2010 Fourth Quarter Pulse Survey:
A Survey of Timeshare & Vacation Ownership Resort Companies

Prepared for the ARDA International Foundation

American Resort Development Association

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To the Research Committee of
ARDA International Foundation
1201 15th Street NW, Suite 400
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Dear Members of the Committee:

Deloitte & Touche LLP (Deloitte & Touche) is pleased to submit the results of the *2010 Fourth Quarter Pulse Survey: A Survey of Timeshare & Vacation Ownership Resort Companies.* Our services were performed and this report was developed in accordance with our engagement letter dated December 1, 2009, and is subject to the terms and conditions included therein.

Our services were performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we are providing no opinion, attestation, or other form of assurance with respect to our work and we did not verify or audit any information provided to us.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available by the survey respondents through January 28, 2011. Accordingly, changes in circumstances after that date could affect the findings outlined in this report.

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Deloitte & Touche LLP

February 7, 2011

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All opinions and estimates included in this report constitute our judgment as of February 7, 2011, and are subject to revision.

2010 Fourth Quarter Pulse Survey

Preamble

This survey is a summary of selected key metrics that provide an overview of the vacation timeshare industry in the United States. It is not a comment on any individual company, whose performance may vary from the information included in this study.

Overview and Key Findings

To provide current information on the financial performance of the vacation timeshare industry, ARDA International Foundation engaged Deloitte & Touche LLP (Deloitte & Touche) to conduct the fourth quarter 2010 survey of U.S. timeshare companies that were in active sales during the quarter. The results cover 25 responding companies with aggregate net originated sales of approximately $1.2 billion in the fourth quarter 2010. The financial information contained in this survey includes fourth quarter 2010 (Q4 2010) compared to fourth quarter 2009 (Q4 2009), except for section 1(A) which compared Q4 2010 to the third quarter of 2010 (Q3 2010). The following summarizes the key findings of the survey.

1(A). Consumer timeshare loan portfolios experienced a decrease in currency with a slight increase in chargeoffs when comparing Q3 2010 and Q4 2010

The amount of consumer timeshare loans that were current or fewer than 31 days past due as of December 31, 2010, decreased 0.8 percentage points from one quarter earlier and the percent of consumer timeshare loans that were more than 120 days delinquent increased 0.5 percentage points for the same time periods. The amount charged against the allowance for uncollectible accounts in Q4 2010 was 0.2 percentage points higher than Q3 2010.

1(B). Consumer timeshare loan portfolios experienced an increase in delinquencies with a slight increase in chargeoffs when comparing Q4 2009 and Q4 2010

Survey respondents reported that payments for 87.5 percent of the dollar value of their consumer timeshare loans were current or fewer than 31 days past due as of December 31 2010, representing a 0.6 percentage point decrease from one year earlier. As of December 31, 2010, 8.1 percent of consumer timeshare loans were more than 120 days delinquent, which is 0.8 percentage points higher than one year earlier. The amount charged against the allowance for uncollectible accounts in Q4 2010, as a percentage of the gross outstanding portfolio balance, was 2.7 percent, which shows a 0.1 percentage point increase from Q4 2009.

2. Resort occupancy increased, remaining strong at 76.9 percent in the fourth quarter

Average occupancy levels increased 1.9 percentage points to 76.9 percent in Q4 2010 compared to Q4 2009. One resort company reported a Q4 2009 to Q4 2010 occupancy increase of 7.0 percentage points, the next largest increase was 6.2 percentage points. Sixteen resort companies had increased occupancy from Q4 2009 and one resort reported no change from Q4 2009. The highest and lowest occupancy rates for Q4 2010 were 95.0 percent and 39.0 percent, respectively.

3. Timeshare sales volume increased in the fourth quarter

Aggregate net originated sales, including telesales, increased 3.4 percent from Q4 2009 to Q4 2010. The average transaction value, a measure of the average dollar value of consumer purchases that reflects multiple factors such as changes in product mix, pricing, and purchasing patterns, was $17,726 during Q4 2010, an increase of 2.2 percent from Q4 2009. Volume per guest (VPG), a measure of the average value of consumer purchases per sales tour, was $2,548 during Q4 2010, an increase of 1.9 percent from Q4 2009.

4. **Consumer financing terms remained stable as average down payments on non-upgrade sales increased in the fourth quarter**

   The results of this survey indicate that the average new consumer timeshare loan term was shorter by 0.3 months at approximately 116.2 months in Q4 2010 compared to Q4 2009. The average down payment on non-upgrade sales increased by 1.6 percentage points to 20.0 percent from Q4 2009 to Q4 2010 while interest rates increased 0.1 percentage points to 14.0 percent.

