

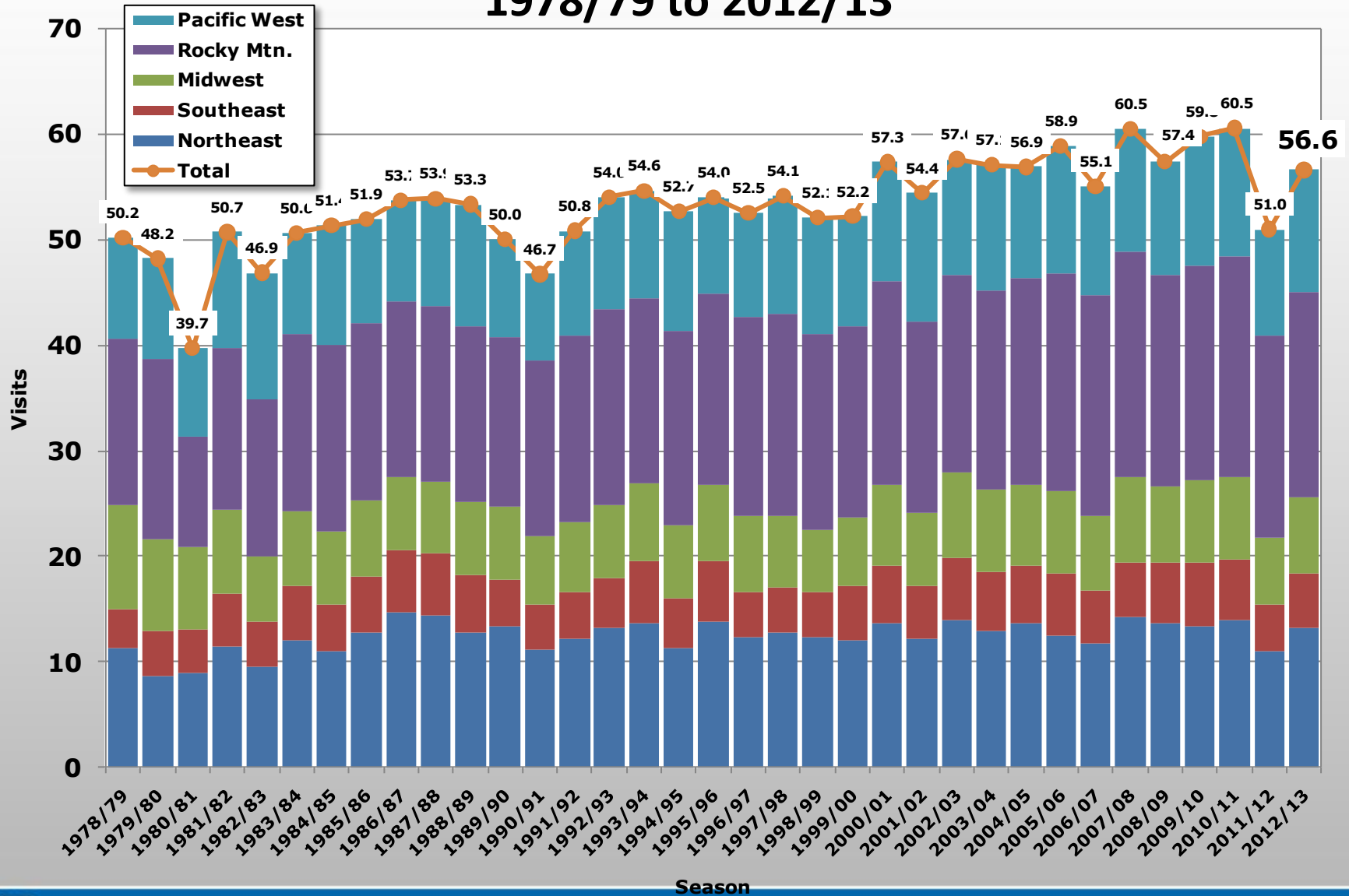
North American 2012/2013 Season Overview

CWSAA 2013 Spring Conference,
May 9, 2013
Kelowna, British Columbia

NSAA Regional Boundaries



U.S. Skier/Snowboarder Visits by Kottke Region: 1978/79 to 2012/13



PRELIMINARY

2012/13 Season Overview

- Visits up 11.0 percent to 56.6 million nationally
- Snowfall better than 2011/12, but still below average
- Lesson volumes flat
- Season pass sales down
- Overnight visits continue to rise slowly
- Snowboarding continues to decline gradually
- Ticket price and yield up, but yield ratio down
- International visits stable

Total Downhill Visits

- 56.6 million total US visits
- Biggest year-over-year rebound in 30 years
 - Up 11.0%
 - Up 5.6 million visits
 - Less than 1% below 5-year average
- Visits up in all regions and in all size groupings
- 78% of ski areas were up over 2011/12

Projected Visits by Region

	2012/13	2011/12	Percent Change
Northeast	13,253,110	11,020,756	20.3%
Southeast	5,160,450	4,404,654	17.2%
Midwest	7,113,267	6,382,176	11.5%
Rocky Mountain	19,492,907	19,130,471	1.9%
Pacific Southwest	7,307,954	6,066,273	20.5%
Pacific Northwest	4,261,073	3,962,077	7.5%
US TOTAL	56,588,761	50,966,407	11.0%

Visits vs. Five Season Average

	2012/13	5-Season Average	12/13 vs. 5-Season Average
Northeast	13,253,110	13,060,288	1.5%
Southeast	5,160,450	5,406,855	-4.6%
Midwest	7,113,267	7,254,443	-1.9%
Rocky Mountain	19,492,907	19,975,181	-2.4%
Pacific Southwest	7,307,954	7,397,653	-1.2%
Pacific Northwest	4,261,073	3,952,882	7.8%
US TOTAL	56,588,761	57,047,301	-0.8%

Snow Depth

March 26, 2013

46.6 percent coverage



March 26, 2012

7.4 percent coverage

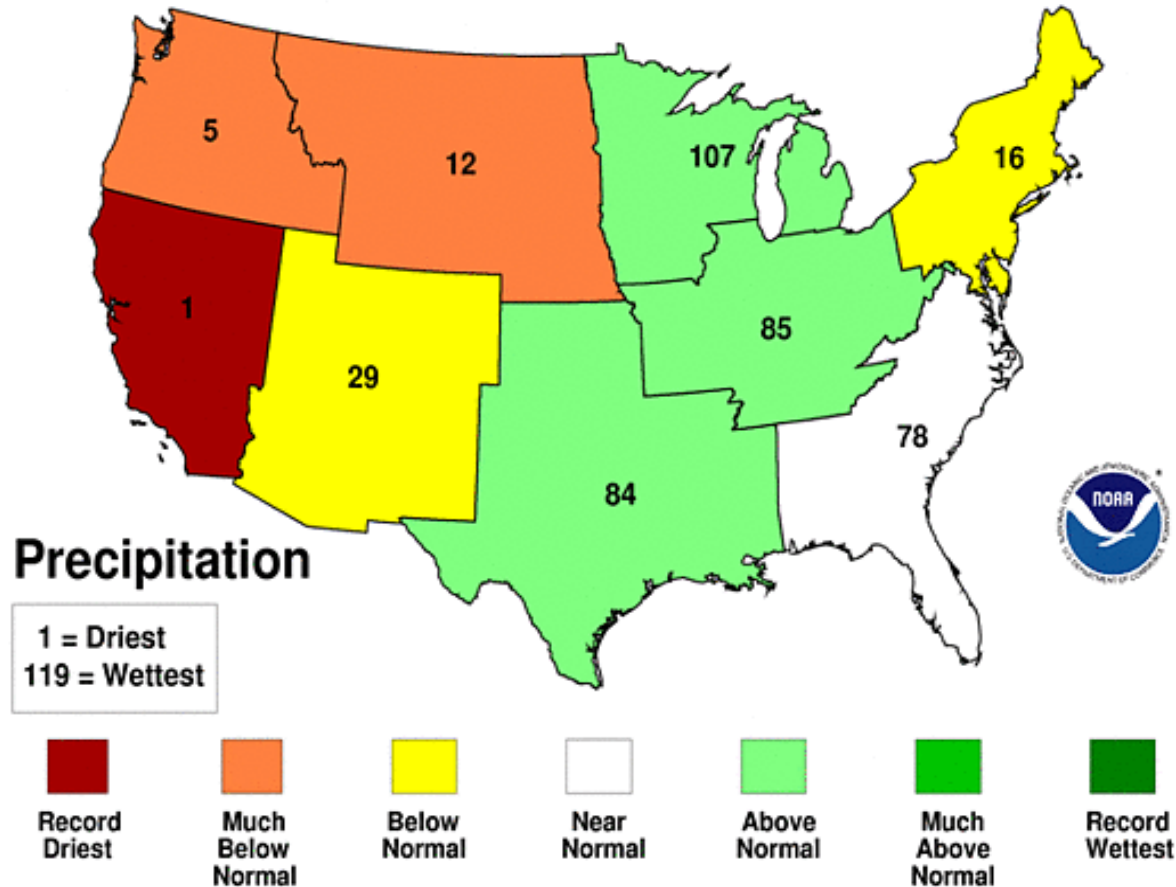


Snow cover extent
March 2013 vs. 2012



January–March 2013 Regional Ranks

National Climatic Data Center/NESDIS/NOAA



PRELIMINARY

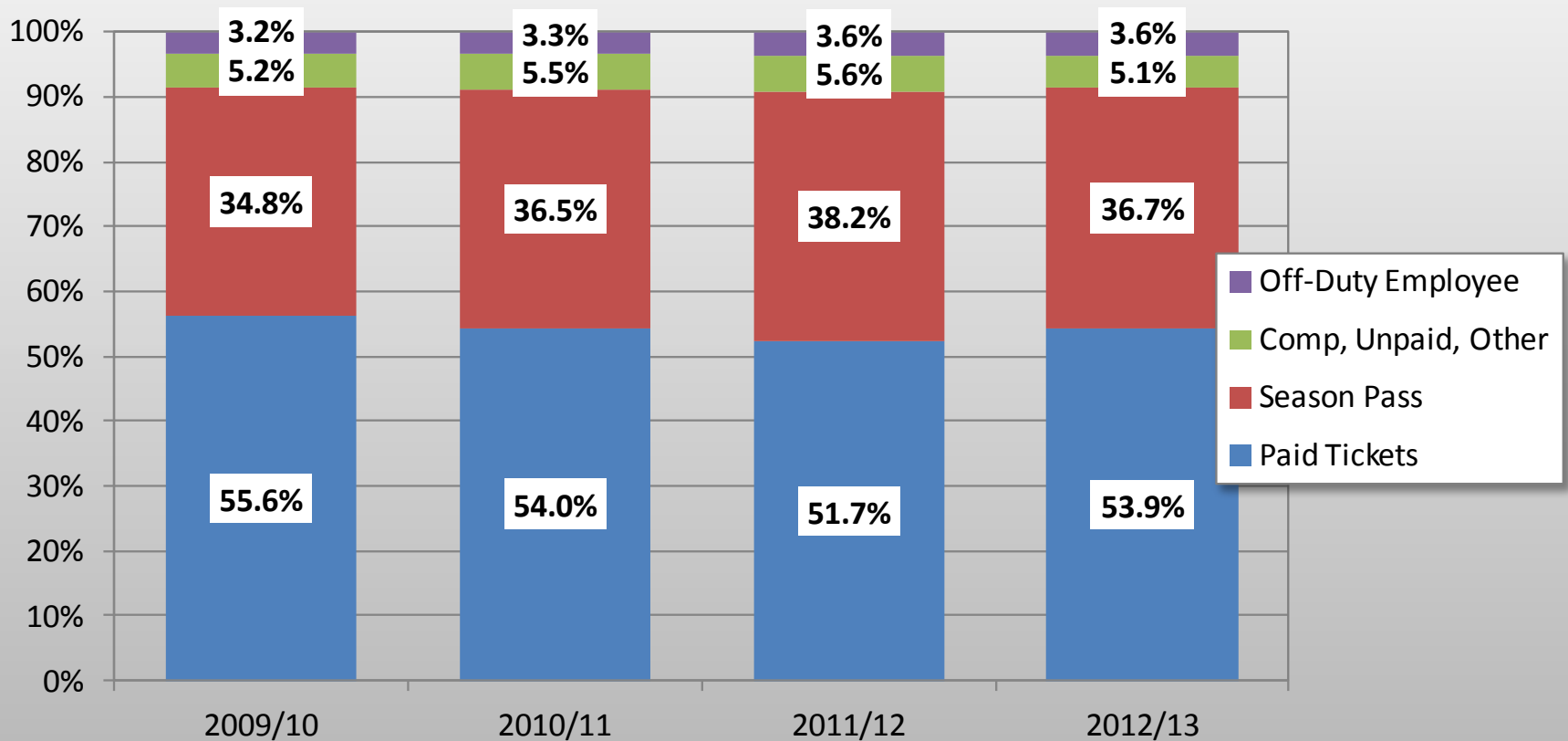
Season Passes

- Average unit sales fell by 4.3% to 9,495 per ski area
- Average usage of season pass rose to 10.5 days from 9.9 days in 2011/12
- Proportion of total visits fell to 37%



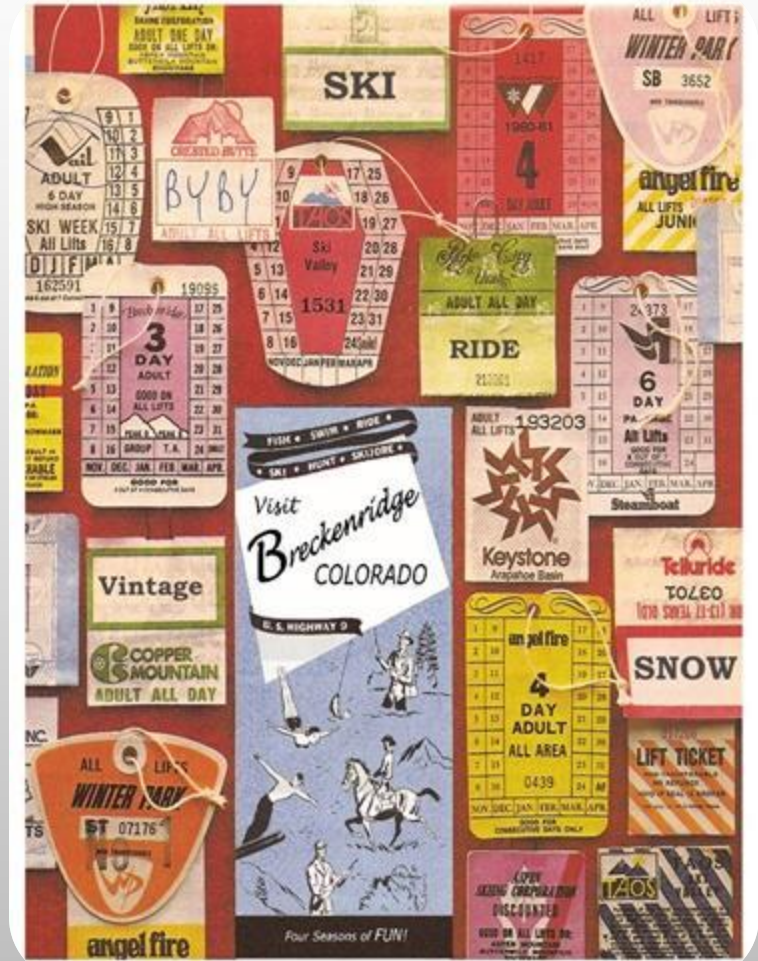
Visits by Ticket Type

- Paid ticket percentage rebounded to 54%

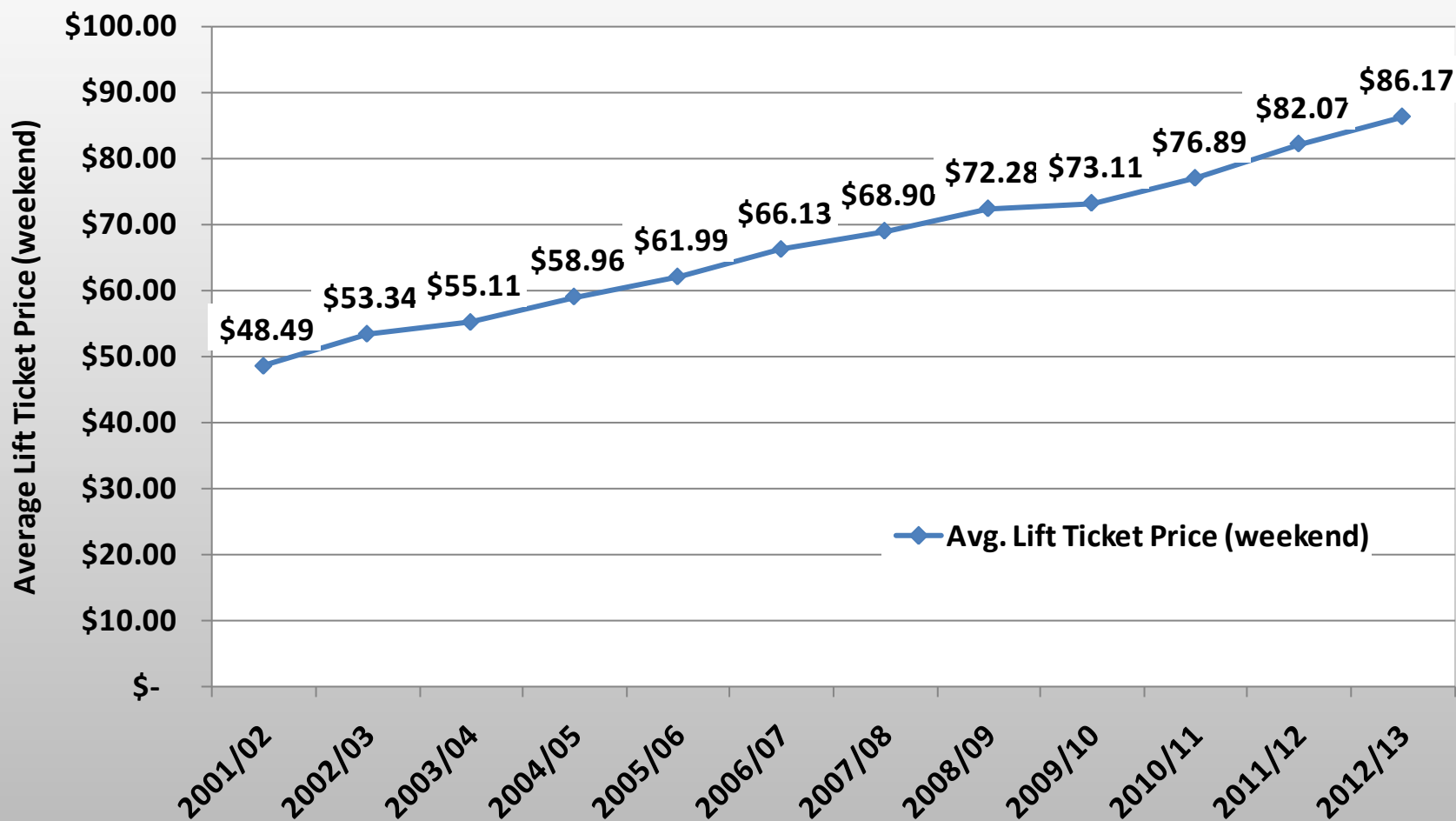


Ticket Price and Yield

- Ticket price was up 4.3%, to \$86.17
- Ticket yield was up 3.2% to \$42.28
- Ticket yield ratio was down 0.5 percentage points to 49.1%



U.S. . Lift Ticket Price (weekend): 2001/02 to 2012/13



Lessons

- Average lessons taught per area was flat at 21,300
- Ratio of lessons to visits was 8.0%, down from 8.6% in 2011/12
- Highest ratios in Southeast (11.8%) and Midwest (11.0%)



Snowboarding

- Snowboarding continues to trend downward
- Total is 29.6% of visits, down from 32.0% three seasons ago
- Biggest declines seen in Midwest and Pacific Southwest

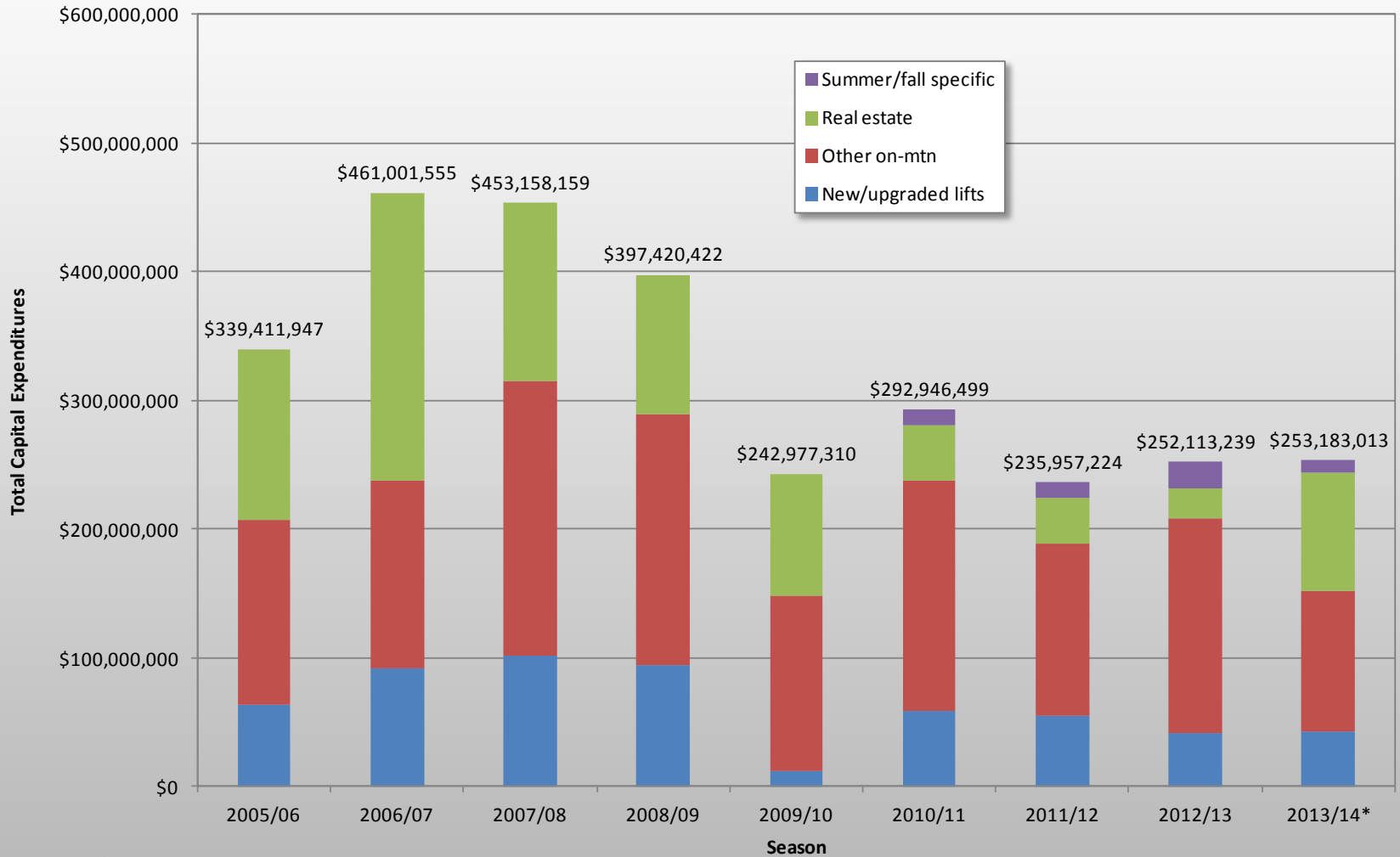


Year-Round Activities

- Increasing diversity of activities offered
 - 33% allow snowsports access outside the ski area boundary
 - 30% allow uphill winter traffic
- Three-quarters have summer operations
 - Chairlift rides (52%)
 - Mountain biking (44%)
 - Zip line/canopy tour (26%)
 - Golf (23%)
 - Mountain coaster/alpine slide (15%)
 - Water park/water features (7%)

