

TIMESHARE PURCHASES

A Profile of Recent Activity



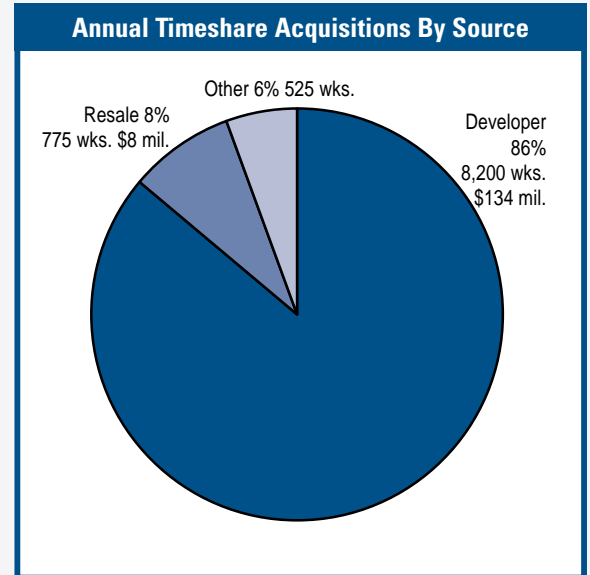
Summary Of Key Findings

The flexibility provided by the exchange option, and guaranteed access to quality accommodations, are the keys to timeshare sales in Canada. Developers achieve a high average price of \$16,300 per week, due to a high proportion of biennials sold at premium prices, and because U.S. residents find prices affordable at current exchange rates. Annual sales volume is about \$134 million in developer sales, and another \$8 million in consumer-to-consumer resales. Snow skiing represents the primary winter attraction for purchasers of Canada timeshares, while golf is the biggest draw in summer.

Note: All currency figures discussed are in Canadian dollars.

FROM WHOM ARE THEY BUYING?

Purchases from developers and other commercial sources dominate the Canadian timeshare market, representing 86% of timeshare acquisitions during the study period and annual volume of \$134 million. Resale transactions between consumers account for about 775 weeks at about \$8 million in volume, while another 525 weeks change ownership as gifts, inheritances, or by other means.



HOW MUCH ARE THEY PAYING?

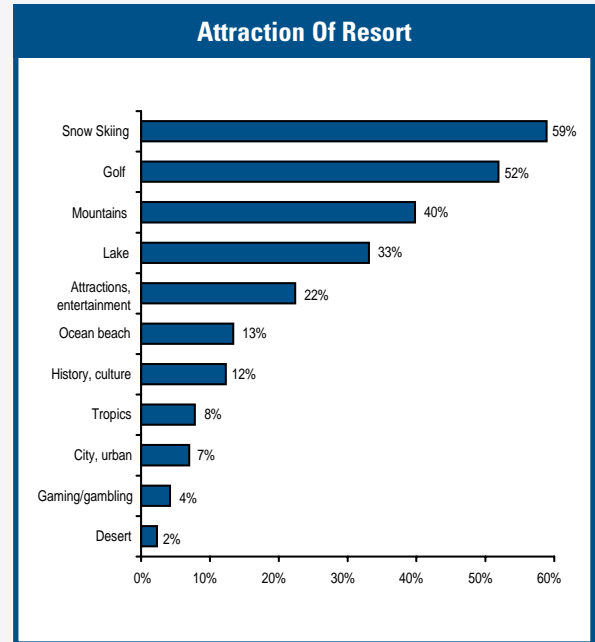
Canada timeshares purchased from developers and other commercial sources during the study period averaged \$16,300 per week of annual use (or the equivalent in points). While this figure may seem high, it includes a high proportion (39%) of biennial purchases (which allow use every second year), which typically sell at a premium as

	Acquisitions By Source	
	All	Developers
Under \$5,000	12.6%	7.7%
\$5,000 to \$9,999	16.0%	15.8%
\$10,000 to \$14,999	15.8%	15.8%
\$15,000 to \$19,999	24.8%	27.3%
\$20,000 or more	17.8%	19.3%
\$25,000 or more	13.0%	14.1%
Total	100.0%	100.0%
Average	\$15,400	\$16,300
Median	\$16,000	\$16,000

compared with annual timeshares. The average price for all acquisitions is \$15,400 per week, which reflects lower prices for consumer-to-consumer resales. Prices for timeshares sold by Canada developers have escalated at a rate of about 6.6% per year since 1981, and about 7.4% per year since 1992.

