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2011 Third Quarter Pulse Survey:
A Survey of Timeshare & Vacation Ownership Resort Companies

Prepared for the ARDA International Foundation

American Resort Development Association

Deloitte.

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To the Research Committee of
ARDA International Foundation
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Dear Members of the Committee:

Deloitte & Touche LLP (Deloitte & Touche) is pleased to submit the results of the *2011 Third 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 November 1, 2011. Accordingly, changes in circumstances after that date could affect the findings outlined in this report.

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Deloitte & Touche LLP

November 8, 2011

Table of Contents

Although the information in this report has been obtained from sources that Deloitte & Touche LLP believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete. This report is for information purposes only.

All opinions and estimates included in this report constitute our judgment as of November 8, 2011, and are subject to revision.

2011 Third 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.[1]

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 third quarter 2011 survey of U.S. timeshare companies that were in active sales during the quarter. The results cover 26 responding companies with aggregate net originated sales of approximately $1.26 billion in the third quarter 2011. The financial information contained in this survey includes third quarter 2011 (Q3 2011) compared to third quarter 2010 (Q3 2010), except for section 1(A) which compared Q3 2011 to the second quarter of 2011 (Q2 2011). The following summarizes the key findings of the survey.

1(A). Consumer timeshare loan portfolios experienced a slight decrease in currency and a decrease in chargeoffs when comparing Q2 2011 and Q3 2011

The amount of consumer timeshare loans that were current or fewer than 31 days past due as of September 30, 2011, decreased 0.1 percentage points from one quarter earlier and the percent of consumer timeshare loans that were more than 120 days delinquent remained constant for the same time periods. The amount charged against the allowance for uncollectible accounts in Q3 2011 decreased by 0.5 percentage points to 2.0%.

1(B). Consumer timeshare loan portfolios delinquencies remain unchanged overall while chargeoffs decreased when comparing Q3 2010 and Q3 2011

Survey respondents reported that payments for 88.3 percent of the dollar value of their consumer timeshare loans were current or fewer than 31 days past due as of September 30, 2011, remaining unchanged from one year earlier. As of September 30, 2011, 7.8 percent of consumer timeshare loans were more than 120 days delinquent, which is 0.3 percentage points higher than one year earlier. This increase was offset by a 0.3 percentage point decrease in timeshare loans 31 to 120 days past due when compared to one year earlier. The amount charged against the allowance for uncollectible accounts in Q3 2011, as a percentage of the gross outstanding portfolio balance, was 2.0 percent, which decreased by 0.5 percentage points from Q3 2010.

2. Resort occupancy increased slightly, remaining strong at 83.6 percent in Q3 2011

Average occupancy levels increased 0.6 percentage points to 83.6 percent in Q3 2011 compared to Q3 2010. One resort company reported a Q3 2010 to Q3 2011 occupancy increase of 7.2 percentage points, the next largest increase was 6.0 percentage points. Twelve resort companies had increased occupancy from Q3 2010 and four resort companies reported no change from Q3 2010. The highest and lowest occupancy rates for Q3 2011 were 93.0 percent and 59.0 percent, respectively.

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[1] The first quarter 2011 pulse survey included additional statistics and clarifications deemed to be useful to the reader in evaluating how the industry was being impacted by the current economic environment. The changes that were made in the first quarter 2011 survey have been continued in this survey. Please refer to the report on the first quarter 2011 pulse survey for details of these changes.

3. **Timeshare sales volume increased in Q3 2011**

   Aggregate net originated sales, including telesales, increased 1.0 percent from Q3 2010 to Q3 2011. 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 $17,037 during Q3 2011, an increase of 4.5 percent from Q3 2010. Volume per guest (VPG), a measure of the average value of consumer purchases per sales tour, was $2,358 during Q3 2011, a decrease of 2.2 percent from Q3 2010. Sales for non-owned timeshare inventory sold under fee-for-service agreements increased from Q3 2010 by 114 percent.

4. **Consumer financing terms remained stable as average down payments increased in the third quarter**

   The results of this survey indicate that the average new consumer timeshare loan term was longer by 0.5 months at approximately 116.7 months in Q3 2011 compared to Q3 2010. The average down payment on non-upgrade sales increased by 1.6 percentage points to 18.6 percent from Q3 2010 to Q3 2011 while interest rates increased 0.1 percentage points to 14.1 percent.

5. **Capital expenditures related to timeshare inventory increased in the third quarter of 2011 when compared to Q3 2010**

   Survey respondents were asked to provide total capital expenditures related to new timeshare inventory projects and completion of existing inventory projects. The results of the survey indicate that capital expenditures related to timeshare inventory increased by 28 percent from Q3 2010 to Q3 2011.

Survey Results

The following summarizes the survey results.

1(A). Consumer timeshare loan portfolios experienced a slight decrease in currency when comparing Q2 2011 and Q3 2011.