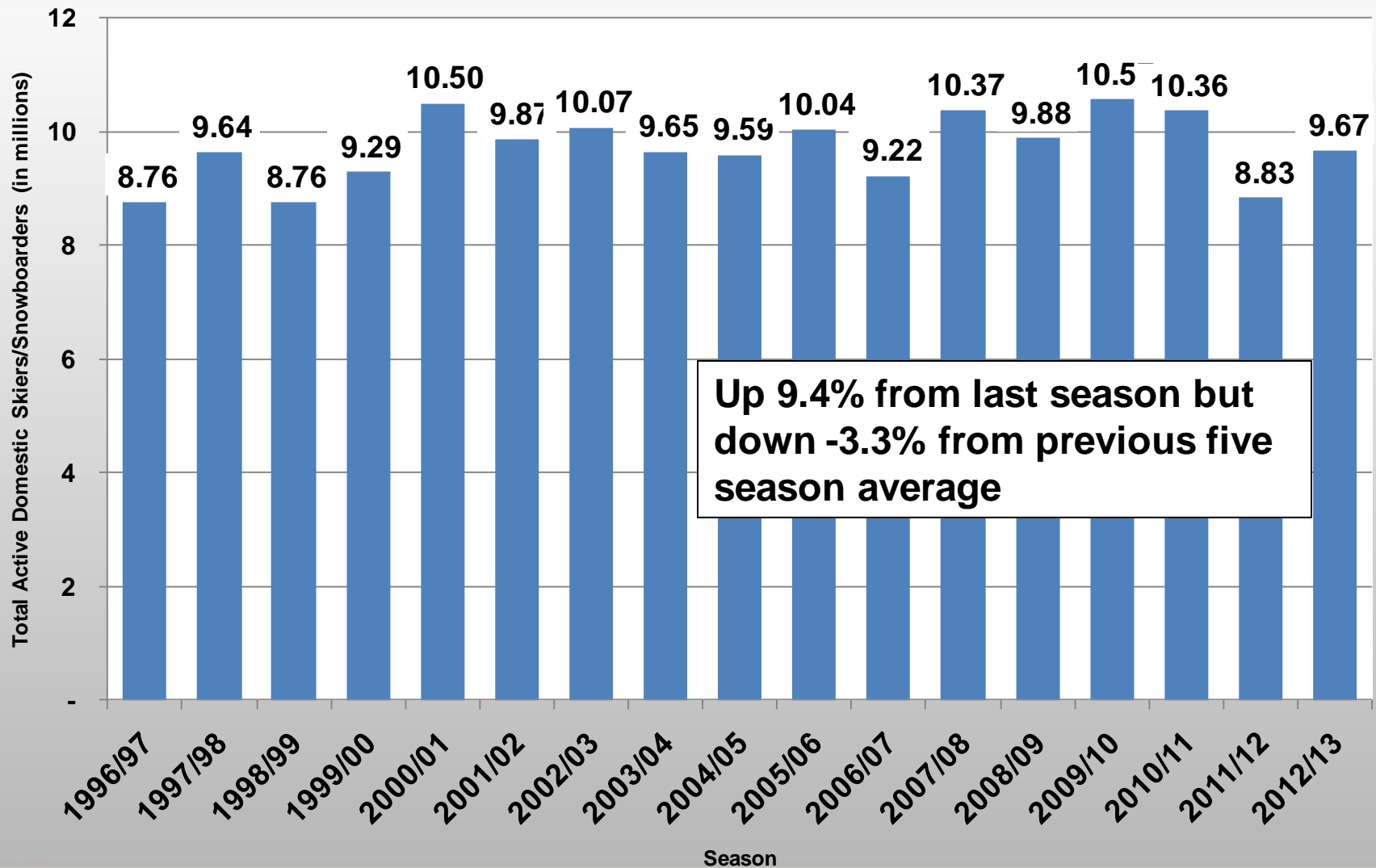


Capital Expenditures



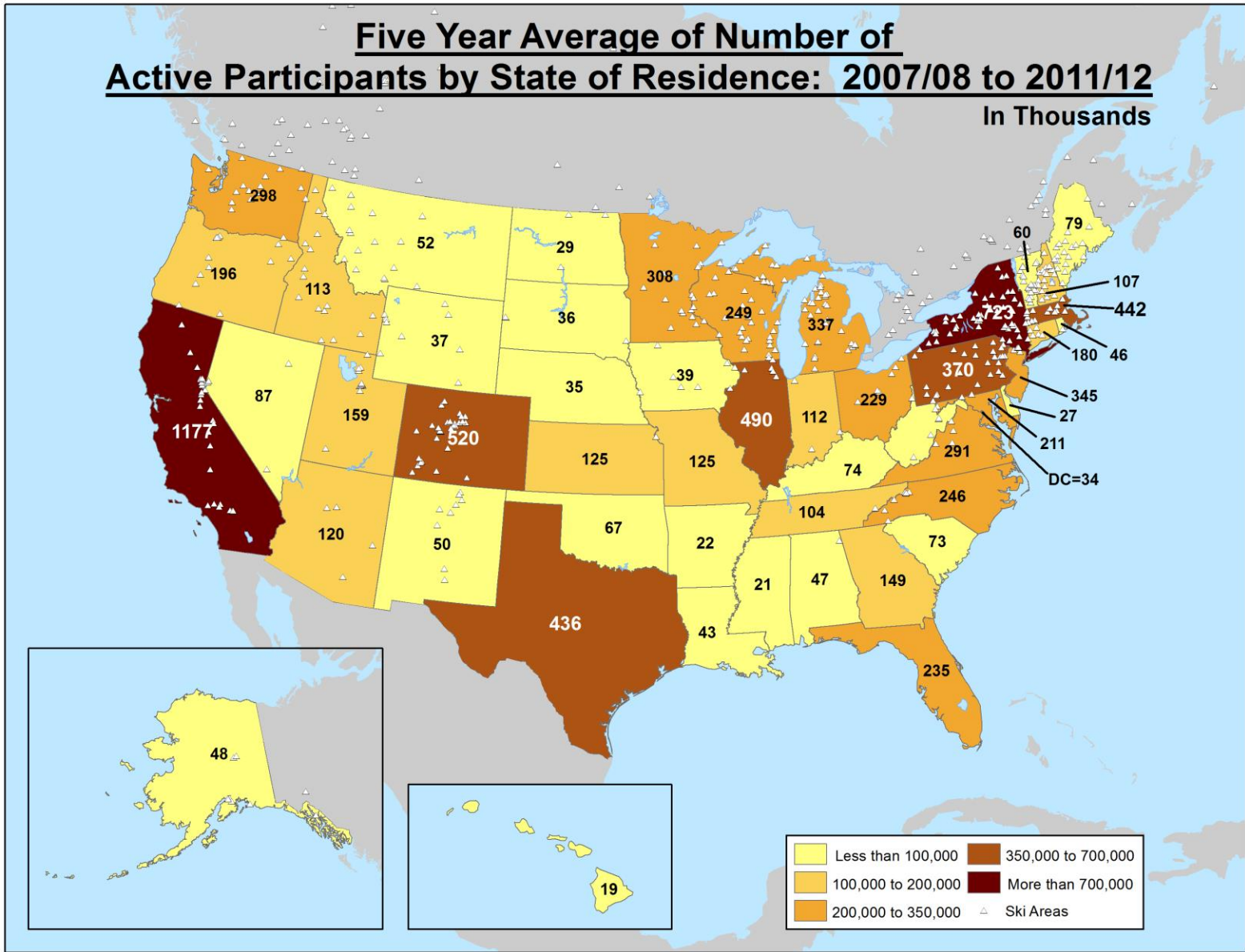
PRELIMINARY

Total Active Domestic Skiers/Snowboarders: 1996/97 to 2012/13

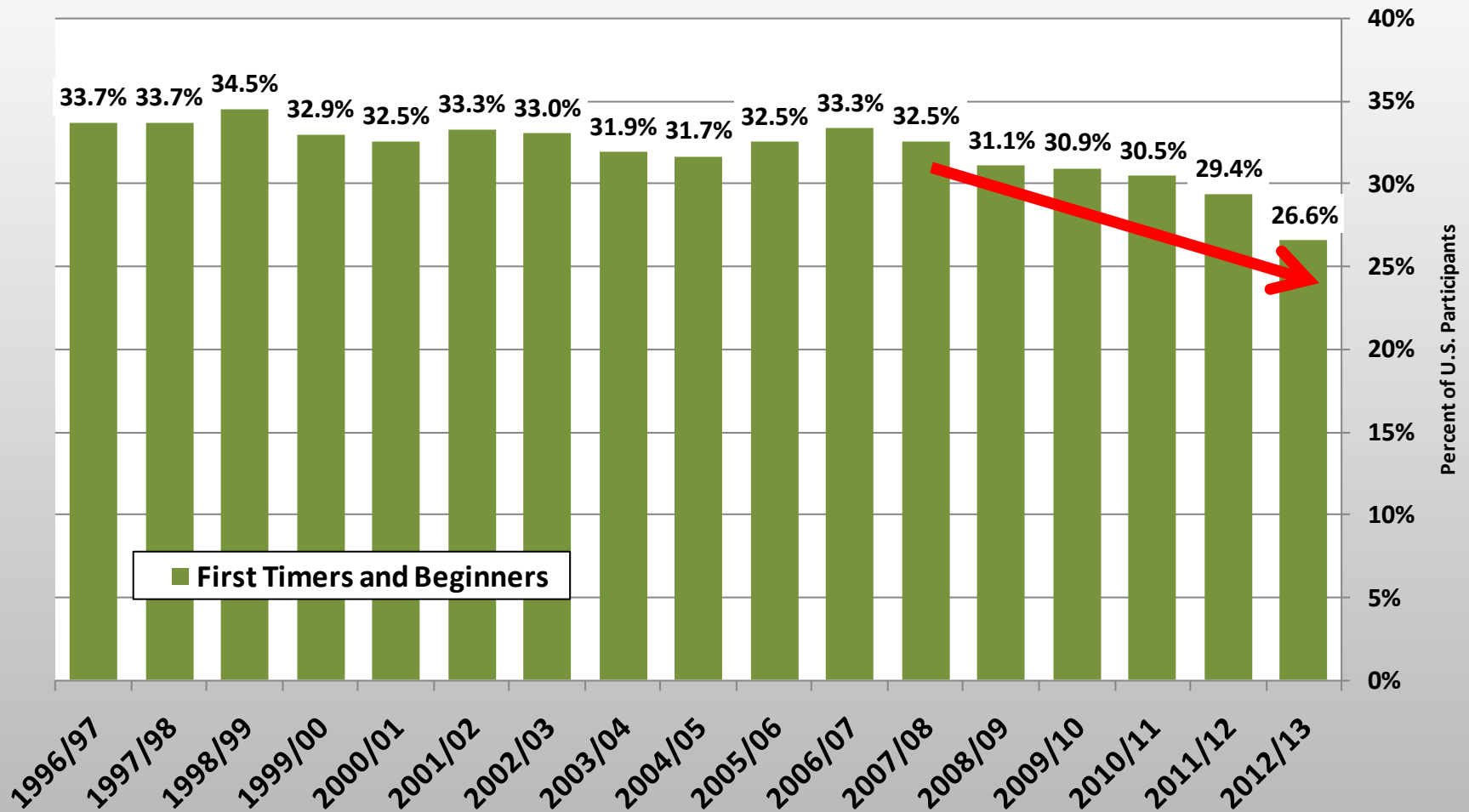


PRELIMINARY

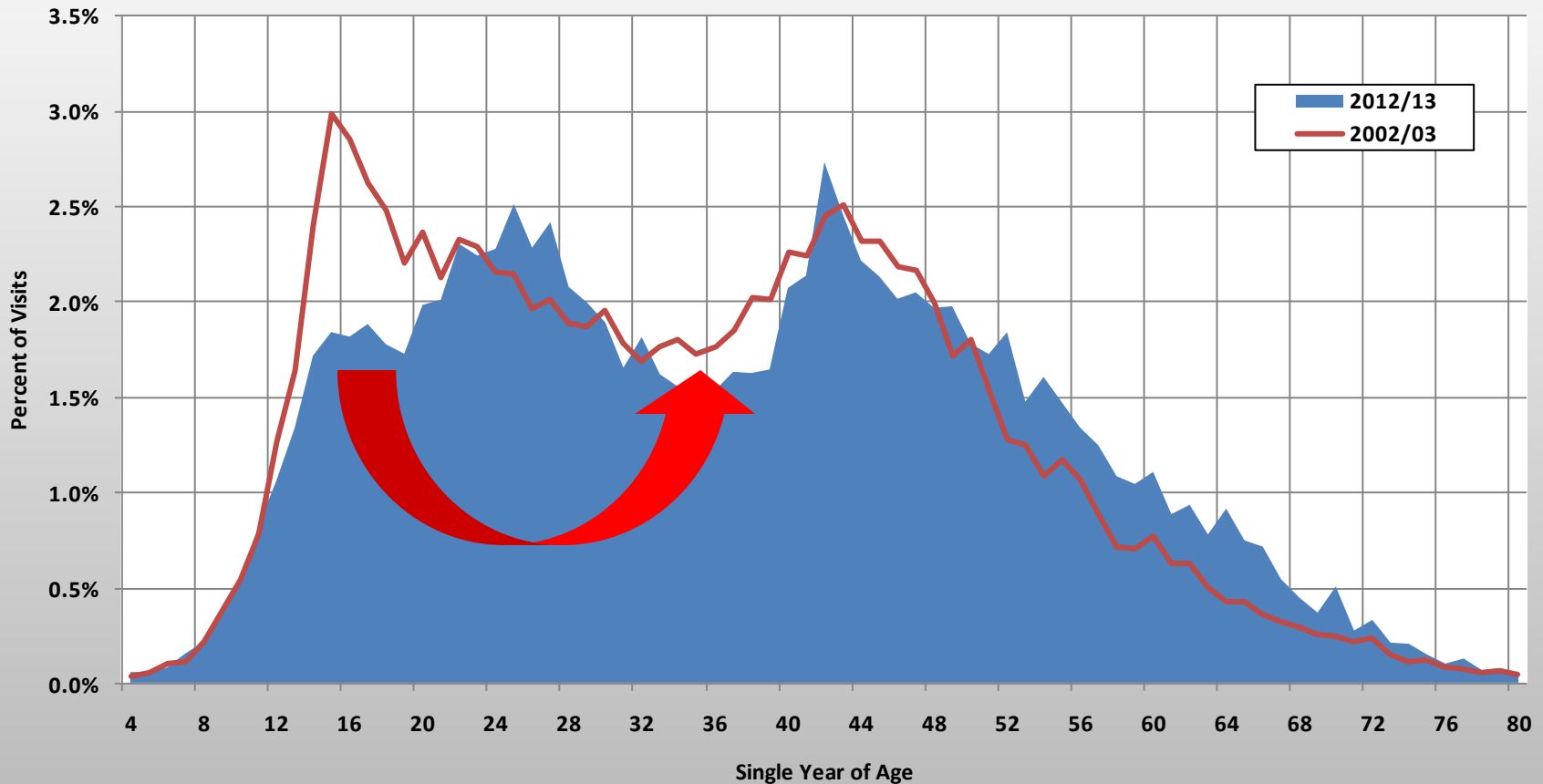
Five Year Average of Number of
Active Participants by State of Residence: 2007/08 to 2011/12
In Thousands



First Timers and Beginners as a Percent of Total U.S. Participants: 1996/97 to 2012/13



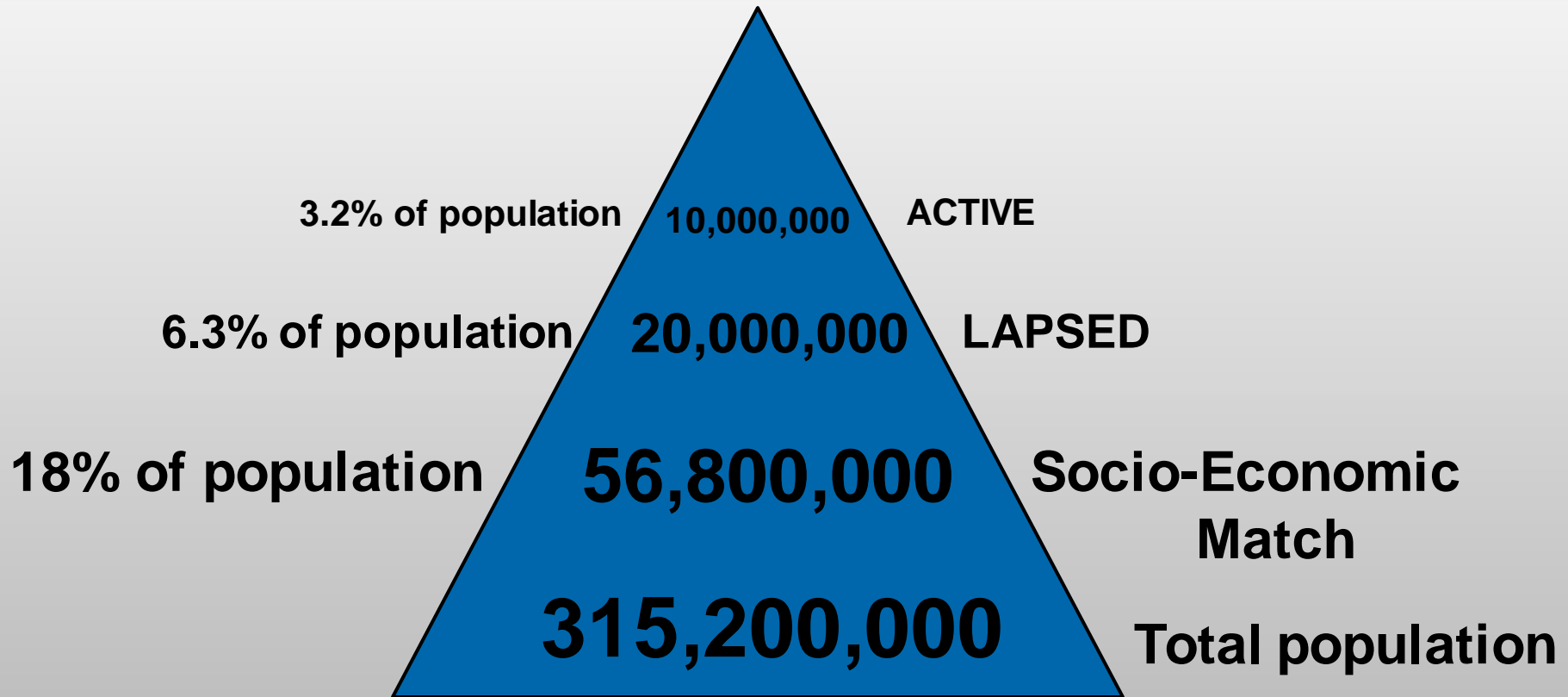
Percent of Visits by Single Year of Age: 2012/13 vs. 2002/03



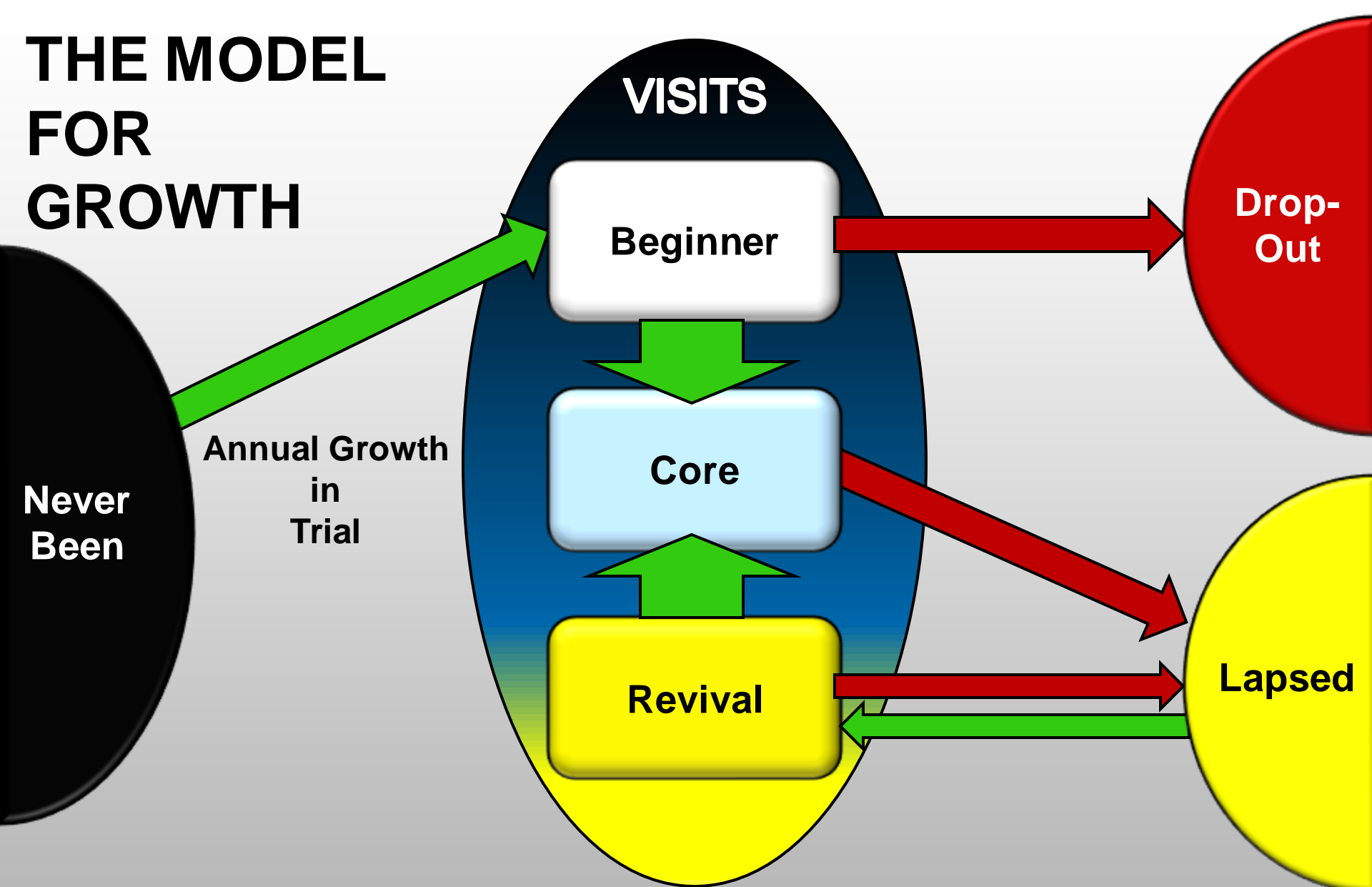
Percent Non-White in 2012 Population vs. 2012/13 Skier/Snowboarder Population by Single Year of Age



Estimated Market Size for Downhill Snow Sports in U.S.