5. **Further job losses were incurred by some developers in the fourth quarter**

   Survey respondents indicated that 74 positions were eliminated in Q4 2010. Respondents also reported that 5 additional full-and part-time positions are expected to be eliminated in the first quarter of 2011, adding to approximately 6,700 positions that were eliminated during 2009 and 2010.

6. **As the economy improves, some developers continue to grow**

   Survey respondents indicated that over 130 positions were added in Q4 2010.

Survey Results

The following summarizes the survey results.

1(A). Consumer timeshare loan portfolios experienced a decrease in currency with a slight increase in chargeoffs when comparing Q3 2010 and Q4 2010.

The composition of receivables portfolios[1] was evaluated as of December 31, 2010, and compared to composition as of September 30, 2010. The total aggregate receivables for the companies that provided receivables data was $11.5 billion as of December 31, 2010 and $11.6 billion as of September 30, 2010.

Receivables portfolios showed an increase in delinquencies (greater than 31 days past due) as of December 31, 2010, compared to one quarter earlier. Respondents reported that payments for 87.5 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of December 31, 2010, 0.8 percentage points lower than one quarter earlier. Also, as of December 31, 2010, 8.1 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, 0.5 percentage points higher than one quarter earlier. Although some respondents reported an increased share of current loans, sixteen respondents reported a decreased share of current loans.

Figure 1A. Aging of consumer timeshare loan portfolios by survey respondents

	September 30, 2010	December 31, 2010	Increase/(Decrease)
Current	88.3%	87.5%	(0.8%)
31 to 60 days	2.0%	2.1%	0.1%
61 to 90 days	1.1%	1.3%	0.2%
91 to 120 days	1.0%	1.0%	0.0%
More than 120 days	7.6%	8.1%	0.5%
Total	**100%**	**100%**	

Source: Deloitte & Touche based on a minimum of 25 company survey responses. The third quarter 2010 data herein was obtained from the 2010 Third Quarter Pulse Survey.

Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during the fourth quarter, as a percentage of gross outstanding portfolio balance at period-end. The weighted average default rate in Q4 2010 was 2.7 percent, which increased from 2.5 percent in Q3 2010. Forty-two percent of respondents reported a decrease in the default rate from Q3 2010 to Q4 2010.

[1] Receivables portfolio is defined as the total portfolio of consumer timeshare loan receivables held and/or serviced by the company, including securitized and hypothecated receivables, and receivables for sales made in earlier years.

1(B). Consumer timeshare loan portfolios experienced an increase in delinquencies with a slight increase in chargeoffs when comparing Q4 2009 and Q4 2010

The composition of receivables portfolios was evaluated as of December 31, 2010, and compared to composition as of December 31, 2009. The total aggregate receivables for the 25 companies that provided receivables data was $11.5 billion as of December 31, 2010, and $11.9 billion as of December 31, 2009.

Receivables portfolios showed an overall increase in delinquencies (greater than 31 days past due) at December 31, 2010, compared to one year earlier. Respondents reported that payments for 87.5 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of December 31, 2010, 0.6 percentage points lower than one year earlier. Also, as of December 31, 2010, 8.1 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, 0.8 percentage points higher than one year earlier. Ten respondents reported a reduced share of current loans and ten respondents reported an increased share of current loans.

Figure 1B. Aging of consumer timeshare loan portfolios by survey respondents

	December 31, 2009	December 31, 2010	Increase/(Decrease)
Current	88.1%	87.5%	(0.6%)
31 to 60 days	2.2%	2.1%	(0.1%)
61 to 90 days	1.3%	1.3%	0.0%
91 to 120 days	1.1%	1.0%	(0.1%)
More than 120 days	7.3%	8.1%	0.8%
Total	**100.0%**	**100.0%**	

Source: Deloitte & Touche based on 25 company survey responses.

Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during the fourth quarter, as a percentage of gross outstanding portfolio balance at period-end. The weighted average default rate in Q4 2010 was 2.7 percent, which is 0.1 percentage point higher than Q4 2009. Eleven respondents reported a decrease in the default rate when comparing Q4 2010 to Q4 2009, however, eight respondents reported an increased default rate and six respondents reported no change in default rate.