The composition of receivables portfolios[2] was evaluated as of September 30, 2011, and compared to the composition as of June 30, 2011. The total aggregate receivables for the companies that provided receivables data was $11.6 billion as of September 30, 2011 and $11.5 billion as of June 30, 2011.

Receivables portfolios showed an increase in delinquencies (greater than 31 days past due) as of September 30, 2011, compared to one quarter earlier. Respondents reported that payments for 88.3 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of September 30, 2011, 0.1 percentage points lower than one quarter earlier. Also, as of September 30, 2011, 7.8 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, unchanged from the percentage one quarter earlier. Most respondents reported an increased share of current loans, while four reported no change.

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

	June 30, 2011	September 30, 2011	Increase/(Decrease)
Current	88.4%	88.3%	(0.1%)
31 to 60 days	1.8%	1.9%	0.1%
61 to 90 days	1.1%	1.1%	0.0%
91 to 120 days	0.9%	0.9%	0.0%
More than 120 days	7.8%	7.8%	0.0%
Total	**100%**	**100%**	

Source: Deloitte & Touche based on a minimum of 25 company survey responses. The second quarter 2011 data herein was obtained from the 2011 Second Quarter Pulse Survey.

Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during the third quarter, as a percentage of gross outstanding portfolio balance at period-end. The weighted average default rate in Q3 2011 was 2.0 percent, down from 2.5 percent in Q2 2011. Fifty-eight percent of respondents reported a decrease in the default rate from Q2 2011 to Q3 2011.

[2] 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 delinquencies remain unchanged overall while chargeoffs decreased when comparing Q3 2010 and Q3 2011

The composition of receivables portfolios was evaluated as of September 30, 2011, and compared to composition as of September 30, 2010. The total aggregate receivables for the 25 companies that provided receivables data was $11.6 billion as of September 30, 2011, and $11.9 billion as of September 30, 2010.

Receivables portfolios delinquencies appeared to be unchanged overall (greater than 31 days past due) at September 30, 2011, compared to one year earlier. Respondents reported that payments for 88.3 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of September 30, 2011, unchanged from the percentage one year earlier. Also, as of September 30, 2011, 7.8 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, 0.3 percentage points higher than one year earlier. Six respondents reported a reduced share of current loans and thirteen respondents reported an increased share of current loans.

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

	September 30, 2010	September 30, 2011	Increase/(Decrease)
Current	88.3%	88.3%	0.0%
31 to 60 days	2.0%	1.9%	(0.1%)
61 to 90 days	1.2%	1.1%	(0.1%)
91 to 120 days	1.0%	0.9%	(0.1%)
More than 120 days	7.5%	7.8%	0.3%
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 third quarter, as a percentage of gross outstanding portfolio balance at period-end. The weighted average default rate in Q3 2011 was 2.0 percent, which is 0.5 percentage points lower than Q3 2010. Sixteen respondents reported a decrease in the default rate when comparing Q3 2011 to Q3 2010, however, five respondents reported an increased default rate and four respondents reported no change in default rate.

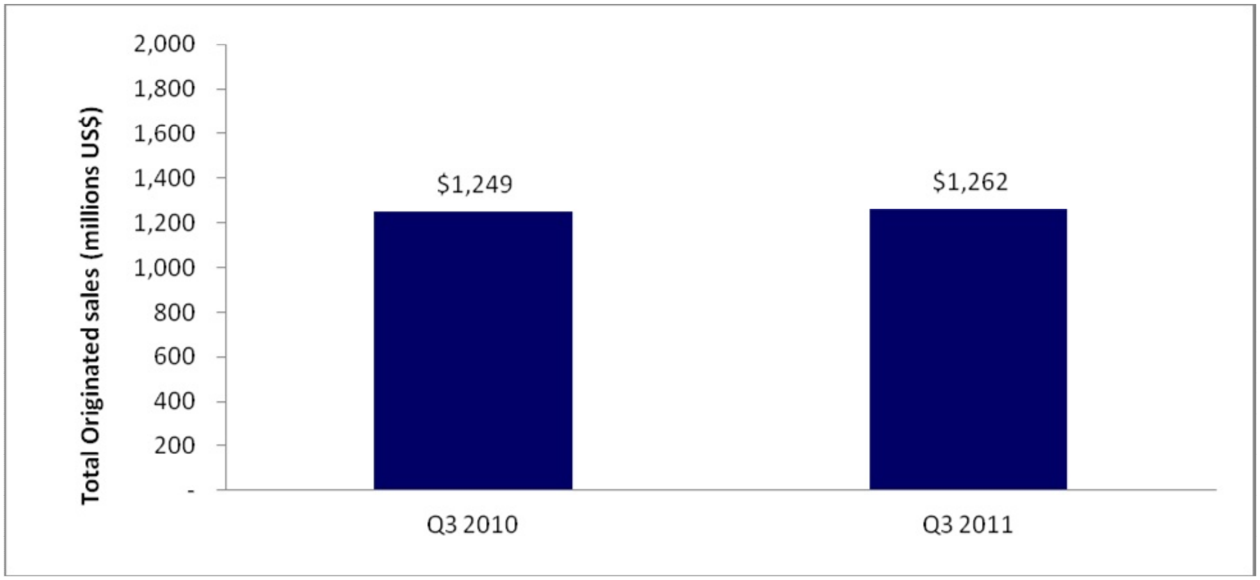
2. Resort occupancy increased slightly, remaining strong at 83.6 percent in Q3 2011

