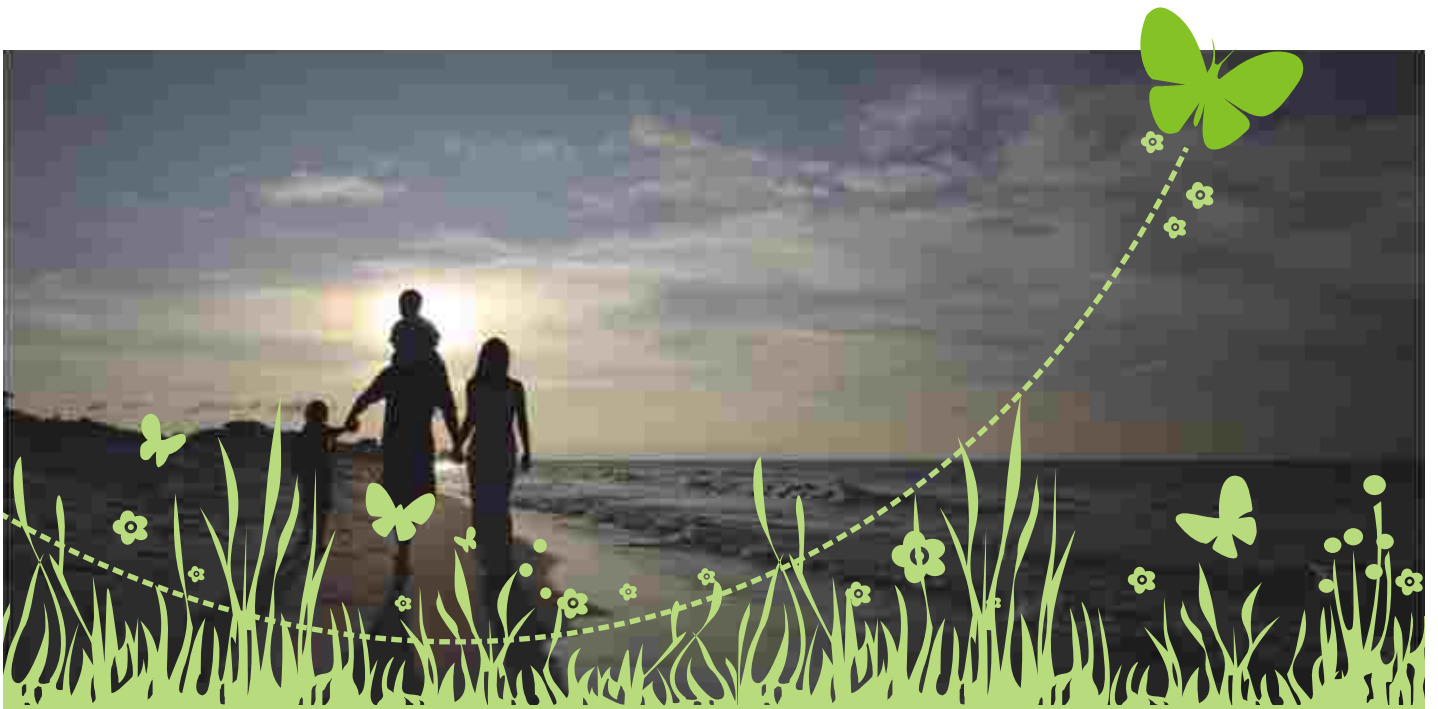




REACH IN. TO REACH OUT

Build, Develop and Manage a stronger
more vibrant Vacation Ownership Industry



A Multi-Billion Dollar Opportunity

Today, there are thousands of timeshare resorts across the world, catering to the holiday needs of millions of vacation owners both domestic and international. The burgeoning growth and profitability of Vacation Ownership is thanks mainly to its growing popularity and the huge value that it continues to deliver. This industry is slated to continue growing, as a multi-billion dollar business, in the foreseeable future too.