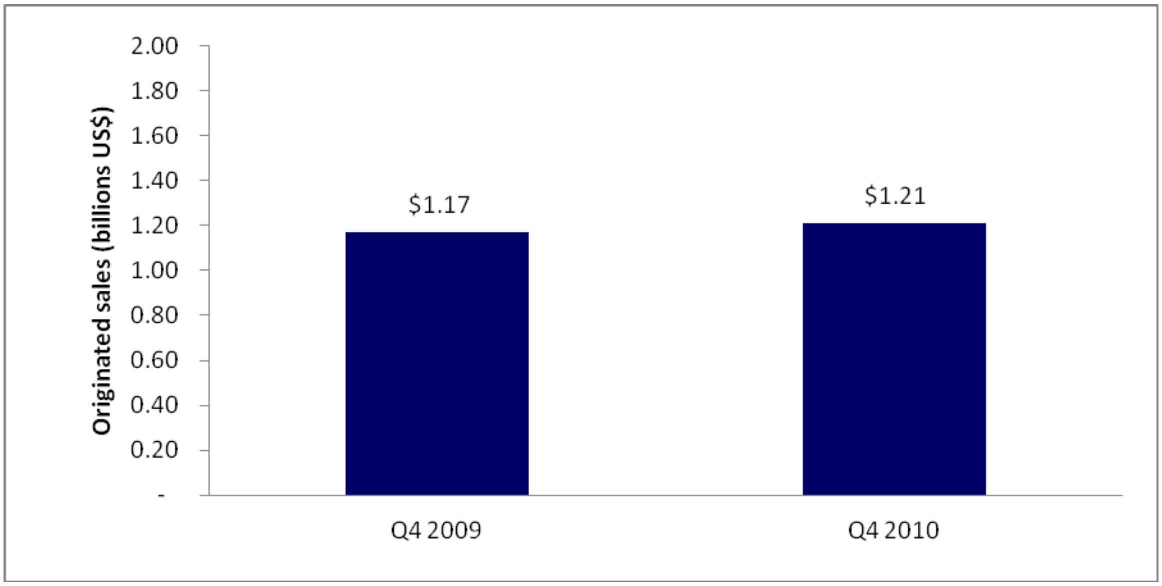
2. Resort occupancy increased, remaining strong at 76.9 percent in the fourth quarter

Survey respondents were asked to provide information on timeshare unit occupancy. For the 24 companies that provided quarterly occupancy data, representing approximately 8.3 million room nights in Q4 2010, the average occupancy rate increased 1.9 percentage points to 76.9 percent in Q4 2010, compared to 75.0 percent in Q4 2009.

3. **Timeshare sales volume increased in the fourth quarter**

Companies provided data on a set of key sales indicators. In total, the 25 respondents that provided sales information reported approximately $1.2 billion in net originated timeshare sales[2] (including telesales) in Q4 2010. This was a 3.4 percent increase in Q4 2010 when compared to Q4 2009, as reported by the same respondents.

Figure 2. Net originated sales (including telesales)



Source: Deloitte & Touche based on 25 company survey responses.

Twenty-four companies reported net originated sales excluding telesales. Twenty-three respondents provided detailed information on the number of tours and number of sales transactions. The companies reported approximately $1.2 billion in net originated sales (excluding telesales) in Q4 2010; also reported that the aggregate number of tours[3] increased 3.9 percent in Q4 2010 compared to Q4 2009; reported the aggregate number of sales transactions decreased 0.3 percent, and the calculated aggregate average close rate (excluding sales that are canceled through rescission) decreased 0.3 percentage points; and reported the average transaction value increased 2.2 percent, resulting in a 4.3 percent increase in net originated sales (excluding telesales).[4]

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[2] Net originated timeshare sales refers to gross sales revenues net of rescissions, but before reduction of revenue for uncollectible accounts.

