

## about bluegreen corporation

Bluegreen Corporation (NYSE:BXG) is a leading provider of Colorful Places to Live and Play.<sup>®</sup> Headquartered in Boca Raton, Fla., the company has over 6,000 associates working in its Bluegreen Resorts<sup>SM</sup> and Bluegreen Communities<sup>®</sup> divisions.

Bluegreen Resorts markets and sells a flexible, real estate-based vacation ownership plan with access to over 40 resorts and an exchange network of over 3,700 resorts and other leisure products such as cruises and hotel stays. In 2006 Bluegreen Resorts delivered nearly 300,000 unique vacation experiences to over 170,000 owners.

Bluegreen Communities develops, markets and sells homesites in planned residential and golf communities predominately in the south-eastern and southwestern United States. Bluegreen Communities has sold over 55,000 homesites in 32 states since 1985.

In 2005 Bluegreen<sup>®</sup> ranked No. 57 on Forbes' list of the "200 Best Small Companies" and No. 48 on Fortune's list of "America's 100 Fastest Growing Companies."

## company history

Founded in 1966 in Massachusetts, the company's core business was buying, improving, selling and financing recreational land in more than

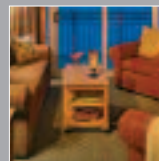
32 states. In 1986 the company was listed on the New York Stock Exchange and in 1991 it was relocated to Boca Raton, Fla.

George F. Donovan joined the Bluegreen Board of Directors in 1991 and served as its president and chief executive officer from 1993 to 2006. In 1994, Donovan repositioned Bluegreen for long-term growth by streamlining the company's land development business and expanding into the vacation ownership and golf industries.

## bluegreen enters timeshare industry

Bluegreen developed its first timeshare resort in the Great Smoky Mountains in 1994. Other resorts soon followed. Bluegreen focused its land development operations on master-planned communities and developed its first daily-fee golf course in 1996.

In 1997 Bluegreen acquired RDI Group, a privately held vacation ownership developer and operator with resorts in Florida and Wisconsin, as well as management contracts with other resorts in the southeastern U.S. With this acquisition, Bluegreen became one of the largest property managers of vacation ownership resorts in the U.S., and the Bluegreen Vacation Club<sup>®</sup> was born.



colorful places  
to live and play<sup>®</sup>

2002

CREATED  
GREAT  
VACATION  
DESTINATIONS

2002

ANNOUNCED  
MARKETING  
ALLIANCE WITH  
BOYNE USA  
RESORTS

2003

AWARDED  
ARDA ACE  
COMMUNITY  
SERVICE  
AWARD

2005

NAMED #57 ON  
FORBES LIST OF  
"200 BEST  
SMALL  
COMPANIES,"  
UP FROM #67

2005

NAMED #48 ON  
FORTUNE  
MAGAZINE'S  
"LIST OF 100  
FASTEST  
GROWING  
COMPANIES"

2006

ANNOUNCED  
EXPANSION  
INTO WESTERN  
MEGA-MARKET

2007

JOHN MALONEY,  
JR. APPOINTED  
PRESIDENT &  
CEO AND DAVID  
PONTIUS  
APPOINTED  
PRESIDENT,  
BLUEGREEN  
RESORTS

2007

AWARDED  
ARDA ACE  
PHILANTHROPIC  
AWARD



# marketing is one of the driving

## building alliances

Bluegreen established one of the timeshare industry's first national retail alliances in 2000 by entering an exclusive marketing agreement with Bass Pro Shops® Inc., a privately held retailer of fishing, marine, hunting, camping and sports gear. This agreement allows the company to market Bluegreen vacation products at each Bass Pro national retail location, in Bass Pro catalogs and on the Bass Pro web site. Bluegreen also entered into a joint venture agreement with Big Cedar, LLC to develop, market and sell the Bluegreen Wilderness Club™ at Big Cedar®.

In 2002 Bluegreen forged agreements with Boyne USA Resorts, the largest privately owned four-season resort company in North America. Bluegreen obtained the right to market its vacation products at two of their resorts. Bluegreen also acquired land, as well as certain vacation ownership interests, that enabled the company to develop its Mountain Run at Boyne™ resort.