A Global Perspective

- Sales figures: US\$ 15 billion (Estimated 2007 Sales)
- Over 5425 resorts in 95 countries
- U.S. Sales Volume: \$10.6 billion in 2007
- Most resorts within U.S.: 1600+ Florida, California & South Carolina together represent 39% of all the U.S. timeshare resorts
- Total number of owners : 7+ million
- No. of timeshare weeks held: 10.7 million
- Timeshare owners present in more than 270 countries
- Economic impact of Vacation Ownership industry in U.S.: \$92 billion in 2005
- Recognised as the fastest growing segment of tourism
- Ownership of timeshare increased at a rate of 12% CAGR during 1990-2003

Impact On The U.S. Economy

Some key facts and figures of the U.S. timeshare industry as of 2005, which accounts for nearly 60% of the business worldwide.

- Economic impact & fiscal contributions : US\$92 billion
- Consumer & business spending : US\$62 billion
- Fulltime and part-time jobs : 565,300

- Payroll and related income : US\$21 billion
- Tax revenues : US\$8.5 billion

The development and the growth experienced by the Vacation Ownership industry is a global phenomenon. This is further reinforced by the fact that this industry in India has mirrored the trends and progress witnessed in other parts of the world.

Implications For India

India's large and diverse holiday landscape provides infinite possibilities for both holidaymakers and developers. The number of leisure travellers in India has been on the increase over the years.

The current size of the domestic tourism market in India is estimated at over 350 million annually. Moreover, thanks to rapidly changing lifestyles and increasing disposal incomes, holidaymakers have begun to demand more organised and higher quality leisure options. And this reflects in the sheer growth of Vacation Ownership in India, which is currently growing between 15 to 20% CAGR. Presently there are about 250,000 timeshare owners in India.

Over the years, the Vacation Ownership industry has begun to provide dedicated products and services to leverage the vast, hitherto unexplored domestic tourism potential.

Facts & Figures

- Number of timeshare companies : 45
- Number of resorts : 80
- Timeshare memberships : 250,000
- Average Annual additions : 18,000
- No. of units : 5000
- Total investments : US \$250 million
- Growth rate : + 15% CAGR

CREATE A GREAT FUTURE!

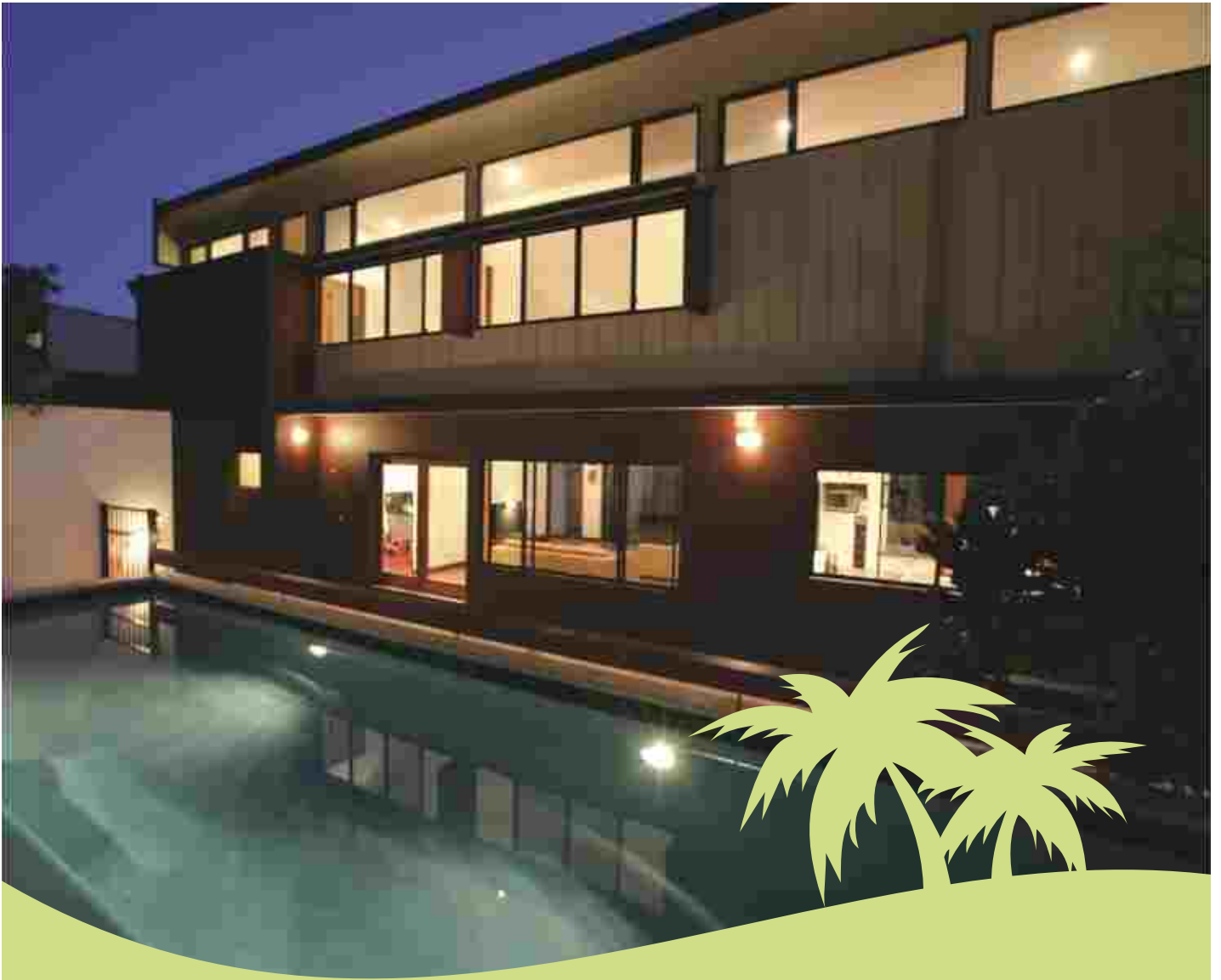
Vacation Ownership Industry - Fast And Fertile

