



DIAMOND RESORTS

INTERNATIONAL®

Stay Vacationed.™

An aerial photograph of a large, multi-story resort building with a complex roofline and many windows. The building is situated on a beachfront, with the ocean and waves visible in the background. The sky is clear and bright. The text 'Acquisition Of Gold Key Resorts Investor Presentation November 24, 2015' is overlaid on the bottom half of the image in a white, bold, sans-serif font.

**Acquisition Of Gold Key Resorts
Investor Presentation
November 24, 2015**

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Gold Key Acquisition Overview



Company

- ❖ Privately-owned vacation ownership company based in Virginia Beach with 723 units across six managed resorts; five in Virginia Beach and one in the Outer Banks of North Carolina
- ❖ 30,000+ owner-families
- ❖ Four sales centers

Transaction

- ❖ \$167.5 million purchase price; representing approximately 4.0x 2016 Adjusted EBITDA* pro-forma for full synergies
- ❖ Acquisition of all management contracts and other vacation ownership related assets, excluding the existing receivables portfolio
- ❖ DRII will service the existing ~\$150 million portfolio for a fee

Financial Impact

- ❖ Transaction to be financed with a combination of cash on hand and debt using current facilities
- ❖ Pro-forma net debt to Adjusted EBITDA* ratio would be approximately 1.0x if the acquisition is 100% debt financed.
- ❖ Sufficient capacity remains for additional strategic investments and return of cash to shareholders

Closing

- ❖ Expected to close in Q4 2015

Successful Track Record of Growth Through Acquisitions



Assuming closing of the Gold Key acquisition we will have added 40 resorts and ~200,000 owner-families through seven strategic deals



Completed six acquisitions while leveraging G&A expenses

Proven Strategy To Integrate Acquisitions And Drive Growth



Additional and Predictable Cash Flow

- ❖ Additional management fees
- ❖ Incremental sales volume
- ❖ Cost synergies

Additional Owner-Families

- ❖ New pool of owners to market Diamond's superior points based system
- ❖ Additional potential club members

Additional Resort Locations

- ❖ Increase locations enhancing value proposition
- ❖ Increase sales distribution
- ❖ Additional source of low cost inventory

Gold Key Is A Direct Fit With Our Acquisition Strategy



Additional and Predictable Cash Flow

- ❖ Additional management fees generated through six new evergreen cost-plus management contracts
- ❖ Incremental sales volume generated from four new sales centers supported by 36 OPC and concierge locations
- ❖ Cost synergies to be achieved through a reduction in G&A and leveraging Diamond's existing technology platform

Additional Owner-Families

- ❖ New pool of owners to market Diamond's superior points based system
 - 30,000+ owner-families owning a traditional deeded product
- ❖ Additional potential club members
 - Each customer purchasing will become a club member

Additional Resort Locations

- ❖ Increase locations enhancing value proposition and further leveraging of our current Williamsburg, VA properties with complementary beachfront resorts
- ❖ Increase sales distribution with a focus on new member acquisition (approximately 60% of sales in 2014 were to new members)
- ❖ Additional source of low cost inventory

Gold Key – Company Highlights



- ❖ Formed in 1989, Gold Key is the regional market leading vacation ownership company with six high-quality vacation ownership properties in Virginia Beach and Outer Banks, North Carolina
- ❖ Through OPC and concierge contracts, Gold Key controls ~90% of marketing locations on the Virginia Beach oceanfront
- ❖ 30,000+ vacation owners concentrated in the Northeast with comparable demographics to Diamond's owner base
- ❖ Sold traditional deeded intervals
- ❖ ~60% of owners do not have a loan
- ❖ Evergreen cost plus management contracts



Virginia Beach



- ❖ Tourism is a \$1.3 billion industry in Virginia Beach
- ❖ City tourism growth fund has developed projects in excess of \$738 million to enhance tourist experience
- ❖ High demand for vacation ownership
- ❖ Large Beach – the city maintains the beach at 50 to 100 yards wide
 - Highlighted in the Guinness Book of World Records for having “The World’s Longest Pleasure Beach”
- ❖ “Best American Boardwalk” named by USA Today Weekend, Discovery Channel, Southern Living and Coastal Living Magazine



- ❖ Hosts more than three million visitors annually. Ideal demographics for vacation ownership:

- Average stay: 4.6 nights
- Average visitor age: 45
- Average household income: \$108,752
- 70% of visitors are married



- ❖ Virginia Beach is located within five to seven hour driving of major east coast cities

