



13 August 2015

Frank Zipfinger
President
SLOPES

By email: frank.zipfinger@gmail.com

Dear Frank

Acquisition of Perisher by Vail Resorts

Following the announcement earlier this year that Vail Resorts had agreed to acquire Perisher Ski Resort, I am pleased to write to you about this change of ownership.

The acquisition was subject to certain conditions, including approval by the New South Wales Government to transfer the leases and licence for the resort. These conditions have all been met and on 1 July 2015 Vail Resorts announced that it had closed on the acquisition.

About Vail Resorts

Vail Resorts is a publicly held company traded on the New York Stock Exchange (NYSE:MTN). Vail Resorts operates three separate divisions being: Mountain, Hospitality and Real Estate. The company's subsidiaries operate ten mountain resorts and two urban ski areas, including Vail, Beaver Creek, Breckenridge and Keystone in Colorado; Park City Mountain Resort in Utah; Heavenly, Northstar and Kirkwood in the Lake Tahoe area of California and Nevada; Afton Alps in Minnesota, Mt. Brighton in Michigan, as well as Perisher Ski Resort. The Company owns and/or manages a collection of hotels under the Rock Resorts brand, as well as the Grand Teton Lodge Company in Jackson Hole, Wyoming.

Vail Resorts' mission is to create the *Experience of a Lifetime* for our staff, and in turn, our guests. Vail Resorts is dedicated to delivering seamless guest service by continuously investing in our team and the infrastructure, systems and training programs that support the employee experience.

At Vail Resorts our mission, our core values and everything we do aligns with the needs and expectations of our five stakeholders: Our Guests; Our Team; Our Community; Our Environment; and Our Shareholders. We strive to create value with, and for, each of our stakeholders.

The 2015 Snow Season

As you know, the reliability of Perisher's snow is central to the success of the Snowy Mountains as a tourism destination, which was particularly evident during the difficult early season conditions experienced this year. Since 2007, Perisher has spent over

\$22 million on improving and expanding the resort's snowmaking system. Investment in extensive snowmaking has enabled us to provide a reliable and high quality snow product for our guests and in 2015 Perisher will have its biggest snow production year ever, producing over 1 million cubic metres of snow. In 2014 Perisher invested \$4 million in the new Freedom Chair and the excitement that this lift has created continues.

As a result of these investments and despite the challenging snow conditions, Perisher has enjoyed strong visitation season to date and looks forward to enjoying a successful second half of the season.

Perisher is now Epic!

Perhaps the most exciting aspect of the acquisition was the announcement that Perisher's Freedom Pass holders will now enjoy Epic Benefits giving them free skiing at the best resorts in the U.S., including Vail, Beaver Creek, Breckenridge, Keystone and Arapahoe Basin in Colorado, Park City Mountain Resort in Utah, and Heavenly, Northstar and Kirkwood in the Lake Tahoe region of California and Nevada. We believe that significantly increasing the value of Perisher's products to these important and loyal guests is of great benefit to the industry and the Snowy Mountains and will ensure ongoing loyalty and growth in Perisher's visitation.

The Future

My role and responsibilities and those of Perisher's Senior Management team remain the same and we will continue to work hard to achieve the mission of Vail Resorts in accordance with our values.

Perisher is one of the major employers in the region, creating over 6,000 job opportunities as well as generating a significant contribution to the New South Wales economy. As part of Vail Resorts we are reviewing plans for Perisher's future to ensure Perisher's ongoing success as a significant tourism asset. At the appropriate time, we plan to engage with you to discuss these plans in greater detail.

Perisher values its relationship with all stakeholders and I look forward to our continued work together in order to achieve our mutual objectives. Should you have any questions concerning Perisher's change in ownership and future operations, I would be pleased to discuss them with you.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'P. Brulisauer', with a long horizontal flourish extending to the right.

Peter Brulisauer
Chief Operating Officer - Perisher