Vacation Ownership, popularly known as Time Share, is one of the fastest growing and profitable businesses in the world. It is a business where leisure seekers or holidaymakers gain maximum value, myriad holidaying options and truly memorable vacation experiences, while timeshare developers are assured of continuous customer footfalls, enhanced revenues and profitability.

Vacation Ownership - A Snapshot

Vacation Ownership caters to the needs of holidaymakers by providing them and their families' diverse leisure options around the world. It is a readily available, customised and value-for-money leisure tourism product, which provides an entire cross section of theme-based vacations.

Vacation Ownership offers holidaymakers a weeks' inflation-free vacation every year, for 25-30 years, at select resorts for a one-time payment. These weeks can be accumulated for up to three weeks at a time, in a choice of accommodations: studio, one bedroom and two bedroom apartments. These accommodations are designed to cater to varying family sizes and provide holidaymakers a wonderful 'home away from home' feel. In addition, each resort is equipped with amenities and facilities such as multi-cuisine restaurants, room service, modern and fully equipped kitchenettes, onsite general stores... all adding to the immense value and convenience delivered to create dream holidays.



PLAYING OUR PART IN BUILDING IT!

Exploring Mutual Synergies And Compatible Values

The Vacation Ownership Industry is still a fledging industry in India. This is the perfect time and opportunity for developers to work closely and nurture it. Thereby, putting it firmly on the path of rapid development and ensuring that the industry and its stakeholders continue to benefit from the huge potential that exists.

Booming Domestic Tourism

The last few years have witnessed a virtual boom in the Vacation Ownership industry in India. This cascading growth is a result of the tremendous growth of domestic tourism in the country. Indians are holidaying like never before, seeking out exciting destinations and exotic locales. This in turn has helped create a groundswell of tens of thousands of hitherto non-existent timeshare owners and million more prospective ones. Indian holidaymakers are lapping up the timeshare concept, at the rate of knots, mirroring international patterns.

Dream Getaways

The reasons are simple! Vacation Ownership has provided Indian holidaymakers a fabulous gateway of opportunities.

It offers them perfect getaways, from the humdrum of daily life, transporting them into an exotic world of extraordinary destinations and diverse locations. Vacation Ownership also offers them myriad choices from 'off the beaten track' destinations to popular tourist locales and glittering cityscapes in India and abroad.

