

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION B OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER: 1-9614

VAIL RESORTS, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE  
(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)

51-0291762  
(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

POST OFFICE BOX 7  
VAIL, COLORADO  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICE)

81658  
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (970) 476-5601

\_\_\_\_\_  
FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR, IF CHANGED SINCE LAST  
REPORT.

NONE

Indicate by check mark whether the registrant: (1) has filed all  
reports required to be filed by Section 13 or 15(d) of the Securities Exchange  
Act of 1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days. Yes X No

----

Indicate by check mark whether the registrant has filed all documents  
and reports required to be filed by Section 12, 13 or 15(d) of the Securities  
Exchange Act of 1934 subsequent to the distribution of securities under a plan  
confirmed by a court. Yes X No

---

As of May 15, 1997, 33,405,649 shares of common stock were issued and  
outstanding, of which 11,683,744 shares were Class A Common Stock and 21,721,905  
shares were Common Stock.

=====

TABLE OF CONTENTS

PART I

Item 1.	Financial Statements.....	F-1
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	2

PART II

Item 1.	Legal Proceedings.....	9
Item 2.	Changes in Securities.....	9
Item 3.	Defaults Upon Senior Securities.....	9
Item 4.	Submission of Matters to a Vote of Security-Holders	9
Item 5.	Other Information.....	9
Item 6.	Exhibits and Reports on Form 8-K.....	10

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of financial condition and results of operations of the Company should be read in conjunction with the September 30, 1996 Form 10-K and the consolidated financial statements as of March 31, 1997 and September 30, 1996, and for the six and three month periods ended March 31, 1997 and 1996, included in Part I, Item 1 of this Form 10-Q, which provide additional information regarding financial condition and operating results. This analysis excludes the results of Arapahoe Basin which the Company is required to divest pursuant to the Consent Decree.

SIX MONTHS ENDED MARCH 31, 1997 VERSUS SIX MONTHS ENDED MARCH 31, 1996

**Resort Revenue.** Resort Revenue for the six months ended March 31, 1997 was \$208.2 million, an increase of \$90.1 million, or 76.3%, compared to the six months ended March 31, 1996. The increase was attributable primarily to (i) the inclusion of the results of Ralston Resorts from January 4, 1997 (\$76.0 million) and (ii) increases in Vail/Beaver Creek lift ticket, ski school, food service, retail and rental, hospitality and other revenues.

**Resort Operating Expenses.** Resort Operating Expenses were \$104.0 million for the six months ended March 31, 1997, representing an increase of \$42.8 million, or 70.0%, as compared to the six months ended March 31, 1996. The increase in Resort Operating Expenses is attributable primarily to (i) the inclusion of the results of Ralston Resorts from January 4, 1997 (\$32.9 million), (ii) increased variable expenses resulting from the increased level of Vail/Beaver Creek Resort Revenue, and (iii) expenses associated with new Vail/Beaver Creek food service and retail/rental operations.

**Resort Cash Flow.** Resort Cash Flow was \$104.2 million for the six months ended March 31, 1997, representing an increase of \$47.3 million, or 83.1%, as compared to the six months ended March 31, 1996. The increase in Resort Cash Flow is due primarily to the inclusion of the results of Ralston Resorts from January 4, 1997 (\$43.1 million) and the increased level of Vail/Beaver Creek Resort Revenue, offset by increased expenses related to new operations as described above. Resort Cash Flow is defined as revenue from resort operations less resort operating expenses, excluding depreciation and amortization. Resort Cash Flow is not a term that has an established meaning under generally accepted accounting principles. The Company has included information concerning Resort Cash Flow because management believes it is an indicative measure of a resort company's operating performance and is generally used by investors to evaluate companies in the resort industry. Resort Cash Flow does not purport to represent cash provided by operating activities and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. Furthermore, Resort Cash Flow is not available for the discretionary use of management and, prior to the payment of dividends, the Company uses Resort Cash Flow to meet its capital expenditure and debt service requirements.

**Real Estate Revenue.** Revenue from real estate operations for the six months ended March 31, 1997 was \$52.0 million, an increase of \$19.0 million, compared to the six months ended March 31, 1996. Revenue for the first half of fiscal 1997 consists primarily of the sales of 63 single family homesites in the Bachelor Gulch Village development which totaled \$46.6 million. Revenue for the first half of fiscal 1996 consisted primarily of the sales of 27 single family homesites in the Strawberry Park development at Beaver Creek Resort which totaled \$27.3 million.

Real Estate Operating Expenses. Real estate operating expenses for the six months ended March 31, 1997 were \$46.2 million, an increase of \$19.0 million, compared to the six months ended March 31, 1996. Real estate cost of sales for the first half of fiscal 1997 consists primarily of the cost of sales and real estate commissions associated with the sale of 63 single family homesites in the Bachelor Gulch Village development which totaled \$39.9 million. Real estate cost of sales for the first half of fiscal 1996 consisted primarily of the cost of sales and real estate commissions associated with the sale of 27 single family homesites in the Strawberry Park development at Beaver Creek Resort which totaled \$22.0 million.

Corporate expense. Corporate expense increased by \$374,000 for the six months ended March 31, 1997 as compared to the six months ended March 31, 1996. For periods prior to fiscal 1997, corporate expense included the costs associated with the Company's holding company structure and overseeing multiple lines of business, including the discontinued operations. In fiscal 1997, corporate expense includes certain personnel, tax, legal, directors' and officers' insurance and other consulting fees relating solely to the Company's resort and real estate operations.

Depreciation and Amortization. Depreciation and amortization expense increased by \$5.7 million for the six months ended March 31, 1997, primarily due to the inclusion of the results of Ralston Resorts from January 4, 1997(\$4.7 million ) and Vail/Beaver Creek capital expenditures made in fiscal 1996 and the first quarter of fiscal 1997.

