

Information regarding the results of operations for Bluegreen for the three and nine months ended September 30, 2018 and 2017 are set forth below (dollars in thousands):

	For the Three Months Ended September 30,			
	2018		2017	
	Amount	% of System-wide sales of VOIs ⁽⁵⁾	Amount	% of System-wide sales of VOIs ⁽⁵⁾
Developed VOI sales ⁽¹⁾	\$ 90,596	52%	\$ 77,907	45%
Secondary market sales	54,300	31%	38,732	24%
Fee-based sales	88,155	51%	97,963	57%
JIT sales	13,591	8%	14,306	8%
Less: Equity trade allowances ⁽⁶⁾	<u>(73,336)</u>	<u>-42%</u>	<u>(57,543)</u>	<u>-34%</u>
System-wide sales of VOIs	173,306	100%	171,365	100%
Less: Fee-based sales	<u>(88,155)</u>	<u>-51%</u>	<u>(97,963)</u>	<u>-57%</u>
Gross sales of VOIs	85,151	49%	73,402	43%
Provision for loan losses ⁽²⁾	<u>(14,453)</u>	<u>-17%</u>	<u>(10,949)</u>	<u>-15%</u>
Sales of VOIs	70,698	41%	62,453	36%
Cost of VOIs sold ⁽³⁾	<u>(11,237)</u>	<u>-16%</u>	<u>(6,444)</u>	<u>-10%</u>
Gross profit ⁽³⁾	59,461	84%	56,009	90%
Fee-based sales commissions ⁽⁴⁾	61,641	70%	69,977	71%
Financing revenue, net of financing expense	12,323	7%	13,238	8%
Other fee-based services	47,957	28%	41,483	24%
Cost of other fee-based services	<u>(33,929)</u>	<u>-20%</u>	<u>(30,442)</u>	<u>-18%</u>
Net carrying cost of VOI inventory	(2,908)	-2%	(837)	0%
Selling and marketing expenses	(84,955)	-49%	(88,116)	-51%
General and administrative expenses	<u>(27,452)</u>	<u>-16%</u>	<u>(26,818)</u>	<u>-16%</u>
Operating profit	<u>32,138</u>	<u>19%</u>	<u>34,494</u>	<u>20%</u>
Other income	378		(119)	
Provision for income taxes	<u>(8,443)</u>		<u>(12,584)</u>	
Net income	\$ 24,073		\$ 21,791	
Adjustments for EBITDA:				
Provision for income taxes	<u>8,443</u>		<u>12,584</u>	
Income before taxes	32,516		34,375	
Depreciation and amortization	3,169		2,420	
Franchise taxes	56		72	
Interest expense (other than interest incurred on debt that is secured by VOI notes receivable)	4,207		3,544	
Interest income (other than interest earned on VOI notes receivable)	<u>(1,407)</u>		<u>(1,292)</u>	
EBITDA	38,541		39,119	
Adjustments for Adjusted EBITDA:				
Corporate realignment costs	-		3,216	
Loss on assets held for sale	18		4	
EBITDA attributable to noncontrolling interest in Bluegreen/Big Cedar Vacations	<u>(3,637)</u>		<u>(3,209)</u>	
Adjusted EBITDA	\$ 34,922		\$ 39,130	