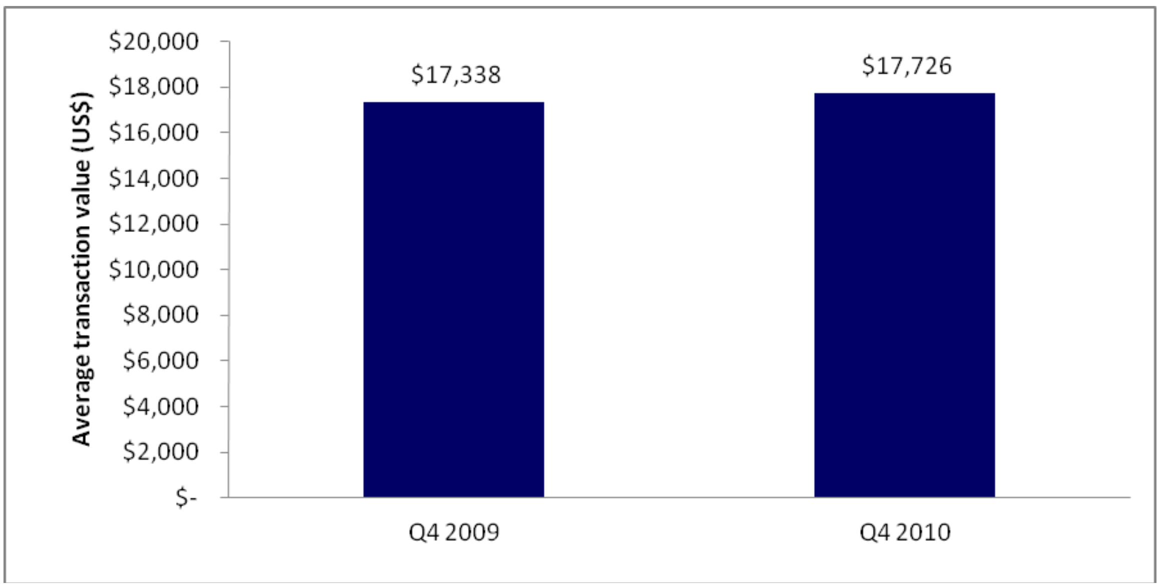
[3] This represents the number of tours taken by guests in the company's efforts to sell timeshares, including all tours of sales prospects, whether they occur on-site or at an off-site sales center.

[4] Telesales are sales that are conducted by telephone. Telesales are typically made to existing owners and were excluded from this analysis of sales measures because they do not involve the typical tour process used for sales at on-site or off-site sales offices.

Average transaction value is calculated as the dollar value of net originated sales divided by the number of sales transactions and excludes amounts such as closing costs that are not included in net originated sales, responses are weighted by the dollar value of net originated sales (excluding telesales). It is a measure of the average purchase amount per buyer during a given period and is potentially influenced by numerous factors, including the mix of timeshare products sold. For example, in a given period, buyers may purchase a greater mix of one-bedroom units or biennials[5], resorts may have fewer high season intervals available or new resorts may open for sales. As a result, the average transaction value may change even though there were no changes to existing pricing.

As a further reflection of the multiple factors that can impact this measure, the responses differed by company. Twelve respondents reported average transaction value had increased from Q4 2009 and nine reported the value had decreased. Figure 3 below illustrates the average transaction value calculated using a weighted average.

Figure 3. Weighted average transaction value

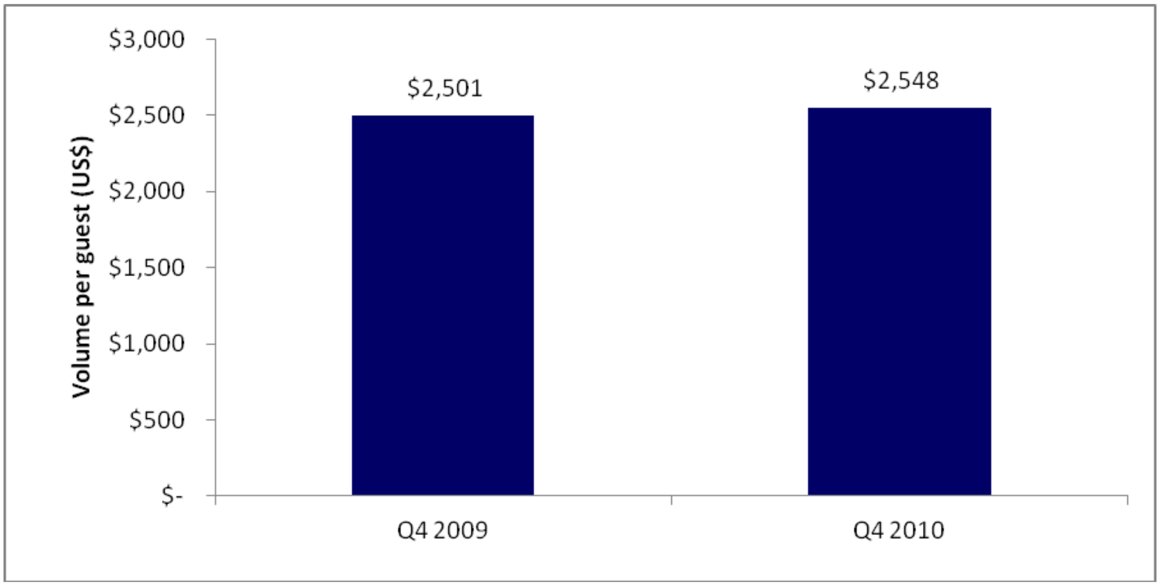


Source: Deloitte & Touche based on 23 company survey responses.