Interest expense. During the six months ended March 31, 1997 and the six months ended March 31, 1996, the Company recorded interest expense of \$11.2 million and \$10.5 million, respectively, which relates primarily to the Senior Subordinated Notes, Industrial Development Bonds and Credit Facilities. The increase in interest expense from the six months ended March 31, 1996 to the six months ended March 31, 1997, is attributable to the interest incurred on the \$165 million in debt assumed in the acquisition of Ralston Resorts and the contractual redemption premium incurred in the early redemption of the Senior Subordinated Notes, partially offset by redemptions of \$30 million and \$24.5 million in principal amount of Senior Subordinated Notes on December 11, 1995 and February 2, 1996, respectively.

#### THREE MONTHS ENDED MARCH 31, 1997 VERSUS THREE MONTHS ENDED MARCH 31, 1996

Resort Revenue. Resort Revenue for the three months ended March 31, 1997 was \$173.1 million, an increase of \$87.1 million, or 101.3%, compared to the three months ended March 31, 1996. The increase was attributable primarily to (i) the inclusion of the results of Ralston Resorts from January 4, 1997 (\$76.0 million) and (ii) increases in Vail/Beaver Creek lift ticket, ski school, food service, retail and rental, hospitality and other revenues.

Resort Operating Expenses. Resort Operating Expenses were \$79.3 million for the three months ended March 31, 1997, representing an increase of \$40.8 million, or 106.0%, as compared to the three months ended March 31, 1996. The increase in Resort Operating Expenses is attributable primarily to (i) the inclusion of the results of Ralston Resorts from January 4, 1997 (\$32.9 million), (ii) increased variable expenses resulting from the increased level of Vail/Beaver Creek Resort Revenue and (iii) expenses associated with new food service and retail/rental operations.

Resort Cash Flow. Resort Cash Flow was \$93.8 million for the three months ended March 31, 1997, representing an increase of \$46.2 million, or 97.3%, as compared to the three months ended March 31, 1996. The increase in Resort Cash Flow is due primarily to the inclusion of the results of Ralston Resorts from January 4, 1997 (\$43.1 million) and the increased level of Vail/Beaver Creek Resort Revenue, offset by increased expenses related to new operations as described above.

Real Estate Revenue. Revenue from real estate operations for the three months ended March 31, 1997 was \$2.2 million, a decrease of \$3.0 million, compared to the three months ended March 31, 1996.

Real Estate Operating Expenses. Real estate operating expenses for the three months ended March 31, 1997 were \$3.6 million, a decrease of \$96,000, compared to the three months ended March 31, 1996.

Corporate expense. Corporate expense increased by \$462,000 for the three months ended March 31, 1997 as compared to the three months ended March 31, 1996.

Depreciation and Amortization. Depreciation and amortization expense increased by \$5.4 million for the three months ended March 31, 1997, primarily due to the inclusion of the results of Ralston Resorts from January 4, 1997(\$4.7 million) and Vail/Beaver Creek capital expenditures made in fiscal 1996 and the first quarter of fiscal 1997.

Interest expense. During the three months ended March 31, 1997 and the three months ended March 31, 1996, the Company recorded interest expense of \$7.9 million and \$4.2 million, respectively, which relates primarily to the Senior Subordinated Notes, Industrial Development Bonds and Credit Facilities. The increase in interest expense from the three months ended March 31, 1996 to the three months ended March 31, 1997, is attributable to the interest incurred on the \$165 million in debt assumed in the acquisition of Ralston Resorts and the contractual redemption premium incurred upon the early redemption of the Senior Subordinated Notes.

PRO FORMA RESULTS OF OPERATIONS--SIX MONTHS ENDED MARCH 31, 1997 VERSUS SIX MONTHS ENDED MARCH 31, 1996

The following unaudited pro forma results of operations of the Company for the six months ended March 31, 1997 and 1996 assume that the Acquisition occurred on October 1, 1996 and 1995, respectively. These pro forma results are not necessarily indicative of the actual results of operations that would have been achieved nor are they necessarily indicative of future results of operations. The unaudited pro forma financial information below excludes the results of Arapahoe Basin which the Company is required to divest pursuant to the Consent Decree.

Resort Revenue. Pro forma Resort Revenue for the six months ended March 31, 1997 was \$239.8 million, an increase of \$23.1 million, or 10.7%, compared to the six months ended March 31, 1996. Revenue by category is as follows:

	SIX MONTHS ENDED MARCH 31, 1997	SIX MONTHS ENDED MARCH 31, 1996
	-----	-----
	(IN THOUSANDS)	
Lift tickets.....	\$125,306	\$115,418
Ski school.....	32,473	30,097
Food service.....	31,525	27,893
Retail/rental.....	14,830	11,447
Hospitality.....	22,291	20,940
Other.....	13,331	10,812
	-----	-----
Total revenue.....	\$239,755	\$216,607
	=====	=====

Lift ticket revenue increased due to an increase in ETP from \$27.85 to \$28.67, or 3.0% and a 5.4% increase in skier days. The increase in ETP is primarily due to increases in the lead ticket prices at each resort, offset by an increase in the proportion of Front Range skier days which have a lower ETP. The increase in skier days was due primarily to (i) an increase in snowboarders at Keystone Mountain as the 1996-97 ski season represents the first time that snowboarding has been permitted on Keystone Mountain and (ii) increases at Beaver Creek Mountain due to the 30% terrain expansion with the opening of Bachelor Gulch. Ski school revenue increased 7.9% due primarily to increases in the number of snowboarding lessons and children's lessons sold. Food service revenue increased 13.0% primarily as a result of increases at Vail and Beaver Creek mountains due to the opening of six new operations and expansions of existing operations, and price increases. Retail and rental revenues increased 29.6% due to the opening of nine new operations and the repositioning of existing operations to take advantage of current trends such as snowboarding, as well as greater product diversity throughout the Company's retail operations. Hospitality revenue increased 6.5% primarily due to (i) increases in property management revenue at Beaver Creek Resort attributable to increases in the number of units under management and the average daily revenue per unit and (ii) increases in lodging revenue at Company owned and managed lodging facilities at Beaver Creek Resort and Keystone Resort attributable to price increases and higher occupancy rates.

