

# Vail Resorts lowers profit expectations

By Mark Harden, Denver Business Journal

Vail Resorts Inc. said Tuesday it saw a 4.3 percent rise in lift ticket revenue and a 2 percent gain in total skier visits for the 2012-13 ski season through Sunday from the same period of last year's winter season.

But the ski resort operator also pulled back on its profit guidance for fiscal-year 2013, with CEO Rob Katz citing "the challenging early season."

Broomfield-based Vail Resorts – operator of Heavenly, Northstar, Kirkwood as well as Colorado's Vail, Breckenridge, Beaver Creek and Keystone ski resorts – also posted year-over-year increases in various other revenue streams in a report Tuesday.

It said dining revenue was up 9 percent from a year earlier, retail and rental revenue rose 7.7 percent, and ski school revenue was up 2.9 percent.

But despite year-over-year revenue increases that were boosted by generous snow over the holidays, results were hampered by weaker snow through mid-December, "when conditions at our Colorado resorts were very poor and highly unusual," Katz said.

The company said it now projects fiscal-year 2013 net income of \$38.9 million to \$48.9 million, down from the \$50 million to \$60 million it projected in September.

Vail Resorts' fiscal year runs through July 31.

The revenue numbers for the 2011-12 season were adjusted to include revenue from Kirkwood resort, which Vail Resorts

acquired in April 2012.

The comparisons cover seven ski areas, but do not include two recently acquired “urban” ski resorts, Afton Alps in Minnesota and Mount Brighton in Michigan, the company said.

In other news, Vail Resorts said Tuesday it is adding Bruce Sewell, senior vice president and general counsel of Apple Inc., to its board. Sewell is a former professional ski patroller.