That same year Bluegreen acquired the assets of TakeMeOnVacation®, LLC, a company that generates qualified industry leads using permission-based marketing. The company and its software systems were integrated into Great Vacation Destinations™ Inc., Bluegreen's wholly owned subsidiary that focuses on permission-based lead generation and direct marketing of vacation products, under both their own name and under the TakeMeOnVacation brand.

Bluegreen Corporation created several additional marketing alliances in 2006 to improve lead generation and enhance its permission-based marketing efforts. The company sponsored a series of NASCAR® Busch® Series races and joined forces with Supercuts®, a longstanding team sponsor. Bluegreen also formed alliances with Paramont Parks, recently acquired by Cedar Fair Entertainment Company, and Six Flags® Inc. to further increase permission marketing endeavors through the use of kiosks and off-premises contact centers in theme parks.

## new leadership

Bluegreen Corporation came under new leadership in 2007. John Maloney, Jr. was appointed president and chief executive officer of Bluegreen Corporation upon the retirement of George Donovan. With over 20 years of experience in the vacation ownership industry, Maloney has been with Bluegreen since 2001 and most recently served as executive vice president and chief operating officer of Bluegreen, and president of Bluegreen Resorts, respectively. David Pontius, a 27-year industry veteran, was appointed president of Bluegreen Resorts. Pontius formerly served as executive vice president, hospitality services/strategic planning and chief customer officer of Wyndham Vacation Ownership®, Inc.

## BLUEGREEN RESORTS

## vacation ownership industry overview\*

Today consumers are embracing timesharing as an attractive alternative to commercial lodging, making it one of the fastest growing segments of the hospitality industry. Vacation ownership has enjoyed a double-digit annual growth rate over the past two decades. There are over 1,600 timeshare resorts in the U.S., attracting 4.1 million households to vacation ownership.

In the United States in 2005, consumers spent an estimated \$8.6 billion on timeshare interests and \$10 billion on vacation spending. What was returned back to local economies was an estimated \$62 billion in spending, 565,300 jobs, over \$21 billion in salaries and wages, and more than \$8 billion in tax revenue.

On average, a timeshare travel party contains 3.8 people; this includes three adults and 0.8 children. Visitors stayed at the destination for just over eight nights, including seven nights at the timeshare resort and an additional night at other accommodations. While at the destination, timeshare parties spent an average of \$1,768 per trip, with \$153 going to the timeshare resort and \$1,615 going to other business and attractions.

## products and services

Bluegreen Resorts markets and sells a flexible real estate-based vacation ownership plan that enables owners to customize their vacation experience through the use of Vacation Points ("Points") that can be redeemed for stays at Bluegreen Resorts or for other travel options such as cruises and hotel stays. These Points renew annually and are supported by an underlying deeded vacation ownership interest in a Bluegreen Resort held in trust for the benefit of the owner. Ownership is

\*Source: PricewaterhouseCoopers study for the American Resort Development Association International Foundation.

## expanding our presence





## forces of our business and industry

in perpetuity and can be sold, bequeathed or otherwise conveyed to third parties. Points are good for generations of vacation adventures. Owners choose the resort, the season, the number of days and the type of accommodation. They have the flexibility to choose when and where to vacation each year, subject to availability and Point requirements.

Owners have the option to use their Points in a variety of ways. They can use them in the current year, save them for the next year or borrow additional Points. Owners also have access to an affiliated exchange network offering approximately 3,700 resorts worldwide.

### sales and marketing

Bluegreen Resorts vacation products are marketed and sold at preview centers at all Bluegreen-owned resorts and at seven off-site locations. Bluegreen utilizes a multi-pronged marketing approach that includes marketing to existing owners and guests; selling mini-vacation packages; conducting local and online promotions; and using kiosks and off-premises contact centers. In addition, numerous key strategic alliances and regional partnerships have been established to enhance sales and marketing efforts.

In 2006, the existing owner base rose for the fifth consecutive year and owner upgrade sales comprised over 34 percent of resort sales, up from 28 percent in 2005. These results illustrate Bluegreen owners' desire to spend their leisure time at our resorts year after year.

### BLUEGREEN COMMUNITIES

### products and services

Bluegreen Communities focuses on developing residential homesites near metropolitan centers, outside the perimeter of intense subdivision development and near popular retirement areas. The retail customers typically seek to build a home in a high-quality residential setting, often on properties featuring a golf course and other amenities generally unavailable in traditional, intensely subdivided, highly populated suburban developments.