Survey respondents were asked to provide information on timeshare unit occupancy. For the 25 companies that provided quarterly occupancy data, representing approximately 7.8 million room nights in Q3 2011, the average occupancy rate increased 0.6 percentage points to 83.6 percent in Q3 2011, compared to 83.0 percent in Q3 2010.

3. Timeshare sales volume increased in Q3 2011

Companies provided data on a set of key sales indicators. In total, the 25 respondents that provided sales information reported approximately $1.26 billion in net originated timeshare sales[3] (including telesales) in Q3 2011. This was a 1.0 percent increase in Q3 2011 when compared to Q3 2010, as reported by the same respondents.

Figure 2. Net originated sales (including telesales)

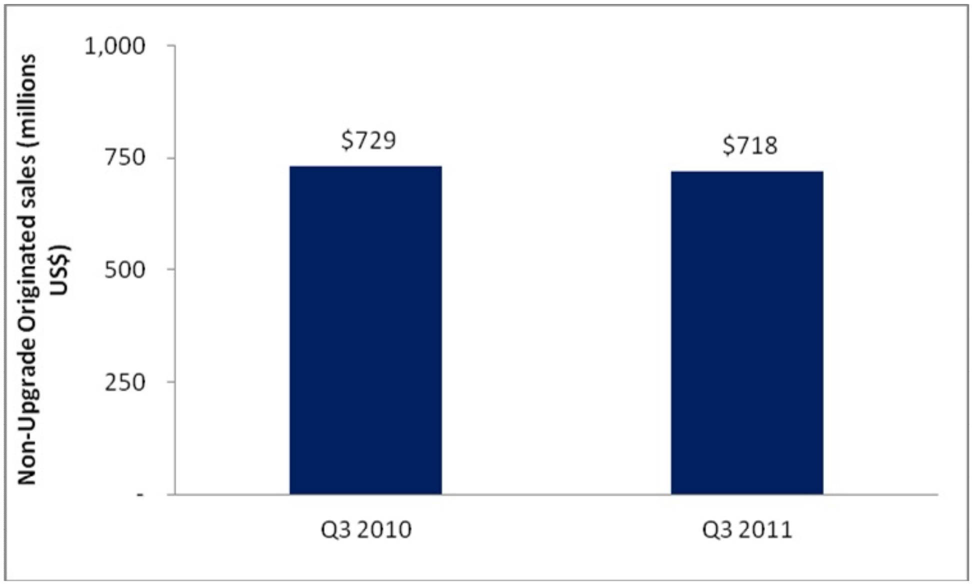


Source: Deloitte & Touche based on 25 company survey responses.

Respondents were asked a question related to the amount of net originated sales (including telesales) from non-upgrade and upgrade sales. The twenty-three respondent companies that provided non-upgrade sales information reported approximately $718 million in non-upgrade net originated timeshare sales (including telesales) in Q3 2011, which is a 1.6 percent decrease from Q3 2010. The twenty-one respondent companies that provided upgrade sales information reported approximately $413 million in upgrade net originated timeshare sales (including telesales) in Q3 2011, which is a 5.1 percent increase from Q3 2010.

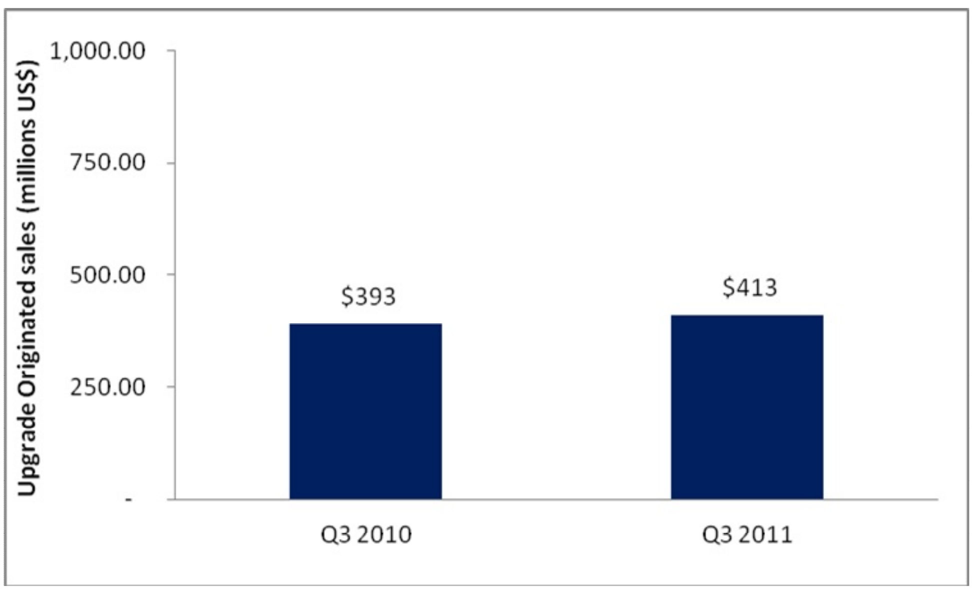
[3] Net originated sales refers to gross sales revenues net of rescissions, but before reduction of revenue for uncollectible accounts.

