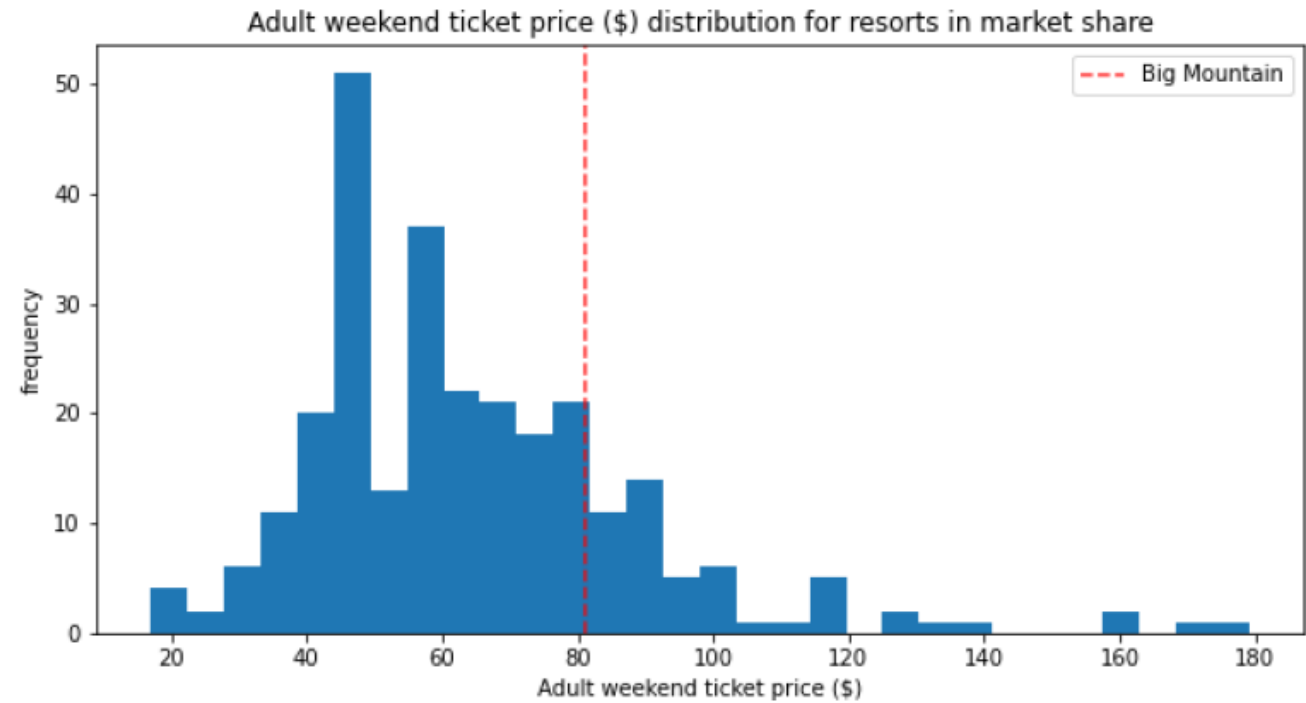


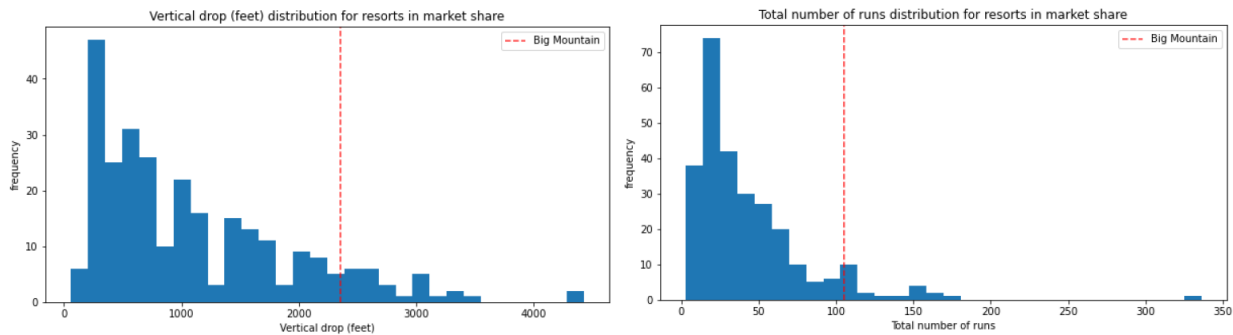
Thank you for your time today. I am here to help Big Mountain Resort (BMR) management to determine the best steps forward, and I appreciate the opportunity to help. The resort itself is very well run and has tremendous natural resources and features as you are well aware. We are in a gorgeous part of the country and offer beautiful vistas, an impressive vertical drop serviced by a competitive number of lifts/fast quads and ski runs, and large amounts of skiable terrain covered by snowmaking capability. BMR is a world-class ski resort with many enviable assets in a competitive position.