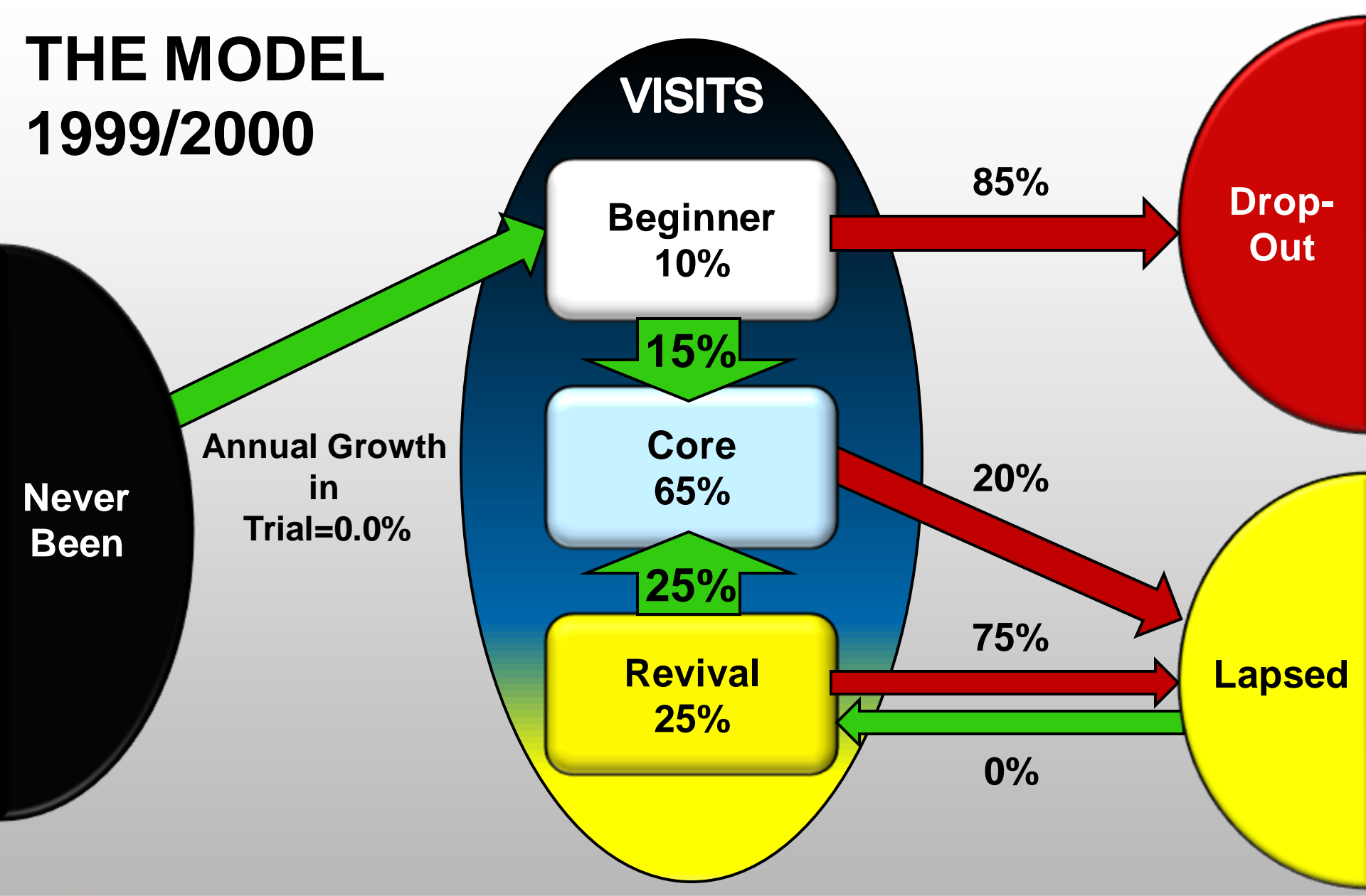


THE MODEL FOR GROWTH

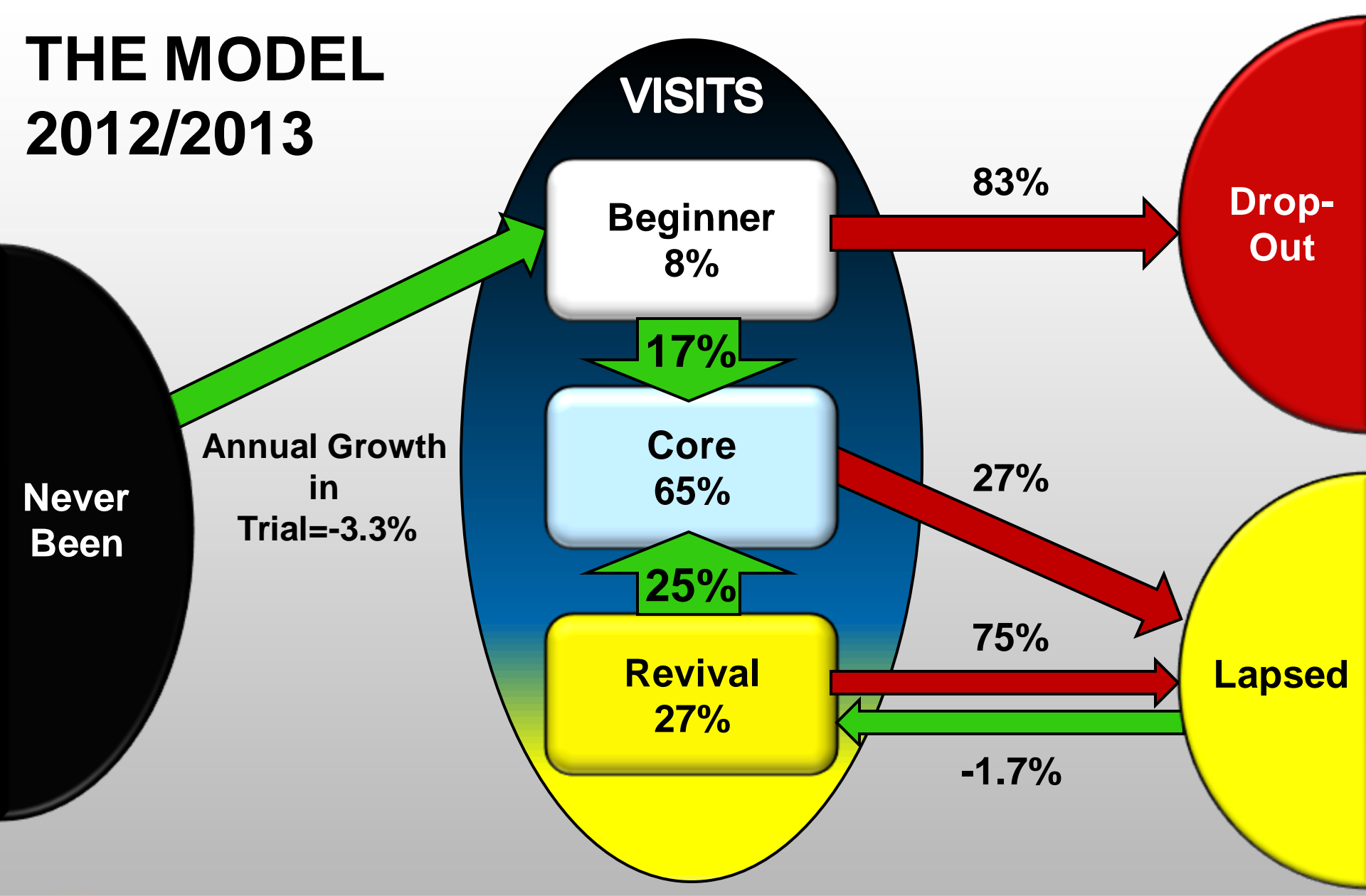


PRELIMINARY

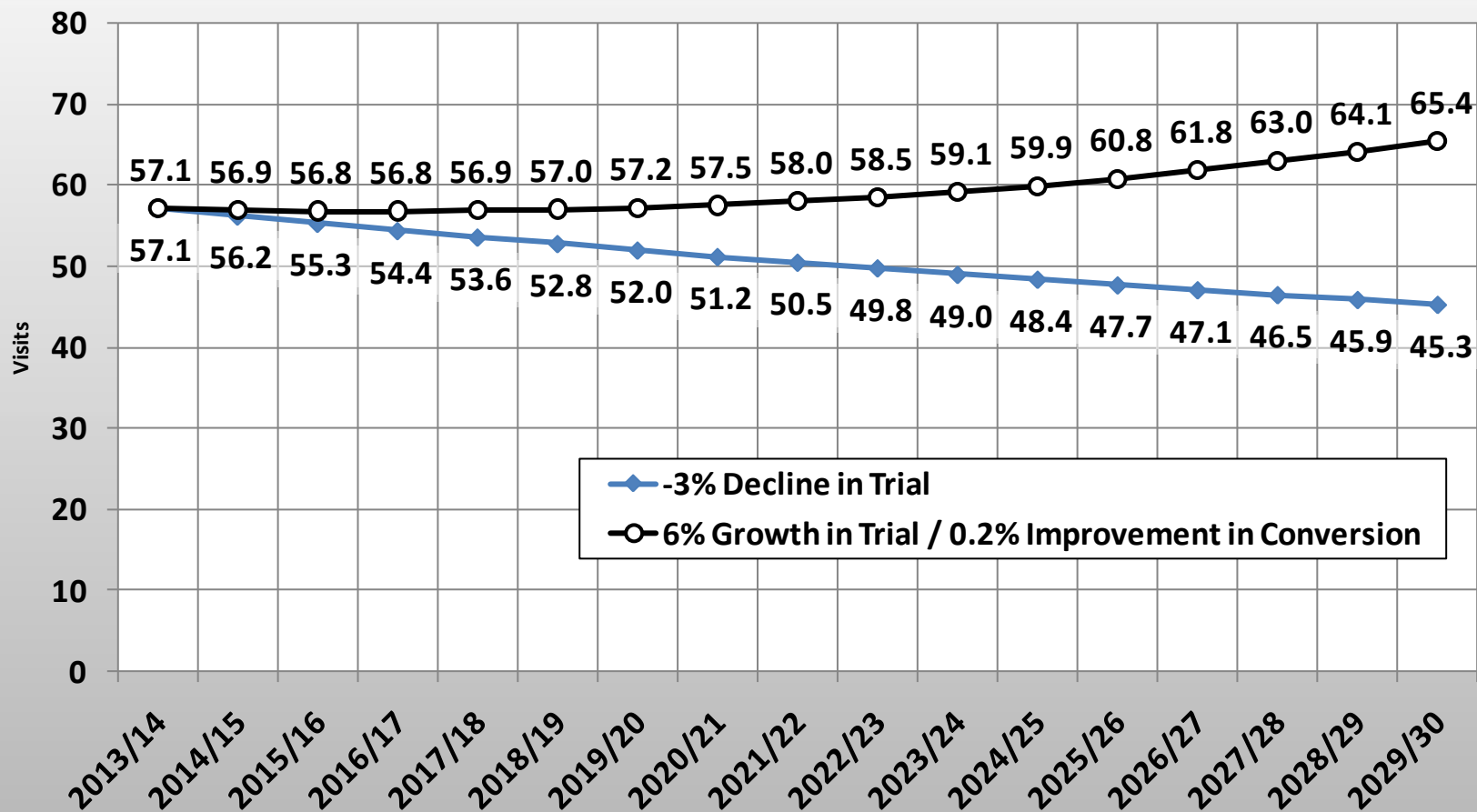
THE MODEL 1999/2000



THE MODEL 2012/2013



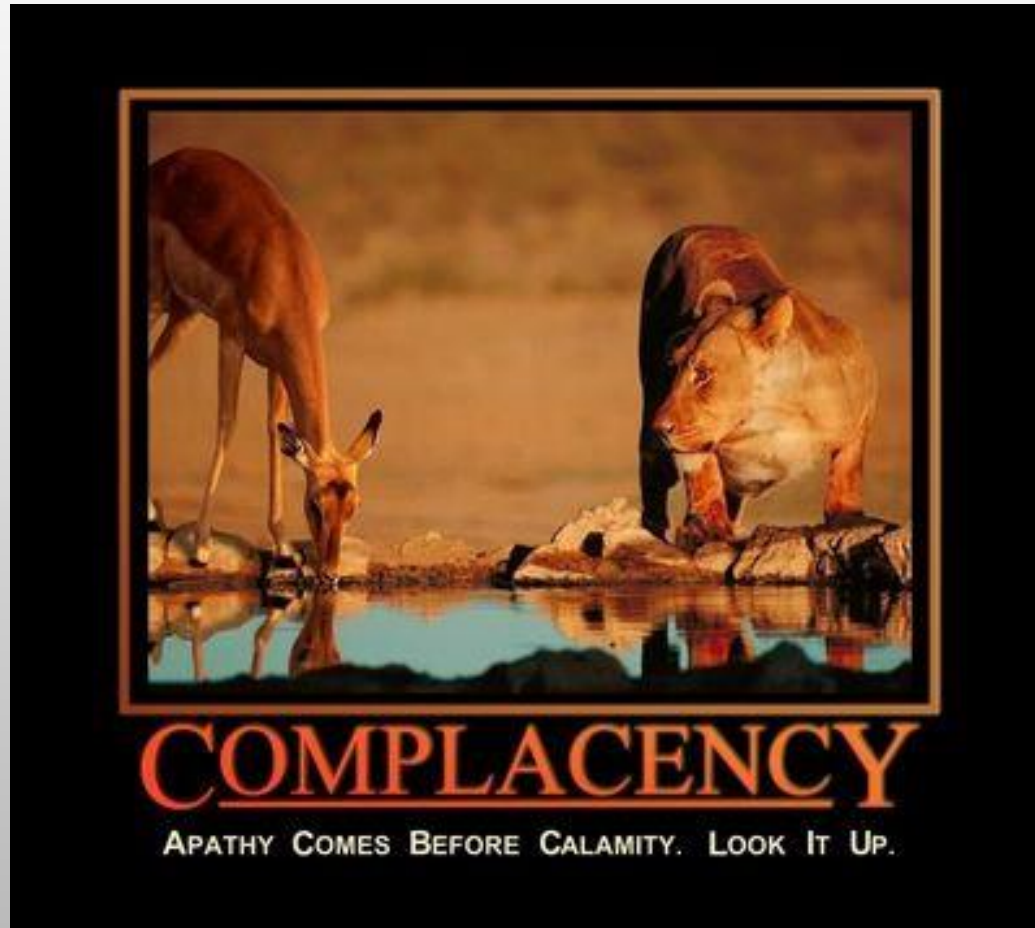
Visitation Projections from 2013/14 through 2029/30: Decline vs. Growth



More trial you say?



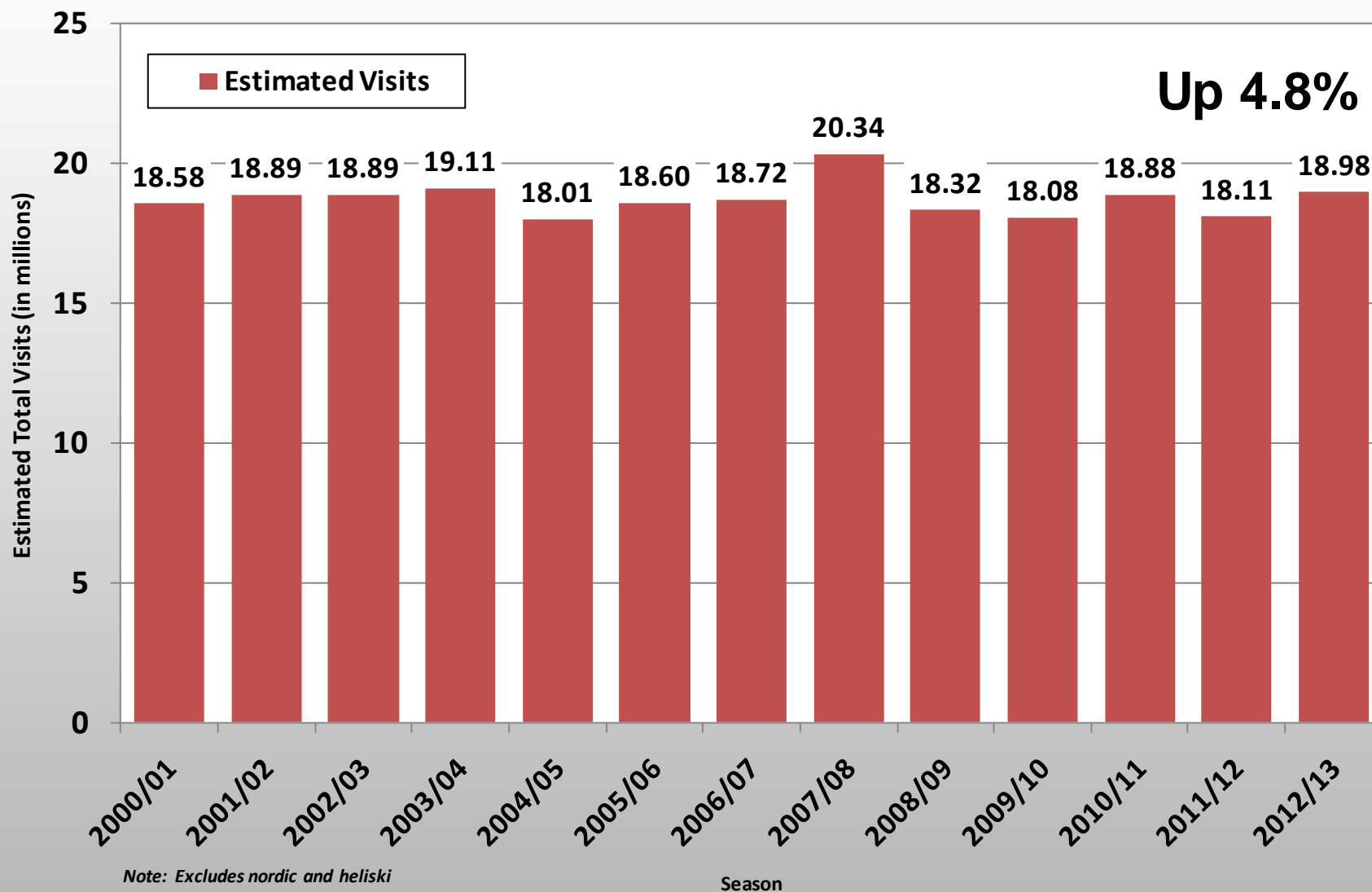
So we are back to this trial and conversion thing? Let me know how that works out.



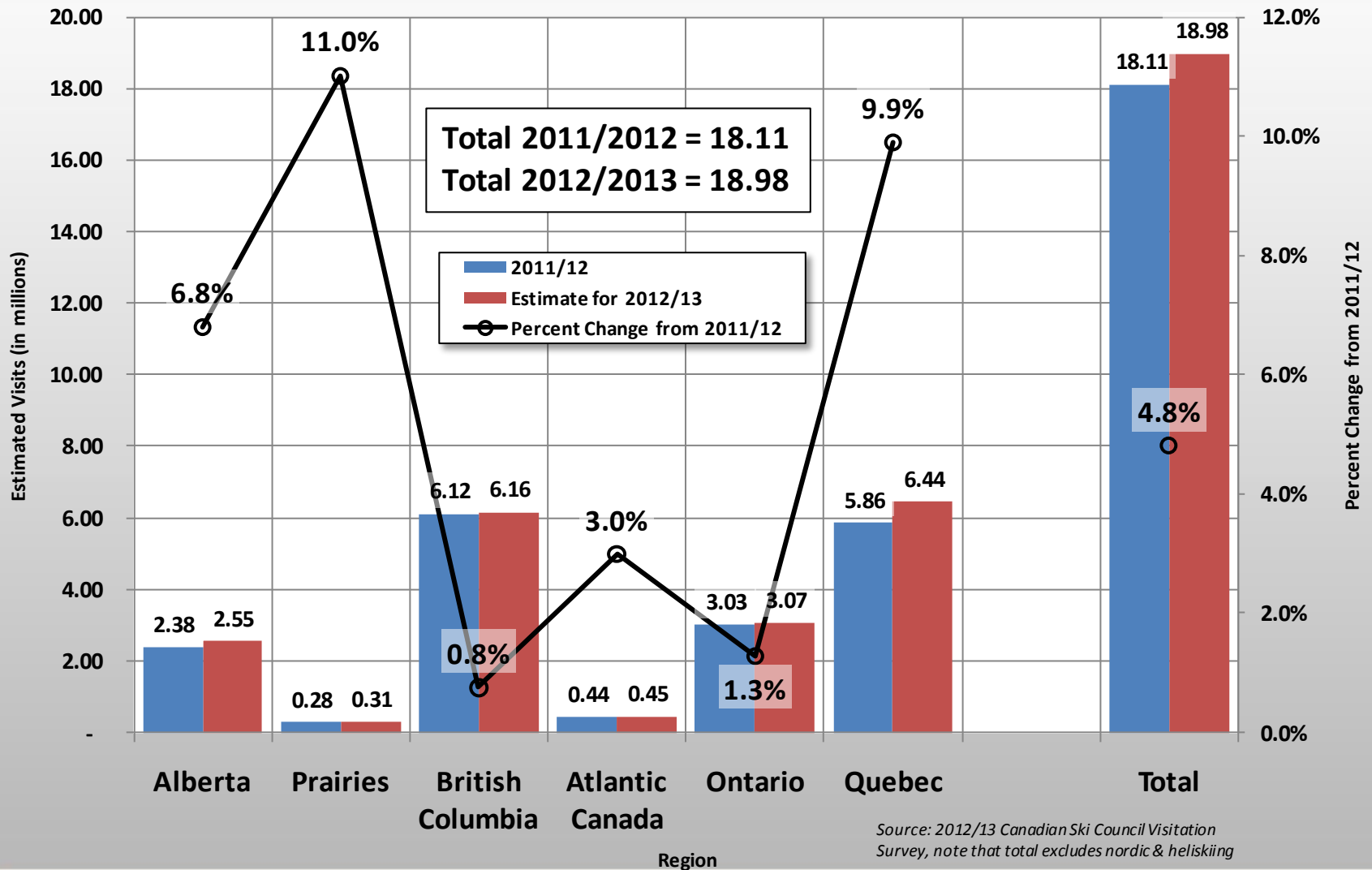
And for Canada?



Skier/Snowboarder Visits: 2000/01 to 2012/13

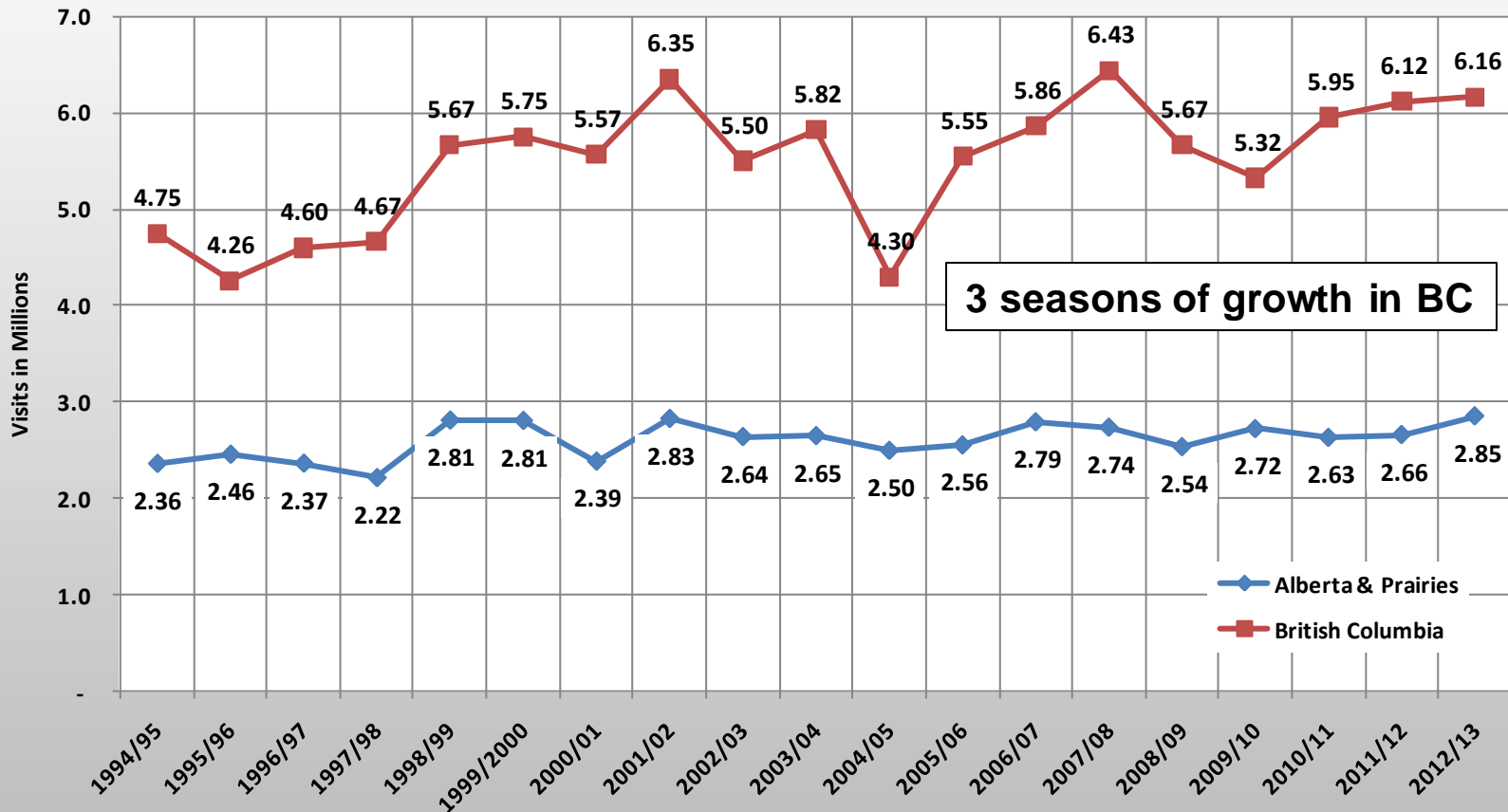


Preliminary Estimated Visitation by Region: 2011/2012 vs. 2012/2013



PRELIMINARY

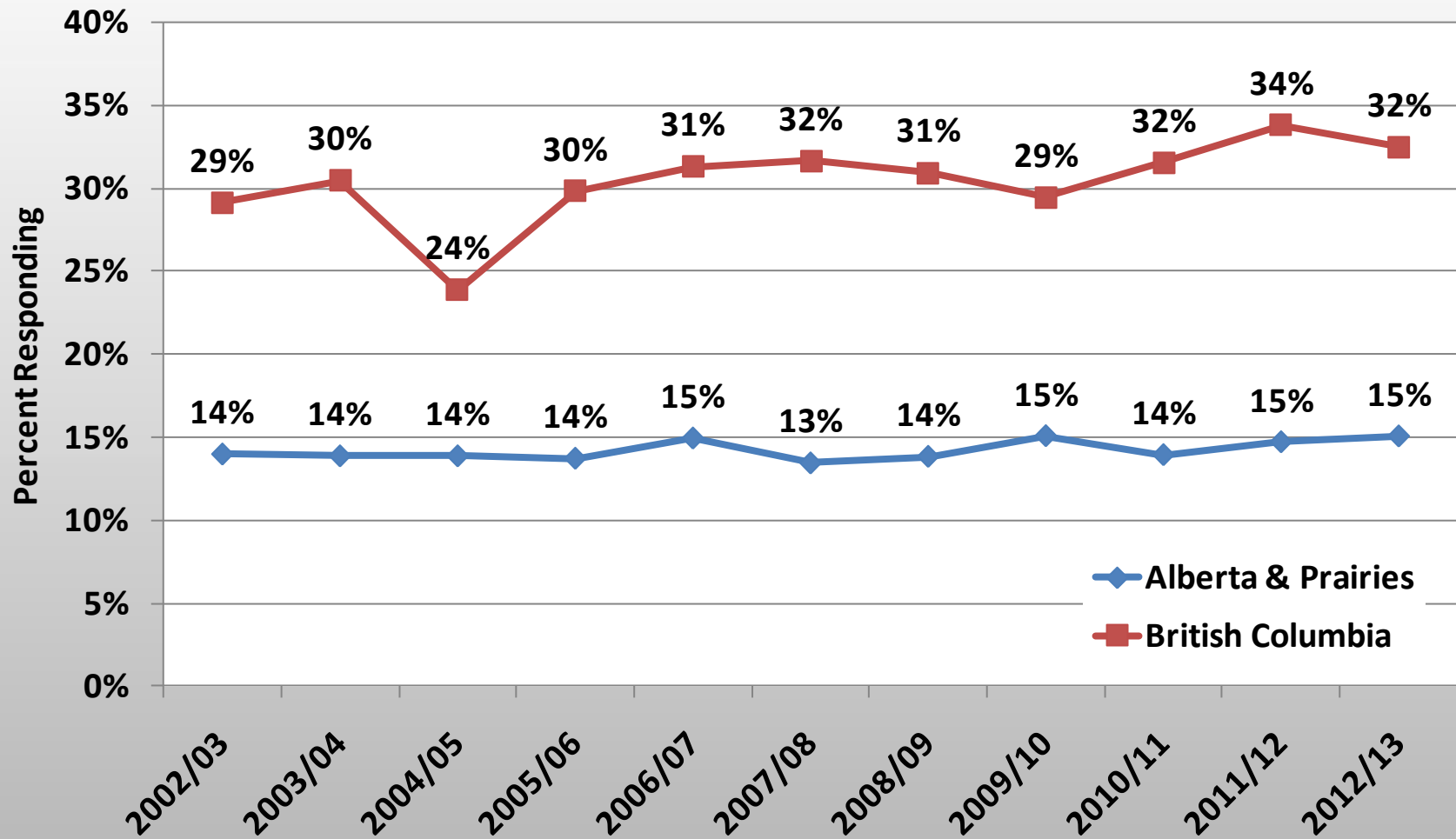
Skier/Snowboarder Visits, British Columbia vs. Alberta & Prairies: 1994/95 to 2012/13



Note: Excludes nordic and heliski

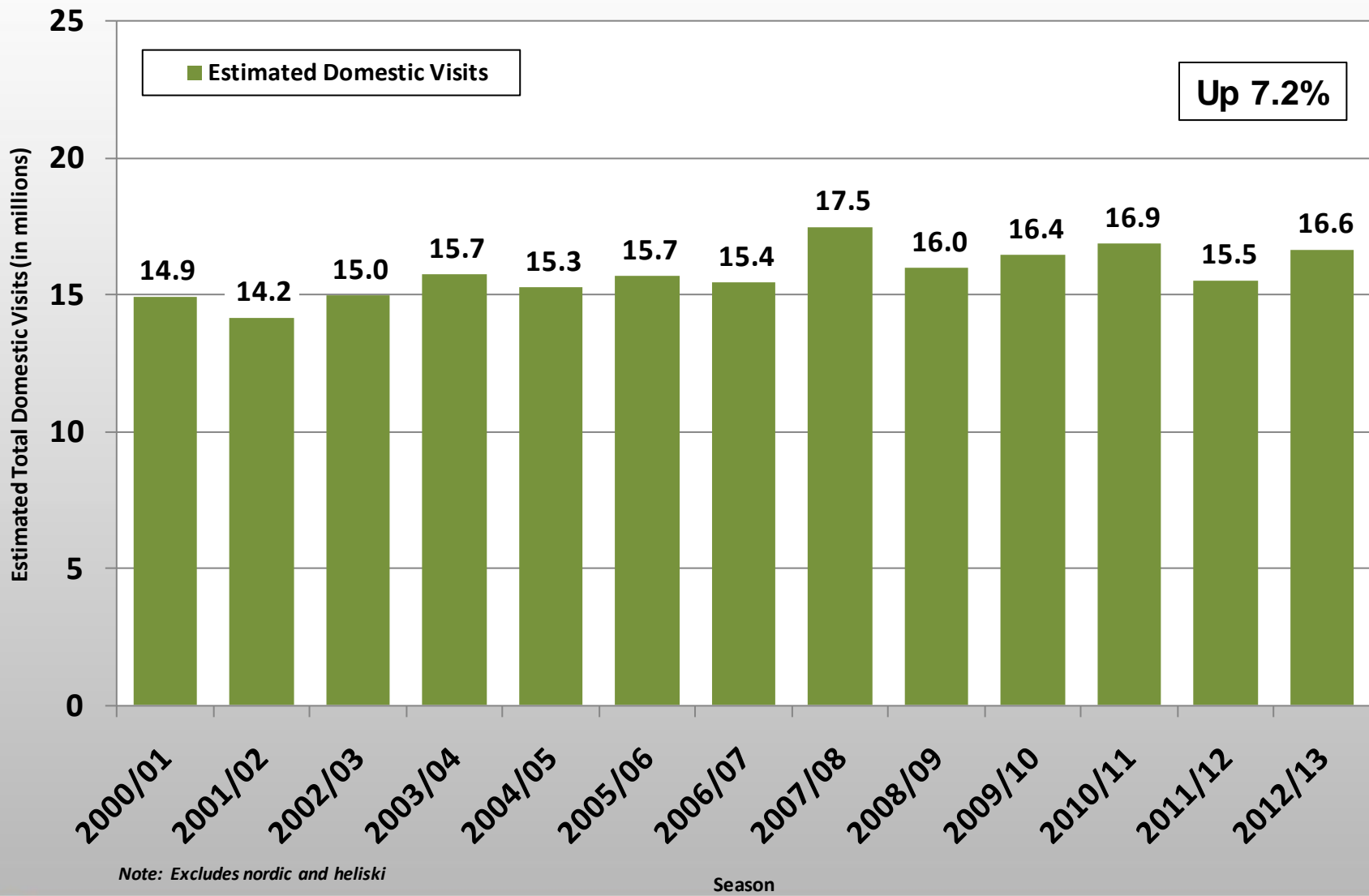
PRELIMINARY

British Columbia and Alberta & Prairies Market Share of Total Canadian Visits: 2002/03 to 2012/13