What's more, Vacation Ownership developers have been able to rise to this challenge and opportunity by offering discerning customers myriad themes - exotic, activity-led, wellness holiday experiences.



Newer Growth Opportunities

To cash in on this boom, numerous hotel developers are also journeying into the Vacation Ownership industry, examining the mixed-use concept of facility sharing by traditional hotels and vacation resorts, while others are foraying in attractive tourist destinations in the hinterland. This has gone a long way in increasing the size of the Vacation Ownership industry, while contributing to economic growth and development of these areas, generating huge employment opportunities and adding to the infrastructure development.

Vacation Ownership resorts offer holidaymakers diversified leisure options which include adventure, wildlife and spas as holiday options. Thanks to the rapid development and expansion of the Vacation Ownership industry, a number of associated product options such as rentals, total ownerships, fractional ownerships, points products, private residence clubs and destination clubs are emerging in the U.S. and the European markets. And, before long, the Vacation Ownership industry in India should be able to capitalise on these products too.

Responsibilities and Challenges

However, with burgeoning growth come innumerable responsibilities and challenges. The responsibility of

needing to operate within an ethical, professional and transparent framework, while offering customers the highest quality of holidays and assuring them complete value in products and services.

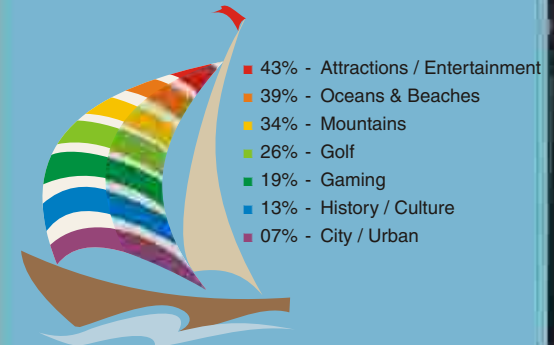
Some of the challenges facing the industry include: whether vacation owners are getting a fair deal? Is there adequate transparency between owners and the developers? Are the interests of resort owners protected? Is the Government aware of their needs - current and future? Are prospective developers being encouraged and helped to set up new timeshare projects and expand the consumer base?

Questions like these underline the need for a well-structured set of rules and regulations that govern all the stakeholders in the industry.

All this and more necessitated the creation of an entity whose charter would be to work towards the regulation and development of the industry. An entity that would be able to provide leadership and vision, and create a structured pathway for the continuing growth and development of the industry. At the same time, be able to build opportunities for mutual synergies and create compatible values both within the industry and outside too.



Timeshare Preferences in South Africa



Source: Resort Timesharing in South Africa, Ragatz Associates, 2004 Edition.

Mission

To grow the Vacation Ownership industry in India in partnership with member-developers, consumers and other stakeholders.

Goals/Charter

AIRDA's charter objectives are to increase consumer awareness of Vacation Ownership industry, develop the industry by attracting new and committed players, function as a self-regulatory body, ensuring that the activities of the timeshare industry are honest, fair and conducted with transparency, safeguard the interests of Vacation Ownership consumers, check and curb activities of unethical operators and facilitate resolution of consumer and member issues.

Global Distribution of Resorts



- 31% - USA
- 25% - Europe
- 16% - Latin America
- 20% - Asia & Africa
- 05% - The Carribean
- 03% - Pacific

Source: Resort Timesharing Worldwide, 2003 Edition, Summary Report, Ragatz Associates, USA.



All India Resort Development Association A Reality

In 1998, this became a reality. To safeguard unbridled expansion of the industry and ensure its ethical & disciplined growth, committed players set up the All India Resort Development Association (AIRDA), the nodal industry body to address industry and consumer concerns and facilitate long-term growth of the business.

AIRDA is the national representative body for the Vacation Ownership industry in India. Its primary objective is to provide leadership, vision and purpose in steering the direction of Vacation Ownership in the country. AIRDA's charter is to work towards the long-term interests of the industry, its member developers & consumers.

As a national representative body, AIRDA brings together timeshare developers and organisations, and represents, supports

and leads Vacation Ownership, from the local level to the national arena.

