

Vail Resorts Announces Fiscal 2001 Third Quarter And Nine Month Results

Vail, Colo., - June 6, 2001 - Vail Resorts, Inc. (NYSE: MTN) today announced financial results for the third fiscal quarter and nine months ended April 30, 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, and the impact of one-time non-recurring taxes owed for prior years charged in the second quarter of fiscal 2001.

THIRD QUARTER, FISCAL 2001

Resort revenue (which excludes revenue from real estate and technology operations) for the quarter ended April 30, 2001 was \$219.0 million, a 1.6% increase from \$215.7 million in the comparable period last year (excluding \$7.4 million of Reduced Skier Day Insurance revenue booked in the third quarter of fiscal 2000).

Total revenue for the quarter (which includes revenue from real estate and technology operations) decreased 6.7% from \$242.4 million in fiscal 2000 (again excluding \$7.4 million of Reduced Skier Day Insurance revenue in fiscal 2000) to \$226.1 million this year.

Earnings from resort operations before interest, income taxes, depreciation and amortization ("Resort EBITDA") for the third fiscal quarter was \$97.2 million, a 5.6% increase from \$92.0 million for the same period last year (excluding \$6.2 million of net proceeds from Reduced Skier Day Insurance in fiscal 2000).

Real estate revenue for the third quarter of fiscal 2001 was \$6.4 million compared to \$26.0 million during the same period of the prior year, a sizeable decrease which was fully anticipated. Real estate operating income for the quarter showed a loss of \$0.8 million, compared to operating income of \$2.8 million in fiscal 2000, which was also fully anticipated.

As previously announced, Technology is being reported for the first time as a separate reportable business segment this quarter. Technology revenue for the third quarter was \$0.7 million and Technology operating income for the quarter was a loss of \$0.5 million. The Technology business segment is engaged in the development and sale of technology-based products and services to third parties, and includes the RTP joint venture and the Datalex joint venture.

Net income for the quarter was \$40.8 million, or \$1.16 per diluted share, compared to \$39.4 million, or \$1.13 per diluted share, for the same quarter last year (again excluding the \$0.10 per share impact of Reduced Skier Day Insurance in fiscal 2000).

NINE MONTHS YEAR TO DATE, FISCAL 2001

Resort revenue for the nine months ended April 30, 2001 increased 7.2% to \$458.7 million from \$427.8 million in the same period last year (excluding \$12.7 million of Reduced Skier Day Insurance revenue booked in the first three quarters of fiscal 2000).

Total revenue was up 4.3% from \$465.8 million to \$485.9 million (again excluding \$12.7 million of Reduced Skier Day Insurance revenue in fiscal 2000).

Resort EBITDA for the nine months increased 15.8% to \$133.5 million from \$115.2 million last year. This excludes \$10.6 million of net proceeds from Reduced Skier Day Insurance booked in fiscal 2000, and excludes the impact of the one-time, non-recurring tax charge of \$2.3 million in the second quarter of fiscal 2001. Including both Reduced Skier Day Insurance and the tax charge, Resort EBITDA increased 4.2% from \$125.9 million to \$131.2 million.

Real estate revenue for the nine months just ended was \$25.2 million compared to \$36.7 million last year. Real estate operating income for the nine months ended April 30, 2001 was \$6.9 million, up from \$3.9 million during the same period last year.

Net income for the nine months just ended was \$37.2 million, or \$1.06 per diluted share (excluding the -\$0.04 per share impact of the one-time tax charge). Net income for the same nine-month period last year was \$25.4 million, or \$0.73 per diluted share (excluding the \$0.17 per share impact of Reduced Skier Day Insurance).

Total skier visits for the season rose 7.6% from 4.6 million in 99-00 to 4.9 million in 00-01. Vail Mountain regained its position

as the most popular ski resort in the U.S. with more than 1.6 million skier visits. Beaver Creek broke its previous record set at the end of the 97-98 season with more than 675,000 skier visits this year. Keystone's skier visits rose 2.0% for a total of 1.2 million, the third best year in Keystone's history. With 1.4 million visits, Breckenridge experienced its second best season ever in 00-01.

Adam Aron, Chairman and Chief Executive Officer, commented, "This is proving to be a record year for Vail Resorts and we are pleased with third quarter results. Last year we had particularly strong visitation in February and March, making our fiscal 2000 third quarter revenues difficult to beat by a wide margin. However, thanks to thoughtful management of our costs, and of course ignoring the net proceeds from reduced skier day insurance booked last year, we are up more than 15% in Resort EBITDA year to date."

"With a successful season completed, we are now comfortable with current analyst estimates for all of fiscal 2001, both with respect to resort and real estate activities. However, the recent national economic slowdown should give pause to any company's management. Looking ahead and with this in mind, we recently took measures to consolidate our operations and reduce the number of full time staff. Although this is a painful decision under any circumstances, we know it was important for our continued success."

Aron concluded, "We look ahead with cautious optimism. The economic climate that surrounds us is less than ideal, but Vail Resorts will be coming off a record year, operates a collection of some of the finest mountain resorts in the world, and has strength after strength that allow us to considerably outperform our industry."

Vail Resorts, Inc. is the premier destination mountain resort operator in North America. The Company's subsidiaries operate the Colorado resorts of Vail, Breckenridge, Keystone, and Beaver Creek, as well as the Grand Teton Lodge Company in Jackson, 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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