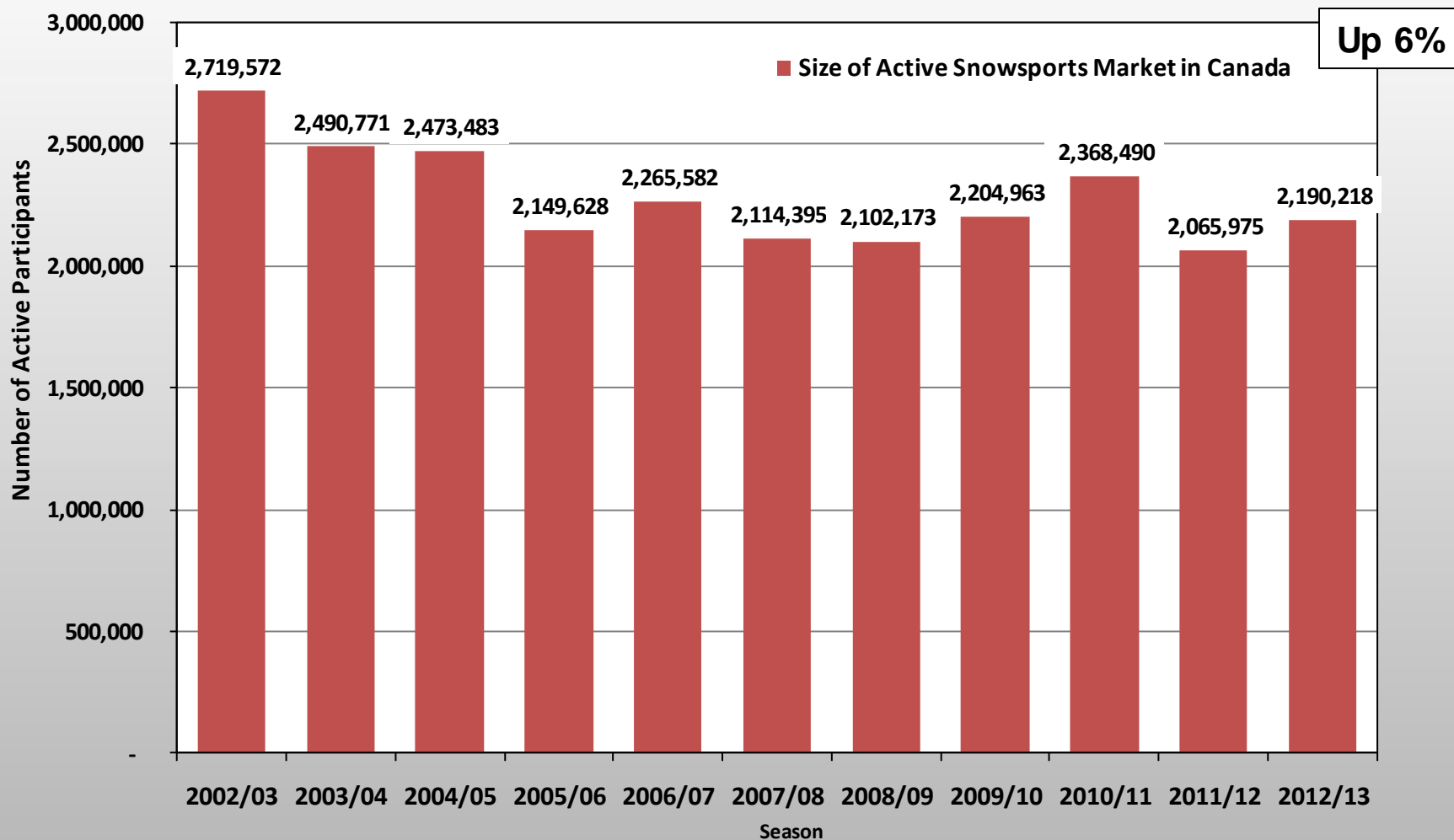


PRELIMINARY

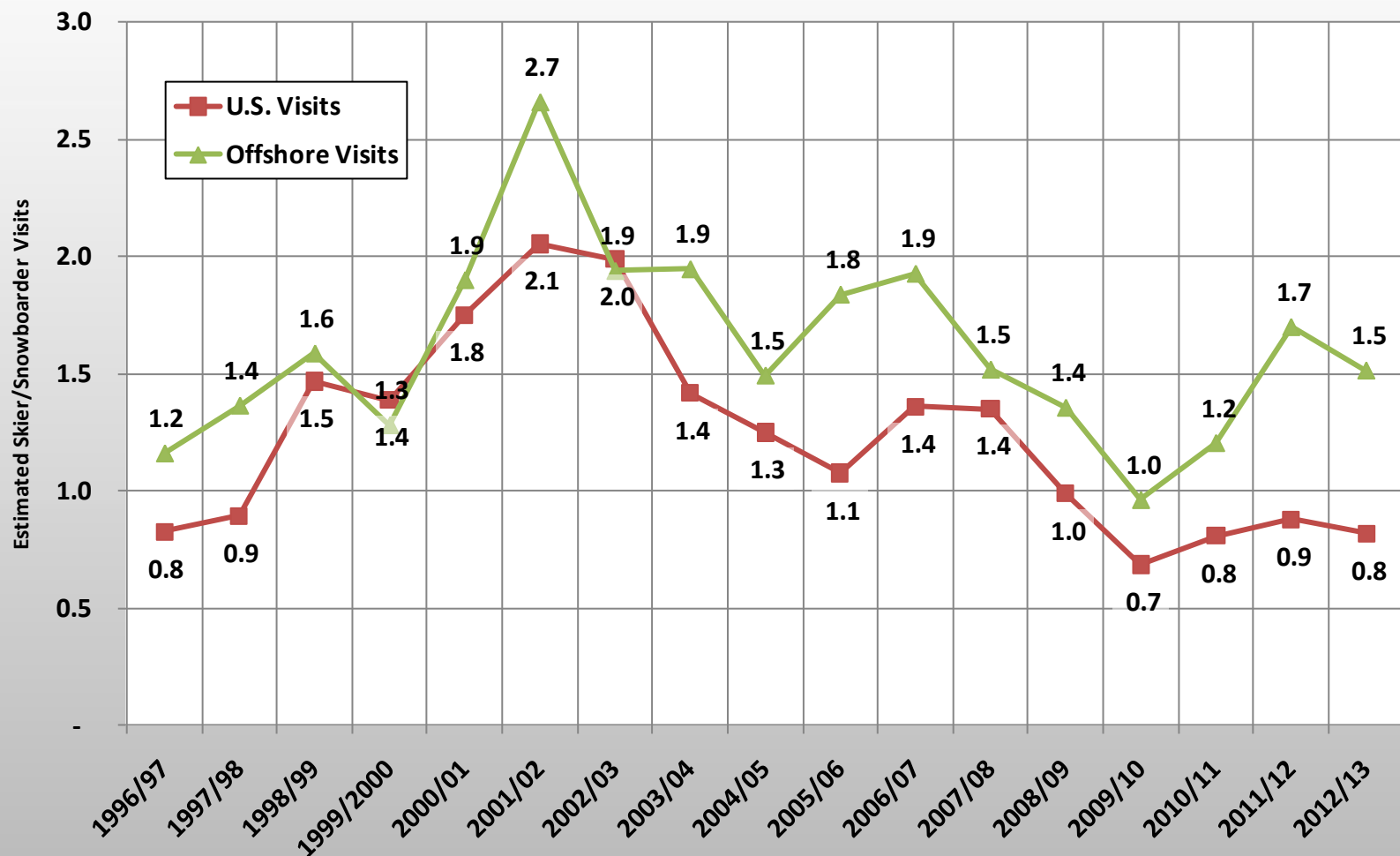
Estimated Total Domestic Visits: 2002/03 to 2012/13



Size of Active Snowsports Market in Canada: 2001/02 to 2012/13



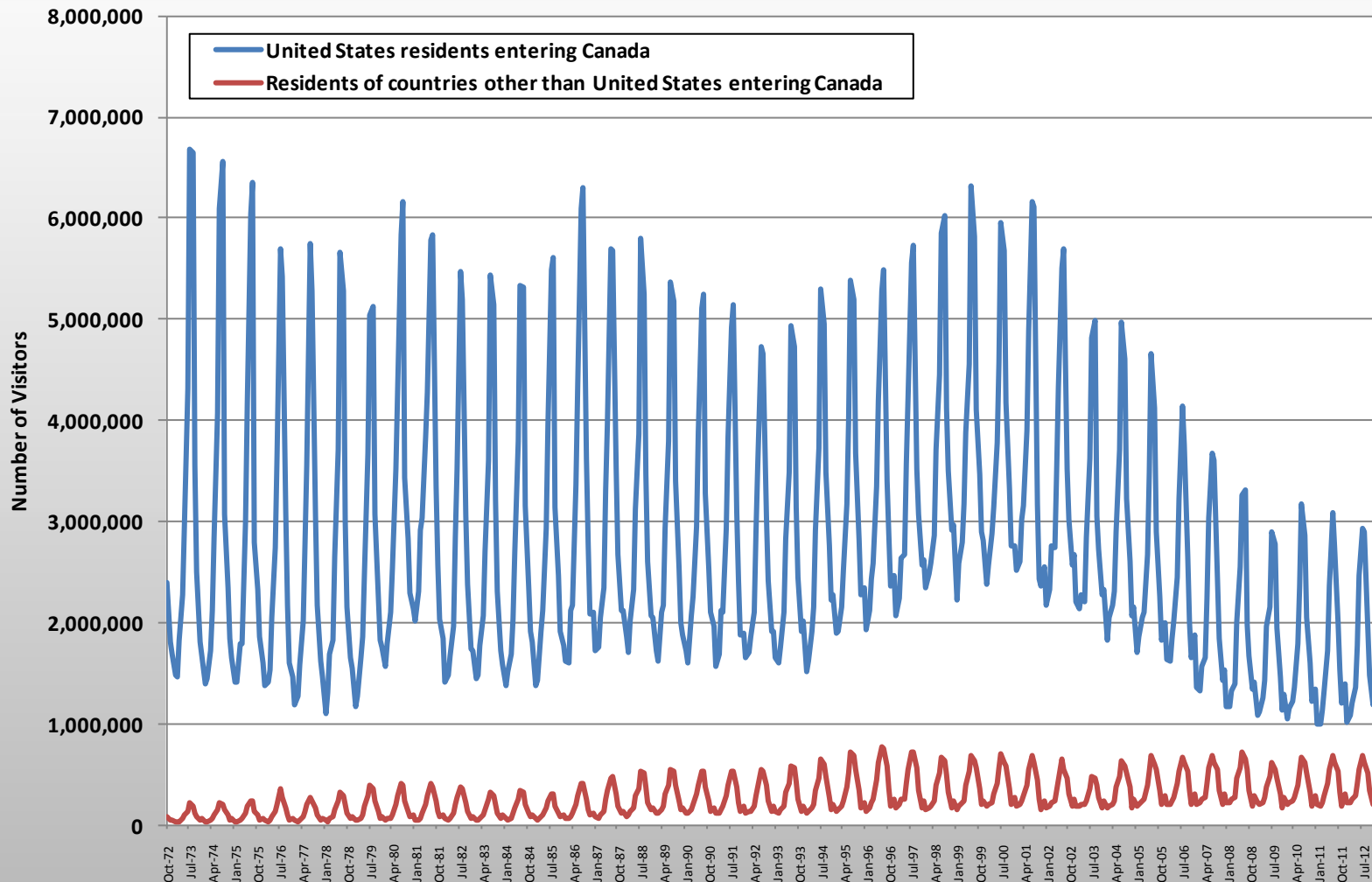
Offshore vs. U.S. Visits: 1996/97 to 2012/13



Note: Excludes nordic and heliski

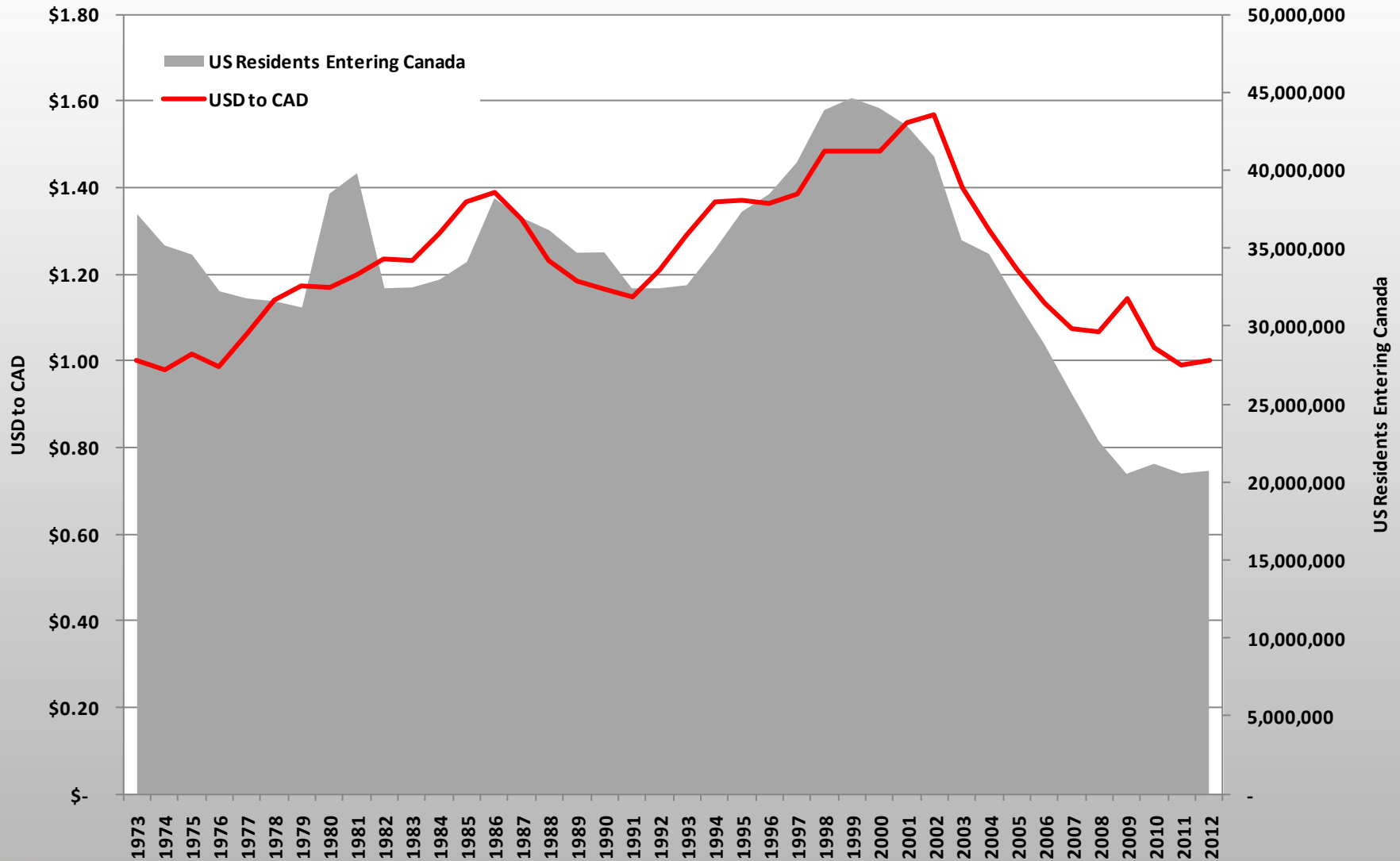
PRELIMINARY

Number of U.S. Residents and Other International Visitors Entering Canada: October 1972 to February 2013



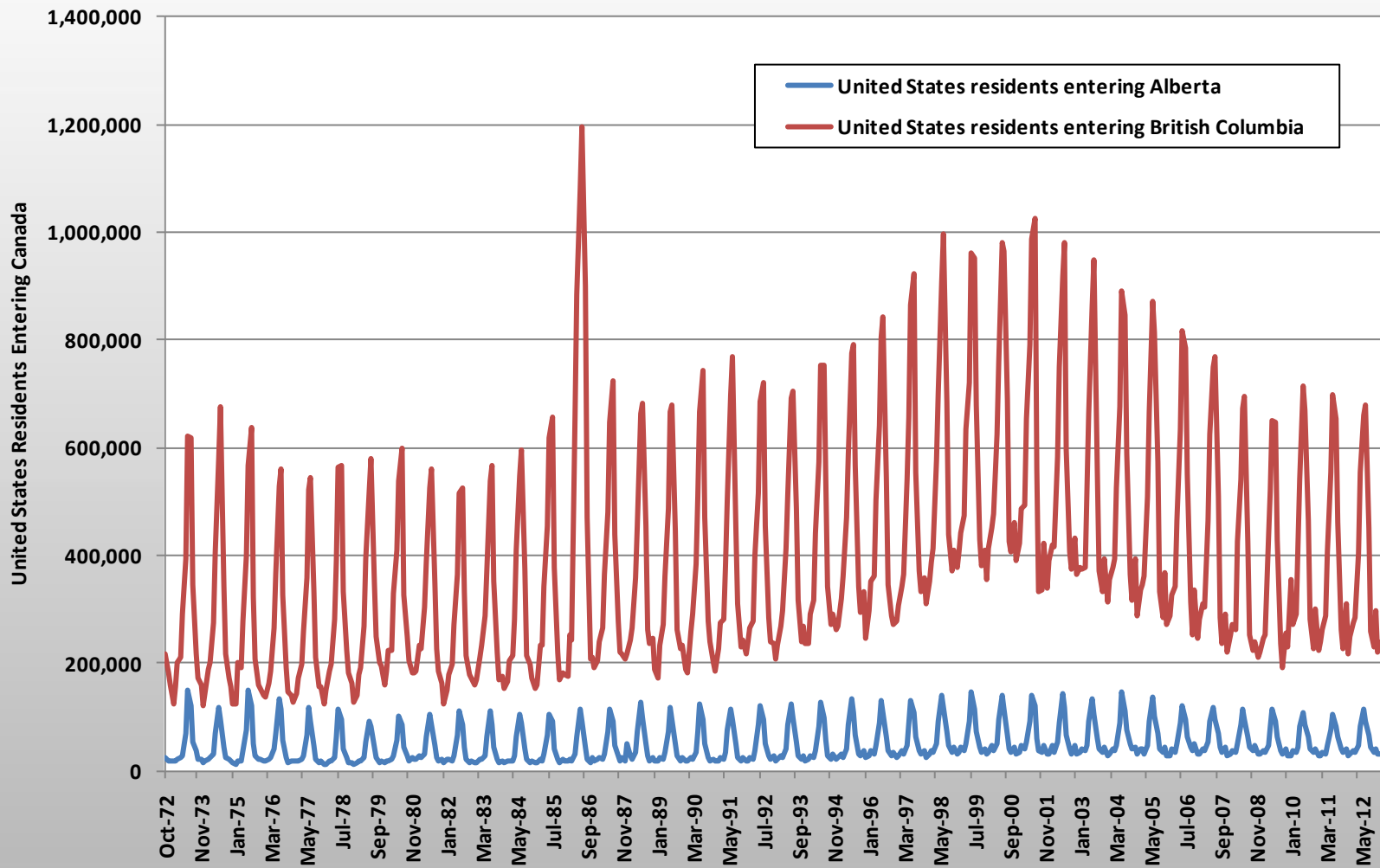
Source: Statistics Canada. Table 427-0001 - Number of international travellers entering or returning to Canada, by type of transport, monthly (persons), CANSIM (database).

Annual Total of U.S. Residents Entering Canada vs. Average Annual Exchange Rate: 1973 to 2012



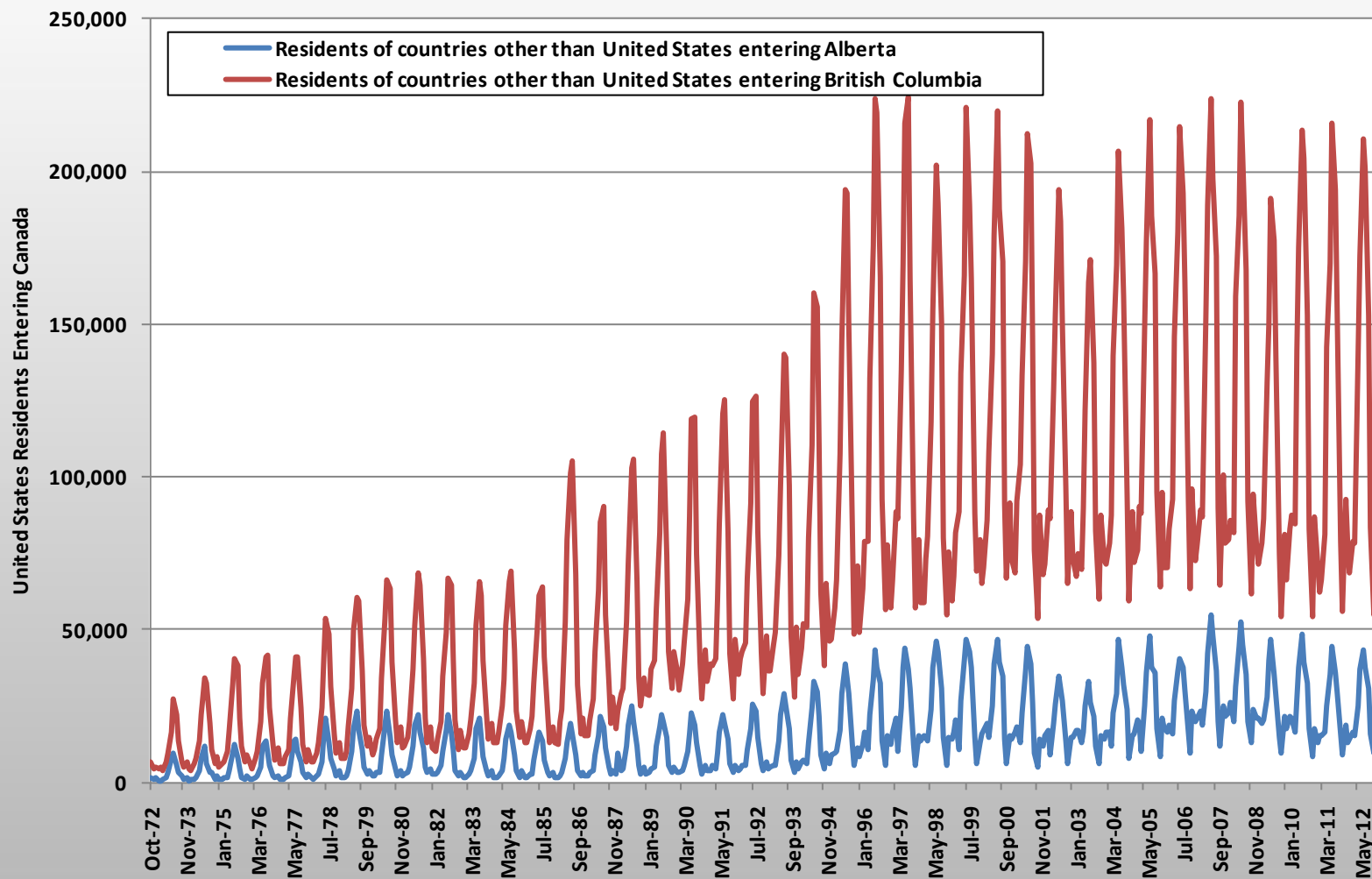
PRELIMINARY

Number of U.S. Residents Entering Alberta and British Columbia: October 1972 to February 2013



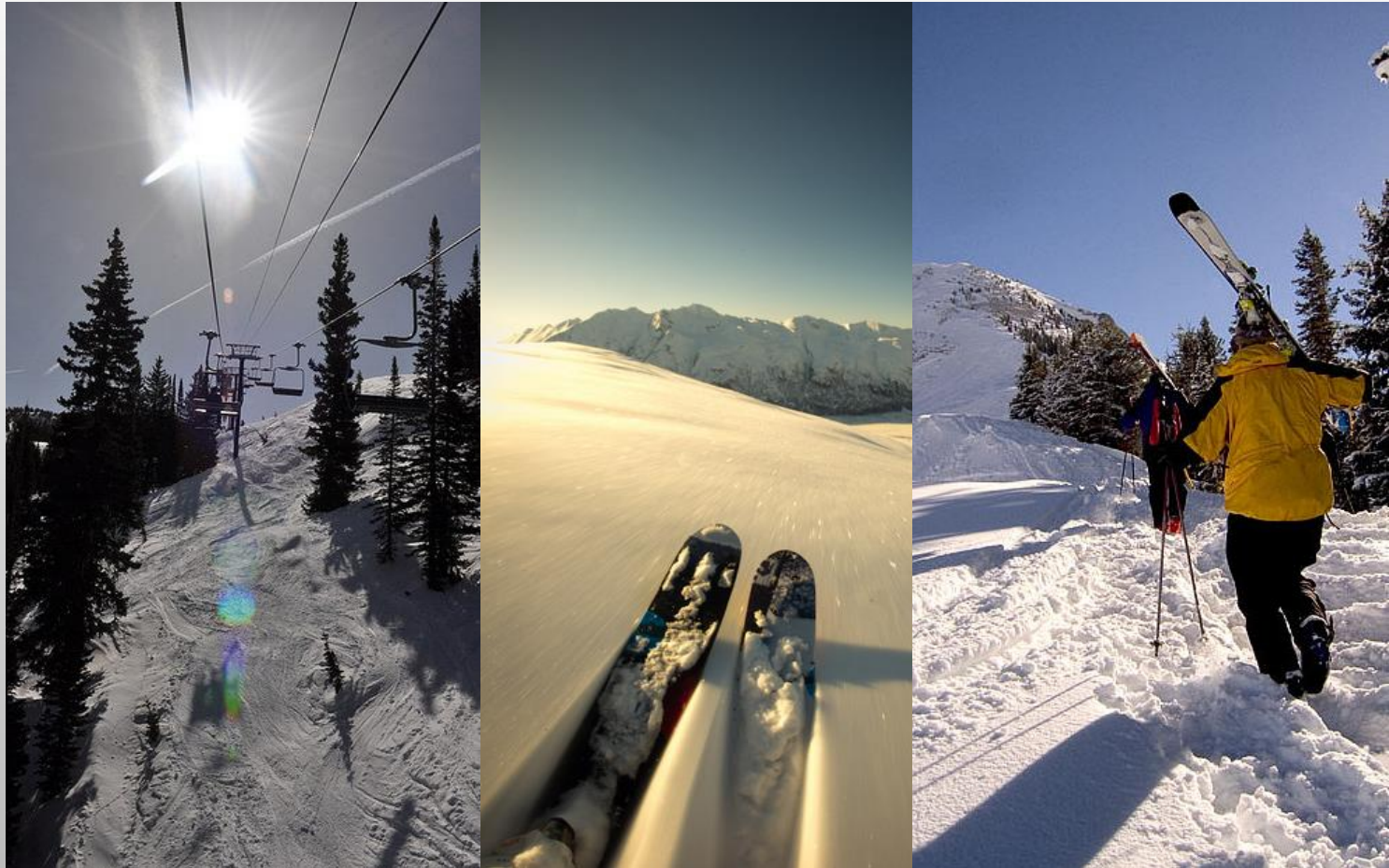
PRELIMINARY

Other International Residents Entering Alberta and British Columbia: October 1972 to February 2013