Resort Operating Expenses. Resort Operating Expenses were \$131.2 million for the six months ended March 31, 1997, compared to \$116.3 million for the six months ended March 31, 1996. The increase in Resort Operating Expenses is attributable to (i) increased variable expenses resulting from the increased level of Resort Revenue, (ii) expenses associated with new food service and retail/rental operations and (iii) increases in the operating expenses of Ralston Resorts. As a percentage of Resort Revenue, Resort Operating Expenses increased from 53.7% to 54.7% in the six months ended March 31, 1997.

Resort Cash Flow. Resort Cash Flow was \$108.6 million for the six months ended March 31, 1997, compared to \$100.3 million for the six months ended March 31, 1996. Resort Cash Flow as a percentage of Resort Revenue decreased from 46.3% to 45.3% in the six months ended March 31, 1997. The increase in Resort Cash Flow is due primarily to the increased level of Resort Revenue, offset by increased expenses related to new operations and increases in Ralston Resorts' operating expenses as described above.

#### PRO FORMA RESULTS OF OPERATIONS--THREE MONTHS ENDED MARCH 31, 1997 VERSUS THREE MONTHS ENDED MARCH 31, 1996

The following unaudited pro forma results of operations of the Company for the three months ended March 31, 1997 and 1996 assume that the Acquisition occurred on October 1, 1996 and 1995, respectively. These pro forma results are not necessarily indicative of the actual results of operations that would have been achieved nor are they necessarily indicative of future results of operations. The unaudited pro forma financial information below excludes the results of Arapahoe Basin which the Company is required to divest pursuant to the Consent Decree.

Resort Revenue. Pro forma Resort Revenue for the three months ended March 31, 1997 was \$176.8 million, an increase of \$18.3 million, or 11.6%, compared to the three months ended March 31, 1996. Revenue by category is as follows:

	THREE MONTHS ENDED MARCH 31, 1997 -----	THREE MONTHS ENDED MARCH 31, 1996 -----
( IN THOUSANDS )		
Lift tickets.....	\$94,492	\$ 86,659
Ski school.....	24,169	21,729
Food service.....	24,047	20,482
Retail/rental.....	10,684	7,966
Hospitality.....	15,828	15,107
Other.....	7,532	6,590
	-----	-----
Total revenue.....	176,753	\$158,533
	=====	=====

Lift ticket revenue increased 9.0% due to an increase in ETP from \$28.63 to \$29.29, or 2.3% and a 6.6% increase in skier days. The increase in ETP is primarily due to increases in the lead ticket prices at each resort, offset by an increase in the proportion of Front Range skier days which have a lower ETP. The increase in skier days was due primarily to (i) an increase in snowboarders at Keystone Mountain as the 1996-97 ski season represents the first time that snowboarding has been permitted on Keystone Mountain and (ii) increases at Beaver Creek Mountain due to the 30% terrain expansion with the opening of Bachelor Gulch. Ski school revenue increased 11.2% due primarily to increases in the number of snowboarding lessons and children's lessons sold. Food service revenue increased 17.4% primarily as a result of increases at Vail and Beaver Creek mountains due to the opening of six new operations and expansions of existing operations, and price increases. Retail and rental revenues increased 34.1% due to the opening of nine new operations and the repositioning of existing operations to take advantage of current trends such as snowboarding, as well as greater product diversity throughout the Company's retail operations. Hospitality revenue increased 4.8% primarily due to (i) increases in property management revenue at Beaver Creek Resort attributable to increases in the number of units under management and the average daily revenue per unit and (ii) increases in lodging revenue at Company owned and managed lodging facilities at Beaver Creek Resort and Keystone Resort attributable primarily to price increases.

Resort Operating Expenses. Resort Operating Expenses were \$81.3 million for the three months ended March 31, 1997, compared to \$71.6 million for the three months ended March 31, 1996. The increase in Resort Operating Expenses is attributable to (i) increased variable expenses resulting from the increased level of Resort Revenue, (ii) expenses associated with new food service and retail/rental operations and (iii) increases in the operating expenses of Ralston Resorts. As a percentage of Resort Revenue, Resort Operating Expenses increased from 45.1% to 46.0% in the three months ended March 31, 1997.

Resort Cash Flow. Resort Cash Flow was \$95.5 million for the three months ended March 31, 1997, compared to \$87.0 million for the three months ended March 31, 1996. Resort Cash Flow as a percentage of Resort Revenue decreased from 54.9% to 54.0% in the three months ended March 31, 1997. The increase in Resort Cash Flow is due primarily to the increased level of Resort Revenue, offset by increased expenses related to new operations as described above.

#### LIQUIDITY AND CAPITAL RESOURCES

The Company has historically provided funds for debt service, capital expenditures and acquisitions through a combination of cash flow from operations, short-term and long-term borrowings and sales of real estate.

Resort capital expenditures for the six months ended March 31, 1997 were \$24.8 million. Investments in real estate for that period were \$27.1 million, which included \$4.5 million of mountain improvements, including ski lifts and snowmaking equipment, which are related to real estate development but which will also benefit resort operations. The primary projects included in resort capital expenditures were (i) the new Lionshead gondola, (ii) the Eagles Nest Adventure Ridge facility and (iii) the allocated cost of the new retail, restaurant and skier service facilities in the renovated Golden Peak base facility. The primary projects included in investments in real estate were (i) the renovation of the Golden Peak base facility, including a new high speed quad chairlift, (ii) infrastructure related to Bachelor Gulch Village, including a new high speed quad chairlift and related snowmaking equipment, (iii) preliminary construction costs associated with Beaver Creek Village Center, (iv) infrastructure related to Arrowhead Village and (v) infrastructure related to the Strawberry Park development at Beaver Creek Resort.

