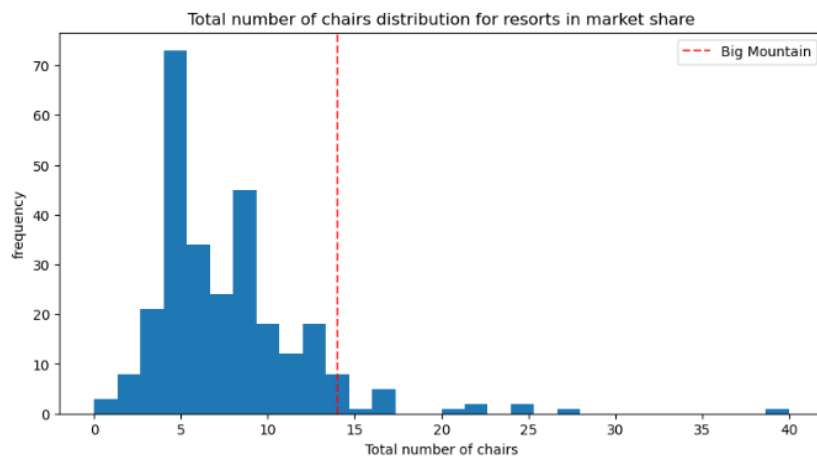
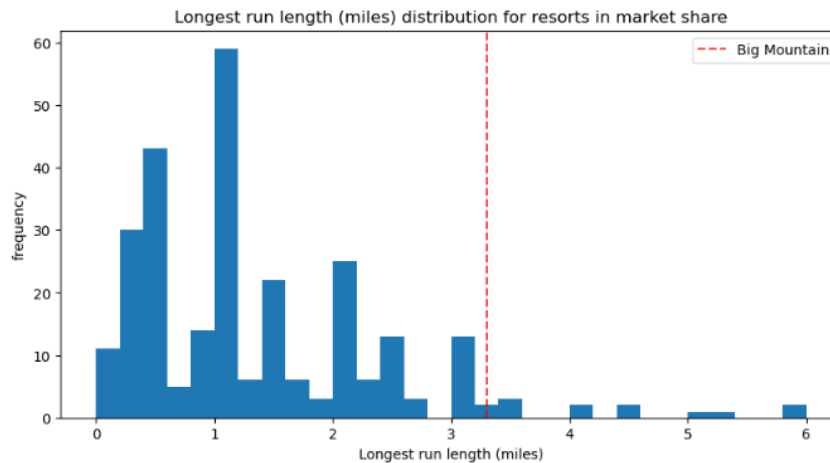
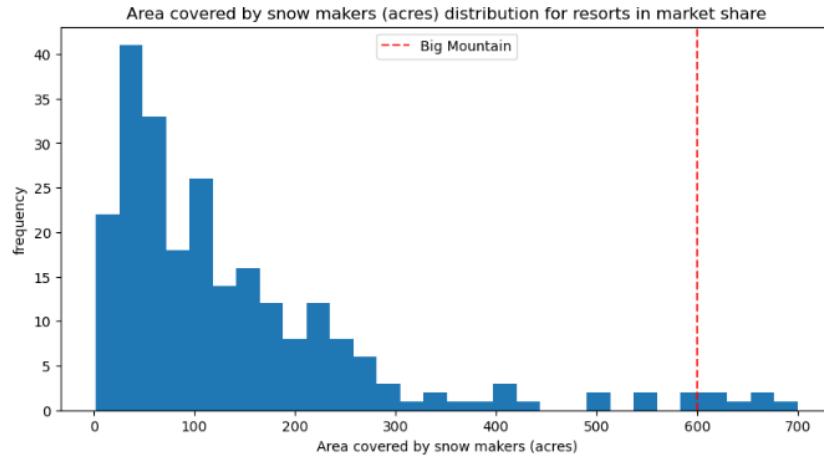
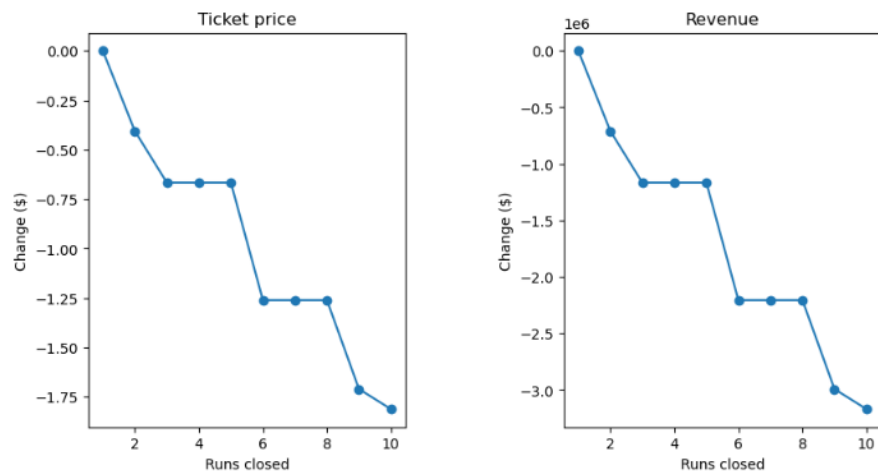


Big Mountain Resort Recommendations

Big Mountain is justified in thinking that it is not fully capitalizing on all of the features that it has. Big Mountain ranks high in 7 out of the 8 most important features according to our modeling. Most notably, Big Mountain is in the top percentage in the following areas:



Big Mountain can afford to close down one run and not have to change the ticket prices, or close down up to five of the runs and drop the ticket price down a dollar, as seen in the model below:



Assuming the maintenance cost for these runs and associated lifts is around \$1.5 million, operating costs would drop from \$21 million down to \$13.5 million while only seeing a \$1.75 million decrease in ticket profits.

Alternatively, there is support for Big Mountain increasing the vertical drop and adding an additional chair lift. Ticket prices could be increased by about \$2 which, when taking into consideration operating costs for the new lift, would generate a profit of almost \$2 million. This would also be beneficial in bumping Big Mountain's ranking slightly, one of the areas that Big Mountain doesn't quite hit the top percentage of.