Figure 2a. Net originated sales (including telesales) – Non-Upgrade



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

Figure 2b. Net originated sales (including telesales) – Upgrade



Source: Deloitte & Touche based on 21 company survey responses.

Twenty-five companies reported net originated sales excluding telesales. Twenty-three respondents provided detailed information on the number of tours and twenty-five respondents provided detailed information on the number of sales transactions. The companies reported that the aggregate number of tours[4] increased 3.3 percent, the aggregate number of sales transactions increased 2.2 percent, and the average transaction value increased 4.5 percent. In addition to the increases in tours, sales transactions, and average transaction values the respondents also reported a significant increase in inventory sold under fee-for-service arrangements (see further description below). The increases in the categories above resulted in a 5.5 percent increase in net originated sales (excluding telesales).[5]

Services related to sales and marketing arrangements in the form of sale of timeshare interests on behalf of other developers is gaining popularity within the industry. Respondents were asked a question related to sales for non-owned timeshare inventory sold under fee-for-service agreements. Of the 26 respondents, six companies are selling and marketing timeshare on behalf of other developers. Of the six respondents providing fee-for-service, three companies provided fee for service in Q3 2010. Three companies increased fee-for-service operations in Q3 2011 compared to Q3 2010. In total, the six respondents reported net originated sales for non-owned timeshare inventory sold under fee-for-service agreements of $94.5 million in Q3 2011, which is an increase of 114 percent from Q3 2010.

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[6], 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. Eleven respondents reported average transaction value had increased from Q3 2010 and twelve reported the value had decreased. Figure 3 below illustrates the average transaction value calculated using a weighted average.

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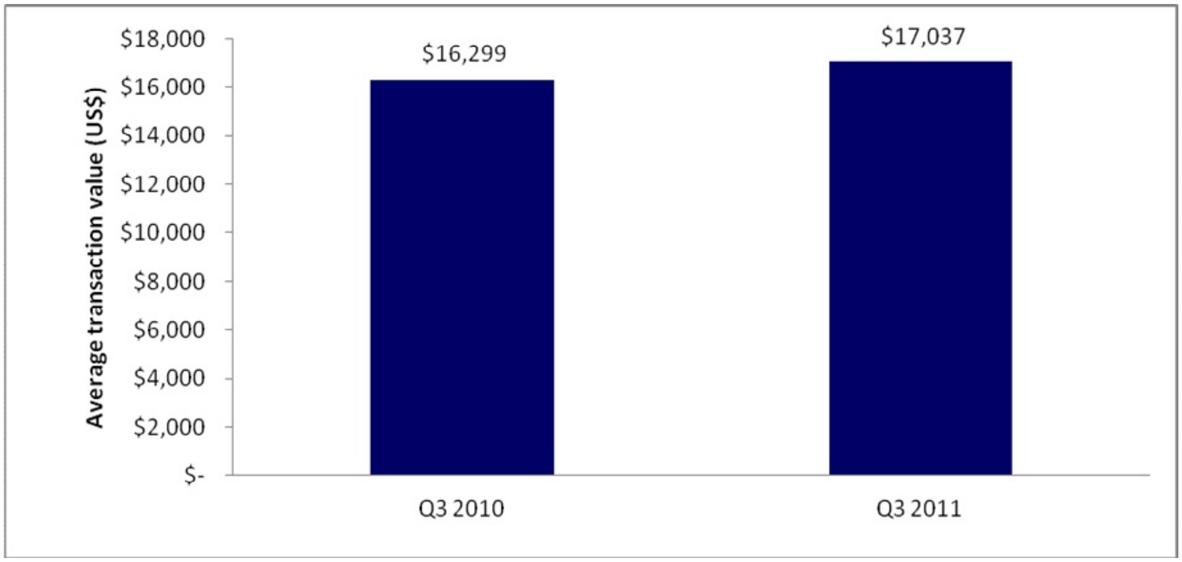
[4] This represents the number of tours taken by guests in the company's efforts to sell timeshares, including all tours of sales prospects, whether they occur on-site or at an off-site sales center.