The Company estimates that it will make resort capital expenditures totaling approximately \$43.9 million during the remainder of fiscal 1997. The primary projects are anticipated to include (i) trail and infrastructure improvements, including lift upgrades, at Breckenridge and Keystone mountains, (ii) expansion of snowmaking at Beaver Creek and Breckenridge mountains, (iii) upgrades to lodging properties at Keystone Resort, (iv) the purchase of and improvements to retail space at Beaver Creek Resort, (v) upgrades to and the expansion of food service operations at Beaver Creek Resort, (vi) upgrades to technology and guest service systems and (vii) infrastructure for the Category III expansion on Vail Mountain. Investments in real estate during the remainder of fiscal 1997 are expected to total approximately \$38.6 million. The primary projects are anticipated to include (i) infrastructure related to Bachelor Gulch Village and Arrowhead Village, (ii) completion of the Beaver Creek Village retail and parking facilities and (iii) investments in a joint venture to develop property located at the base of Keystone Mountain. The Company plans to fund capital expenditures and investments in real estate for the remainder of fiscal 1997 with borrowings under its New Credit Facilities.

On May 13, 1997, the Company acquired 20,000 square feet of retail space at Beaver Creek Resort for the total purchase price of \$7 million which consisted of \$2.3 million in common stock, \$2.3 million in developable land in Arrowhead Village and \$2.4 million in cash.

On January 3, 1997, the Company acquired 100% of the stock of Ralston Resorts the owner and operator of the Breckenridge, Keystone and Arapahoe Basin mountain resorts located in Summit County, Colorado. In connection with the Acquisition, the Company assumed \$25.3 million and refinanced \$139.7 million of indebtedness of Ralston Resorts, and issued 7,554,406 shares of Common Stock to Foods. Pursuant to a Consent Decree with the DOJ, the Company is required to divest the Arapahoe Basin mountain resort. Under the Consent Decree, the Company must use its best efforts to complete the divestiture as expeditiously as possible, but in any event, by June 2, 1997 (unless such date is extended by the DOJ).

At September 30, 1996, the Company had \$44.0 million in outstanding borrowings under its Credit Facilities. Through January 3, 1997, the Company borrowed \$26.0 million under its former revolving credit facilities. On January 3, 1997, in connection with the closing of the Acquisition, all amounts outstanding under the Company's former credit facilities were repaid with proceeds from the Company's New Credit Facilities. The New Credit Facilities provide for debt financing up to an aggregate principal amount of \$340 million and consist of (i) a \$175 million Revolving Credit Facility, (ii) a \$115 million Tranche A Term Loan Facility and (iii) a \$50 million Tranche B Term Loan Facility (together with Tranche A, the "Term Loan Facilities"). The Term Loan Facilities were used to refinance \$139.7 million of the \$165 million of debt assumed in the Acquisition and the balance of the Term Loan Facilities was used to repay borrowings under the Company's former credit facilities. The Revolving Credit Facility matures on April 15, 2003. The minimum amortization under the Term Loan Facilities is \$11.5 million, \$14.0 million, \$19.0 million, \$21.5 million, \$26.5 million, \$31.5 million and \$41.0 million during the fiscal years ending September 30, 1998, 1999, 2000, 2001, 2002, 2003 and 2004, respectively. The Company is also required to make mandatory amortization payments under the Term Loan Facilities with excess cash flow (as defined in the Credit Agreement), proceeds from asset sales, and proceeds from certain equity and debt offerings. During the six months ended March 31, 1997, the Company repaid revolving credit facility borrowings totaling \$46.7 million.

The New Credit Facilities require that no more than \$125.0 million in the aggregate be outstanding under the Revolving Credit Facility for a period of 30 consecutive days during each fiscal year, such period to include April 15. The proceeds of loans made under the Revolving Credit Facility may be used to fund the Company's working capital needs, capital expenditures and other general corporate purposes, including the issuance of letters of credit.

The Company consummated the Offering on February 7, 1997. The Company sold 5 million shares of common stock in the Offering at a price of \$22.00 per share. Net proceeds to the Company after estimated expenses of the Offering totaled \$98.2 million. The Company used \$68.6 million of the proceeds to redeem all of the Senior Subordinated Notes, including a contractual early redemption premium of 4% and accrued interest up to the redemption date of March 10, 1997. The Company intends to use the remainder of the proceeds for general corporate purposes. The Company is not required to use any of the proceeds from the Offering to make payments under the Term Loan Facilities.

On September 25, 1996, the Company declared a right to receive up to \$2.44 per share of common stock to all stockholders of record on October 11, 1996, with a maximum aggregate amount payable under the Rights of \$50.5 million. The Company will make payments under the Rights only to the extent it receives sufficient gross proceeds from real estate contracts outstanding at September 30, 1996 (totaling \$106.9 million) to make such payments. As of March 31, 1997, the Company has received gross proceeds under the applicable contracts totaling \$48.7 million and has made payments under the Rights of \$42.2 million. Remaining payments under the Rights are expected to be made during the remainder of 1997.

#### RECENT DEVELOPMENTS

The Company has reviewed the organizational structure of its merged operations and is in the process of implementing a plan of reorganization. The Company will record a related restructuring charge of approximately \$2.2 million in the third quarter of fiscal 1997. The charge is intended to cover severance payments for administrative staff reductions as well as other identified expenses associated with consolidation opportunities. The Company expects the savings from the reorganization to result in ongoing annual operating expense reductions in excess of \$2.5 million.

PART II

ITEM 1. LEGAL PROCEEDINGS.