[5] Biennial products allow owners to use intervals every other year, instead of each year.

Volume per guest (VPG)[6], a measure of sales efficiency, is calculated as net originated sales per tour, increased 1.9 percent from Q4 2009 to Q4 2010.

Figure 4. Weighted average volume per guest



Source: Deloitte & Touche based on 23 company survey responses.

The averages in this report are weighted averages; however, we also disclose the simple averages for the close rate, volume per guest, and average transaction value herein, see Figure 5 below.

Figure 5. Weighted and simple averages for selected sales metrics

	Weighted Average Q4 2009	Weighted Average Q4 2010	Simple Average Q4 2009	Simple Average Q4 2010
Fourth quarter				
Volume per guest	$2,501	$2,548	$2,247	$2,256
Average transaction value	$17,338	$17,726	$15,066	$15,758
Close rate	15.3%	15.0%	14.9%	14.3%

[6] VPG is calculated as net originated sales not including telesales, divided by the number of tours, responses are weighted by the dollar value of net originated sales (excluding telesales).

Among the companies that provided key sales indicators, 23 provided rescission information. The weighted average rescission rate[7] among those companies was 13.4 percent in Q4 2010, a decrease of 0.5 percentage points from Q4 2009. Twelve companies reported a decrease in rescissions between Q4 2009 and Q4 2010, while eight reported an increase. Three companies reported no change.

4. Consumer financing terms remained stable as average down payments on non-upgrade sales increased in the fourth quarter

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated.[8] The average interest rate on new consumer loans in Q4 2010 was 14.0 percent, an increase of 0.1 percentage points from Q4 2009. There was a 0.3 month decrease in the term for which loans are made, with average loan terms in Q4 2010 remaining slightly below 10 years, or approximately 116 months.

Respondents were asked to provide the average down payment on upgrade sales separate from non-upgrade sales.[9] This is because purchasers of upgrades can frequently count the equity in their existing vacation ownership interest toward the down payment that they are making on the upgrade interest. As a result, down payments on upgrade sales are typically higher than on non-upgrade sales, and a change in the mix of upgrade and non-upgrade sales could impact the overall average down payment. Twenty-five respondents reported that the average down payment on non-upgrade sales increased 1.6 percentage points to 20.0 percent of the stated sales price on financed sales in Q4 2010 compared to Q4 2009. Twenty-two respondents reported that the down payment on upgrade sales, which includes the value of equity in the owners' existing vacation ownership interest, was 46.9 percent in Q4 2010, an increase of 3.3 percentage points from Q4 2009.

Figure 6. Characteristics of consumer timeshare loan financing

	Q4 2009	Q4 2010	Increase/(Decrease)
Fourth Quarter			
Average:			
Interest rate (annual)	13.9%	14.0%	0.1%
Term (months)	116.5	116.2	(0.3) months
Non-upgrade down payment (% of price)	18.4%	20.0%	1.6%
Upgrade down payment (% of price)	43.6%	46. 9%	3.3%

Source: Deloitte & Touche based on a minimum of 22 company survey responses

[7] Measured as the dollar amount of rescissions as a portion of gross sales weighted by the dollar value of net originated sales (excluding telesales).

[8] To calculate the average interest rate, down payment, and term, responses were weighted by the dollar value of net originated sales (including telesales).

[9] An upgrade sale is a transaction whereby a customer relinquishes the right to a currently held timeshare interval and obtains a higher-priced timeshare interval from the same seller.

5. Further job losses were incurred by some developers in the fourth quarter

Survey respondents were asked to report the number of full- and part-time positions eliminated as a direct result of the current economic conditions from October 1st through December 31st. Four companies responded, indicating a total of 74 positions were eliminated, representing approximately 0.7 percent of the average annual workforce at these respondent companies in 2009 prior to the reduction. In addition, one company indicated that a total of 5 full- and part-time positions are expected to be eliminated between January 1 and March 31, 2011, adding to approximately 6,700 positions that were eliminated during 2009 and 2010.

