# Big Mountain Resort

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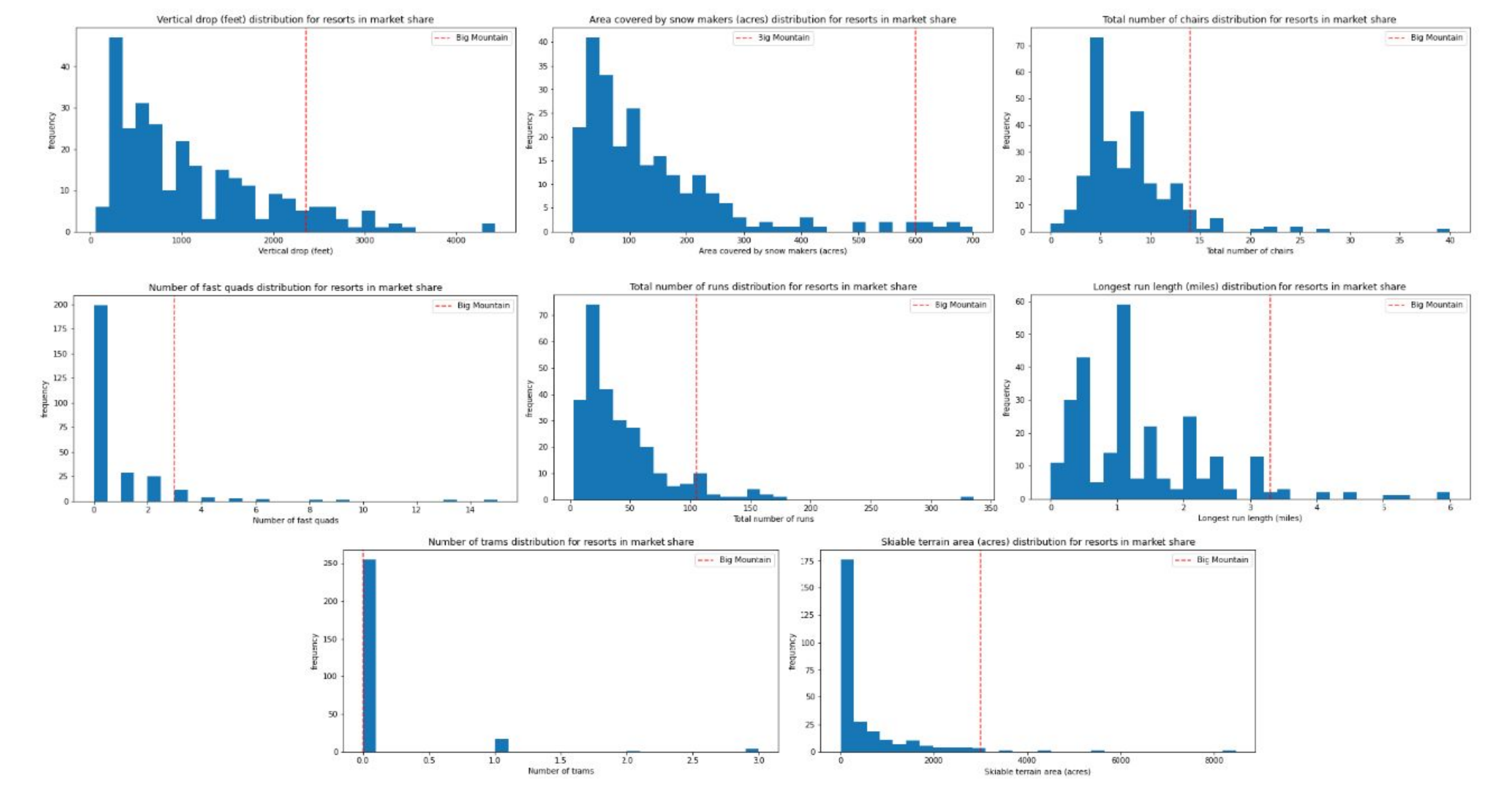
# Where We Are

- Currently Big Mountain Resort is charging a premium of $17 over market price.
- Can we afford to increase the premium even higher based on our facilities advantages?
- If so which facilities should be the focus of the investment?

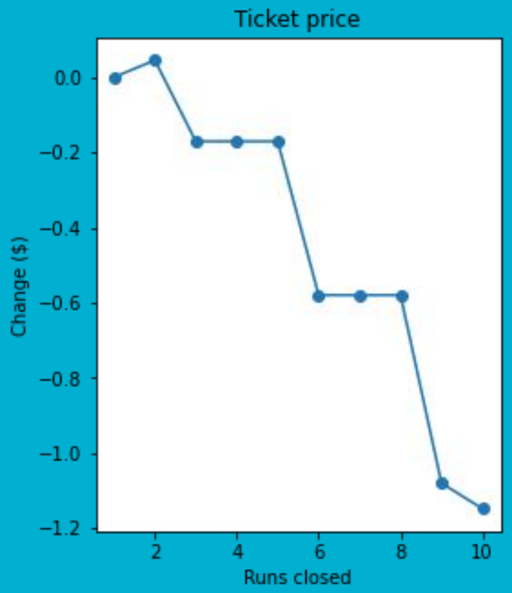
# Models

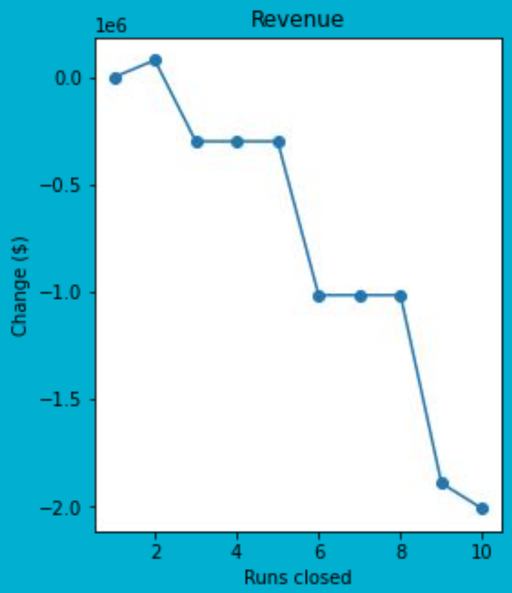


Vertical drop (feet) distribution for resorts in market share
Vertical drop (feet)
Area covered by snow makers (acres) distribution for resorts in market share
Area covered by snow makers (acres)
Total number of chairs distribution for resorts in market share
Total number of chairs
Number of fast quads distribution for resorts in market share
Number of fast quads
Total number of runs distribution for resorts in market share
Total number of runs
Longest run length (miles) distribution for resorts in market share
Longest run length (miles)
Number of trams distribution for resorts in market share
Number of trams
Skiable terrain area (acres) distribution for resorts in market share
Skiable terrain area (acres)
frequency
Big Mountain

# Modeling (runs closed)

Closing a single run will have no negative effect on ticket pricing or revenue.



# Potential Scenarios

- One option would be to close one run, replacing it with a run with a 150 foot vertical drop, and install a chairlift. This alone would support a ticket price increase of $9.15 over the season.

- Another option is to increase snow making acreage by 2. This results in a support of a $9.85 increase in ticket price over the season.

# Where We Could Go

Based on the models:

Closing one run would not impact the ticket pricing at all.

Then opening another run with an increased vertical drop would lead to even further increased ticket pricing--the additional chair will cost the business $1,540,000 in operations, with $0.88 per ticket going into development.

This is still a net gain in revenue as tickets will be going slightly above $100.