[5] 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.

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

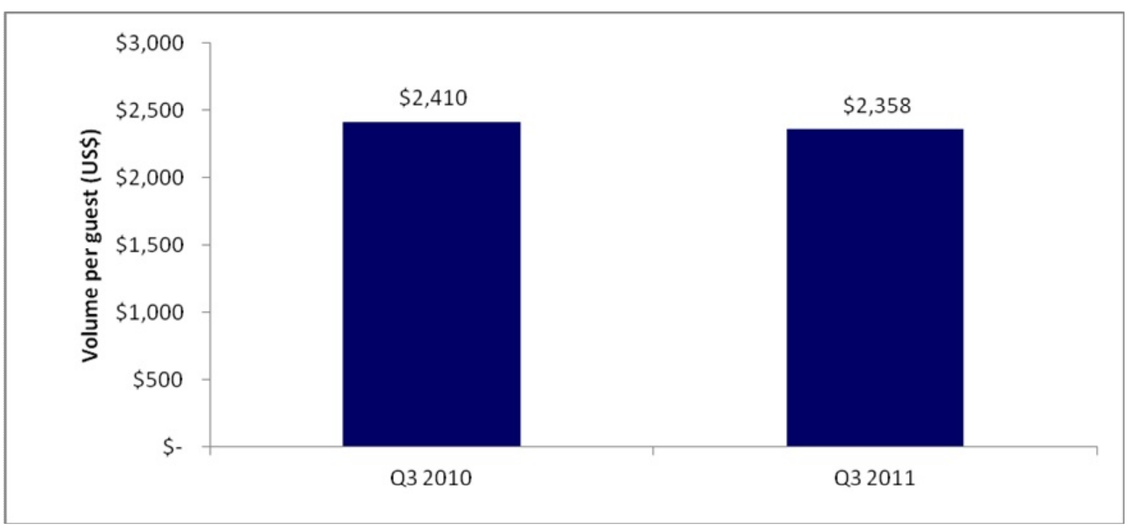
Figure 3. Weighted average transaction value



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

Volume per guest (VPG)[7], a measure of sales efficiency, is calculated as net originated sales per tour, decreased by 2.2 percent from Q3 2010 to Q3 2011.

Figure 4. Weighted average volume per guest

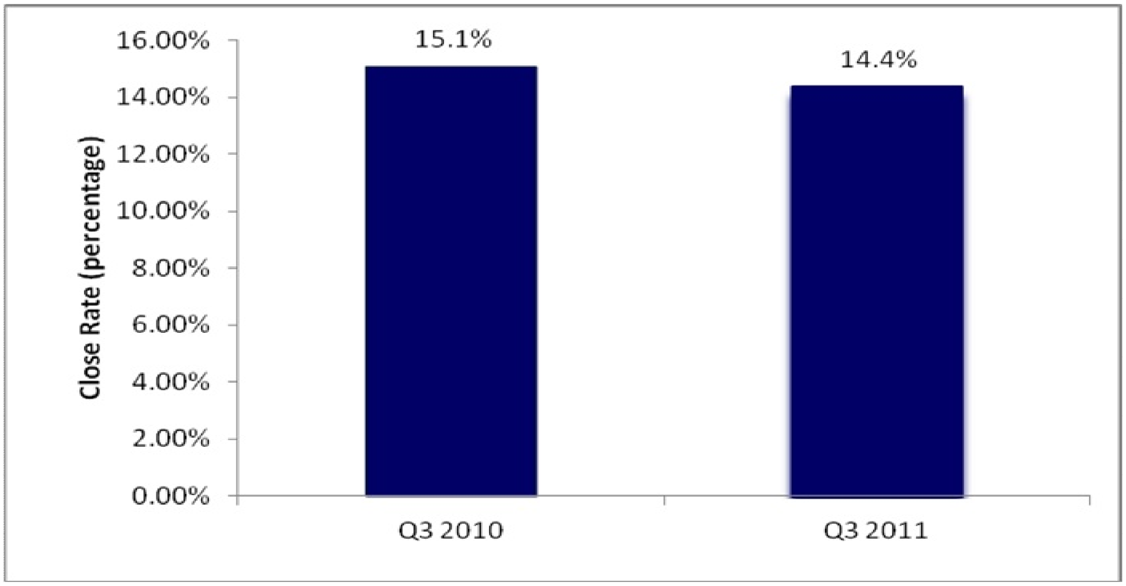


Source: Deloitte & Touche based on 23 company survey responses.

[7] 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).

The close rate, another measure of sales efficiency, is the number of sales transactions generated from tour flow, decreased by 4.6 percent from Q3 2010 to Q3 2011.

Figure 5. Weighted average close rate



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 6 below.