6. As the economy improves, some developers continue to grow

Survey respondents were asked to report the number of full- and part-time positions added from October 1, 2010 to December 31, 2010. Eight companies responded, indicating a total of 138 positions were added during Q4 2010.

The following table shows the quarterly survey results in aggregate.

2010 Fourth Quarter End Results	Quarter Ending December 31 2009	Quarter Ending December 31 2010	Increase/ (Decrease)	Increase/ (Decrease) Percent	Survey Responses
General Characteristics					
1. Ownership status (public or private)	Public: 28% Private: 72%	Public: 28% Private: 72%			25
Receivables Portfolio					
2. The following questions refer to the portfolio of receivables (total held and/or serviced receivables, including securitized and/or hypothecated receivables), including receivables for sales made in earlier years.					
a. Gross outstanding portfolio balance, at period end (in dollars)	$11,865,575,162	$11,508,490,337	($357,084,825)	(3.0%)	25
b. At period end, on a contractual basis what percentage of the dollar amount of this portfolio was:					
Current (current or fewer than 31 days delinquent)	88.1%	87.5%	(0.6%)	(0.7%)	25
Between 31 to 60 days delinquent	2.2%	2.1%	(0.1%)	(4.5%)	25
Between 61 to 90 days delinquent	1.3%	1.3%	0.0%	0.0%	25
Between 91 to 120 days delinquent	1.1%	1.0%	(0.1%)	(9.1%)	25
More than 120 days delinquent	7.3%	8.1%	0.8%	11.0%	25
Total should equal 100%					
c. Gross defaults (total amount charged against the allowance for uncollectible accounts during period as a percentage of gross outstanding portfolio balance at period end)	2.6%	2.7%	0.1%	3.8%	25
Resort Occupancy					
3. Timeshare occupancy mix by type. Report based on physical occupancy, meaning actual guest check-in occurred.					
a. Occupied (owner or owners' guest, exchange guest, renter, and marketing guest)	75.0%	76.9%	1.9%	2.5%	24
b. Vacant	25.0%	23.1%	(1.9%)	(7.6%)	24
Total should equal 100%					
c. Total available room nights during period (This will be used to calculate the weighted average occupancy rate for the response set.)	7,912,749	8,254,305	341,556	4.3%	24
Selected Sales Metrics (Including telesales and home sits)					
4. Sales metrics. Include telesales in the following responses.					
a. Net originated sales (in dollars)	$1,171,289,526	$1,211,455,815	$40,166,289	3.4%	25
b. Rescissions (Calculate as a percentage of gross sales by dollar value. Exclude depositary rescissions, which are situations in which the buyer has made a deposit but hasn't yet provided the down payment necessary to qualify the transaction as a contract sale.)	13.9%	13.4%	(0.5%)	(3.6%)	23
Selected Sales Metrics (Excluding telesales)					
5. Sales metrics. Exclude telesales from the following responses. Include sales to existing owners and other in-house guests.					
a. Number of tours. Represents the number of tours taken by guests in the company's efforts to sell timeshares. Include all tours of sales prospects, whether they occur on-site or at an off-site sales center.	496,249	515,714	19,465	3.9%	23
b. Number of sales transactions (exclude rescissions) (Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), points sales, and reloads (which should be part of all categories above, except upgrades). Transactions should not include sales of Sampler programs.)	74,026	73,822	(204)	(0.3%)	23
c. Close rate (excludes sales that are canceled through rescission, calculated based on formula)	15.3%	15.0%	(0.3%)	(2.0%)	
d. Net originated sales excluding telesales	$1,115,255,686	$1,163,265,536	$48,009,850	4.3%	24
e. Volume per guest ("VPG"). Represents timeshare sales revenue per guest and is calculated by dividing net originated sales, excluding telesales and home sits, by the number of tours. (calculated based on formula)	$2,501	$2,548	$47	1.9%	
f. Average transaction value (this is calculated based on net originated sales and excludes any charges not reflected in net originated sales, such as closing costs)	$17,338	$17,726	$388	2.2%	

This information has been prepared solely for the use and benefit of the ARDA International Foundation and is not intended for reliance by any other person.