A wholly-owned subsidiary of the Company was recently served with a third party summons and complaint in a civil action captioned Board of Commissioners, County of Eagle, State of Colorado v. Fixed Base Operators, Inc. -----  
v. Eagle County Air Terminal Corporation, The Vail Corporation and John Does 1 -----  
through 100. The case has been pending in the District Court of Eagle County, -----  
Colorado since April 1, 1996. Such action involves a dispute between the Board of Commissioners of Eagle County, Colorado and the owner/operator of one of the terminals located at the Vail/Eagle Airport ("FBO"). The Company's subsidiary is a party to a Standby Bond Purchase Agreement which could obligate the subsidiary to purchase \$10.1 million of Eagle County Air Terminal Corporation Terminal Project Revenue Bonds (the "Revenue Bonds") if the lawsuit causes a default in, or the bond indenture trustee to transfer certain funds for, payment of the Revenue Bonds. The proceeds of the Revenue Bonds were used to build a new commercial air terminal at the Vail/Eagle Airport which is operated by the Board of Commissioners of Eagle County, Colorado and which FBO claims is illegally competitive. FBO seeks damages and specific injunctive relief. The Company believes that the ultimate outcome of the litigation will not have a material adverse effect on the financial position or operations of the Company. (See Note 4 to the Company's consolidated financial statements.)

ITEM 2. CHANGES IN SECURITIES.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Index to Exhibits

The following exhibits are incorporated by reference to the documents indicated in parentheses which have previously been filed with the Securities and Exchange Commission.

Exhibit Number -----	Description -----	Numbered Page -----
2.1	Stock Purchase Agreement Among Vail Resorts, Inc., Ralston Foods, Inc., and Ralston Resorts, Inc. dated July 22, 1996. (Incorporated by reference to Exhibit 2.1 of the report on Form 8-K of Vail Resorts, Inc. dated July 23, 1996.)	
2.2	First Amendment to the Stock Purchase Agreement among Vail Resorts, Inc., Ralston Foods, Inc., and Ralston Resorts, Inc. dated December 20, 1996. report on Form 8-K of Vail Resorts, Inc. dated (Incorporated by reference to Exhibit 2.2 of the January 8, 1997.)	
2.3	Second Amendment to the Stock Purchase Agreement among Vail Resorts, Inc., Ralston Foods, Inc., and Ralston Resorts, Inc. dated December 31, 1996. (Incorporated by reference to Exhibit 2.3 of the report on Form 8-K of Vail Resorts, Inc. dated January 8, 1997.)	
3.1	Restated Certificate of Incorporation of the Company. (Incorporated by reference to Exhibit 3.1 of the Registration Statement on Form S-2 of Vail Resorts, Inc. (Registration No. 333-5341)).	
3.2	Restated By-Laws of the Company. (Incorporated by reference to Exhibit 3.2 of the Registration Statement on Form S-2 of Vail Resorts, Inc. (Registration No. 333-5341)).	
10.1	Credit Agreement dated as of January 3, 1997 among the Vail Corporation, the lenders referred to therein and NationsBank of Texas, N.A., as agent. (Incorporated by reference to Exhibit 10.10(p) of the Registration Statement on Form S-2 of Vail Resorts, Inc. (Registration No. 333-5341)).	
10.2	Shareholder Agreement among Vail Resorts, Inc., Ralston Foods, Inc. and Apollo Ski Partners, L.P. dated January 3, 1997. (Incorporated by reference to Exhibit 2.4 of the report on Form 8-K of Vail Resorts, Inc. dated January 8, 1997.)	

(b) A report on Form 8-K was filed on January 8, 1997 related to the Company's acquisition of 100% of the capital stock of Ralston Resorts, Inc. on January 3, 1997. (See Note 5 to the accompanying consolidated financial statements.)

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934,  
THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE  
UNDERSIGNED, THEREUNTO DULY AUTHORIZED ON MAY 15, 1997.

VAIL RESORTS, INC.

By /s/ JAMES P. DONOHUE

-----  
James P. Donohue  
Senior Vice President  
and Chief Financial Officer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934,  
THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE  
REGISTRANT AND IN THE CAPACITIES INDICATED ON MAY 15, 1997.

SIGNATURE

TITLE

-----

-----

/s/ JAMES P. DONOHUE

-----

James P. Donohue

Senior Vice President and Chief  
Financial Officer

PART I

ITEM 1. FINANCIAL STATEMENTS

Consolidated Balance Sheets as of March 31, 1997 and September 30, 1996.....	F-2
Consolidated Statements of Operations for the Six Months Ended March 31, 1997 and 1996....	F-3
Consolidated Statements of Operations for the Three Months Ended March 31, 1997 and 1996..	F-4
Consolidated Statements of Cash Flows for the Six Months Ended March 31, 1997 and 1996....	F-5
Notes to Consolidated Financial Statements.....	F-6

VAIL RESORTS, INC.  
CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	MARCH 31, 1997	SEPTEMBER 30, 1996
	----- (UNAUDITED)	-----
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 57,978	\$ 12,712
Receivables.....	29,993	5,741
Inventories.....	9,202	4,639
Deferred income taxes.....	22,709	17,200
Other current assets.....	3,519	5,490
	-----	-----
Total current assets.....	123,401	45,782
Property, plant, and equipment, net.....	340,916	192,669
Real estate held for sale.....	145,843	88,665
Deferred charges and other assets.....	9,993	10,440
Intangible assets.....	236,901	85,056
	-----	-----
Total assets.....	\$857,054	\$422,612
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses.....	\$ 78,240	\$ 48,096
Income taxes payable.....	325	325
Rights payable to stockholders..	5,603	50,513
Long-term debt due within one year (Note 3).....	337	63
	-----	-----
Total current liabilities.....	84,505	98,997
Long-term debt (Note 3).....	228,031	144,687
Other long-term liabilities.....	27,670	15,521
Deferred income taxes.....	83,955	39,500
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Common stock-		
Class A Common Stock, \$.01 par value, 20,000,000 shares authorized, 11,683,744 and 12,426,226 shares issued and outstanding as of March 31, 1997 and September 30, 1996, respectively.....	117	124
Common Stock, \$.01 par value, 80,000,000 shares authorized, 21,615,144 and 7,573,774 shares issued and outstanding as of March 31, 1997 and September 30, 1996, respectively.....	140	76
Additional paid-in capital.....	383,106	123,707
Retained earnings.....	49,530	--
	-----	-----
Total stockholders' equity.....	432,893	123,907
	-----	-----
Total liabilities and stockholders' equity.	\$857,054	\$422,612
	=====	=====

The accompanying notes to consolidated financial statements  
are an integral part of these balance sheets.

