peak 8 and will be able to carry 3,000 people per hour.

Breckenridge Gondola Facts:

- 7.5 minute ride time from Transit Center to the Peak 8 terminal
- Two mid-stations at Shock Hill and Peak 7 base area
- 7,842 ft. in length
- 391 ft. vertical rise
- 25 towers
- Capacity of 3,000 per hour
- 143 cabins

About Vail Resorts

Vail Resorts, Inc. is the leading mountain resort operator in the United States. The Company's subsidiaries operate the mountain resorts of Vail, Beaver Creek, Breckenridge and Keystone in Colorado, Heavenly in California and Nevada, and the Grand Teton Lodge Company in Jackson Hole, Wyo. The Company's subsidiary, RockResorts, a luxury resort hotel company,

manages casually elegant properties across the United States. Vail Resorts Development Company is the real estate planning, development and construction subsidiary of Vail Resorts, Inc. Vail Resorts is a publicly held company traded on the New York Stock Exchange (NYSE: MTN). The Vail Resorts company website is www.vailresorts.com and consumer website is www.snow.com.

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