2010 Fourth Quarter End Results	Quarter Ending December 31 2009	Quarter Ending December 31 2010	Increase/ (Decrease)	Increase/ (Decrease) Percent	Survey Responses
Consumer Financing					
6. The following items refer to new financing provided to consumers during the period. For upgrade sales, use the characteristics of the new loan. For example, if an owner with $4,000 of equity and $6,000 principal balance outstanding on an existing loan purchases an upgrade vacation ownership interest with a stated sales price of $20,000, and uses the equity in their existing interval as the down payment, resulting in a new loan with a principal balance of $16,000, use the interest rate and term of that $16,000 loan.					
a. Average interest rate. Calculate as the weighted average for financing provided on financed sales each year, using the stated interest rate on the notes. For example, if 10 loans with an original principal balance of $9,000 carried a stated interest rate of 15 percent, and 20 loans with an original principal balance of $8,000 carried a stated interest rate of 13 percent, the weighted average would be 13.7 percent.	13.9%	14.0%	0.1%	0.7%	25
b. Average term (in months). Calculate the weighted average on financed sales following the example for Question 6a. Exclude sales that are cash or cash-out.	116.5	116.2	(0.3)	(0.3%)	25
c. Average down payment. Calculate the weighted average for financed sales only. For example, if 100 sales occurred at an average price of $10,000, and 10 were cash or cash-out within the first 90 days, 80 were financed with a $1,000 down payment ($80,000 down on $800,000 of sales) and 10 were financed with a $1,500 down payment ($15,000 down on $100,000 of sales), then the average down payment was 10.6 percent of the stated sales price on financed sales ($95,000 down on $900,000 of sales). Exclude sales that are cash or cash-out.					
c1. Average down payment on non-upgrade sales (as a percentage of stated sales price on financed sales)	18.4%	20.0%	1.6%	8.7%	25
c2. Average down payment on upgrade sales (In calculating the down payment on those sales that were upgrade sales, calculate the down payment as any cash down payment plus the amount of equity in the owner's existing vacation ownership interest, as a percentage of the stated sales price of the new (upgrade) vacation ownership interest.)	43.6%	46.9%	3.3%	7.6%	22
Employment Research Questions					
7. The goal of this question is to collect information on the total number of jobs that have been eliminated or are scheduled to be eliminated as a direct result of the current economic conditions. When responding include temporary or contract positions (but be careful to express this as an annual or quarterly average, not just the total number of employees for which a 1099 form is completed, for example). Include positions at managed resorts, sales operations, and regional office, corporate office and call center operations. Do not include eliminated positions that were a result of retirement or natural attrition.					
a. Number of full and part-time positions eliminated between October 1 and December 31, 2010, as a direct result of the current economic conditions	74				4
b. Percentage of the average annual workforce in 2009 (prior to the reduction) that is represented by the figure in question 7a.	0.7%				4
c. Number of full and part-time positions that are expected to be eliminated between January 1 and March 31, 2011, as a direct result of the current economic conditions.	5				1
8. Despite the current economic conditions and the employment results that are discussed in question seven above, there are some developers that are growing, and as a result are increasing the total number of jobs. When responding include temporary or contract positions (but be careful to express this as an annual or quarterly average, not just the total number of employees for which a 1099 form is completed, for example). Include positions at managed resorts, sales operations, and regional office, corporate office and call center operations. Do not include new employees that have replaced employees as a result of retirement or natural attrition.					
8a. Number of full- and part-time positions added from October 1, 2010 to December 31, 2010.	138				8

Method

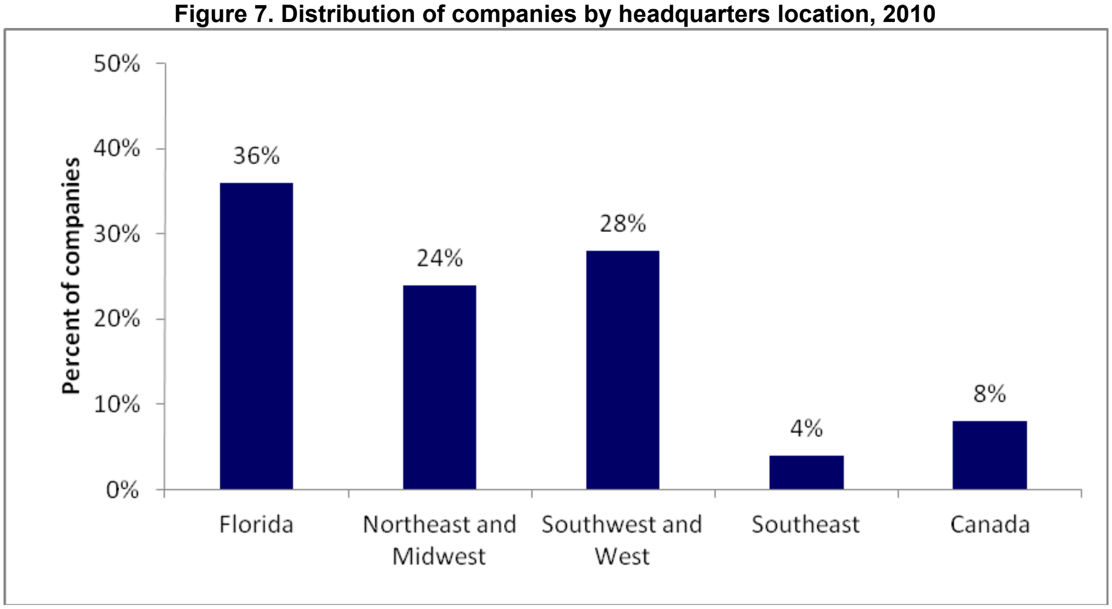
The 2010 Fourth Quarter Pulse Survey was conducted by Deloitte & Touche on the behalf of ARDA International Foundation. The purpose of the research was to compile current data and to provide a current perspective on the timeshare industry's financial performance.