VAIL RESORTS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS  
 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)  
 (UNAUDITED)

	SIX MONTHS ENDED MARCH 31, 1997	SIX MONTHS ENDED MARCH 31, 1996
	-----	-----
Net revenues:		
Resort.....	\$ 208,167	\$ 118,066
Real estate.....	52,011	33,036
	-----	-----
Total net revenues.....	260,178	151,102
Operating expenses:		
Resort.....	103,982	61,145
Real estate.....	46,240	27,204
Corporate expense.....	2,080	1,706
Depreciation and amortization.....	14,803	9,108
	-----	-----
Total operating expenses.....	167,105	99,163
	-----	-----
Income from operations.....	93,073	51,939
Other income (expense):		
Investment income.....	637	855
Interest expense.....	(11,162)	(10,548)
Gain (loss) on disposal of fixed assets..	(35)	9
Other.....	(150)	(298)
	-----	-----
Income before income taxes.....	82,363	41,957
Provision for income taxes (Note 2).....	(32,833)	(17,622)
	-----	-----
Net income.....	\$ 49,530	\$ 24,335
	=====	=====
Net income per common share (Note 2):		
Net income.....	\$1.83	\$1.18
	=====	=====
Weighted average shares outstanding...	27,011,281	20,584,868
	=====	=====

The accompanying notes to consolidated financial statements  
 are an integral part of these statements.

VAIL RESORTS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)  
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 1997	THREE MONTHS ENDED MARCH 31, 1996
	-----	-----
Net revenues:		
Resort.....	\$ 173,056	\$ 86,003
Real estate.....	2,229	5,209
	-----	-----
Total net revenues.....	175,285	91,212
Operating expenses:		
Resort.....	79,301	38,457
Real estate.....	3,627	3,723
Corporate expense.....	1,177	715
Depreciation and amortization.....	9,773	4,372
	-----	-----
Total operating expenses.....	93,878	47,267
	-----	-----
Income from operations.....	81,407	43,945
Other income (expense):		
Investment income.....	476	403
Interest expense.....	(7,900)	(4,220)
Gain (loss) on disposal of fixed assets..	(22)	3
Other.....	(157)	(407)
	-----	-----
Income before income taxes.....	73,804	39,724
Provision for income taxes (Note 2).....	(29,341)	(16,672)
	-----	-----
Net income.....	\$ 44,463	\$ 23,052
	=====	=====
Net income per common share (Note 2):		
Net income.....	\$1.38	\$1.12
	=====	=====
Weighted average shares outstanding...	32,288,394	20,584,868
	=====	=====

The accompanying notes to consolidated financial statements  
are an integral part of these statements.

VAIL RESORTS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(IN THOUSANDS)  
(UNAUDITED)

	SIX MONTHS ENDED MARCH 31, 1997	SIX MONTHS ENDED MARCH 31, 1996
	-----	-----
Cash flows from operating activities:		
Net income.....	\$ 49,530	\$ 24,335
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	14,803	9,108
Deferred compensation payments in excess of expense.....	(267)	(456)
Noncash cost of real estate sales.....	42,635	21,735
Noncash compensation related to stock grants....	103	-
Deferred financing costs amortized.....	169	119
Loss (gain) on disposal of fixed assets.....	35	(6)
Deferred income taxes.....	26,778	17,162
Changes in assets and liabilities:		
Accounts receivable, net.....	(16,311)	(6,652)
Inventories.....	905	(670)
Accounts payable and accrued expenses.....	3,534	(2,599)
Other assets and liabilities.....	1,083	1,247
	-----	-----
Net cash provided by operating activities....	122,997	63,323
Cash flows from investing activities:		
Cash paid in acquisition of Ralston Resorts.....	(139,702)	-
Resort capital expenditures.....	(24,755)	(3,208)
Investments in real estate.....	(27,058)	(12,583)
Receipts from investments in joint ventures (net).	1,470	(300)
	-----	-----
Net cash used in investing activities.....	(190,045)	(16,091)
Cash flows from financing activities:		
Proceeds from initial public offering.....	98,150	-
Payments under rights (Note 4).....	(42,175)	-
Proceeds from borrowings under long-term debt....	165,702	40,000
Payments on long-term debt.....	(109,363)	(126,531)
	-----	-----
Net cash provided by (used in) financing activities.....	112,314	(86,531)
	-----	-----
Net increase (decrease) in cash and cash equivalents.....	45,266	(39,299)
Cash and cash equivalents:		
Beginning of period.....	12,712	47,534
	-----	-----
End of period.....	\$ 57,978	\$ 8,235
	=====	=====
Supplemental disclosure of non-cash transactions:		
Issuance of common stock to Ralston Foods (See Note 5).....	\$ 151,088	\$ --
	=====	=====
Net assets of Ralston Resorts assumed (See Note 5)	\$ 146,817	\$ --
	=====	=====
Issuance of promissory note for lift equipment (See Note 3).....	\$ 5,006	\$ --
	=====	=====
Option exercise (See Note 4).....	\$ 2,740	\$ --
	=====	=====

The accompanying notes to consolidated financial statements are an integral part of these statements.

VAIL RESORTS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Vail Resorts, Inc. ('VRI') and its subsidiaries (collectively, the 'Company') operate mountain resorts and participate in related real estate development. The Company is the premier mountain resort operator in North America, operating one of the world's largest skiing facilities on Vail, Beaver Creek, Breckenridge and Keystone mountains located in Colorado. The Company's mountain resort business is seasonal with a typical ski season beginning in mid-November and ending in mid-April.