Figure 6. Weighted and simple averages for selected sales metrics

	Weighted Average Q3 2010	Weighted Average Q3 2011	Simple Average Q3 2010	Simple Average Q3 2011
Third quarter				
Volume per guest	$2,410	$2,358	$2,121	$2,166
Average transaction value	$16,299	$17,037	$14,847	$15,325
Close rate	15.1%	14.4%	14.3%	14.1%

Among the companies that provided key sales indicators, 20 provided rescission information. The weighted average rescission rate[8] among those companies was 13.1 percent in Q3 2011, a decrease of 0.7 percentage points from Q3 2010. Eleven companies reported a decrease in rescissions between Q3 2010 and Q3 2011, while eight reported an increase. One company reported no change.

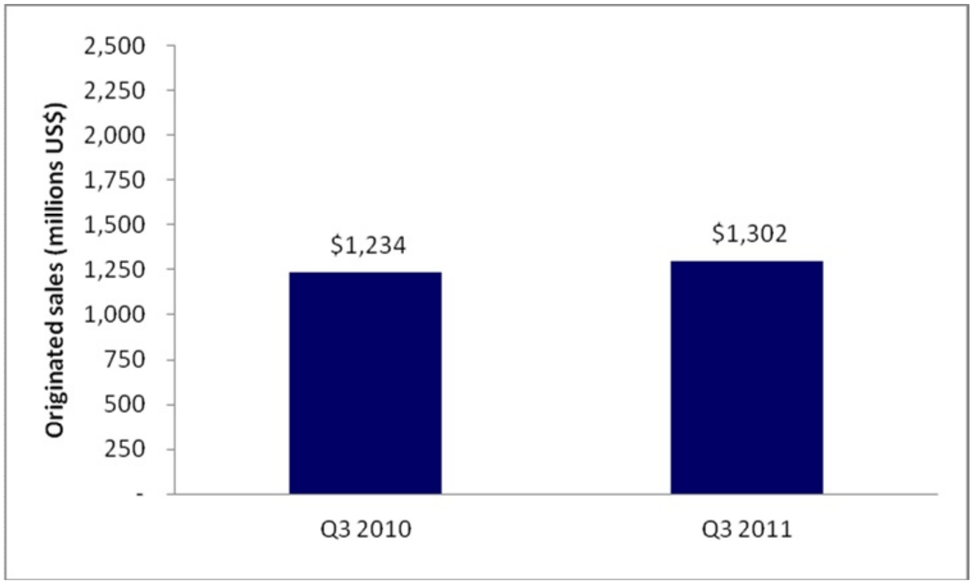
Respondents were asked a question related to rescission information on upgrade and non upgrade sales. For the thirteen respondent companies that provided rescission information on upgrade sales, the weighted average rescission rate (dollar value of rescissions as a percentage of gross sales) decreased from 9.9 percent in Q3 2010 to 9.2 percent in Q3 2011. The nineteen respondent companies that provided rescission information on non upgrade sales, the weighted average rescission rate (dollar value

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

of rescissions as a percentage of gross sales) decreased from 17.4 percent in Q3 2010 to 15.9 percent in Q3 2011.

Fee-for-service arrangements continue to gain popularity within the timeshare industry. Overall timeshare sales under these arrangement increased by over 114 percent when compared to Q3 2010. When sales of timeshare under fee-for-service arrangements are combined with respondents' sales of their own timeshare inventory (excluding telesales) there was an increase of 5.5 percent in total net originated timeshare sales when compared to Q3 2010.

Figure 7. Net originated sales (excluding telesales and including sales under fee-for-service arrangements)



Source: Deloitte & Touche based on 25 company survey responses for net originated sales and 6 company survey responses related to fee-for-service arrangements

4. Consumer financing terms remained stable as average down payments increased in Q3 2011

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated.[9] The average interest rate on new consumer loans in Q3 2011 was 14.1 percent, an increase of 0.1 percentage points from Q3 2010. There was a 0.5 month increase in the term for which loans are made, with average loan terms in Q3 2011 of approximately 116.7 months.

Respondents were asked to provide the average down payment on upgrade sales separate from non-upgrade sales.[10] This is because purchasers of upgrades use 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

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

[10] 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.

respondents reported that the average down payment on non-upgrade sales increased 1.6 percentage points to 18.6 percent of the stated sales price on financed sales in Q3 2011 compared to Q3 2010. Twenty-three respondents reported that the down payment on upgrade sales, which includes the value of equity in the owners' existing vacation ownership interest, was 46.1 percent in Q3 2011, an increase of 1.6 percentage points from Q3 2010.