AIRDA is an umbrella organisation representing the interests of its developers and their members. AIRDA promotes industry growth and serves its members through education, legislative lobbying and member-consumer relations management. It also facilitates dialogue between government, trade and consumer bodies to create fair legislation that safeguards the interest of the consumer and encourages positive industry development.

AIRDA, since inception, had systematised and implemented a code of ethics to govern the Vacation Ownership industry in India. AIRDA was also responsible in focusing the Government's attention on the industry and ensuring that it had a say in industry specific policy matters.



AIRDA - Towards Self-Regulation and Education

As an industry, the Vacation Ownership industry can be justifiably proud of its growth and development. The industry has achieved extraordinary success, developed magnificent timeshare resorts and celebrated its continuing growth. However, future success can only be ensured by rising to the challenges that this growth now presents.

Today, the Vacation Ownership industry is continuously innovating to delight consumers with the highest benchmarks of overall excellence, quality, unique choice of product packages in F&B, entertainment, leisure activities and lifestyle experiences. Within the resort communities, larger units and better amenities are becoming the standard to cater to both joint and nuclear families.

But, there is an urgent need to invest in new infrastructure, facilities and amenities so that customers can continue to enjoy hassle-free holidays in world-class resorts. In addition, this needs to be backed by fair trade practices and service excellence too.

Prime Objective

The prime objective of AIRDA's code of ethics is to create a self-regulated environment in which committed resort developers can offer fair trade practices and superior standards that translate into better products and enhanced customer service and satisfaction. The introduction of a 10-day cooling off period and abolition of utility fees are steps in this direction.

The classification/rating of timeshare resorts by the Ministry of Tourism, which only AIRDA members are eligible for, is a big step forward in ensuring that there is complete standardisation in facilities, amenities and costs across the industry.

Partnering for Profit

Embracing of the Vacation Ownership model enables developers and hoteliers reduce their reliance on debt, enhance cash flows, decrease volatility in occupancy rates and as a result augment profits and bottom lines. What's more,

being a part of this industry also helps developers and hoteliers amortise expenses across properties, ensure occupancy with FIT guests and families and ensure round-the-year employment instead on resorting to seasonal lay-offs. Additionally, holidaymakers are also assured of enhanced amenities, better quality of entertainment, optimal utilisation of resources etc.

Extending Industry Influence

One of AIRDA's other aims is to ensure adequate representation of the industry at various policy and non-policy making forums too.

AIRDA is also responsible for disseminating information amongst members and providing them the opportunity to discuss the latest industry news and help them with the formulation of their long-term business plans.

Economic Benefits

Furthermore, with more resorts being developed in the hinterland, the time is also ripe for equitable development of local communities surrounding those resorts. Vacation Ownership resorts can go a long way in helping create and sustain jobs in those areas, revitalise the hinterland with economic activity and enhance Government revenues.

AIRDA's thrust will also be on human resource training and development to ensure huge strides in developing, attracting and retaining talent in the industry.

A Knowledge Repository

Over the years, AIRDA has developed a network of associates who are adept at various facets of the Vacation Ownership business. This knowledge repository has been built to be able to assist members on various fronts such as:

- Build sustainable business models
- Handle and mitigate customer related issues
- Help developers with regulatory and statutory issues
- Help developers with classification related matters... to name a few.



NURTURING AN EXCITING FUTURE!

A Foundation For An Exciting Future

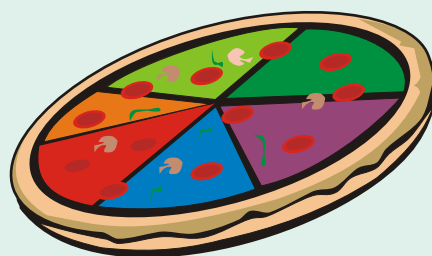
The Vacation Ownership industry, worldwide, continues to gallop forward at a rapid rate. Rapidly increasing timeshare owners, in over 270 countries, stand in testimony to this fact. What's more, the sheer potential of the industry has already attracted some of the biggest brands in the hospitality business such as Hilton, Marriott, Hyatt, Disney, Starwood and Fairfield (U.S.), De Vere, Sol Melia and Pestana (Europe), Awana, Berjaya and Swiss Garden (Malaysia) and Southern Sun (South Africa) and many more.