In the opinion of the Company, the accompanying consolidated financial statements reflect all adjustments necessary to present fairly its financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. The accompanying consolidated financial statements exclude the assets and liabilities, and results of operations of Arapahoe Basin, which the Company is required to divest (see Note 5). Results for interim periods are not indicative of the results for the entire year. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 1996 included in VRI's Annual Report on Form 10-K for the fiscal year ended September 30, 1996.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Combination--The Company has accounted for the acquisition of Ralston Resorts, Inc. using the purchase method of accounting (see note 5). Ralston Resorts' results of operations since the date of acquisition, excluding those of Arapahoe Basin, are included in the accompanying consolidated financial statements. Since the Company is required to divest Arapahoe Basin, the assets and liabilities, and results of operations of Arapahoe Basin have been excluded from the accompanying consolidated financial statements.

Income Taxes--The Company accounts for income taxes using the liability method required by Statement on Financial Accounting Standards No. 109, 'Accounting for Income Taxes'. The Company has provided for income taxes in the accompanying interim statements of operations at the estimated effective income tax rates for fiscal years 1997 and 1996, respectively.

Earnings Per Common Share--Earnings per common share is based on the weighted average number of shares outstanding during the period after consideration of the dilutive effect of outstanding stock options.

Reclassifications-- Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

VAIL RESORTS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

3. LONG-TERM DEBT

Long-term debt as of March 31, 1997 and September 30, 1996 is summarized as follows (in thousands):

	MARCH 31, 1997 -----	SEPTEMBER 30, 1996 -----
Senior Subordinated Notes.....	\$ --	\$ 62,647
Industrial Development Bonds..	61,263	37,903
Credit facilities.....	165,000	44,000
Other.....	2,105	200
	-----	-----
	228,368	144,750
Less-current maturities.....	337	63
	-----	-----
	\$228,031	\$144,687
	=====	=====

On January 3, 1997, in connection with the closing of the Acquisition (see Note 5), all amounts outstanding under the Company's former credit facilities were repaid with proceeds from new credit facilities (the "New Credit Facilities"). The New Credit Facilities provide for debt financing up to an aggregate principal amount of \$340 million and consist of (i) a \$175 million Revolving Credit Facility, (ii) a \$115 million Tranche A Term Loan Facility and (iii) a \$50 million Tranche B Term Loan Facility (together with Tranche A, the "Term Loan Facilities"). The Term Loan Facilities were used to refinance \$139.7 million of the \$165 million of debt assumed in the Acquisition and the balance of the Term Loan Facilities was used to repay borrowings under the Company's former credit facilities. The Company also assumed \$23.4 million of Industrial Development Bonds and \$1.9 million of other debt.

On March 10, 1997, the Company used \$68.6 million of the proceeds of the Offering (see Note 5) to redeem all of its Senior Subordinated Notes, including an early redemption premium and accrued interest.

During the first quarter of fiscal 1997, the Company financed a portion of the purchase price of a new gondola lift in the amount of \$5,006,000. The note was originally due in payments of \$715,000, \$2,145,000 and \$2,145,000 on January 1, 1997, 1998 and 1999, respectively. The note was repaid in its entirety during the second quarter of fiscal 1997.

VAIL RESORTS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

4. COMMITMENTS AND CONTINGENCIES

As of September 30, 1996, the Company had entered into real estate contracts for the sale of real estate and certain related amenities for gross proceeds of \$106.9 million. During the first half of fiscal 1997, the Company sold properties subject to those contracts totaling \$48.8 million. The Company estimates that subsequent to March 31, 1997, it will incur additional infrastructure costs of \$19.2 million, including certain mountain improvements, in connection with all properties sold as of that date. That amount is reported as a liability in the accompanying consolidated balance sheet. At March 31, 1997, the Company had outstanding real estate contracts totaling \$57.3 million. The Company estimates that subsequent to March 31, 1997, it will incur additional selling, holding and real estate infrastructure costs of \$13.0 million related to those contracts. The Company also expects to make approximately \$13.6 million of mountain improvements to benefit the real estate described above and certain other real estate property currently held for sale. The Company has entered into agreements with certain developers who have purchased real estate from the Company to repurchase certain retail and residential space in the completed developments. As of March 31, 1997, the Company has repurchased and has agreed to repurchase various retail and residential space for amounts totaling \$7.5 million and \$800,000, respectively.

On September 25, 1996, the Company declared a right to receive up to \$2.44 per share of common stock (the "Rights") to all stockholders of record on October 11, 1996, with a maximum aggregate amount payable under the Rights of \$50.5 million. The Company will make payments under the Rights only to the extent it receives sufficient gross proceeds from those real estate contracts outstanding at September 30, 1996 to make such payments. As of March 31, 1997, the Company has received gross proceeds under the applicable contracts totaling \$48.7 million and has made payments under the Rights of \$42.2 million. Remaining payments under the Rights are expected to be made during the remainder of 1997. Pursuant to the terms of an agreement dated October 11, 1996 between the Company and George N. Gillett Jr., the Company's former Chairman and Chief Executive Officer, Mr. Gillett waived his right to receive payment under the Rights with respect to 714,976 shares of common stock which Mr. Gillett owned as of that date and with respect to his warrants to purchase 408,164 shares of common stock, in exchange for the payment of the exercise price on those warrants. The aggregate amount payable under the Rights which was waived totaled approximately \$2,740,000.

On July 1, 1996, Eagle County Air Terminal Corporation, a Colorado nonprofit corporation, (the "Issuer") issued \$10,130,000 of Airport Terminal Project Revenue Bonds (the "Bonds"), the proceeds of which were used to design, construct and equip a new public passenger air terminal on land leased from Eagle County, Colorado (the "County") located at the County's regional airport (the "Project"). Certain legal actions related to the Project were filed on April 1, 1996 in the District Court of Eagle County, Colorado by the operator of an existing passenger air terminal facility, Fixed Based Operators, Inc. ("FBO"), against various parties including the Issuer and the County. Among other claims, these actions claim that the Project is illegally competitive with the facility owned and operated by FBO and seek damages and specific injunctive relief. The Company is a beneficiary of the Project in that the additional terminal has expanded air service into the Vail/Eagle Airport. The Company believed that the aforementioned legal actions could have interfered with the completion of the Project and accordingly, on July 9, 1996, the Company entered into a Standby Bond Purchase Agreement under which the Company has agreed to purchase the Bonds if the lawsuit causes a default in the payment of principal or interest on the Bonds when due, or causes the bond indenture trustee to transfer certain funds to provide for the payment of principal or interest on the Bonds. The Company was recently served with a third party summons and complaint in the litigation described above. The Company believes that the ultimate outcome of the litigation will not have a material adverse effect on the financial position or operations of the Company.