For the Nine Months Ended September 30,

	2018		2017	
	Amount	% of System-wide sales of VOIs ⁽⁵⁾	Amount	% of System-wide sales of VOIs ⁽⁵⁾
Developed VOI sales ⁽¹⁾	\$ 218,842	46%	\$ 216,451	46%
Secondary market sales	185,847	38%	117,711	26%
Fee-based sales	246,773	52%	257,756	55%
JIT sales	32,274	7%	37,374	8%
Less: Equity trade allowances ⁽⁶⁾	<u>(205,625)</u>	<u>-43%</u>	<u>(161,951)</u>	<u>-35%</u>
System-wide sales of VOIs	478,111	100%	467,341	100%
Less: Fee-based sales	<u>(246,773)</u>	<u>-52%</u>	<u>(257,756)</u>	<u>-55%</u>
Gross sales of VOIs	231,338	48%	209,585	45%
Provision for loan losses ⁽²⁾	<u>(35,926)</u>	<u>-16%</u>	<u>(33,491)</u>	<u>-16%</u>
Sales of VOIs	195,412	41%	176,094	38%
Cost of VOIs sold ⁽³⁾	<u>(19,838)</u>	<u>-10%</u>	<u>(11,352)</u>	<u>-6%</u>
Gross profit ⁽³⁾	175,574	90%	164,742	94%
Fee-based sales commissions ⁽⁴⁾	167,581	68%	179,046	69%
Financing revenue, net of				
financing expense	38,301	8%	41,894	9%
Other fee-based services	136,629	29%	124,102	27%
Cost of other fee-based services	(94,065)	-20%	(86,104)	-18%
Net carrying cost of VOI inventory	(7,075)	-1%	(3,219)	-1%
Selling and marketing expenses	(233,961)	-49%	(242,040)	-52%
General and administrative expenses	<u>(81,574)</u>	<u>-17%</u>	<u>(70,217)</u>	<u>-15%</u>
Operating profit	<u>101,410</u>	<u>21%</u>	<u>108,204</u>	<u>23%</u>
Other income	1,269		(120)	
Provision for income taxes	<u>(24,997)</u>		<u>(38,487)</u>	
Net income	\$ 77,682		\$ 69,597	
Adjustments for EBITDA:				
Provision for income taxes	<u>24,997</u>		<u>38,487</u>	
Income before taxes	102,679		108,084	
Depreciation and amortization	9,087		7,089	
Franchise taxes	180		127	
Interest expense (other than interest incurred on debt that is secured by VOI notes receivable)	11,136		10,415	
Interest income (other than interest earned on VOI notes receivable)	<u>(4,222)</u>		<u>(5,487)</u>	
EBITDA	118,860		120,228	
Adjustments for Adjusted EBITDA:				
Corporate realignment costs	751		3,679	
(Gain) loss on assets held for sale	9		44	
EBITDA attributable to noncontrolling interest in Bluegreen/Big Cedar Vacations	<u>(9,521)</u>		<u>(9,183)</u>	
Adjusted EBITDA	\$ 110,099		\$ 114,768	

- (1) Developed VOI sales represent sales of VOIs acquired or developed by Bluegreen as part of its developed VOI business. Developed VOI sales do not include Secondary Market sales, Fee-Based sales or JIT sales.
- (2) Percentages for provision for loan losses are calculated as a percentage of gross sales of VOIs, which excludes Fee-Based sales and not as a percentage of system-wide sales of VOIs).
- (3) Percentages for costs of VOIs sold and gross profit are calculated as a percentage of sales of VOIs (and not as a percentage of system-wide sales of VOIs).
- (4) Percentages for Fee-Based sales commissions are calculated as a percentage of fee-based sales (and not as a percentage of system-wide sales of VOIs).
- (5) Represents the applicable line item, calculated as a percentage of system-wide sales of VOIs, unless otherwise indicated in the above footnotes.
- (6) Equity trade allowances are amounts granted to customers upon trading in their existing VOIs in connection with the purchase of additional VOIs.

The following table sets forth certain information for system-wide sales of VOIs for the three and nine months ended September 30, 2018 and 2017.

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2018	2017	% Change	2018	2017	% Change
Number of sales offices at period-end	25	23	9%	25	23	9%
Number of active sales arrangements with third-party clients at period-end	15	14	7%	15	14	7%
Total number of VOI sales transactions	10,955	11,598	-6%	30,959	30,638	1%
Average sales price per transaction	\$ 15,988	\$ 15,055	6%	\$ 15,576	\$ 15,440	1%
Number of total guest tours	66,434	69,479	-4%	182,183	193,687	-6%
Sale-to-tour conversion ratio – total marketing guests	16.5%	16.7%	-1%	17.0%	15.8%	8%
Number of new guest tours	42,118	45,060	-7%	113,621	125,673	-10%
Sale-to-tour conversion ratio – new marketing guests	13.9%	14.1%	-1%	14.5%	13.1%	11%
Percentage of sales to existing owners	50.7%	48.1%	5%	51.0%	48.8%	5%
Average sales volume per guest	\$ 2,636	\$ 2,513	5%	\$ 2,647	\$ 2,442	8%

The table below sets forth the Company's segment information for the three months ended September 30, 2018 (in thousands):