Furthermore, the mixed-use concept of sharing facilities of traditional hotels and vacation resorts is fast gaining popularity in India too. Since 1998, India has continued to show an upward trend in growth, registering a 15% CAGR.

What's more, two major developments in 2005 - the approval of guidelines for project/operational approval & classification of timeshare resorts in the country and the acceptance of mixed use of timeshare resorts and hotels by the Ministry of Tourism, Government of India, has provided the industry a shot in the arm.



Overall Satisfaction by World Region



Source: Resort Timesharing in South Africa, Ragatz Associates, 2004 Edition.

AIRDA - Removing The Barriers

More Developers, More Properties, Greater Potential

Since inception, AIRDA has worked closely with the Ministry of Tourism and industry stakeholders to bring forth a set of guidelines for the classification of timeshare resorts in India.

In accordance with these guidelines, timeshare resorts are to be classified in the category of 3/4/5 star and heritage properties. This has helped resort developers avail various incentives and tax benefits, which are currently applicable to such approved hotels/resorts.

Catalysing Growth

This approval has gone a long way in catalysing the growth of the timeshare industry in India. It has enabled timeshare resorts to achieve benchmarking and standardisation of services for various categories of members and guests. It has also brought about a large degree of transparency to the consumer giving them an overview of the value they are getting for their money.

AIRDA has also successfully liaised with the Government for acceptance of mixed use of timeshare resorts and hotels. Thus paving the way for timeshare resorts and hotels to coexist and optimise the services available to the leisure traveller.

AIRDA's continuous interactions, at various policy levels have also resulted in the Government's focus on the industry and the mitigation of various issues and concerns afflicting the industry in this growth phase.

Some of AIRDA's notable achievements have been:

- Abolition of utility fees in line with larger global practice. AIRDA member resorts amongst themselves do not levy this fee creating higher levels of consumer satisfaction
- MOT notification of approved guidelines for classification of AIRDA member resorts in India
- Inclusion of Vacation Ownership (Timeshare) course module in IHM Syllabus
- Helpline & website to facilitate consumer feedback
- Conduct of Capacity Building for Service Providers ('CBSP') training programme in association with India Tourism
- Representation on industry forums to influence policy, member CII National Council of Tourism, member - American Resort Development Association (ARDA)
- Undertaking industry surveys to gauge physical characteristics, consumer confidence and economic contribution.

AIRDA And Developers

Building Bridges For Enhanced Growth

When a developer or a property owner becomes a member of AIRDA, they become an integral part of a sunrise industry that is committed to fair practices and total transparency. This partnership ensures that the business interests of developers remain safe guarded at all times, while allowing them to leverage on various opportunities that contribute towards the building of a strong and disciplined Vacation Ownership industry in India.

Motivation to Purchase



■ Certainty of quality accommodation	- 81%
■ Credibility	- 76%
■ Resort location	- 71%
■ Exchange options	- 70%
■ Savings in vacation costs	- 67%
■ Vacation home at affordable price	- 60%

Source: Resort Timesharing in South Africa, Ragatz Associates, 2004 Edition.



Nurturing World-Class Resorts

A snapshot of some key AIRDA members:

- Avalon Resorts
- Averina Beach
- Best Western Resort Country Club
- Clifftop Club
- Country Vacations
- Forest Fern Hospitality Pvt. Ltd.
- Golden Stables Lifestyles Centres Pvt. Ltd.
- Golden Stables Outsourced Services Pvt. Ltd.
- Himalayan Vistas Pvt. Ltd.
- Hotel Green Castle
- The Luxury Club
- Mahindra Holidays & Resorts India Limited
- Neesa Leisure Ltd.
- Orange County
- Group RCI
- Sheridan Resorts Development India Pvt. Ltd.
- The Ffort Holiday Klub
- Treasure Island
- Vista Do Rio
- VITS, Mumbai



JOIN IN BEING A PART!

Come, join AIRDA and become an important part of a revolution sweeping the holiday and leisure industry. For more information on AIRDA or information on how to become a member and advantages of a membership, contact us at:

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