VAIL RESORTS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

4. COMMITMENTS AND CONTINGENCIES--(CONTINUED)

Smith Creek Metropolitan District (''SCMD'') and Bachelor Gulch Metropolitan District (''BGMD'') were organized in November 1994 to cooperate in the financing, construction and operation of basic public infrastructure serving the Company's Bachelor Gulch Village development. SCMD was organized primarily to own, operate and maintain water, street, traffic and safety, transportation, fire protection, parks and recreation, television relay and translation, sanitation and certain other facilities and equipment of BGMD. In two planned unit developments, Eagle County has granted zoning approval for 1,395 dwelling units within Bachelor Gulch Village, including various single family homesites, cluster home, townhome, and lodging units. As of March 31, 1997, the Company has sold 63 single family homesites, has entered into contracts for the sale of 30 additional single family homesites and is preparing to offer additional parcels of land to individuals and developers for the construction of various types of dwelling units. Currently, SCMD has outstanding \$44.5 million of variable rate revenue bonds maturing on October 1, 2035, which have been credit enhanced with a \$47.2 million letter of credit issued against the Company's Credit Facilities. It is anticipated that as Bachelor Gulch Village expands, BGMD will become self supporting and that within 25 to 30 years will issue general obligation bonds, the proceeds of which will be used to retire the SCMD revenue bonds. Until that time, the Company has agreed to subsidize the interest payments on the SCMD revenue bonds. The Company has estimated the present value of this aggregate subsidy to be \$18.4 million at March 31, 1997. The Company has allocated \$6.2 million of that amount to the Bachelor Gulch Village single family homesites which were sold as of March 31, 1997 and has recorded that amount as a liability in the accompanying consolidated financial statements. The remainder of this obligation has not been reflected in the consolidated financial statements. The total subsidy paid through September 30, 1996 and March 31, 1997 was \$505,000 and \$1,167,000, respectively.

At March 31, 1997, the Company has various other letters of credit outstanding in the aggregate amount of \$9.8 million.

5. OTHER

Acquisition

- - - - -

On January 3, 1997, the Company acquired 100% of the stock of Ralston Resorts, Inc. ("Ralston Resorts"), a wholly-owned subsidiary of Ralston Foods, Inc. ("Foods"), which owns and operates the Breckenridge, Keystone and Arapahoe Basin mountain resorts located in Summit County, Colorado. In connection with the Acquisition, the Company assumed \$25.3 million and refinanced \$139.7 million of indebtedness of Ralston Resorts, and issued 7,554,406 shares of Common Stock to Foods. Pursuant to a Stipulation and Final Judgment (the "Consent Decree") with the United States Department of Justice (the "DOJ"), the Company is required to divest the Arapahoe Basin mountain resort. The Company entered into the Consent Decree to resolve certain antitrust concerns of the DOJ raised by the Acquisition. Under the Consent Decree, the Company must use its best efforts to complete the divestiture as expeditiously as possible, but in any event, by June 2, 1997 (unless such date is extended by the DOJ). On January 8, 1997, the Company filed a Current Report on Form 8-K describing this transaction.

VAIL RESORTS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

5. OTHER--(CONTINUED)

The Acquisition will be accounted for as a purchase combination. Under purchase accounting, the acquisition cost will be allocated to the assets and liabilities of Ralston Resorts based on their relative fair values. The Company has not yet received the results of appraisals nor has it made a final determination of the useful lives of the assets acquired. The Company expects that the final allocation of the purchase cost will be completed no later than January 3, 1998.

The following unaudited pro forma results of operations of the Company for the six months ended March 31, 1997 and 1996, assume that the Acquisition occurred on October 1, 1996 and 1995, respectively. The unaudited pro forma results of operations include the effects of the Company's initial public offering only from the effective date of the Offering. These pro forma results are not necessarily indicative of the actual results of operations that would have been achieved nor are they necessarily indicative of future results of operations. The unaudited pro forma financial information below excludes the results of Arapahoe Basin which the Company is required to divest pursuant to the Consent Decree.

	SIX MONTHS ENDED MARCH 31, 1997	SIX MONTHS ENDED MARCH 31, 1996
-----		
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Resort revenue.....	\$239,755	\$216,607
Real estate revenue.....	52,263	33,510
Total revenues.....	292,018	250,117
Net income.....	48,202	42,713
Net income per common share..	1.56	1.46

Stock Split  
-----

All share and per share amounts in the accompanying consolidated financial statements reflect a 2 for 1 stock split which the Company declared on January 31, 1997.

Initial Public Offering  
-----

The Company consummated an offering of common stock (the "Offering") on February 7, 1997. The Company sold 5 million shares of common stock in the Offering at a price of \$22.00 per share. Net proceeds to the Company after estimated expenses of the Offering totaled \$98.2 million. Certain selling shareholders sold an additional 7.1 million shares in the Offering. The Company did not receive any of the proceeds from the sale of those shares.



5  
1,000

6-MOS  
SEP-30-1997  
OCT-01-1996  
MAR-31-1997  
57,978  
0  
29,993  
0  
9,202  
123,401  
340,916  
0  
857,054  
84,505  
0  
0  
200  
432,636  
857,054  
260,178  
260,178  
0  
167,105  
0  
0  
11,162  
82,363  
32,833  
49,530  
0  
0  
0  
49,530  
1.83  
1.83