So why am I here? I am here to help guide management to decide on some additional optimizations – to be even more successful. My overall focus is based on discussions with management - there is a sense that we can optimize ticket pricing, specifically by thoughtfully increasing our adult weekend lift ticket rates, to improve our overall revenues. See the diagram below which indicates current ticket price position among resorts in market share.



I developed several analytical models and selected the best performing model from among them for use in this final analysis and report. This optimized “random forest model” was used to evaluate the competitiveness of our current ticket pricing. The same model was also used to evaluate several sets of proposed operational changes to predict how each of those would contribute to the bottom line. As a secondary goal, I looked at some optional cost-cutting scenarios provided to me by BMR management. The model was used to predict the expected impact on ticket prices and revenue changes for each scenario. The most beneficial from among these options are recommended and explained below.

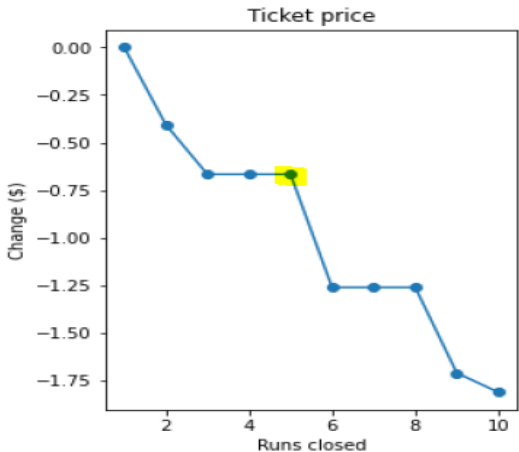
I looked at the data available for comparable ski resorts across the country to assess BMR’s positioning, and to determine the best next steps. This involved looking in depth at the competitive ski resort landscape to figure out which features and capabilities of Big Mountain Resort are underutilized – in other words, which features can be relied on to support increasing weekend adult ticket prices. The model included and considered dozens of data points relevant to success in the ski resort business – vertical drop, snow making capacity, chairlift count, fast quad count, ski runs count, longest run length, number of trams, and size of skiable terrain among them.



I have determined that Big Mountain Resort is undercharging for weekend lift tickets. My modeling indicated that based on our competitive position within the U.S. Ski resort overall, that we can immediately raise ticket prices to 96 USD. **BMR can – and should - confidently raise adult weekend ski lift ticket prices by 15 USD just to meet the market and align with the competition.** Again, this is based on our current weekend “ski experience” product before taking any other steps.

In addition, I used the same optimized analytical model to predict the impact of closing runs as a cost saving move – to offset the cost of adding some new capabilities for the resort such as a new fast quad, or fast six. Modeling indicates that based on current conditions the best number of runs to close would be five. I suggest that we seriously consider identifying and closing the five least used and redundant lifts as a cost saving move immediately.

This is projected have a minimal impact on ticket price support (less than a dollar) and should result in appreciable cost savings annually. See graph at right.



Finally, I also would recommend adding five runs adjacent to the most popular area on the mountain, adding a tram over to these additional new runs, and adding two fast quads to service that new area (or perhaps a fast six – see conceptual artwork mockup below). This takes advantage of our existing snow making capabilities, natural vertical drop, and offers some new experiences while at the same time effectively “uncrowding” areas of the existing facilities.



My modelling strongly suggests that by taking this step, in concert with a slick marketing campaign in major Montana media markets, is **expected to increase support for adult weekend ticket prices by an additional 10 USD.** These recommendations are ready to be undertaken, and I think they will benefit BMR and our loyal customers, as well as draw in new additional customers. I look forward to helping you with additional modeling in the future. Thank you.