Figure 8. Characteristics of consumer timeshare loan financing

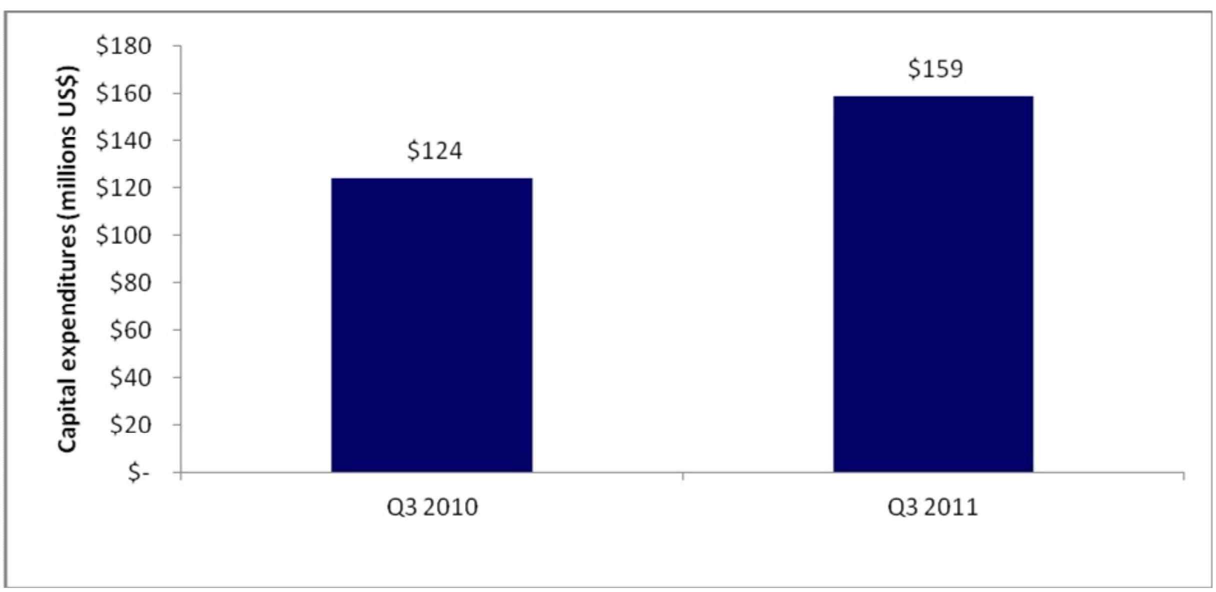
	2010	2011	Difference
Third Quarter			
Average:			
Interest rate (annual)	14.0%	14.1%	0.1%
Term (months)	116.2	116.7	0.5
Non-upgrade down payment (% of price)	17.0%	18.6%	1.6%
Upgrade down payment (% of price)	44.5%	46.1%	1.6%

Source: Deloitte & Touche based on a minimum of 23 company survey responses

5. Capital expenditures related to timeshare inventory increased in the third quarter of 2011 when compared to Q3 2010

Respondents were asked a question for the Q3 2011 survey related to capital expenditures related to timeshare inventory. Of the 19 respondents, 68.4%, increased capital expenditures related to timeshare inventory and 31.6%, decreased capital expenditures related to time share inventory. In total, capital expenditures related to timeshare inventory increased by 28 percent from Q3 2010 to Q3 2011.

Figure 9. Capital Expenditures



Source: Deloitte & Touche based on 19 company survey responses.

The following table shows the quarterly survey results in aggregate.

ARDA International Foundation – 2011 Third Quarter Pulse Survey

2011 Third Quarter End Results	Quarter Ending September 30 2010	Quarter Ending September 30 2011	Increase/ (Decrease)	Increase/ (Decrease) Percent	Survey Responses
General Characteristics					
1. Ownership status (public or private)	Public: 27% Private: 73%	Public: 23% Private: 77%			26
2. Are fee-for-service activities being provided by another developer on your behalf?	N/A N/A	Yes: 4% No: 96%			
Receivables Portfolio					
3. 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)	$11,932,292,951	$11,591,660,949	(340,632,002)	(2.9%)	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)	88.3%	88.3%	0.0%	0.0%	25
Between 31 to 60 days delinquent	2.0%	1.9%	(0.1%)	(5.0%)	25
Between 61 to 90 days delinquent	1.2%	1.1%	(0.1%)	(8.3%)	25
Between 91 to 120 days delinquent	1.0%	0.9%	(0.1%)	(10.0%)	25
More than 120 days delinquent	7.5%	7.8%	0.3%	4.0%	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)	2.5%	2.0%	(0.5%)	(20.0%)	24
Inventory					
4. Capital expenditures related to timeshare inventory	$124,135,500	$158,864,855	$34,729,355	28.0%	19
Resort Occupancy					
5. 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)	83.0%	83.6%	0.6%	0.7%	25
b. Vacant	17.0%	16.4%	(0.6%)	(3.5 %)	25
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.)	7,593,475	7,799,722	206,247	2.7%	25
Selected Sales Metrics (Including telesales and home sits)					
6. Sales metrics. Include telesales in the following responses.					
a. Net originated sales (in dollars)	$1,249,439,116	$1,262,114,742	$12,675,626	1.0%	25
a1. Net originated sales that were not upgrade sales (in dollars):	$729,413,827	$717,768,066	($11,645,761)	(1.6%)	23
a2. Net originated sales that were upgrade sales (in dollars):	$392,810,881	$412,720,273	$19,909,392	5.1%	21
b. Rescissions	13.8%	13.1%	(0.7%)	(5.1%)	20