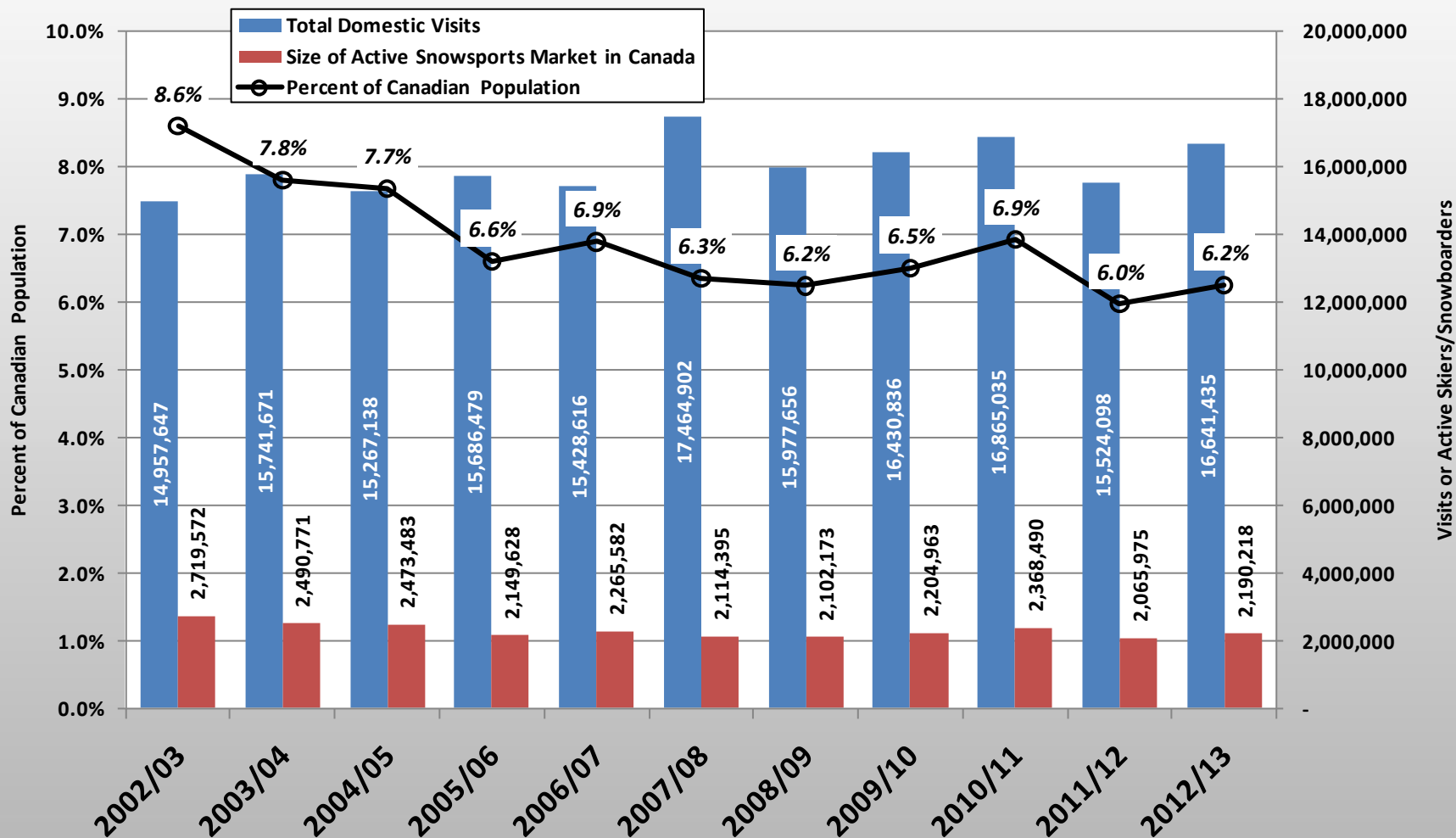


PRELIMINARY

Visitor Characteristics

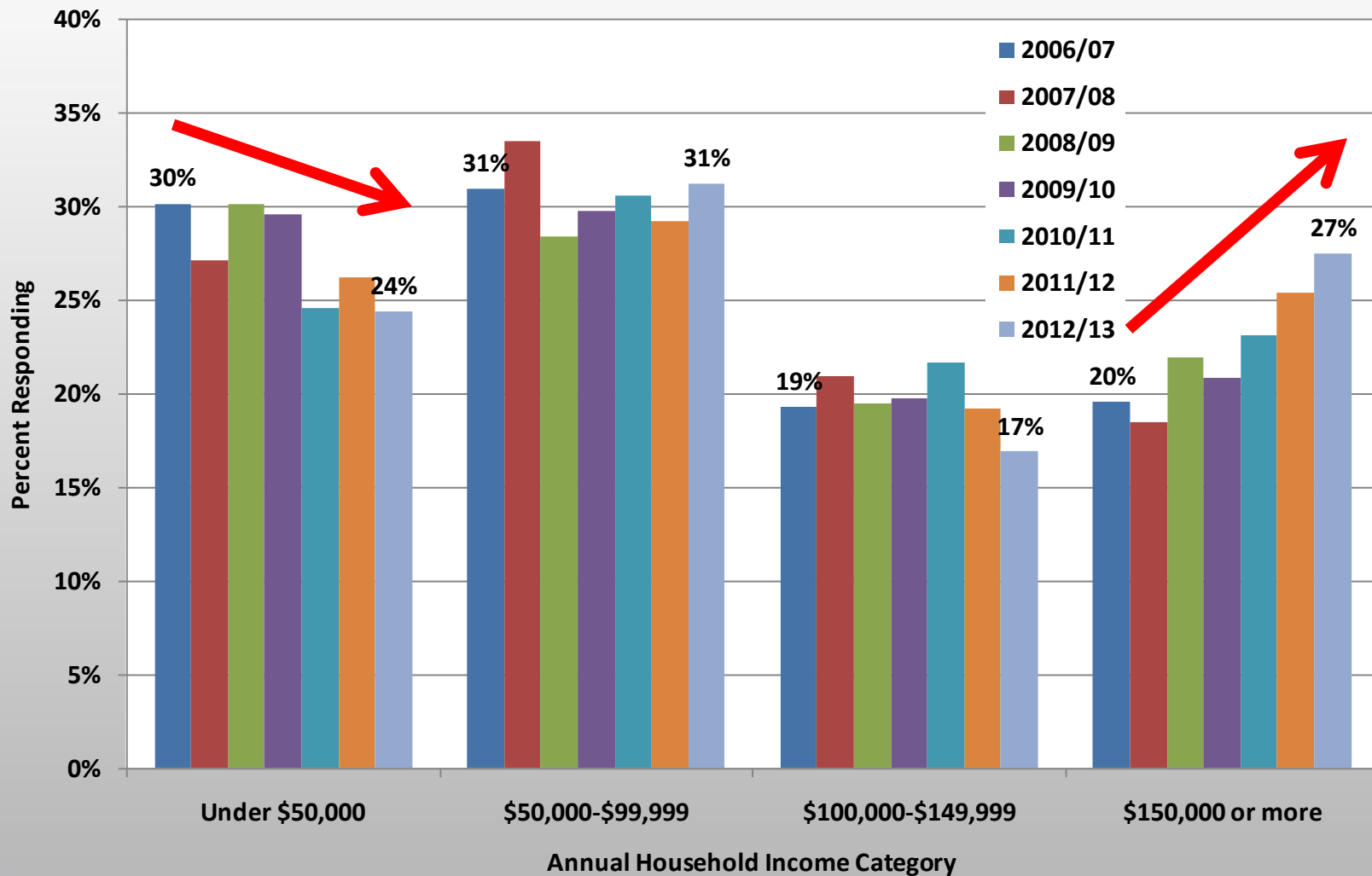


Domestic Visits and Number of Active Participants vs. Percent of Canadian Population Actively Skiing/Snowboarding: 2001/02 to 2012/13

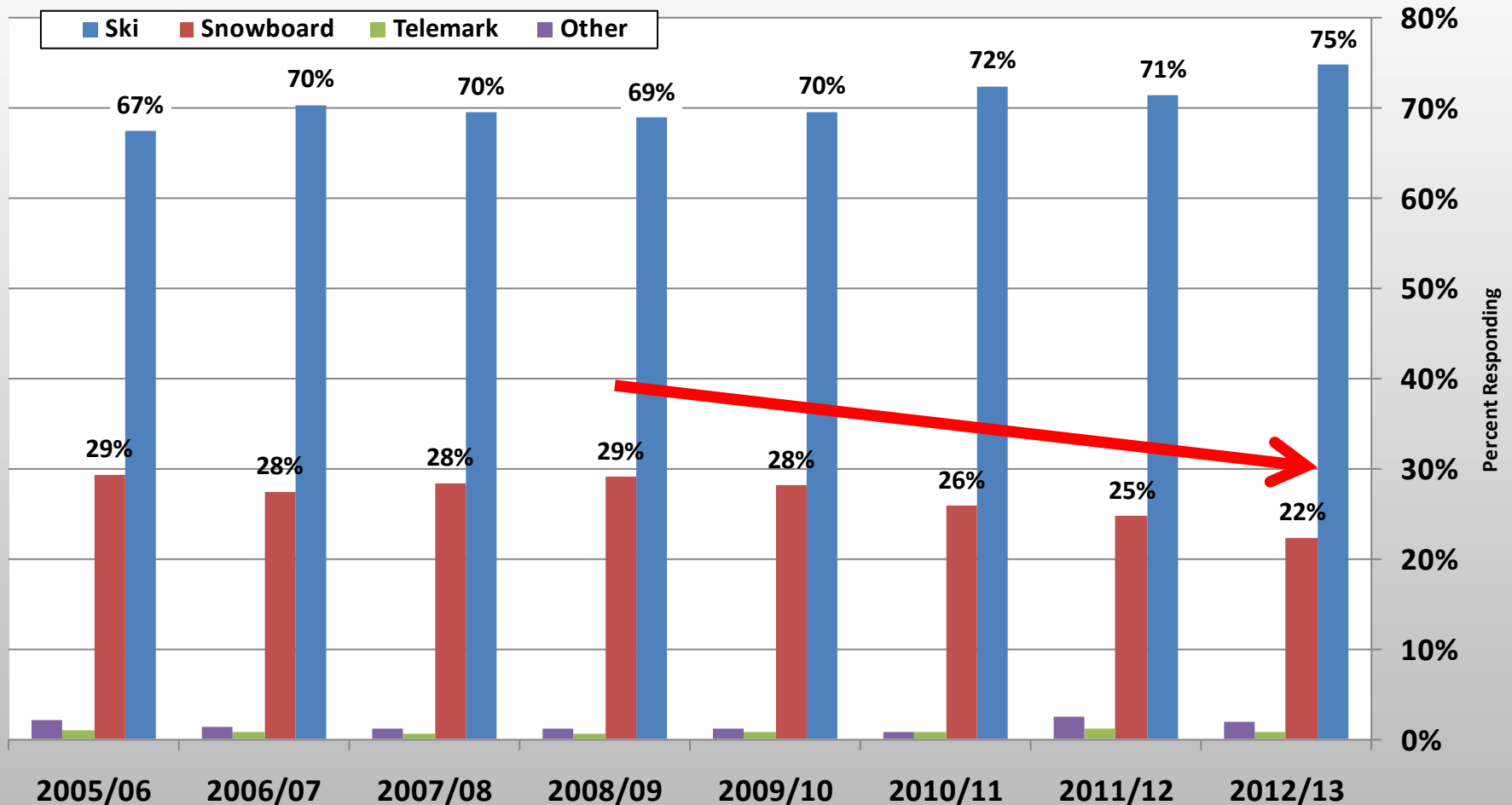


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Annual Household Income Categories: 2006/07 to 2012/13

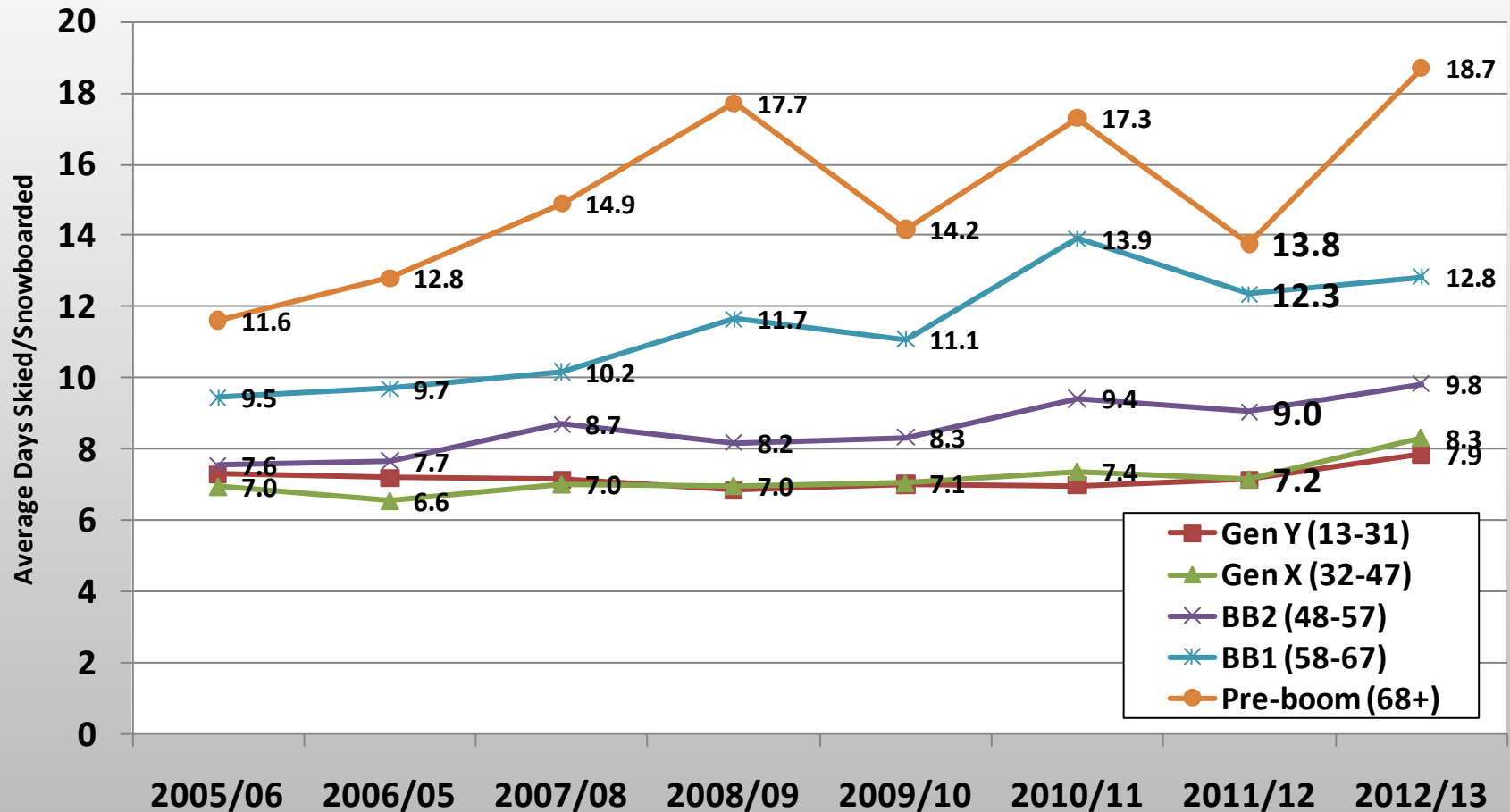


Equipment Type Utilized: 2005/06 to 2012/13



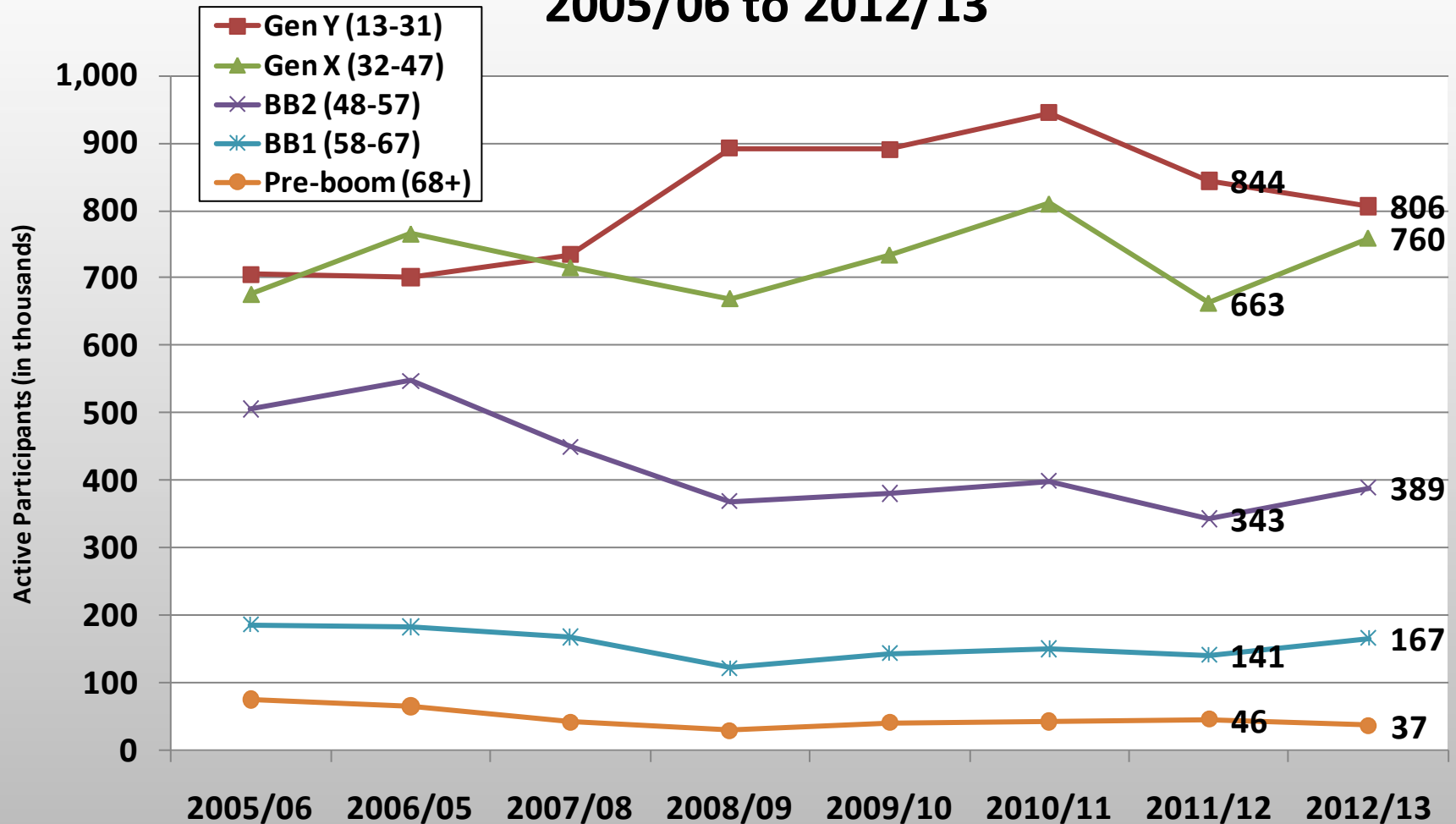
PRELIMINARY

Average Days Skied/Snowboarded by Cohort: 2005/06 to 2012/13



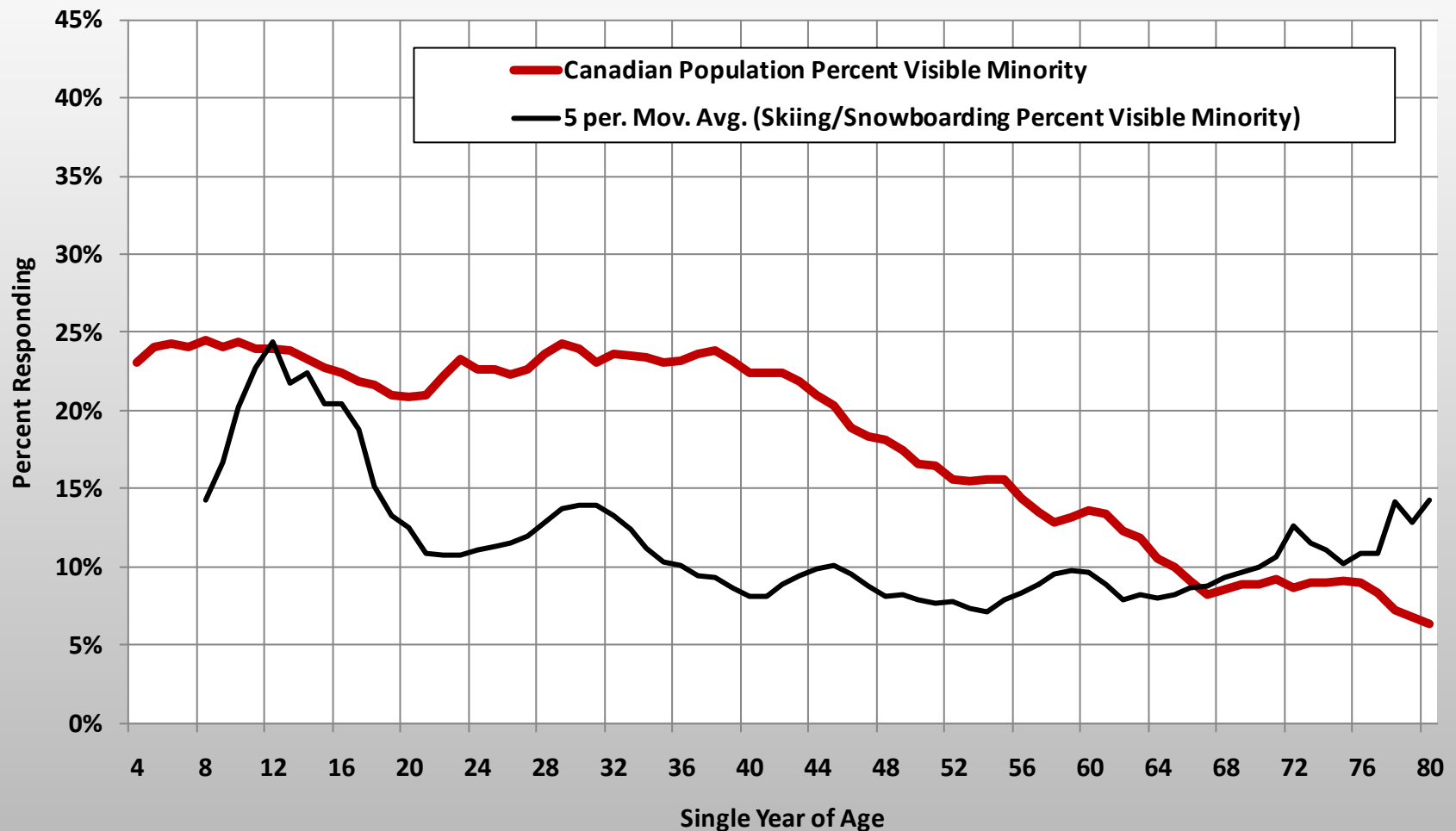
PRELIMINARY

Size of Active Participants by Cohort: 2005/06 to 2012/13

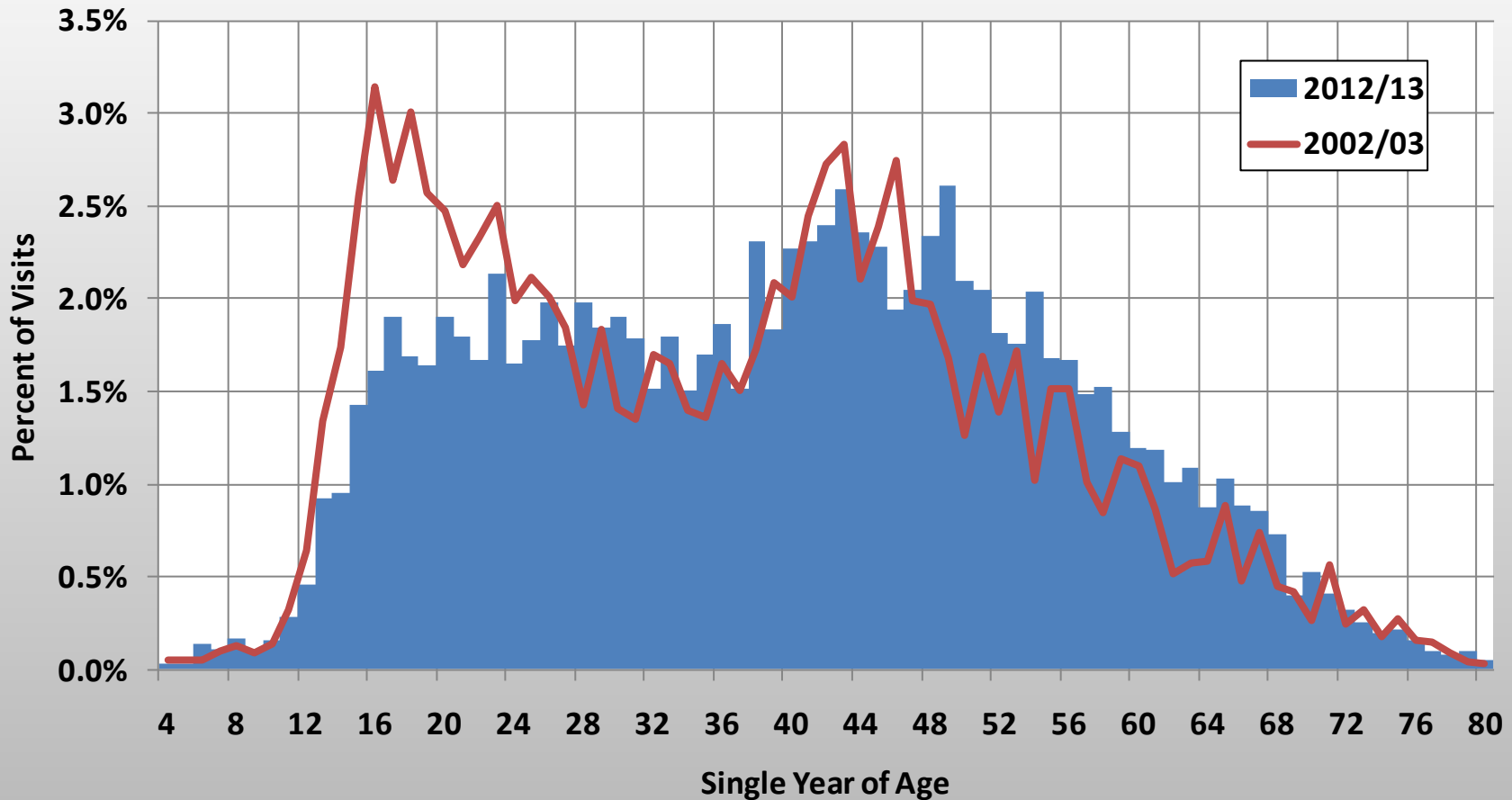


PRELIMINARY

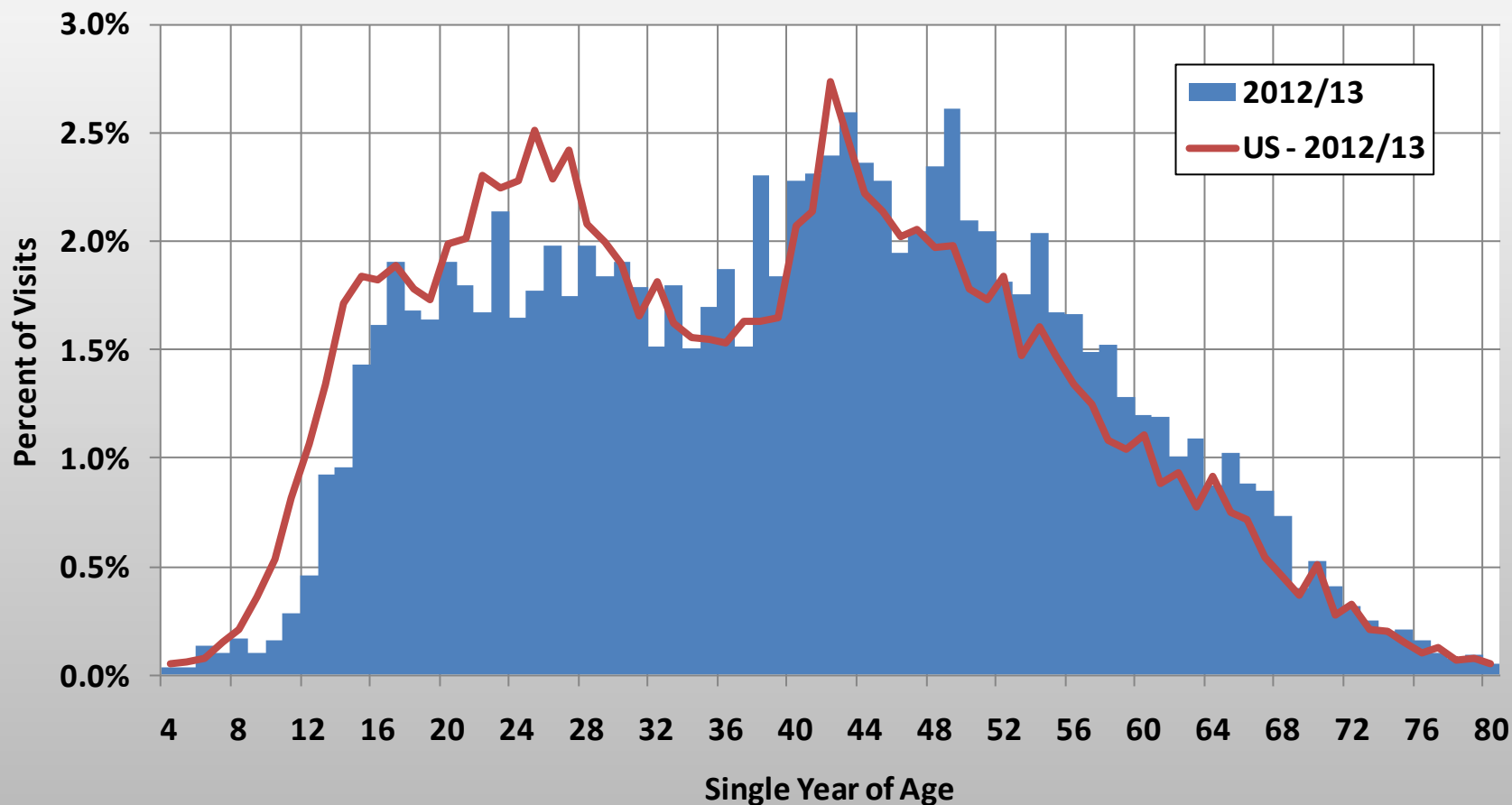
Percent Visible Minority by Single Year of Age: Canadian Population in 2011 vs. 3-Season Average for Skiers/Snowboarders