Deloitte & Touche developed the survey instrument in connection with input from ARDA International Foundation and industry participants. Deloitte & Touche distributed the survey directly to 57 timeshare and vacation ownership companies on January 11, 2011. The survey collection efforts focused on companies generating the largest volume of timeshare sales and companies that participate as board members of the American Resort Development Association (ARDA). Deloitte & Touche followed up with the companies by telephone and e-mail to encourage responses. Deloitte & Touche ended the survey collection effort on January 26, 2011 deadline, though additional responses received after the deadline were included in the analysis. By January 28, 2011, 25 companies, or 44 percent of those surveyed, responded.

During the data analysis phase, Deloitte & Touche contacted several of the respondents with follow-up questions about specific answers they provided. Responses to some questions that were left blank or were unusual were ultimately excluded from the analysis. Though a total of 25 responses were collected, most questions (other than headquarters location and sales information) were not answered by all 25 respondent companies as indicated in the "survey responses" column on the "Aggregate Results" tables.

The response base includes major companies in the U.S. timeshare sector. The 25 respondents that provided sales information reported aggregate Q4 2010 net originated sales, including telesales, of $1.2 billion. Seven of the 25 companies are publicly traded companies, and six of the 25 are affiliated with major hotel brands. The survey is focused on the U.S.; considering the location of companies' headquarters provides an indication of the geographic regions represented by the response base. Many of the U.S. respondents are based in the Southeast, including nine in Florida and one in another Southeastern U.S. location, though companies in the Northeast and Midwest region, Southwest and West region, and Canada also responded.[10]

Figure 7. Distribution of companies by headquarters location, 2010



[10] Regional definitions: Florida (FL); Northeast and Midwest (CT, DC, DE, IA, IL, IN, KS, KY, MA, MD, ME, MI, MN, MO, ND, NE, NH, NJ, NY, OH, PA, RI, SD, VA, VT, WI, WV); Southeast (AL, AR, GA, LA, MS, NC, SC, TN); and Southwest and West (AK, AZ, CA, CO, HI, ID, MT, NM, NV, OK, OR, TX, UT, WA, WY).

Source: Deloitte & Touche based on 25 company survey responses.

To effectively interpret the survey results it is important to understand that the survey is not a projection as it is not based on a random sample of companies, nor is it a census of all companies. The survey is based on responses from participating companies that account for a predominance of industry sales, and this is one of the reasons it is seen as a valuable resource.

The companies that participated in this survey are not identical to those that participated in prior editions of the Pulse Survey or of the Financial Performance Survey, which is an annual survey conducted on behalf of the ARDA International Foundation. The most recent previous Pulse Survey reported on activity through the third quarter of 2010. The current Pulse Survey functions similarly as a timely source of information on several key statistics, with a focus on the fourth quarter of 2010. Due to the relatively large size of some of the companies participating, the changing composition of the response base can materially impact the results reported in this version compared to previous editions. Also, the timeshare industry experiences changes in activity levels during different seasons of the year. It is not accurate to compare the Q4 2009 and Q4 2010 results presented in this edition with results shown in reports of earlier periods without understanding that the response base and reporting period have changed.

Unless otherwise noted specifically as simple averages, all averages in this report are weighted averages. For example, responses to questions related to sales topics, such as volume per guest, are weighted by net originated sales volume.

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American Resort Development Association