

# RESORT TIMESHARING Worldwide



## Summary Of Key Findings

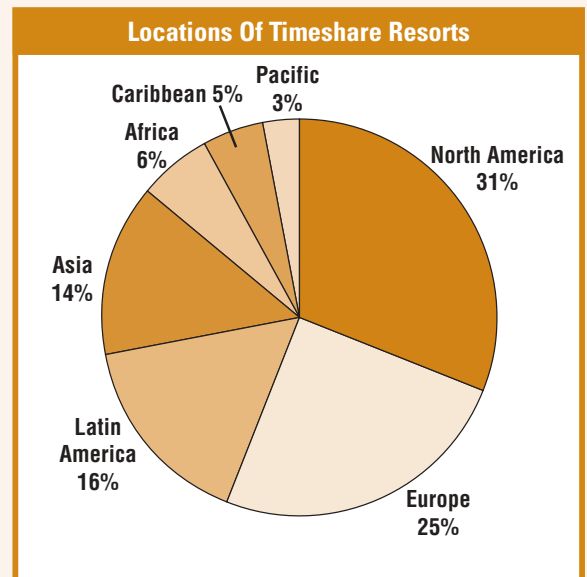
*Boosted by strong sales growth, especially in the large U.S. market, the international timeshare industry reached \$9.4 billion in sales during 2002. With over 5,400 resorts in more than 100 countries, the industry plays an increasingly prominent role in the world tourism industry.*

*Some 6.7 million households own the rights to about 10.7 million timeshare weeks. Satisfaction rates remain high, upwards of 80% in most major markets. High satisfaction rates, affordability, and low market penetration hold the promise for future industry growth.*

### WHERE ARE THE RESORTS?

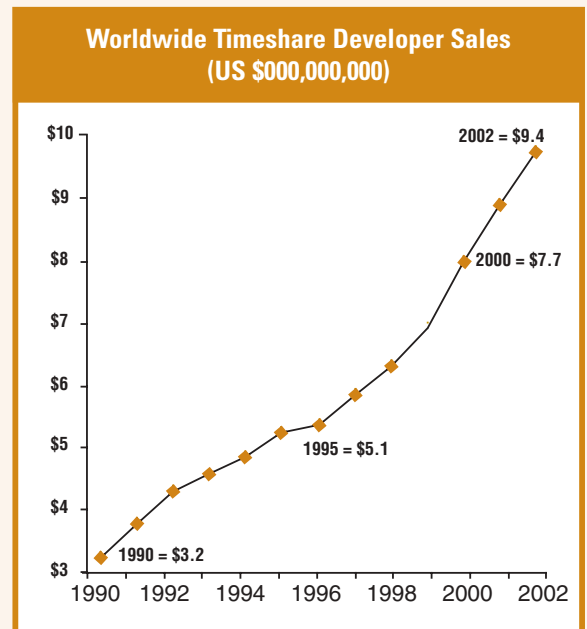
Of the world's 5,425 timeshare resorts, just over 1,700 are in North America, predominantly the United States. Europe hosts 25%, with Spain (including the Canary Islands) offering over 500 timeshare resorts. Latin America includes another 16% of the global total, led by Mexico with some 40% of the resorts in that region. Rapidly emerging Asia offers 14%, led by Japan but with Thailand and India increasingly prominent.

These resorts provide about 325,000 accommodation units worldwide. Some 41% are in the U.S., where timeshare resorts tend to be largest with an average of more than 80 units each. On a global basis, the average timeshare resort offers about 60 units.