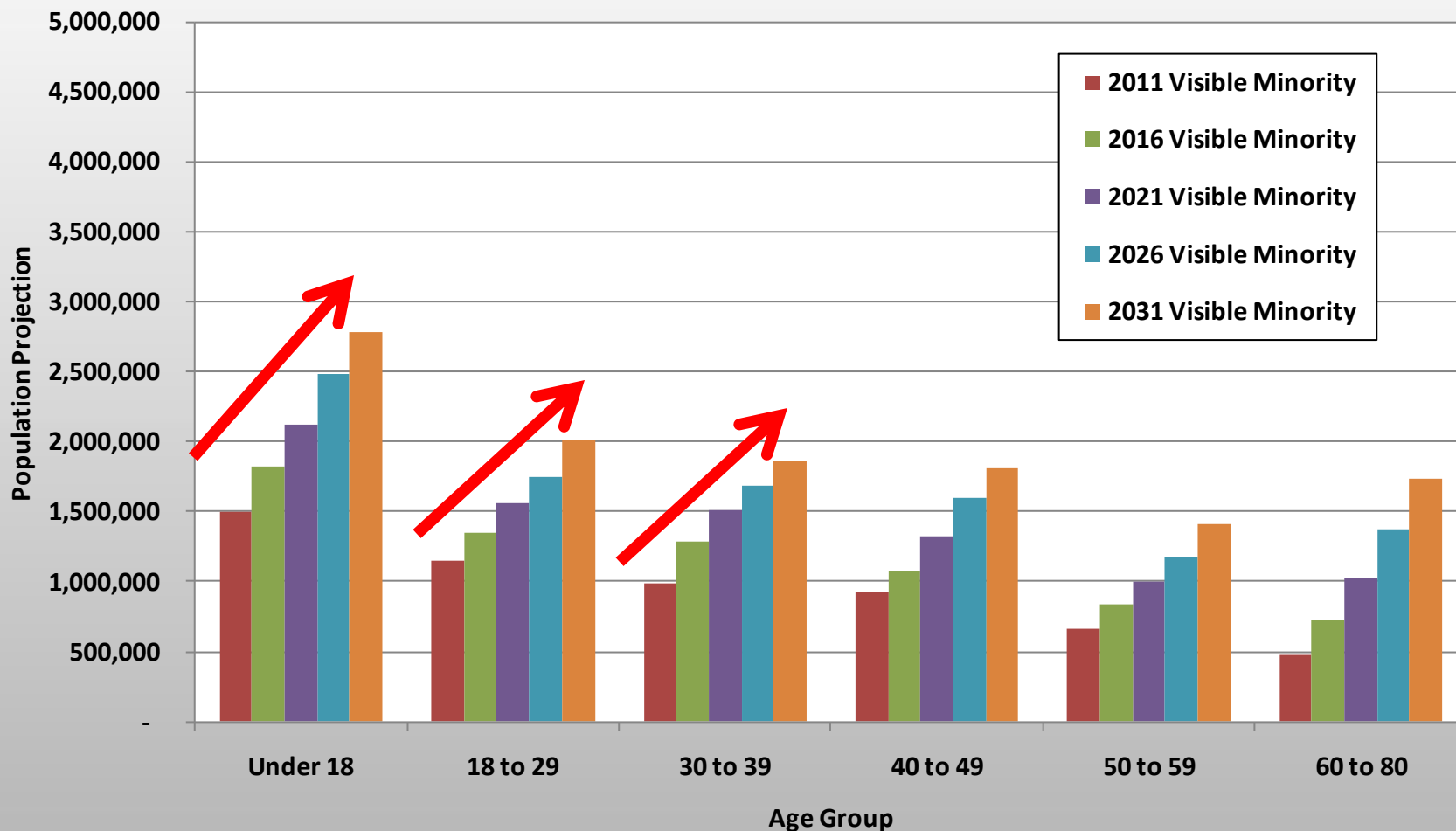
Age Profile of Domestic Canadian Skiers/Snowboarders: 2002/03 vs. 2012/13



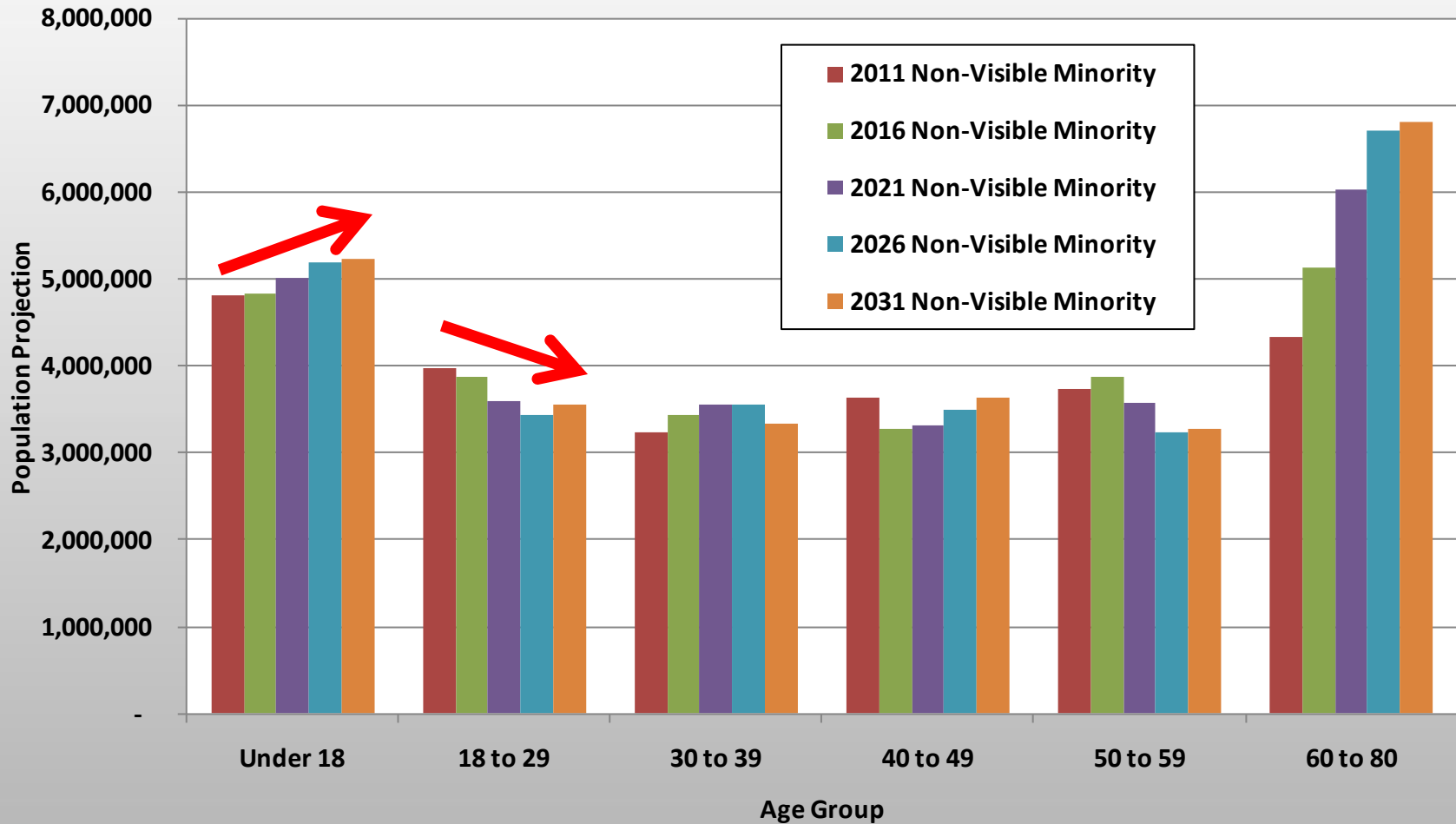
Canadian vs. U.S. Age Profile of Skiers/Snowboarders: 2012/13



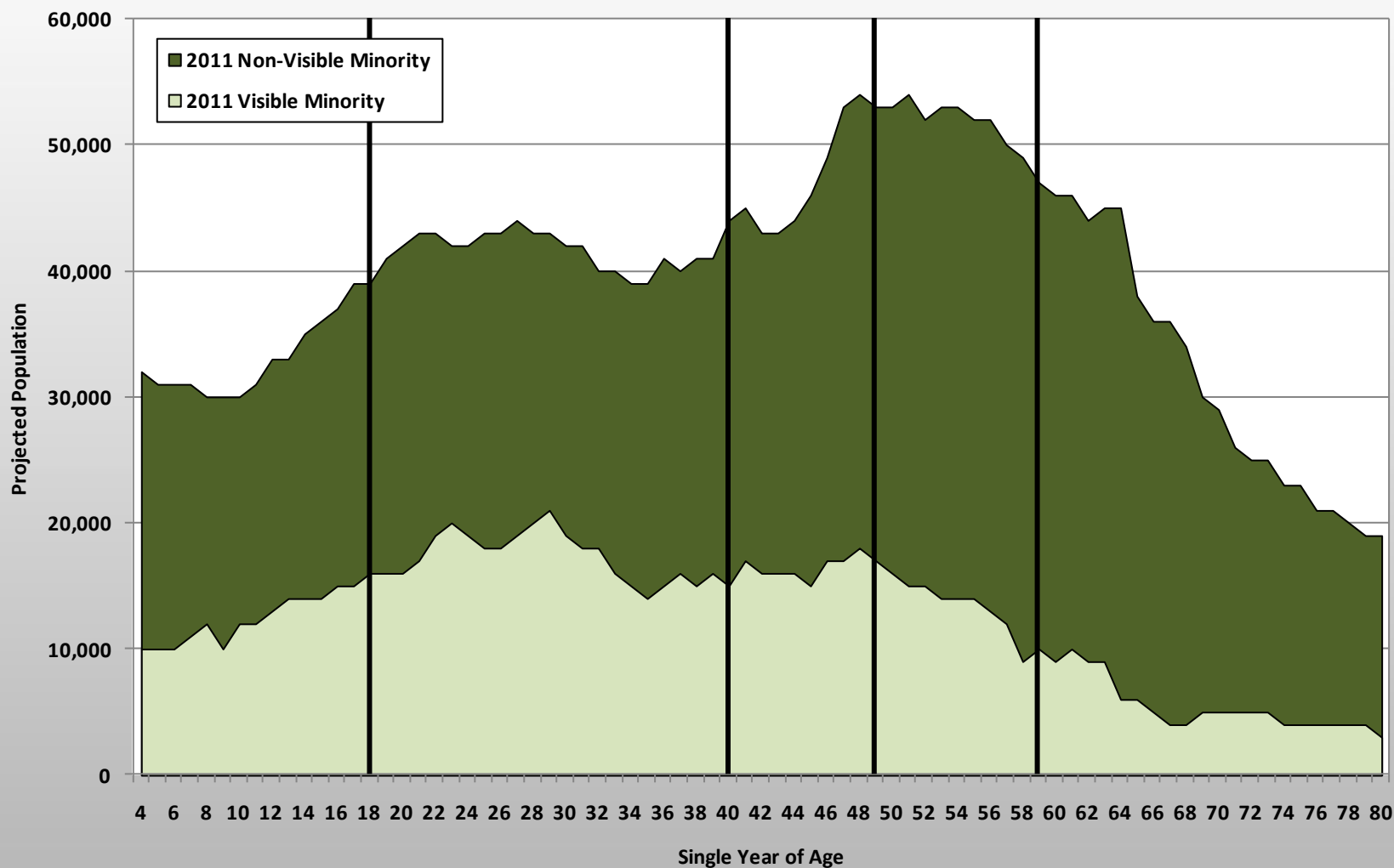
Population Projections for Canada Visible Minorities by Age Group: 2011 to 2031



Population Projections for Canada Non-Visible Minorities by Age Group: 2011 to 2031

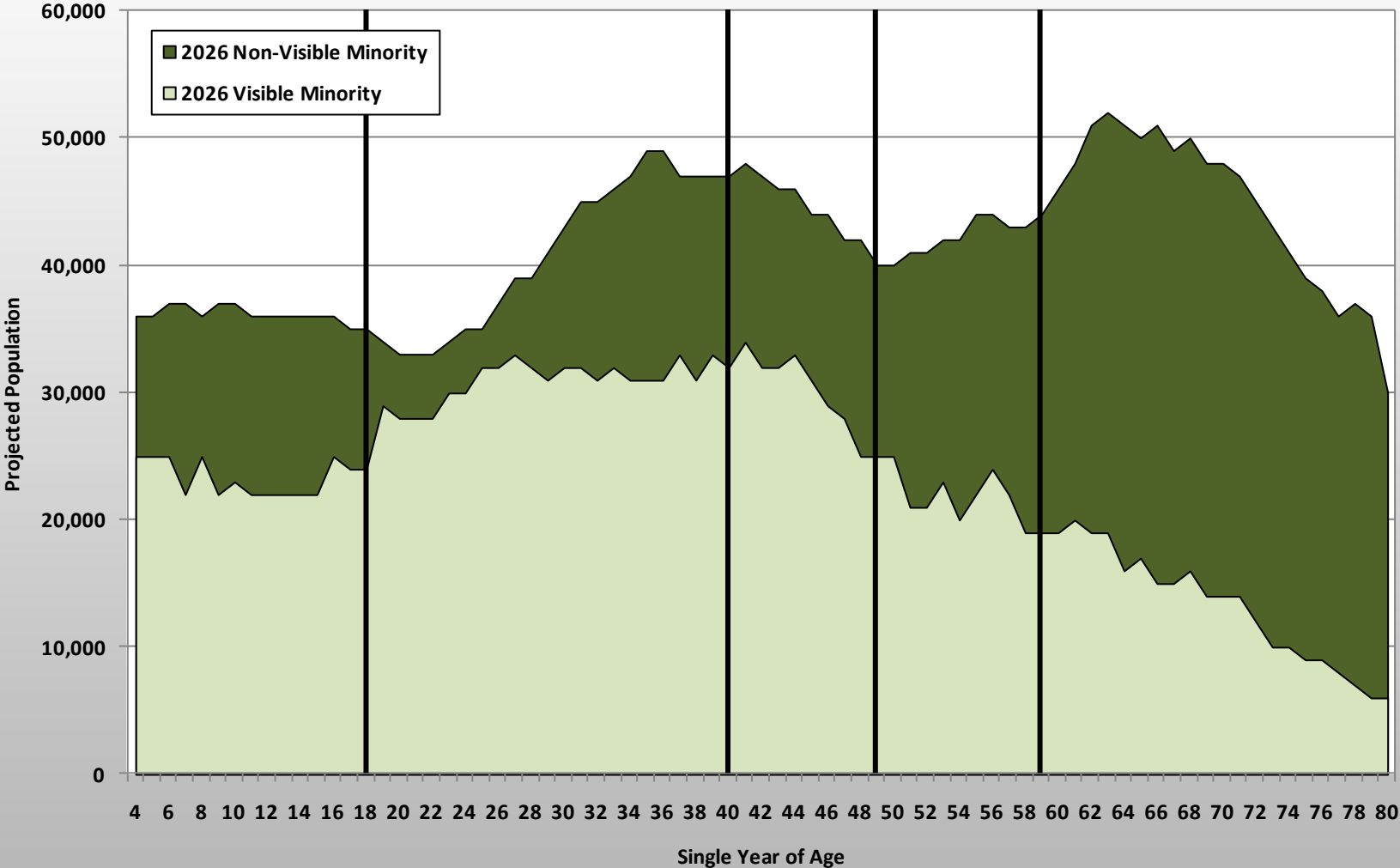


2011 British Columbia Projected Population by Age and Minority Status



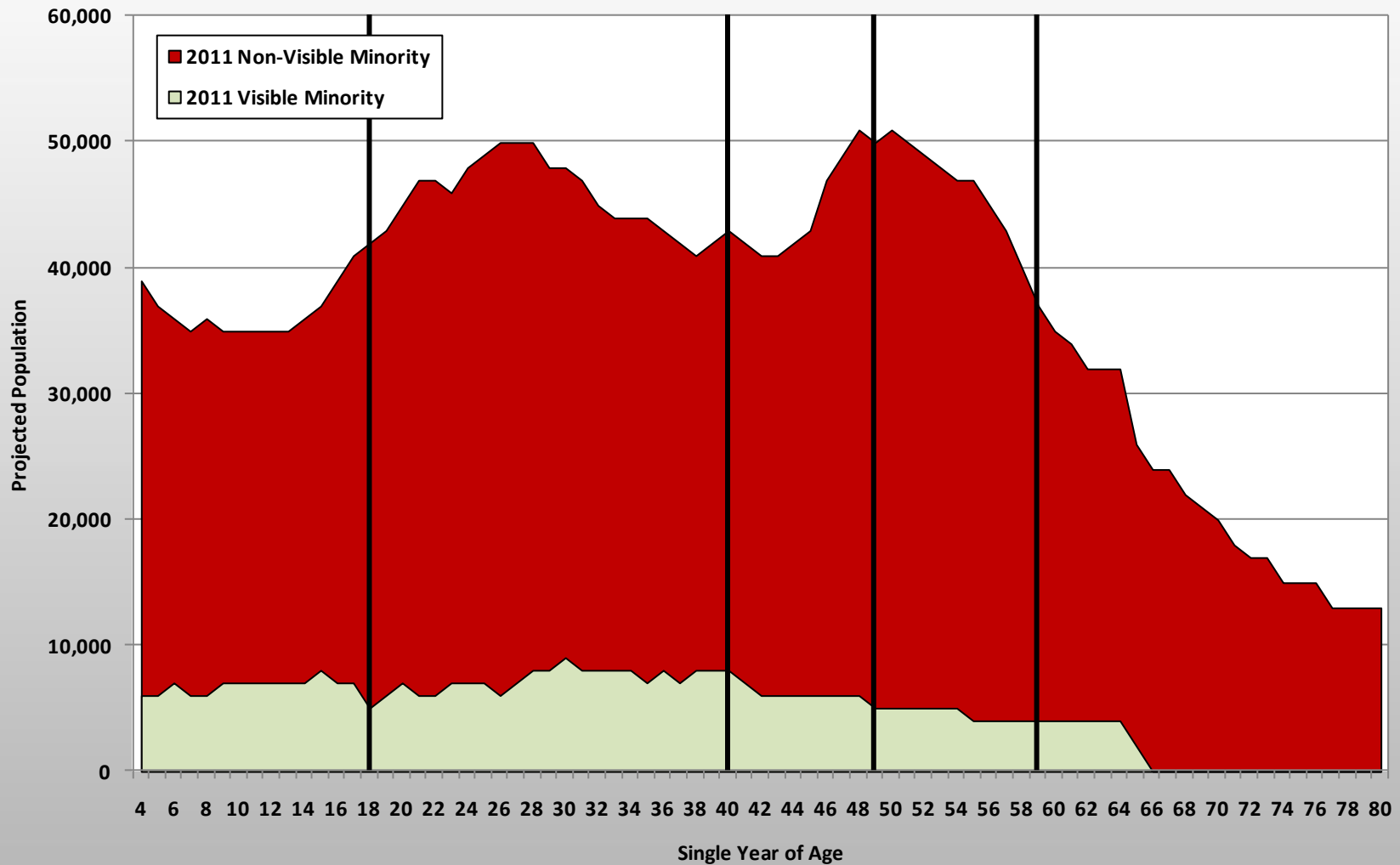
PRELIMINARY

2026 British Columbia Projected Population by Age and Minority Status



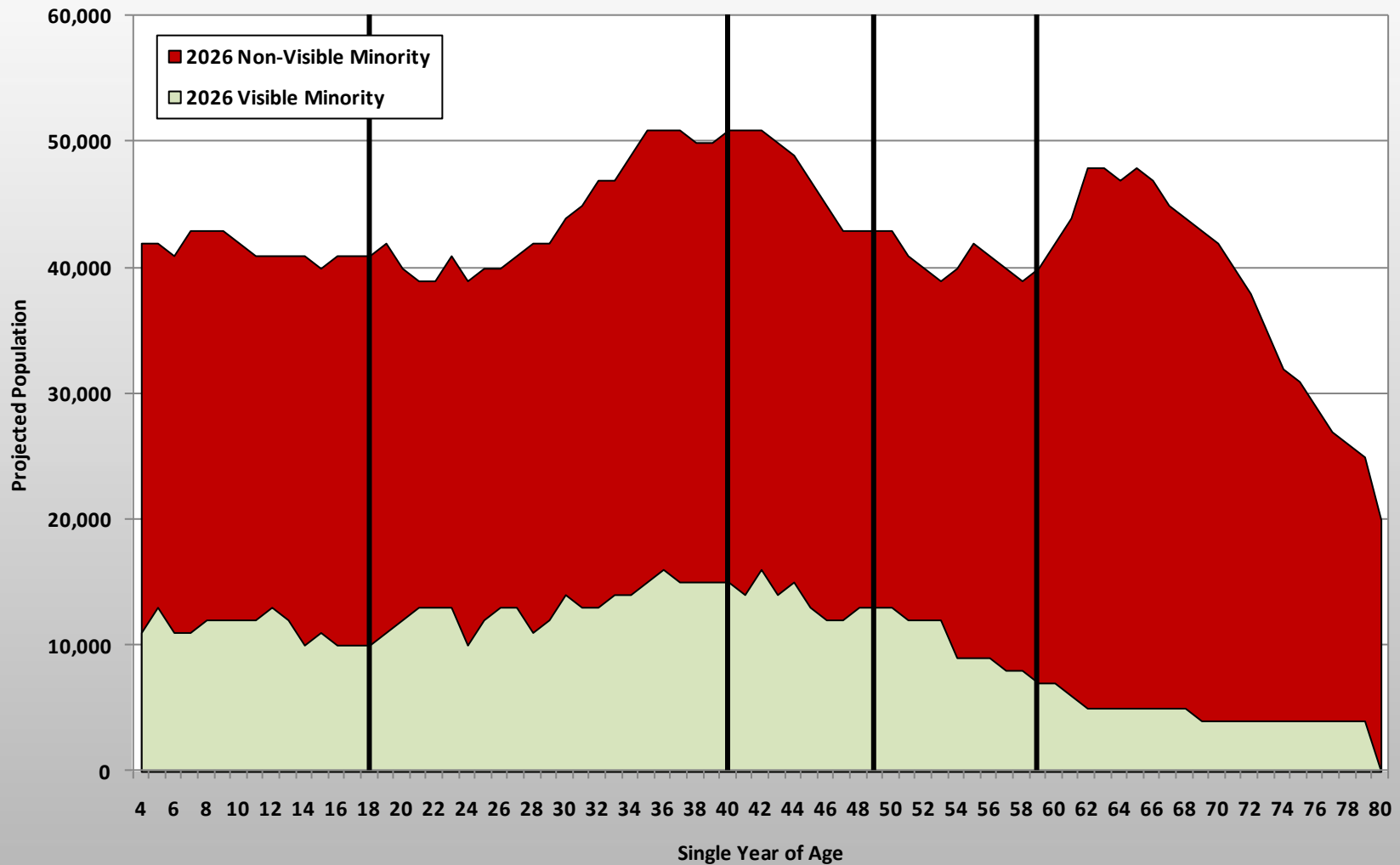
PRELIMINARY

2011 Alberta Projected Population by Age and Minority Status



PRELIMINARY

2026 Alberta Projected Population by Age and Minority Status

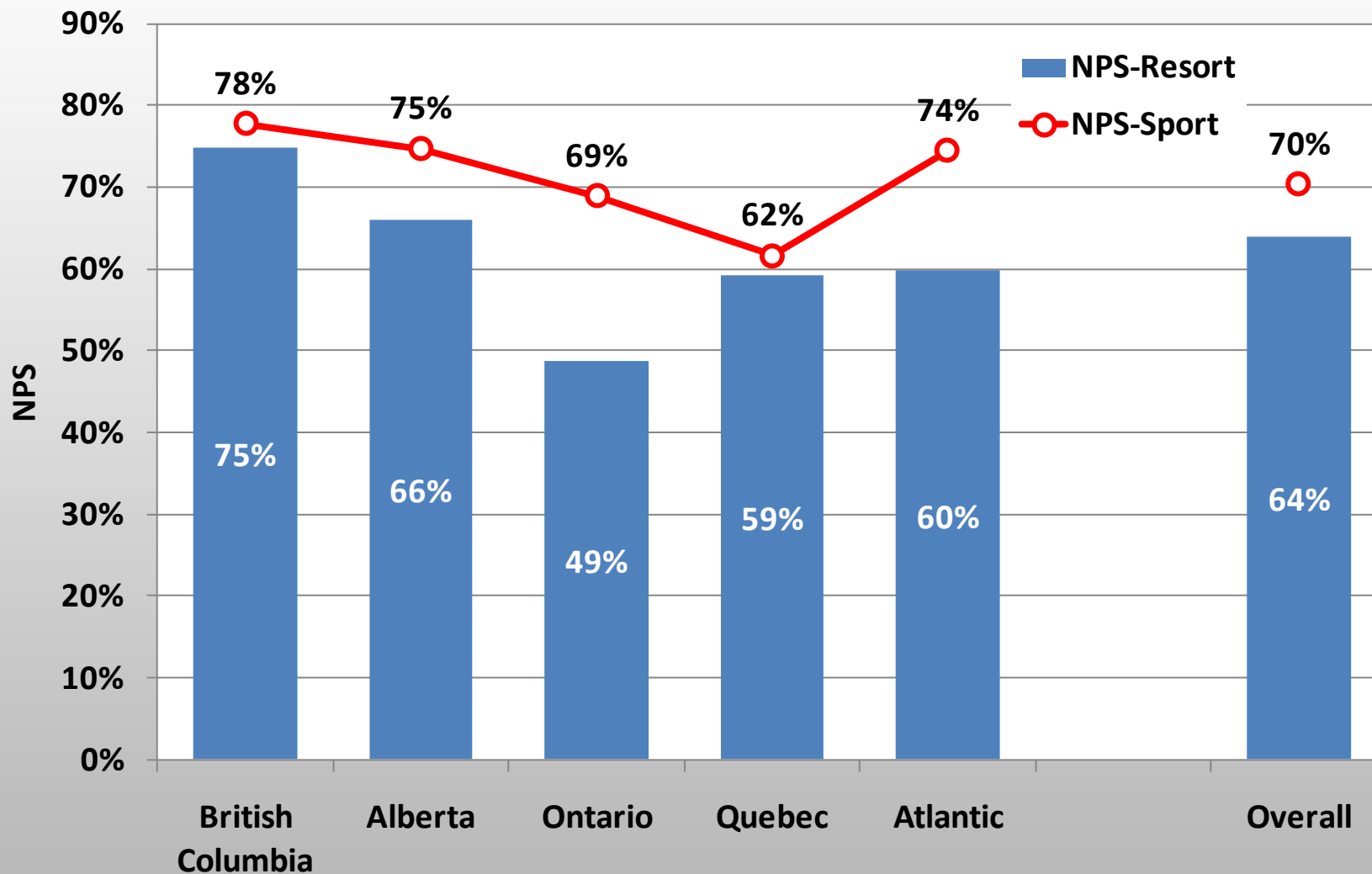


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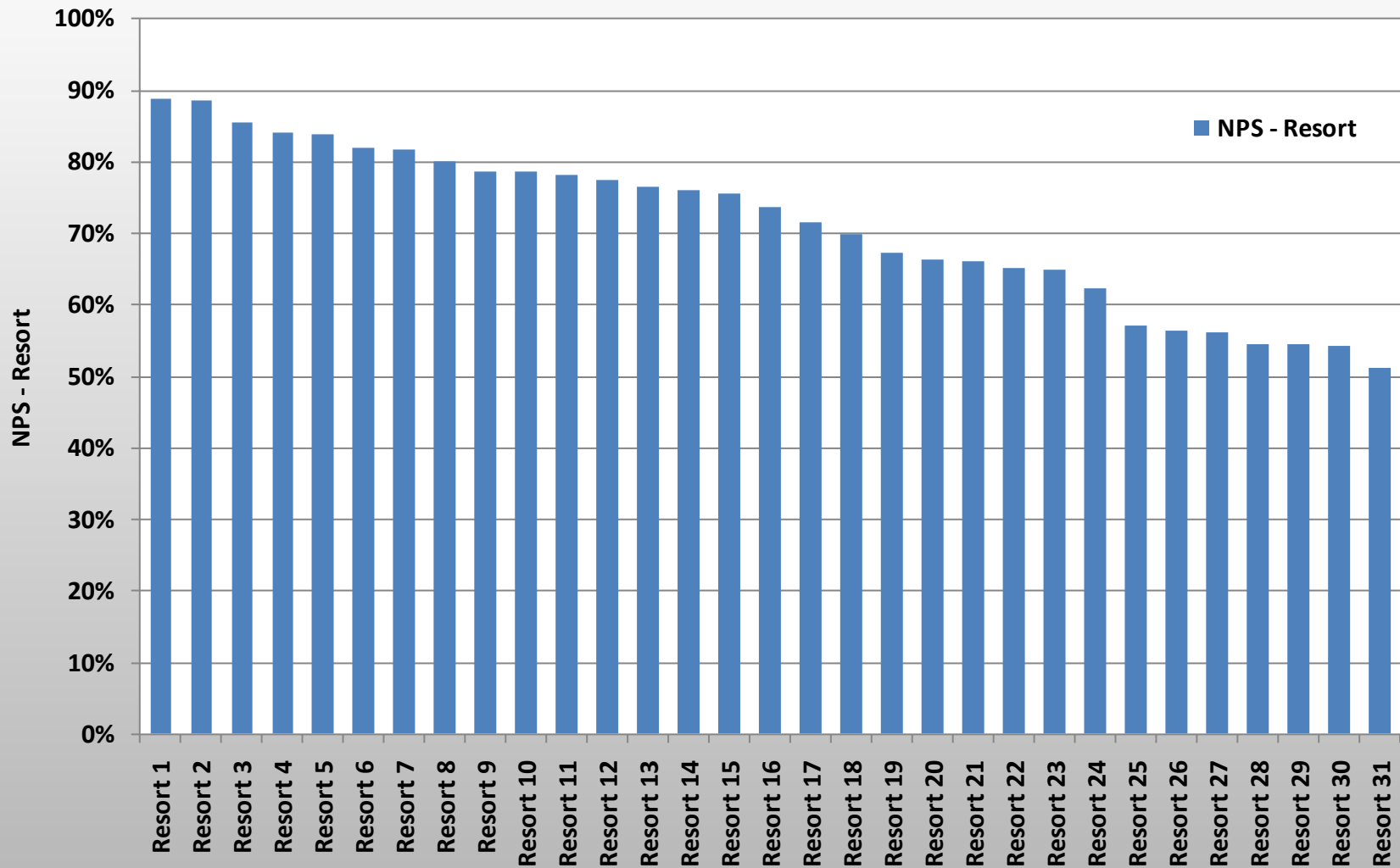
Guest Loyalty and The Model



