

INDUSTRY OVERVIEW

There were 1,548 timeshare resorts in the United States in 2011, representing approximately 194,200 units for an average resort size of 125 units. Of these, 6% were studio units; 21% were one-bedrooms; 64% were two-bedrooms; and 9% were three bedrooms or more. As of December 31, 2011, the total number of intervals and weekly equivalent intervals owned was approximately 8.4 million.

Industry Size

| Measure | 2011 |
|--------------------------------|-------------|
| Resorts | 1,548 |
| Units excluding lock-offs | 194,163 |
| Units including lock-offs | 246,987 |
| Average resort size (in units) | 125 |
| Intervals owned | 8.4 million |

GEOGRAPHIC OVERVIEW

Florida, California and South Carolina remain as the three states that have the most resorts, representing 38% of all U.S. timeshare resorts.

Figure 2.15 Performance by Geographic Region

| Region | Percent of Resorts | Average Size (# Units) | Total Sales Volume (\$B) | Sales Price per Interval | Average Occupancy | Average Maintenance Fees per Interval |
|------------------|--------------------|------------------------|--------------------------|--------------------------|-------------------|---------------------------------------|
| Florida | 23% | 199 | \$2.4 | \$18,632 | 81.0% | \$775 |
| California | 8% | 116 | \$0.4 | \$20,702 | 84.6% | \$753 |
| S. Carolina | 7% | 124 | \$0.4 | \$16,706 | 77.7% | \$670 |
| Hawaii | 6% | 136 | \$0.6 | \$29,393 | 87.0% | \$929 |
| Mountain/Pacific | 20% | 96 | \$0.7 | \$15,590 | 79.8% | \$760 |
| Northeast | 11% | 79 | \$0.4 | \$11,188 | 62.0% | \$614 |
| South Central | 9% | 128 | \$0.8 | \$11,143 | 68.7% | \$635 |
| Midwest | 8% | 108 | \$0.6 | \$10,262 | 74.8% | \$644 |
| South Atlantic | 8% | 122 | \$0.4 | \$17,545 | 63.5% | \$613 |
| Overall | 100% | 125 | \$6.5 | \$18,401 | 78.9% | \$786 |

Percent of 1,548 resorts — percentages may not add due to rounding

DISTRIBUTION BY RESORT TYPE

Beach resorts are the most common primary designation; golf is most often available nearby and/or onsite. Resorts reported about three and a half of these vacation experiences available per resort on average. Other vacation experiences noted include national and state parks, historic sites, and vineyards/wineries.

Figure 2.13 Performance by Resort Type

| Region | Percent of Resorts | Average Size (# Units) | Total Sales Volume (\$B) | Sales Price per Interval | Average Occupancy | Average Maintenance Fees per Interval |
|---------------|--------------------|------------------------|--------------------------|--------------------------|-------------------|---------------------------------------|
| Beach | 29% | 93 | \$1.1 | \$15,436 | 79.5% | \$729 |
| Country/lakes | 15% | 118 | \$1.2 | \$11,337 | 69.4% | \$637 |
| Golf | 11% | 193 | \$1.0 | \$18,813 | 83.2% | \$723 |
| Ski | 9% | 78 | \$0.4 | \$18,144 | 65.1% | \$839 |
| Island | 7% | 124 | \$0.7 | \$24,820 | 89.5% | \$1,016 |
| Urban | 6% | 94 | \$0.4 | \$22,449 | 79.4% | \$869 |
| Theme park | 6% | 333 | \$1.1 | \$10,649 | 77.6% | \$750 |
| Other* | 17% | 127 | \$0.6 | \$15,912 | 77.1% | \$718 |
| Overall | 100% | 125 | \$6.5 | \$18,401 | 78.9% | \$786 |

**Includes Rural/Coastal, Gaming, Desert, and Other from above*

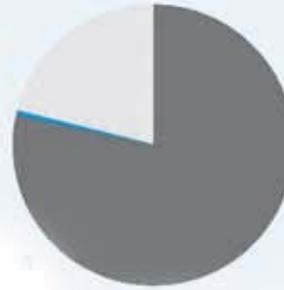
Figure 22

Changes in Key Metrics — 2010 to 2011



Resort Occupancy

2011 – 78.9%
2010 – 78.5%



INDUSTRY HEALTH

Sales volume in 2011 totaled \$6.5 billion, increasing by 2.4% from 2010. There were about 353,800 timeshare intervals sold at an average price of \$18,400 — the number of intervals sold increased by 7.5% in 2011, while the average price decreased by 4.7%.

Average occupancy was 79% in 2011. By comparison, hotel occupancy was 60% in 2011, according to Smith Travel Research. Timeshare occupancy includes about 64% who were either owners or exchange guests and 15% who were renters and/or marketing guests. Occupancy associated with rentals, and the corresponding rental revenue, was up from 2010 levels — total rental revenues increased by 37% in 2011.

INDUSTRY OUTLOOK

Recent trends point to a stabilization of the industry's key fundamentals over the past two years. Sales volumes have increased slightly while occupancy has remained fairly steady — even the occupancy decreases in 2009 and 2010 were minor.

Respondents expect little in the way of new construction: they anticipate building about 1,400 new units in 2012 and 1,900 in 2013 or beyond. Three new resorts are planned for construction in 2012, with another six on tap for 2013 and beyond.

Also, the industry has been able to attract more new owners in 2011, reversing a trend of increasing reliance on existing owners.

Performance Metrics 2011

| Metric | 2011 |
|--------------------------------------|---------------|
| Sales volume | \$6.5 billion |
| Number of timeshare intervals sold | 353,822 |
| Sales price per interval | \$18,401 |
| Points equivalent | \$22,732 |
| Weeks | \$15,113 |
| Occupancy | 78.9% |
| Average maintenance fee per interval | \$786 |