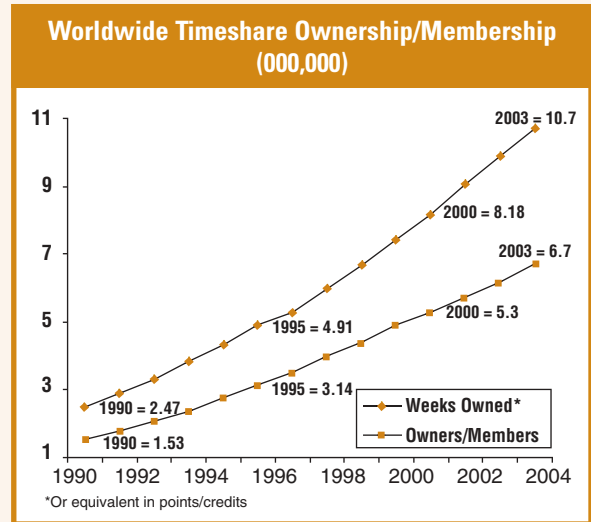
### WHAT IS THE SALES VOLUME?

Developers sold about U.S.\$9.4 billion in timeshares during 2002 on a worldwide basis. Sales of U.S. timeshares represented fully \$5.5 billion of this, fueled by strong growth among the leading companies. Europe and Latin America together accounted for most of the remainder, although Asia and Australia both showed renewed growth signs after several years of static or declining sales. Globally, the average price of a timeshare purchased from developers was about \$10,600 per week in 2002, but varied significantly by country, product tier, unit size, and other features.



## HOW MANY HOUSEHOLDS OWN TIMESHARES?

Some 6.7 million households worldwide owned or held membership use rights to some 10.7 million weeks of timesharing, or the equivalent in points and credits, as of January 1, 2003. Ownership of timeshares increased at a rate averaging about 12% annually from 1990 to 2003.

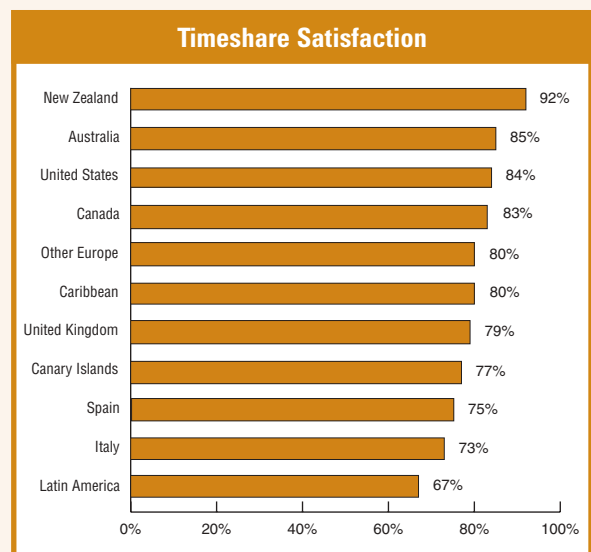


## WHO IS BUYING?

Worldwide, typical timeshare buyers are upper-middle income, middle-aged, married couple homeowners. But great diversity exists around this "typical" profile. Timeshare products priced to attract ordinary working people, and others oriented to only the very affluent, are available. Median household incomes of buyers range from about US\$35,000 in some developing countries to more than US\$90,000 for buyers in the Caribbean. Italy attracts the largest proportion of unmarried buyers (37.0%), while Latin America timeshares attract the most households with children (58%). Market penetration rates remain low in all countries, leaving plenty of potential for future growth; even in the United States, fewer than 3% of households own timeshares.

## HOW SATISFIED ARE OWNERS?

The great majority of timeshare owners/members express satisfaction with their purchases. Satisfaction rates range from 67% in Latin America and 73% in Italy, to 84% in the U.S. and an overwhelming 92% in New Zealand. Most owners/members who provide other responses are not dissatisfied, but instead simply check "neutral," primarily because they have not yet experienced their timeshares sufficiently to form an opinion.



*This report is based on surveys of randomly selected RCI members, surveys of timeshare resorts, and RCI databases.*

For information on other industry studies contact:

Steven Miner at 503.391.8190 • fax: 503.391.8091 • [steven.miner@ragatzassociates.com](mailto:steven.miner@ragatzassociates.com) or

John Barrows at 973.496.8687 • fax: 973.496.1977 • [john.barrows@cendant.com](mailto:john.barrows@cendant.com)



**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.

 **6 Sylvan Way • Parsippany, New Jersey 07054 • RCI.com**