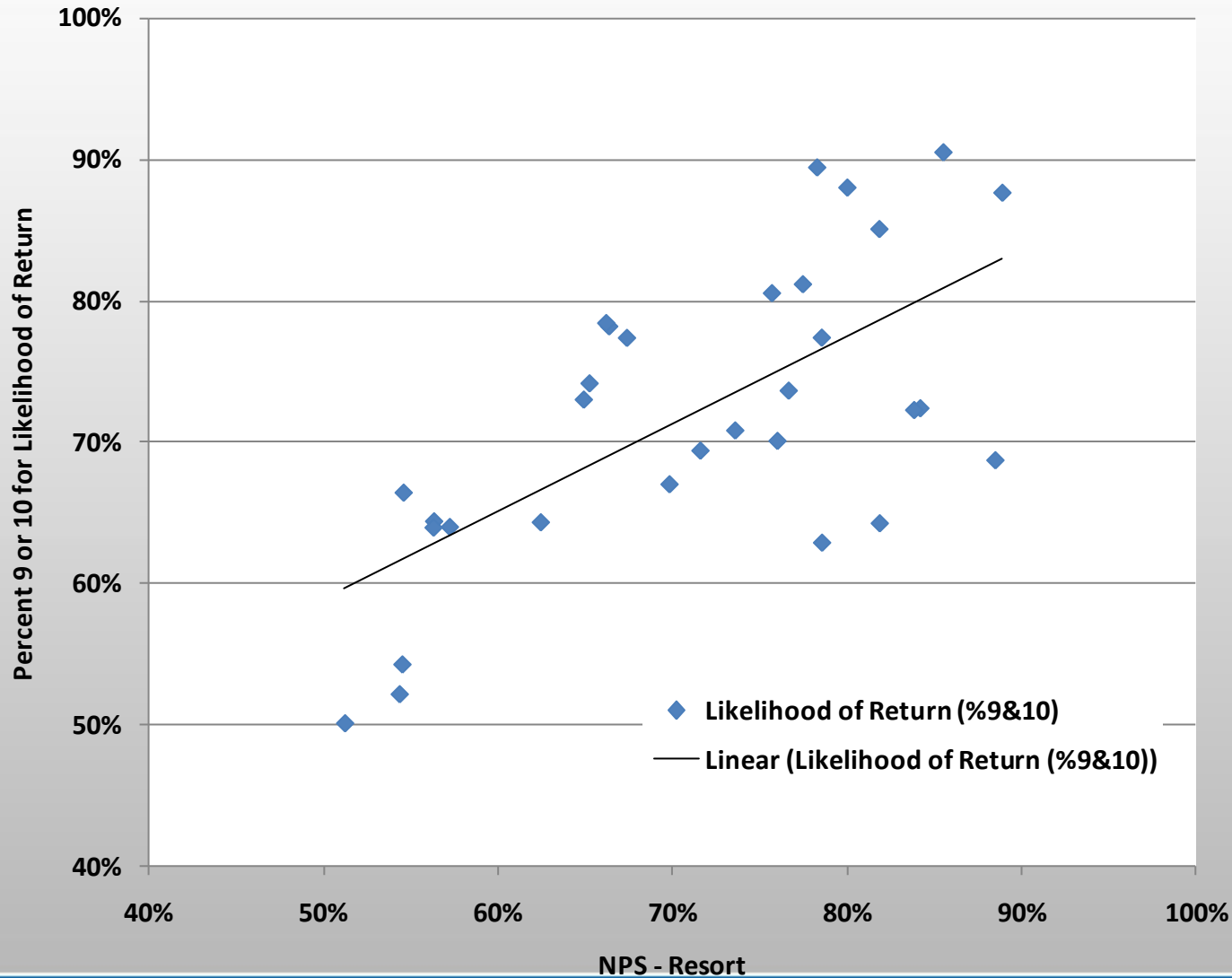
NPS for Resort vs. Sport by Region: 2012/13



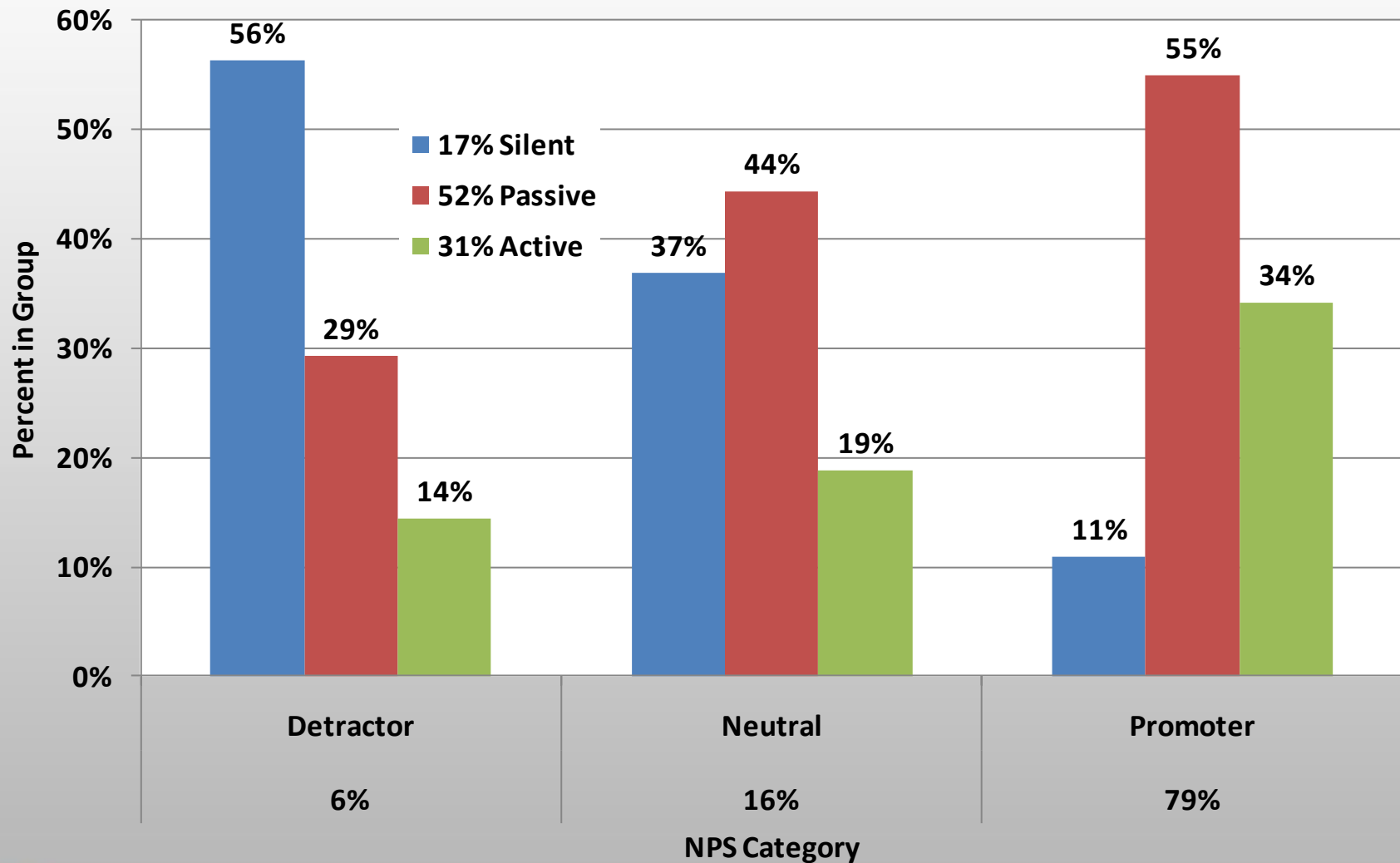
2012/13 Resort Net Promoter Score Distribution



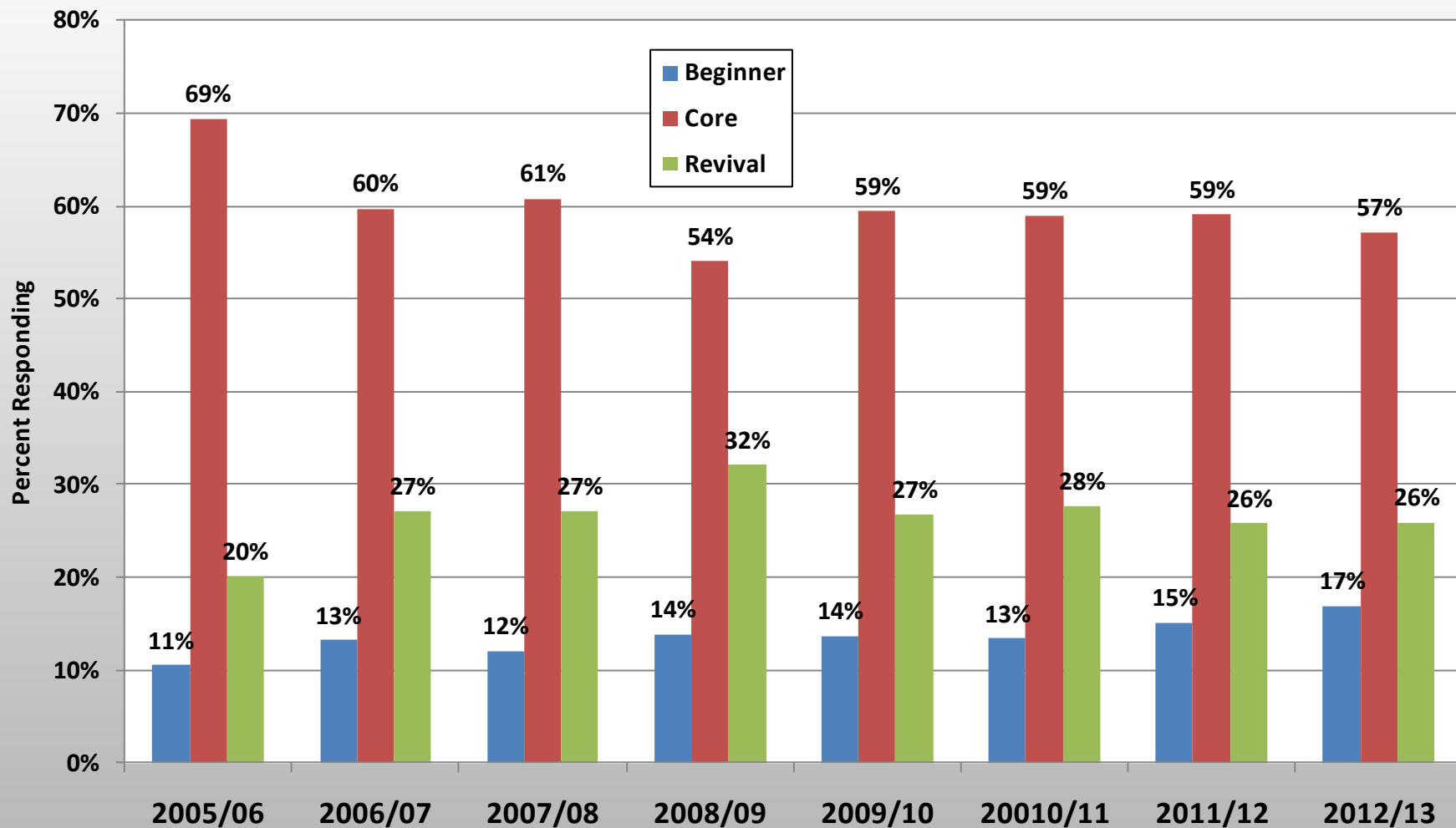
Resort Net Promoter Score vs. Likelihood of Return: 2012/13



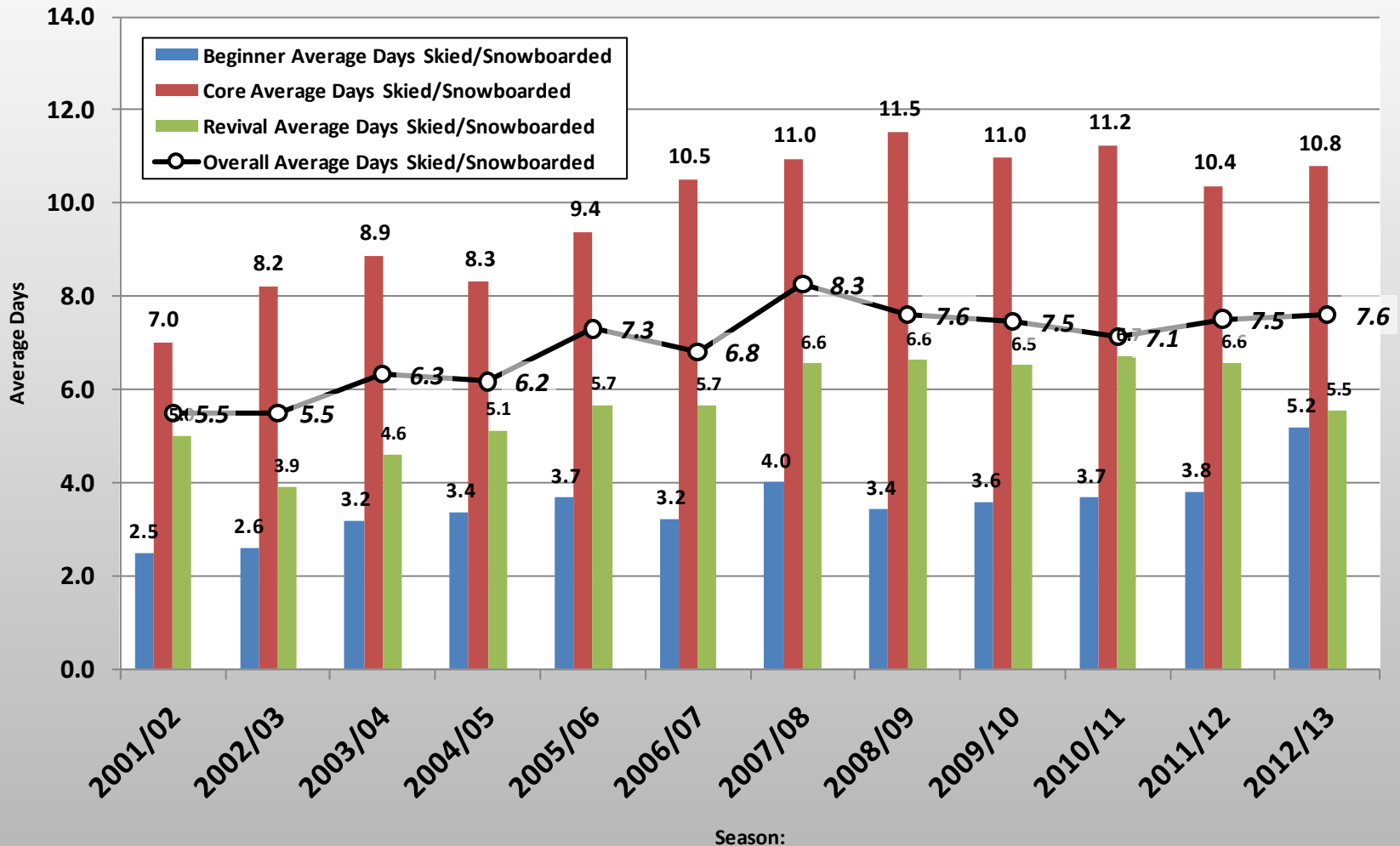
Resort Net Promoter Categories vs. Personal Tendency to Recommend: 2012/13



Percent of Visits by Skier/Snowboarder Type: 2005/06 to 2012/13

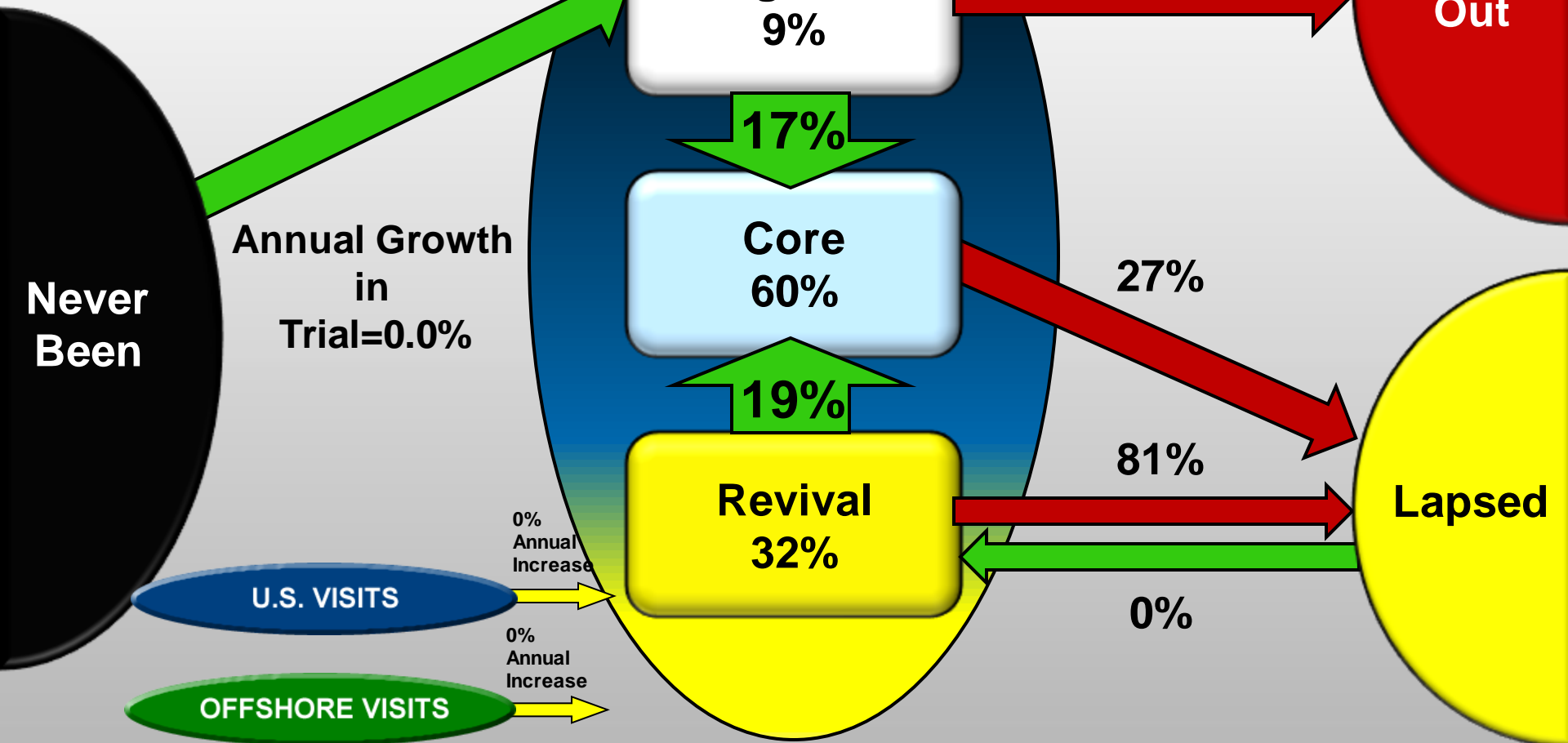


Average Days Skied/Snowboarded, Overall and by Skier/Rider Grouping: 2001/02 to 2012/13



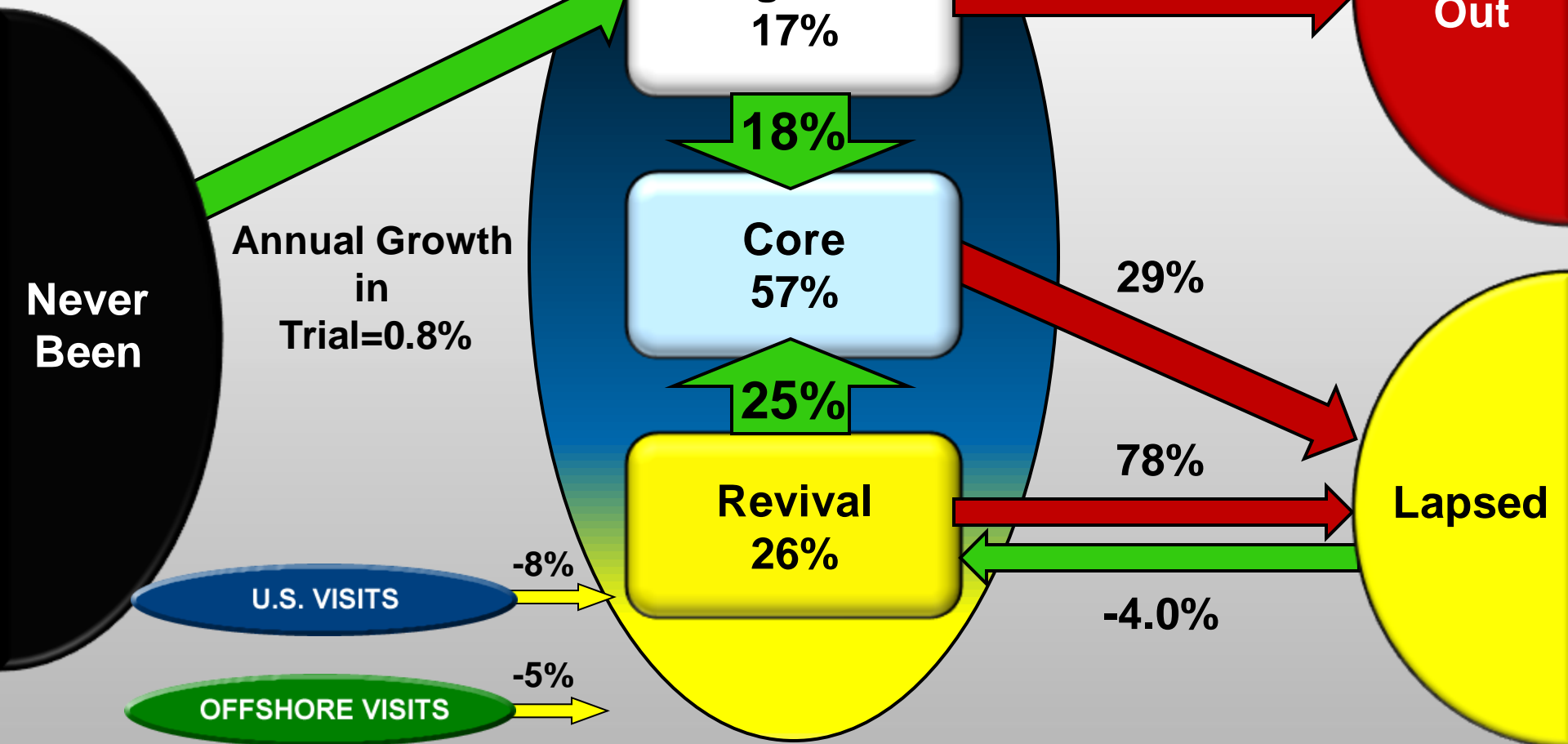
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CANADIAN MODEL 2002/2003



