

Vail Resorts earnings soar; making plans to increase summer activities

By Jason Blevins, Denver Post

Vail Resorts on Wednesday announced visitation was climbing at its stable of nine ski areas, with net income jumping 30 percent during its second fiscal quarter, which ended Jan. 31.

Profits rose to \$60.6 million as resort revenue reached \$408.3 million, up 12.1 percent from the same quarter last year. Lift-ticket revenue climbed 14.3 percent to \$175.7 million for the quarter. Spending on ski lessons, dining and retail-rental also rose for the quarter.

Lodging revenue was up 2.8 percent, and with increasing room rates, the company's lodging earnings grew 43.4 percent for the quarter.



Heavenly plans to upgrade its summer climbing wall to resemble Mt. Tallac. Photo/LTN file

The company's three California ski areas – Heavenly, Northstar and Kirkwood – saw visitation climb 56.1 percent over the same period last year, which was marred with record low snowfall.

The company did not release specific skier visit information, saying only that visitation through January improved from its mid-January report showing visitation up a mere 2 percent over the same period last season.

Vail Resorts chief Rob Katz said the second-quarter results represent a strong rebound from the slow start, which saw the company warn analysts of potentially less-than-expected income for the fiscal year. But when the snow arrived in time for Christmas, the company enjoyed a boost.

Also Wednesday, the company announced the largest capital spending in Vail Resorts' history, with \$130 million to \$140 million in resort expenditures for fiscal 2013, including \$47 million to \$52 million in maintenance spending.

Vail Resorts will spend \$25 million on the first phase of its Epic Discovery summer plan, which, pending federal approval, will see ziplines, ropes courses, climbing walls, alpine coasters, expanded hiking and biking trails and education centers at all four of its Colorado ski areas, and Heavenly and Northstar areas in California.

Vail will spend \$10 million on improvements at its recently acquired Afton Alps ski area in Minnesota and Mt. Brighton outside Detroit. Those improvements include snowmaking upgrades and terrain parks.

Construction on the Peak 6 expansion at Breckenridge will begin this summer after five years of federal review. Vail is building a new 500-seat restaurant at Beaver Creek in preparation of the mountain's hosting of the 2015 World Alpine Ski Championships. Vail ski area will replace its four-pack Mountain Top Express chairlift with a six-person chair, increasing capacity by 33 percent.