

# Diamond Resorts International Update



Alan Bentley, Executive Vice President  
& Chief Financial Officer



- DRI was acquired by a subsidiary of Apollo Global Management in August 2016
- DRI is now a private company with no public shareholders
- Apollo is a leading global alternative investment manager in private equity, credit and real estate
- Under Apollo's ownership, we expect to continue to grow and be a global leader in the vacation ownership industry



- We have some new faces at the Company as well as long-time employees who have assumed new positions in our global structure
- Mike Flaskey has been named our Chief Executive Officer. Mike was previously Executive Vice President, Global Sales & Marketing for DRI
- Ken Siegel has been named President of DRI. Ken joins us after many years at Starwood Hotels and Vacation Ownership
- Our long time friend, colleague, and member of the Board of Directors of Diamond Resorts European Collection, Sarah Hulme, has retired. Maria Kalber has been promoted to Senior Vice President of Customer Services & Club Operations



- More individuals have joined the Company in various roles around the world as DRI continues to implement its strategy of building a world-class organisation
- While active in the business, Apollo provides strategic direction for the Company but is not involved in the daily operation such as resort management, sales and marketing, and determination of annual maintenance fees. The transaction has not impacted your membership or ownership, and you continue to enjoy all of the benefits you have come to expect

# European Collection Update



DIAMOND RESORTS  
INTERNATIONAL<sup>®</sup>

Stay Vacationed.™

Alan Bentley

# 2016 Financial Results



- The European Collection incurred a loss in 2016 of £672,996 as a result of exchange rates
- The budgeted exchange rate was £1.35 to €1.00 and the average we achieved during the year was £1.23 to €1.00
- The loss was covered by reserves and no special assessment was required

# 2017 Management Fees



- Average 12.9% increase in GBP for 2017 due to exchange rates
- Average 3.78% decrease in Euros due to the exchange rates
- What impacted the fees...
  - The Brexit vote resulted in a significant impact on the exchange rate between sterling and the Euro. This accounted for the vast majority of the increase
  - The Living Wage legislation in the UK accounts accounted for a small portion of the increase
  - The Board voted to utilize approximately £810,000 of reserves in 2017 to limit further increases

# 2017 Management Fees

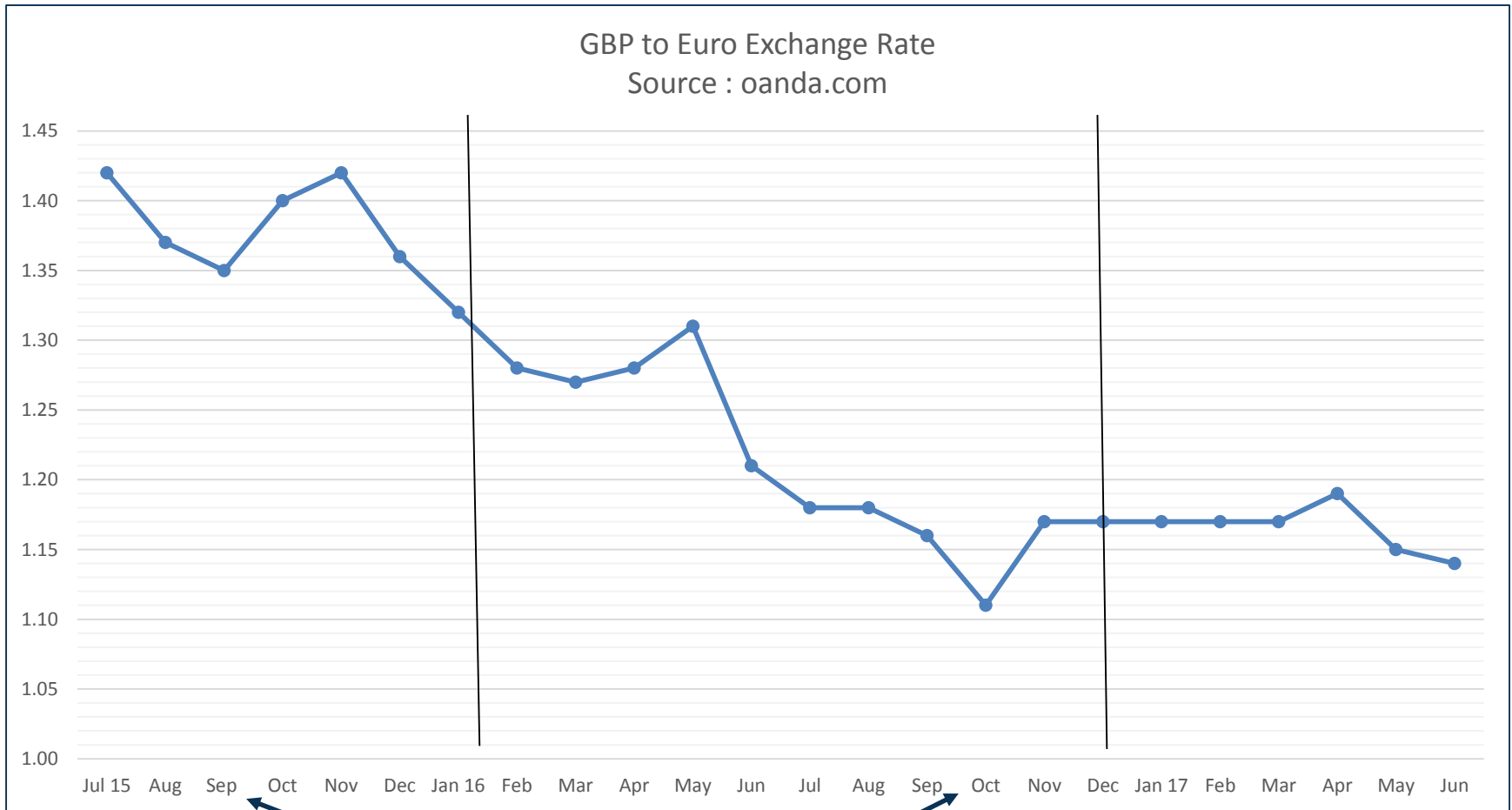


## Current Status

- Sterling / Euro exchange rates
  - Budgeted at £1.15 to €1.00
  - Currently at £1.13 to €1.00; we have achieved an average year to date of £1.18 to €1.00
  - Already purchased about 50% of Euros needed for remainder of 2017
- Current belief that the operational budget will suffice for this year



# Pound to Euro exchange rate



# Fee Payment Installment Options



- Over 8,000 of you have opted so far this year to pay your management fees by monthly direct debit: just over a third pay over six months and the remainder have chosen to pay over 12 months
- This represents a small increase in take-up compared to 2016
- In April we launched paperless direct debit, 357 members have already logged in and signed up for this quick and easy method of paying. We encourage you to consider this too!