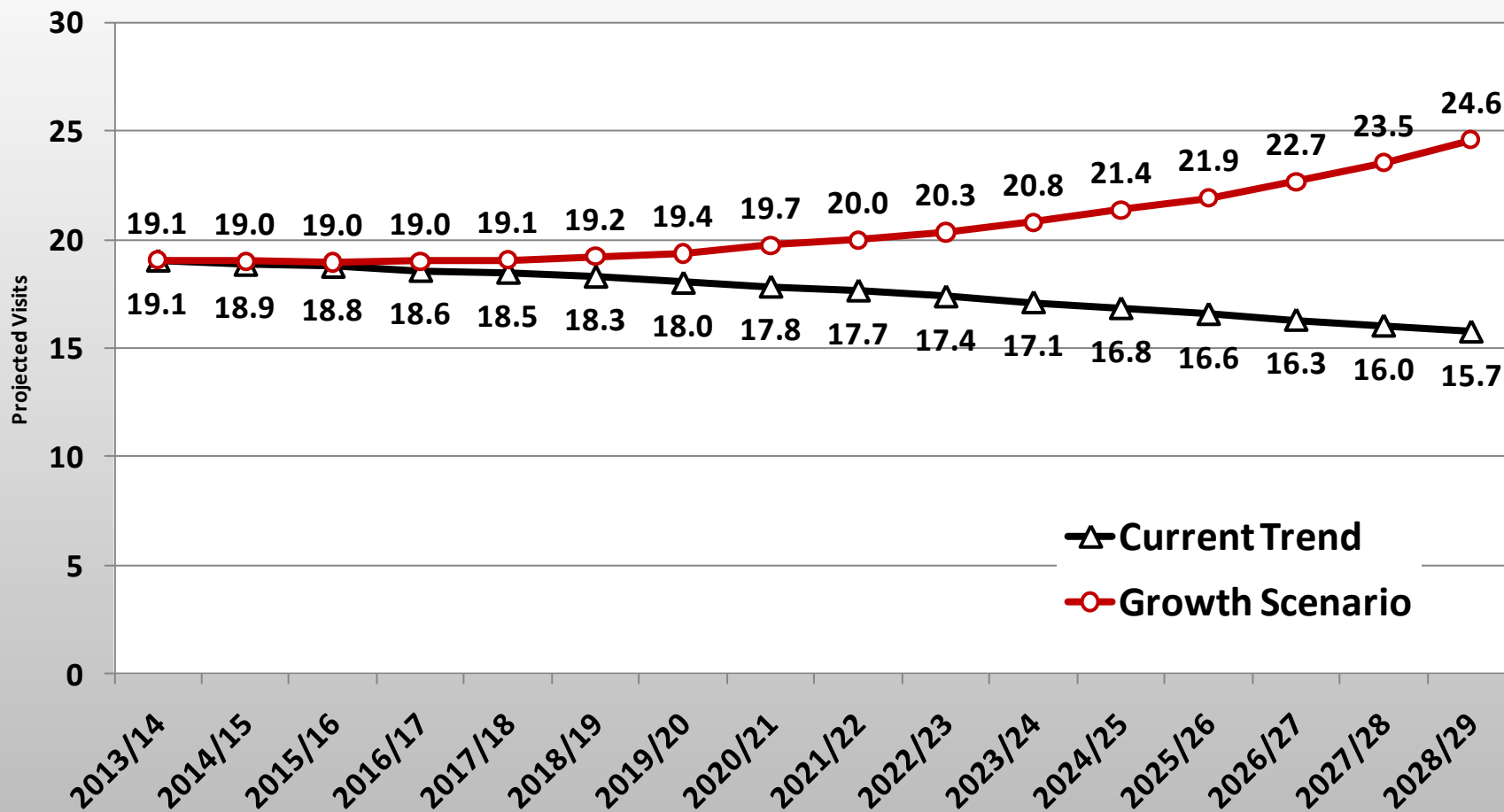
PRELIMINARY

CANADIAN MODEL 2012/2013



PRELIMINARY

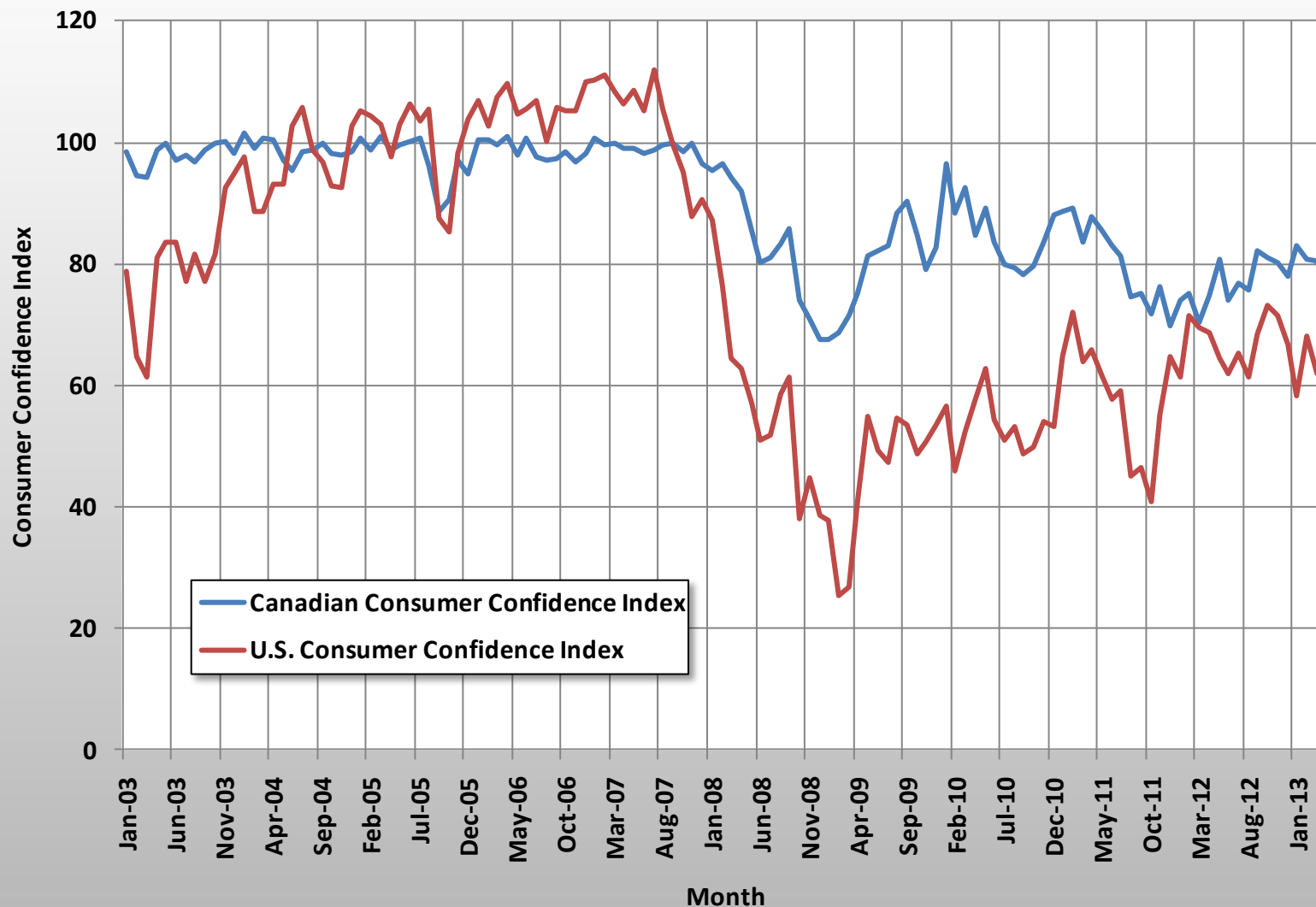
Projected Total Visits: 2013/14 to 2028/29



Outlook for 2013/14

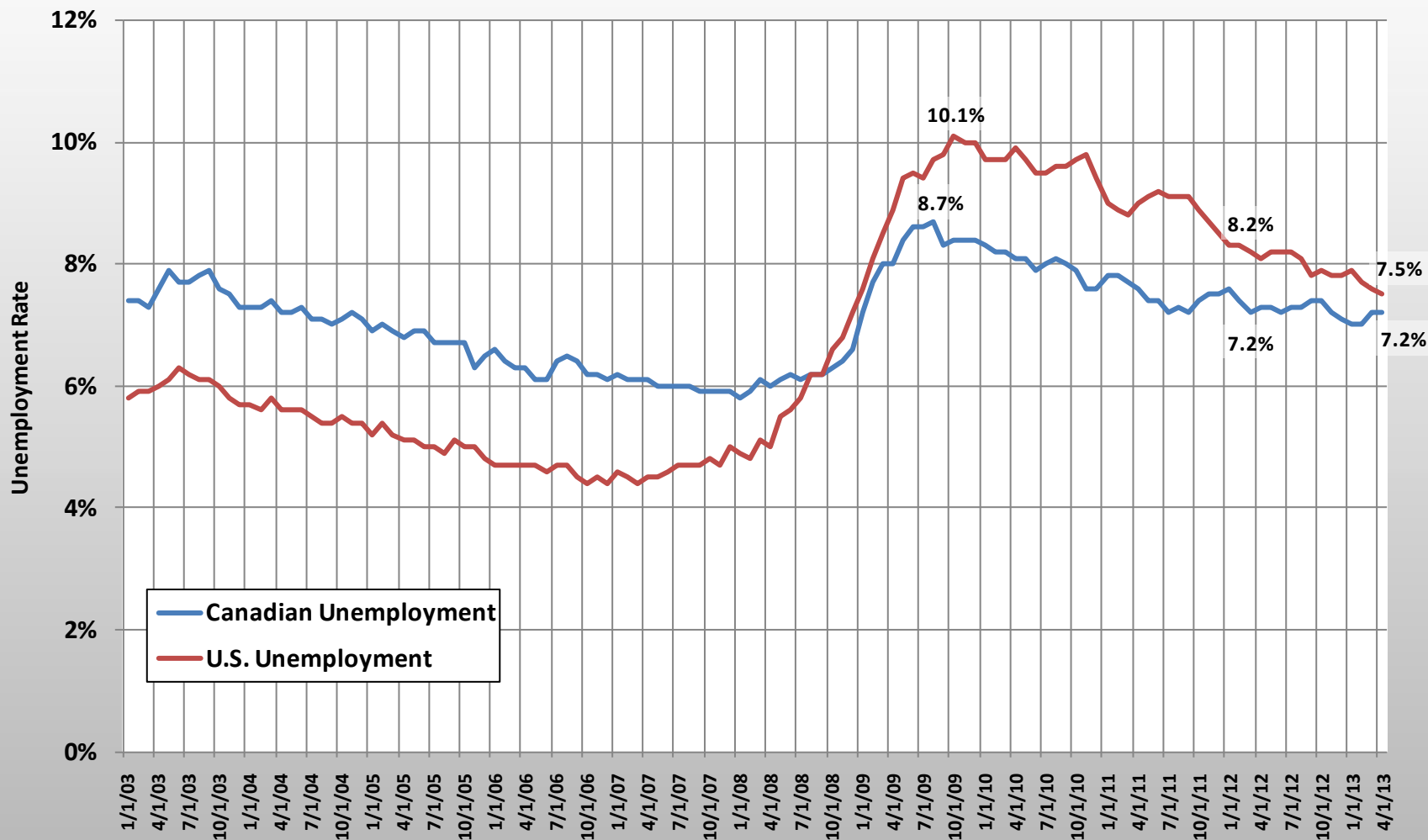


Canadian Consumer Confidence Index vs. U.S. Consumer Confidence Index: January 2003 to April 2013



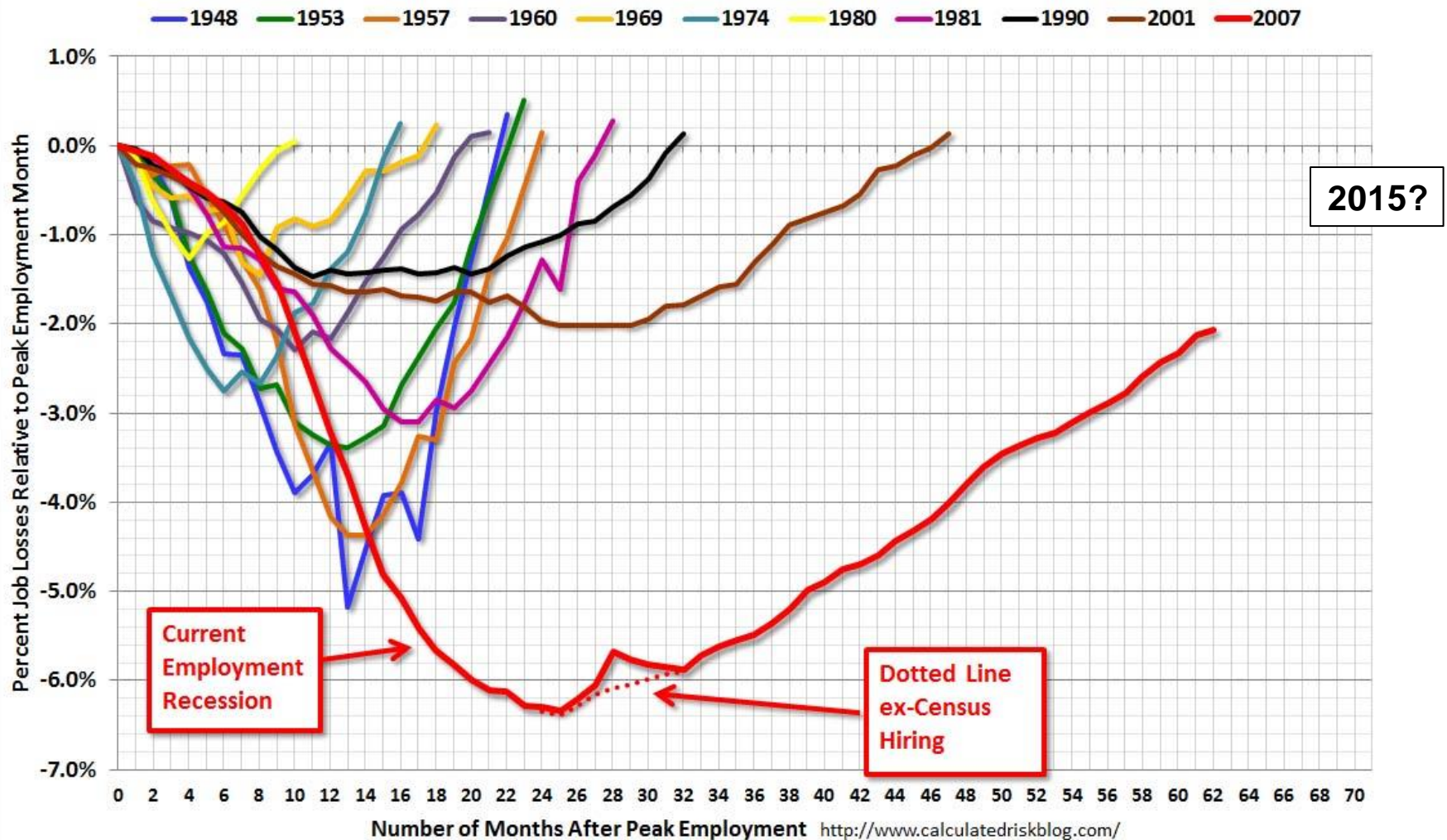
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Monthly Unemployment Rates from January 2003 to April 2013: U.S. vs. Canada

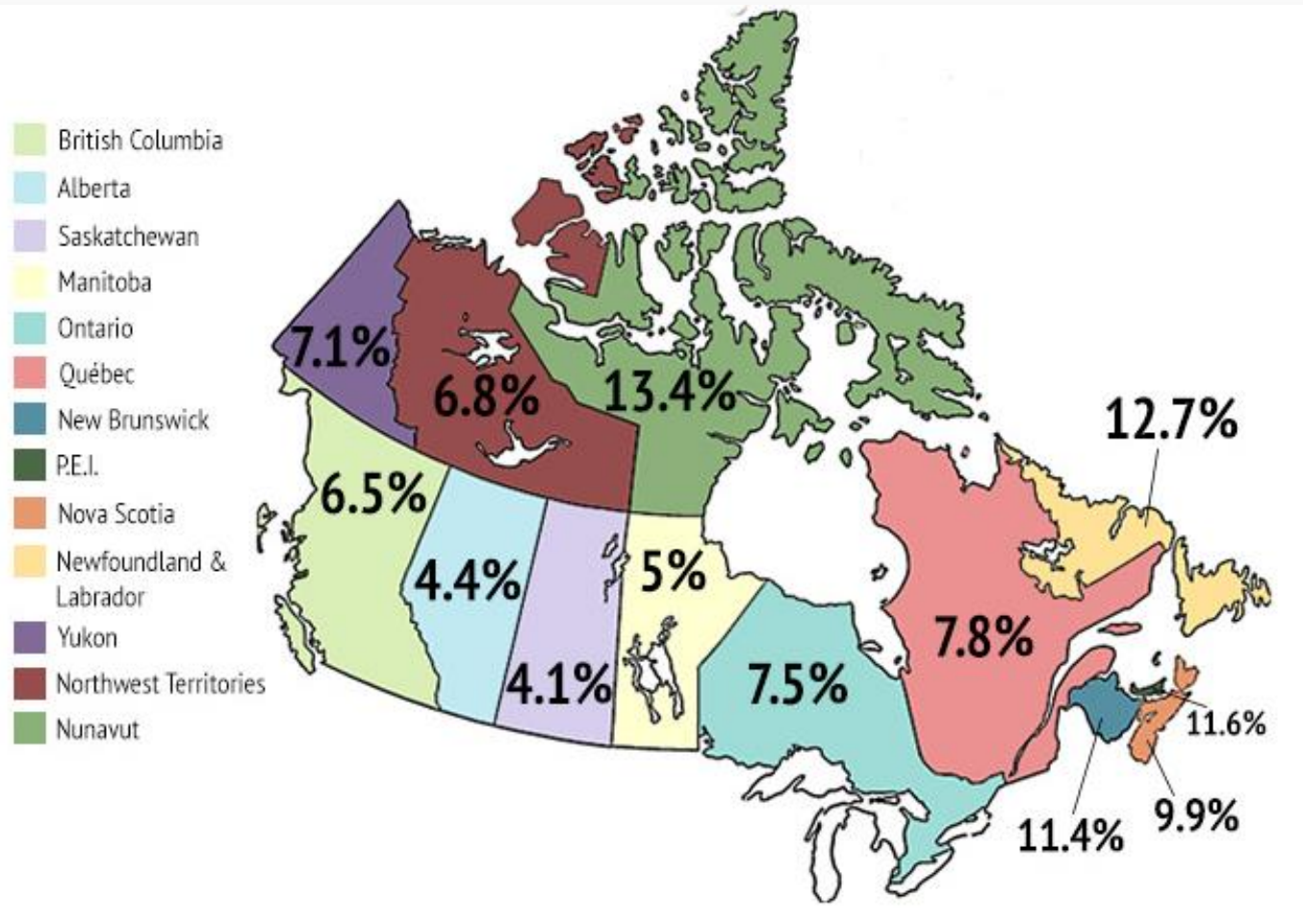


PRELIMINARY

Percent Job Losses in Post WWII Recessions



Unemployment by Province



PRELIMINARY

Canadian Economic Outlook

BLUE CHIP INTERNATIONAL CONSENSUS FORECASTS

CANADA

April Consensus

Top 3 Avg.

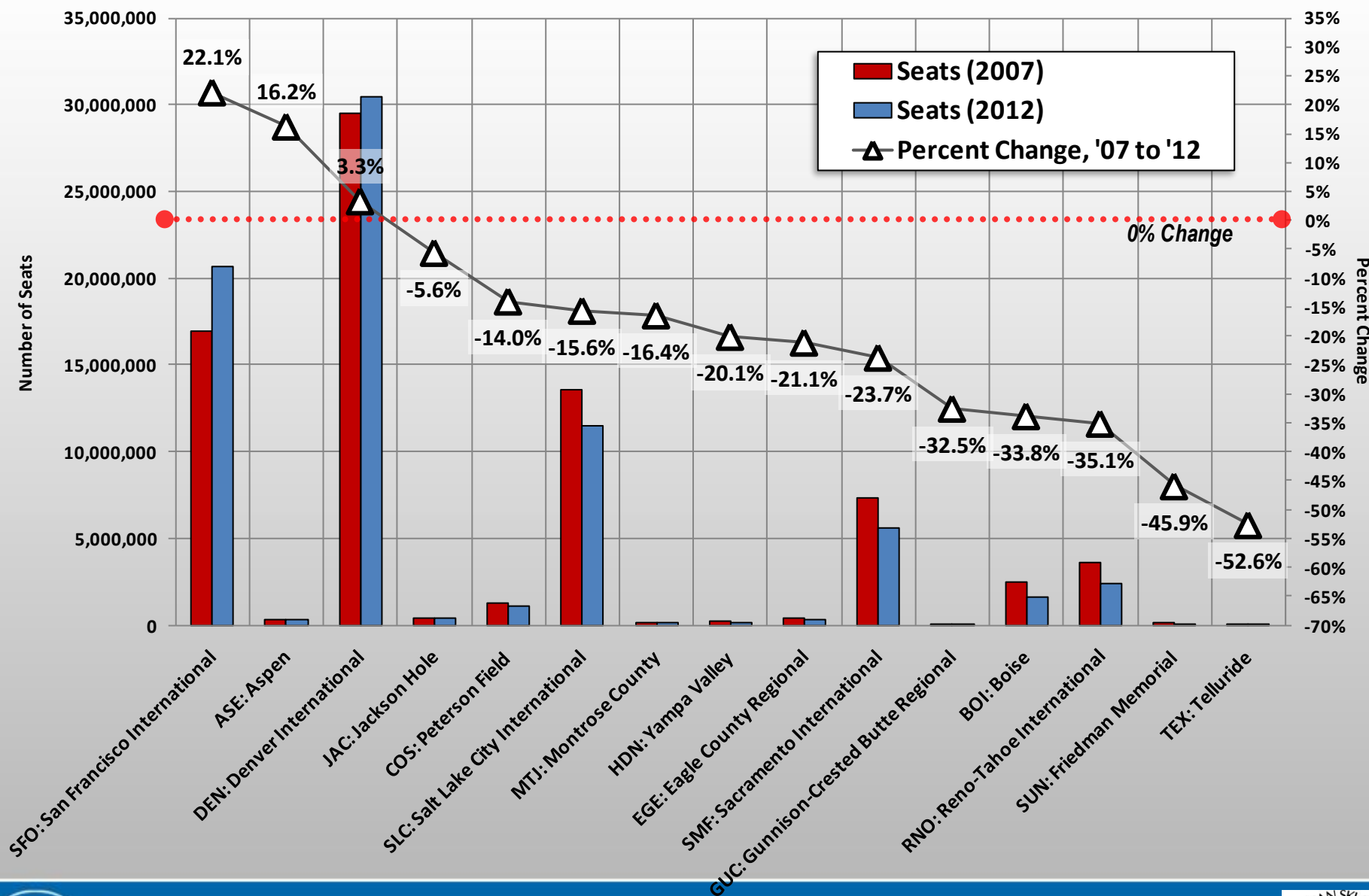
Bottom 3 Avg.

Last Month Avg.

Actual

-----ANNUAL DATA-----						-----END OF YEAR-----			
Real Economic Growth % Change GDP		Inflation % Change Consumer Prices		Current Account In Billions Of U.S. Dollars		Exchange Rate ¹ Against U.S. \$		Interest Rates 3-Month	
2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
1.7	2.5	1.5	2.0	-54.7	-47.1	1.02	1.03	1.05	1.34
2.1	3.0	1.9	2.4	-35.0	-23.0	1.06	1.07	1.23	1.83
1.4	2.1	1.0	1.6	-67.3	-64.4	0.99	0.98	0.93	1.01
1.7	2.6	1.5	2.1	-55.3	-48.3	1.01	1.02	1.06	1.44
2011*	2012**	2011*	2012**	2011*	2012**	Latest	Year Ago	Latest	Year Ago
2.6	1.8	2.9	1.5	-49.1	-64.5	1.02	0.99	1.18	1.36

Airline Service - Change in Seats 2007 vs. 2012



PRELIMINARY

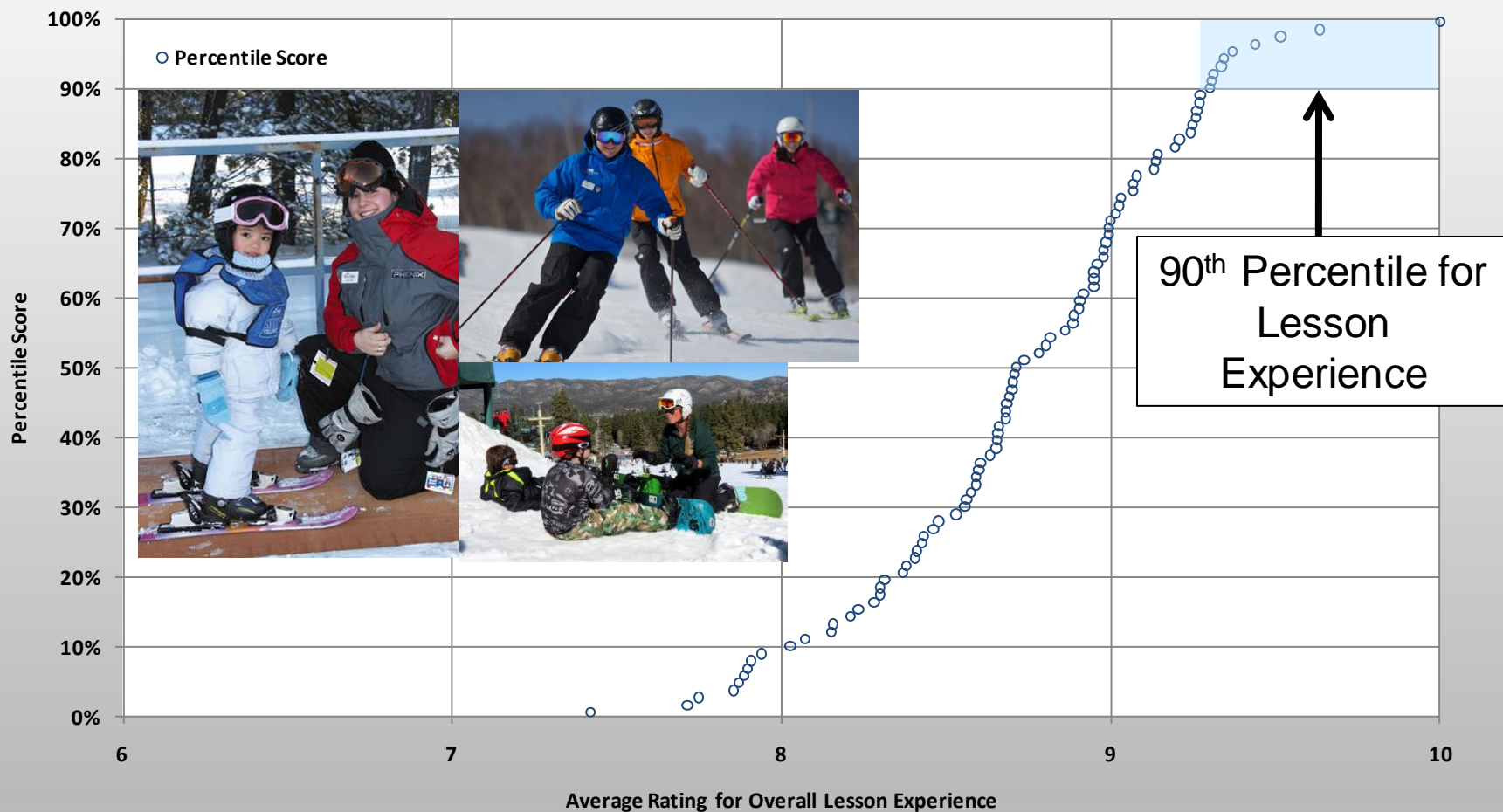
IT IS YOUR MODEL FOR GROWTH

The efforts of a group rarely add up to the sum of effort each individual is capable of exerting alone.



Percentile Scores vs. Average Overall Lesson Experience

Experience Ratings: Average for 2009/10 to 2011/12



Conclusions:



- We made progress in growing beginner conversion from 17% to the a little over 18%.
- We've been somewhat successful in generating trial.
- All growth is local, and we must leverage our existing customers to build participation.
- There is no global solution. If you are waiting for a magic meeting or an industry marketing initiative to solve your stagnant visitation, you will be waiting a long time.



Questions

info@rrcassoc.com • www.rrcinfo.com