Bluegreen communities are located near Houston, San Antonio, and Dallas, Texas; Atlanta and St. Simons Island, Ga.; Richmond, Va. and Raleigh, N.C. Bluegreen has developed seven outstanding residential communities surrounding spectacular golf courses. Six of the courses were designed by PGA® professionals. Masters Champion Fred Couples designed Bluegreen's Carolina National Golf Club™ near Southport, N.C.

Two-time U.S. Open Champion Curtis Strange designed The Golf Club at Brickshire™ in Virginia which earned a spot on Golf Digest's "Best Places to Play 2004-2005" list. PGA Champion Davis Love III designed The Preserve at Jordan Lake™ Golf Club near Chapel Hill, N.C., which was voted one of "America's Best Residential Golf Courses" by Golfweek magazine in 2004. The Traditions of Braselton Golf Club™ in the Atlanta area features a championship golf course designed by Mike Dasher. Two new Fred Couples Signature Golf Courses are now open: The Golf Course at Chapel Ridge™ near Chapel Hill, N.C., and Sanctuary Cove at St. Andrews Sound™ set among Georgia's Golden Isles. A fourth Fred Couples Signature Golf Course is currently being developed in conjunction with The Bridges of Preston Crossings™ a new community north of Dallas. Bluegreen Communities was honored with the Coastal Georgia 2004 Environmental Friendly Developer/ Builder Award for development of Sanctuary Cove at St. Andrew's Sound.

### sales and marketing

Bluegreen Communities utilizes specialized techniques to market and sell its homesites directly to the end user. Its seamless marketing program leverages technology, national marketing research and years of local market experience. The company's customer relationship management system enables prospects most likely to be interested in a particular community to be easily identified. Sales personnel are required to have extensive knowledge and experience and are trained accordingly. Marketing techniques include various advertising media such as radio, TV, print, direct mail, billboards and the Internet. These sales and marketing efforts, along with the initial selection of the property, have been instrumental in the success of its operations over the years.



during the latter part of 2006, we commenced sales at four new Texas properties

BLUEGREEN  
CORPORATION

additional products and services

Bluegreen provides additional products and services through its operating units and subsidiaries. Bluegreen Resorts Management, Inc. oversees 48 condominium and owners' associations at 31 resorts throughout the U.S. Bluegreen Vacation Rentals® optimizes unused inventory by marketing nightly vacation ownership rentals to the general public. This also introduces non-owners to the timeshare experience. The company's Resort Title Agency provides a complete range of title services. Bluegreen also provides mortgage services and has historically provided financing to approximately 95 percent of its timeshare owners.

colorful places to live and play

Bluegreen's wide variety of leisure and lifestyle products provides owners with flexibility and "portable equity." A Bluegreen Resorts owner can enjoy years of vacation experiences and later decide to use their original equity to purchase a homesite in a beautiful Bluegreen community. From homesites to vacation ownership resorts and unique vacation experiences in many of the world's most popular destinations, Bluegreen offers an almost unlimited variety of Colorful Places to Live and Play.

financial highlights

(in thousands)

As of and for the Years Ended	12/31/05	12/31/06
Total revenues	\$ 684,156	\$ 673,373
Income before cumulative effect of accounting change	\$ 46,551	\$ 34,311
Total assets	\$ 694,243	\$ 854,212
Shareholders' equity	\$ 313,666	\$ 353,023

corporate officers

John M. Maloney, Jr.	President and CEO
Anthony M. Puleo	Senior Vice President, CFO and Treasurer
Daniel C. Koscher	Senior Vice President, CEO, Bluegreen Communities
David L. Pontius	Senior Vice President, President, Bluegreen Resorts

Bluegreen Corporation Headquarters

4960 Conference Way North, Suite 100  
Boca Raton, FL 33431  
T 561 912 8000

Investor Relations

Anthony M. Puleo  
Senior Vice President, CFO and Treasurer  
T 561 912 8270  
E tony.puleo@bluegreencorp.com

Corporate Communications and Media Relations

Lisa Thornhill or Lindsay Goldberg  
T 561 912 8251 or 561 443 8756  
E lisa.thornhill@bluegreencorp.com  
lindsay.goldberg@bluegreencorp.com

Customer Service

Bluegreen Vacation Services  
T 800 456 CLUB (2582)

www.bluegreencorp.com

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