	Reportable Segments				Corporate Expenses & Other	Eliminations	Segment Total
	Bluegreen	BBX Capital Real Estate	Renin	BBX Sweet Holdings			
Revenues:							
Sales of VOIs	\$ 70,698	-	-	-	-	-	70,698
Fee-based sales commissions	61,641	-	-	-	-	-	61,641
Other fee-based services	31,057	-	-	-	-	-	31,057
Cost reimbursements	16,900	-	-	-	-	-	16,900
Trade sales	-	-	15,330	26,181	2,297	(5)	43,803
Sales of real estate inventory	-	7,478	-	-	-	-	7,478
Interest income	21,531	229	-	15	582	(1,200)	21,157
Net losses on sales of real estate assets	-	(4)	-	-	-	-	(4)
Other revenue	378	576	-	101	776	(158)	1,673
Total revenues	202,205	8,279	15,330	26,297	3,655	(1,363)	254,403
Costs and expenses:							
Cost of VOIs sold	11,237	-	-	-	-	-	11,237
Cost of other fee-based services	19,937	-	-	-	-	-	19,937
Cost reimbursements	16,900	-	-	-	-	-	16,900
Cost of trade sales	-	-	12,306	15,542	1,117	(5)	28,960
Cost of real estate inventory sold	-	4,655	-	-	-	-	4,655
Interest expense	9,208	-	157	50	2,915	(1,200)	11,130
Recoveries from loan losses, net	-	(443)	-	-	-	-	(443)
Asset impairments, net	-	191	-	-	-	-	191
Selling, general and administrative expenses	112,407	2,304	2,250	10,666	16,089	(158)	143,558
Total costs and expenses	169,689	6,707	14,713	26,258	20,121	(1,363)	236,125
Equity in net earnings of unconsolidated real estate joint ventures	-	373	-	-	-	-	373
Foreign exchange gain	-	-	76	-	-	-	76
Income (loss) before income taxes	\$ 32,516	1,945	693	39	(16,466)	-	18,727

The table below sets forth the Company's segment information for the nine months ended September 30, 2018 (in thousands):

	Reportable Segments					Corporate Expenses & Other	Eliminations	Segment Total
	Bluegreen	BBX Capital Real Estate	Renin	BBX Sweet Holdings				
Revenues:								
Sales of VOIs	\$ 195,412	-	-	-	-	-	-	195,412
Fee-based sales commissions	167,581	-	-	-	-	-	-	167,581
Other fee-based services	89,472	-	-	-	-	-	-	89,472
Cost reimbursements	47,157	-	-	-	-	-	-	47,157
Trade sales	-	-	47,205	72,442	6,479	(12)	-	126,114
Sales of real estate inventory	-	17,138	-	-	-	-	-	17,138
Interest income	63,771	2,064	-	46	1,457	(3,600)	-	63,738
Net gains on sales of real estate assets	-	4,798	-	-	-	-	-	4,798
Other revenue	1,269	2,024	-	155	1,296	(462)	-	4,282
Total revenues	564,662	26,024	47,205	72,643	9,232	(4,074)	-	715,692
Costs and expenses:								
Cost of VOIs sold	19,838	-	-	-	-	-	-	19,838
Cost of other fee-based services	53,983	-	-	-	-	-	-	53,983
Cost reimbursements	47,157	-	-	-	-	-	-	47,157
Cost of trade sales	-	-	38,454	46,707	2,902	(12)	-	88,051
Cost of real estate inventory sold	-	11,283	-	-	-	-	-	11,283
Interest expense	25,470	-	497	238	8,127	(3,600)	-	30,732
Recoveries from loan losses, net	-	(7,236)	-	-	-	-	-	(7,236)
Asset impairments, net	-	340	-	187	-	-	-	527
Selling, general and administrative expenses	315,535	7,165	7,641	34,099	46,512	(462)	-	410,490
Total costs and expenses	461,983	11,552	46,592	81,231	57,541	(4,074)	-	654,825
Equity in net earnings of unconsolidated real estate joint ventures	-	1,165	-	-	-	-	-	1,165
Foreign exchange gain	-	-	91	-	-	-	-	91
Income (loss) before income taxes	\$ 102,679	15,637	704	(8,588)	(48,309)	-	-	62,123

The above information regarding Bluegreen Vacations Corporation has been extracted from BBX Capital Corporation's Report on Form 10-Q for the three and nine months ended September 30, 2018, and is in all respects subject to the more complete information contained in that report, which is available at www.bbxcapital.com.