6b1. Rescissions that were not upgrade sales	17.4%	15.9%	(1.5%)	(8.6%)	19
6b2. Rescissions that were upgrade sales	9.9%	9.2%	(0.7%)	(7.1%)	13
Selected Sales Metrics (Excluding telesales)					
7. 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.	581,904	601,287	19,383	3.3%	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.)	83,141	84,978	1,837	2.2%	25
c. Close rate (excludes sales that are canceled through rescission, calculated based on formula)	15.1%	14.4%	(0.7%)	(4.6%)	23
d. Net originated sales excluding telesales	$1,234,406,910	$1,302,306,497	$67,899,587	5.5%	25
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)	$2,410	$2,358	($52)	(2.2%)	23
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)	$16,299	$17,037	$738	4.5%	25
g. Total net originated sales for non-owned timeshare inventory sold under fee-for-service agreements	$44,125,744	$94,455,432	$50,329,688	114.1%	6
Consumer Financing					
8. 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.	14.0%	14.1%	0.1%	0.7%	25
b. Average term (in months).	116.2	116.7	0.50	0.4%	25
c. Average down payment.					
c1. Average down payment on non-upgrade sales	17.0%	18.6%	1.6%	9.4%	25
c2. Average down payment on upgrade sales	44.5%	46.1%	1.6%	3.6%	23

Method

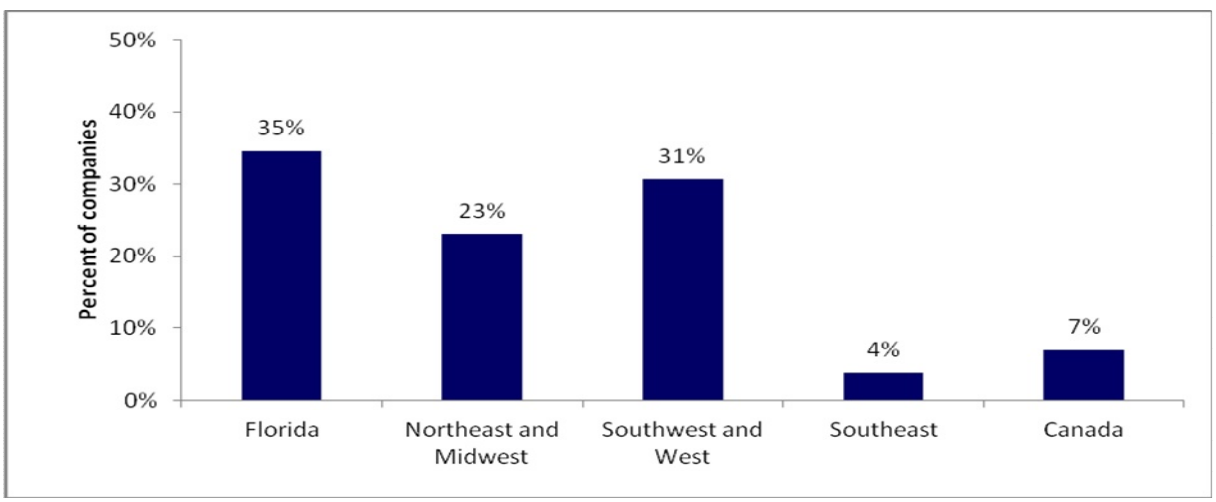
The 2011 Third Quarter Pulse Survey was conducted by Deloitte & Touche on the behalf of ARDA International Foundation. The purpose of the research was to compile current data and to provide a current perspective on the timeshare industry's financial performance.

Deloitte & Touche developed the survey instrument in connection with input from ARDA International Foundation and industry participants. Deloitte & Touche distributed the survey directly to 50 timeshare and vacation ownership companies on October 10, 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 October 26, 2011 deadline, though additional responses received after the deadline were included in the analysis. By November 1, 2011, 26 companies, or 52 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 26 responses were collected, most questions (other than headquarters location) were not answered by all 26 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 Q3 2011 net originated sales, including telesales, of $1.26 billion. Six of the 26 companies are publicly traded companies, and six of the 26 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.[11]

Figure 10. Distribution of companies by headquarters location, 2011



Source: Deloitte & Touche based on 26 company survey responses.

[11] 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).

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 second quarter of 2011. The current Pulse Survey functions similarly as a timely source of information on several key statistics, with a focus on the third quarter of 2011. 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 Q3 2010 and Q3 2011 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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ARDA
American Resort Development Association