WHAT ATTRACTIONS ARE PREFERRED?

Snow skiing represents by far the most important attraction for Canada timeshare buyers (59%), followed by golf (52%). Some buyers cite attractions not available in Canada, such as the tropics and desert, because they purchased into club programs that offer resorts in those types of areas as well as in Canada. (Figures add to more than 100% because many resorts and clubs offer more than one feature.)



WHY DO THEY BUY?

The exchange opportunity through RCI or another exchange company is the most important purchase motivation, rated as “very important” by 86% of Canada buyers. Buyers clearly value the combination of flexibility and quality that their timeshares offer. Pressure to make a same-day decision, however, makes buyers hesitate to purchase: for 68% of those who buy from developers or other commercial sources this is a “very important” concern.

WHO IS BUYING?

Canadian buyers during the study period report a median household income of \$91,000 and a median age of 50 years. The great majority are married, well-educated homeowners — an upscale market. 19% are U.S. residents, who find current exchange rates highly attractive, especially in the western ski areas.

Timeshare Buyer Profile

Married	86%
Homeowners	93%
Bachelors degree or higher education	56%
Median age	50
Median income	\$91,000
U.S. resident	19%

This report is based on 1,307 responses to a survey of randomly selected RCI members living in North America who purchased a timeshare located in Canada during the period between October 2000 and September 2001.

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Ragatz Associates, a business unit of RCI, serves the international timeshare industry, offering market research, feasibility analysis and comprehensive consulting services to established resort developers, marketers, operators and prospective industry entrants.

RCI (RCI.com) is the world's leading global provider of products and services to the timeshare industry, with more than 3,700 affiliated resorts in 100 countries. In pursuit of its mission to be the market maker in global travel and leisure, RCI offers the world's leading timeshare exchange services through RCI Points, the first worldwide points-based exchange system, and RCI Weeks, RCI's traditional week-for-week exchange system. In 2001, more than 2.1 million exchanges were booked through RCI, sending an estimated 7.5 million people on vacation. RCI provides integrated timeshare solutions in addition to exchange including consulting, travel agency and technological support. RCI is a subsidiary of Cendant Corporation.

Cendant (NYSE: CD) is one of the foremost providers of travel, real estate, vehicle, and financial services in the world. Cendant's Real Estate Division is the leader in the world's largest industry, with affiliates responsible for more than one out of every four homes sold or purchased in the U.S. Cendant also runs one of the country's largest retail mortgage originators, the leading relocation services company, and franchises a leading commercial real estate brokerage system. As one of the world's leading franchisers of mid-economy market lodging brands and the world's largest vacation ownership company, Cendant's Travel Division is one of the largest providers of travel services around the globe. Cendant's Vehicle Services Division is the leader in the vehicle management industry. In addition to providing fleet and fuel-card management services, Cendant also runs the largest non-municipally owned car park in the U.K. and the second-largest general-use car rental company in the U.S. Cendant's Financial Services Division includes the second largest tax preparation company in the country. The Division also offers insurance and loyalty marketing programs to financial institutions that are looking to enhance the value-added services they offer to their customers. Cendant's Travel Distribution Division has four principal components: reservations transactions systems provider WizCom, which handles reservations for more than 115 hotel and car rental chains in over 40 countries; Cendant's travel agency business; Galileo, Trip.com and the off-line operations of Cheap Tickets, Inc.

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