- 93% of visitors drive to the area
- 77% are repeat visitors

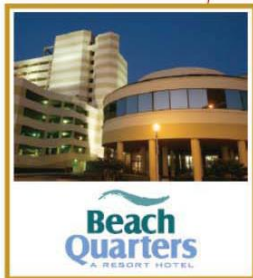
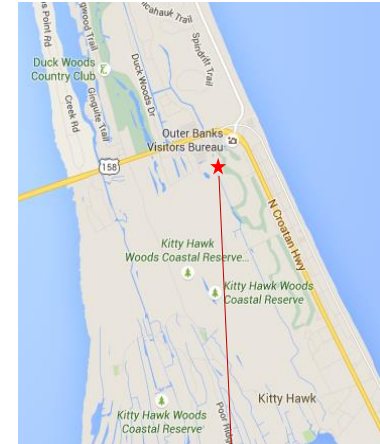
Gold Key Locations



Virginia Beach



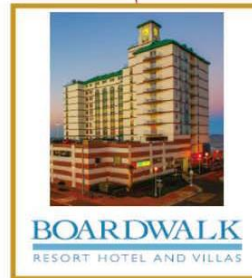
Outer Banks



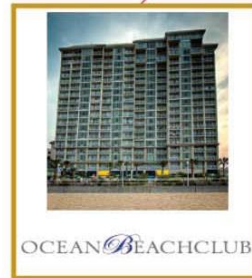
156 Units



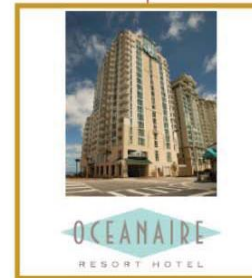
94 Units



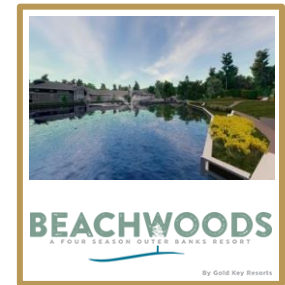
86 Units



197 Units



106 Units



84 Units*

All resorts are beachfront or within close proximity to the beach

8 * Capacity exists to expand the resort and add 136 units

Gold Key Acquisition Summary

Company with 30,000+ traditional deeded owners

+

High-quality resorts located near large Northeast cities

+

Achievable sales and cost synergies to unlock additional value

+

Proven history of successfully integrating acquisitions

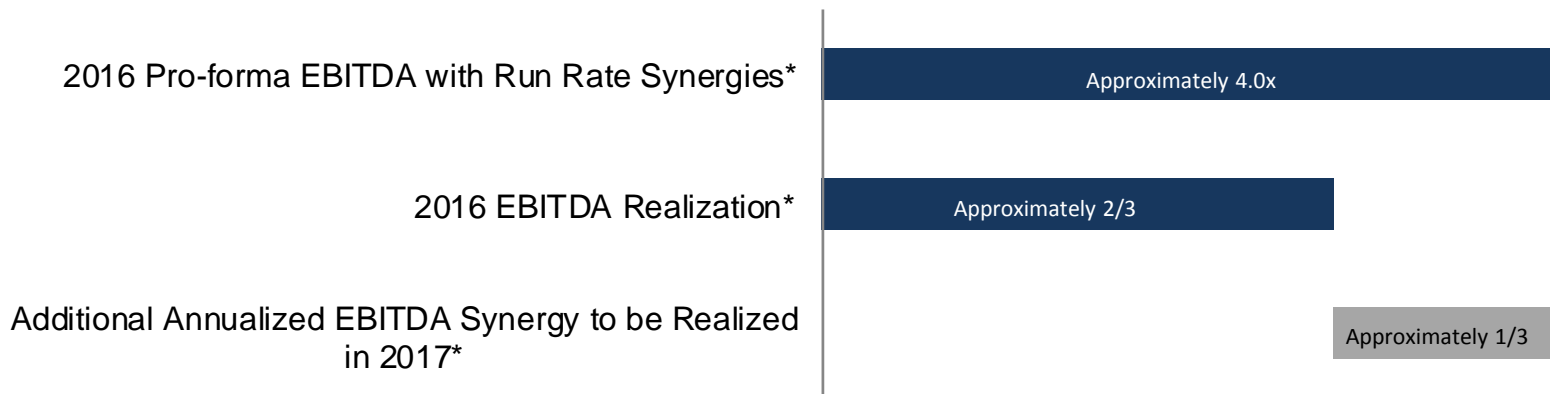
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Healthy balance sheet with low leverage

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Effective allocation of capital to generate superior shareholder returns

Gold Key 2016 Pro-forma EBITDA Realization



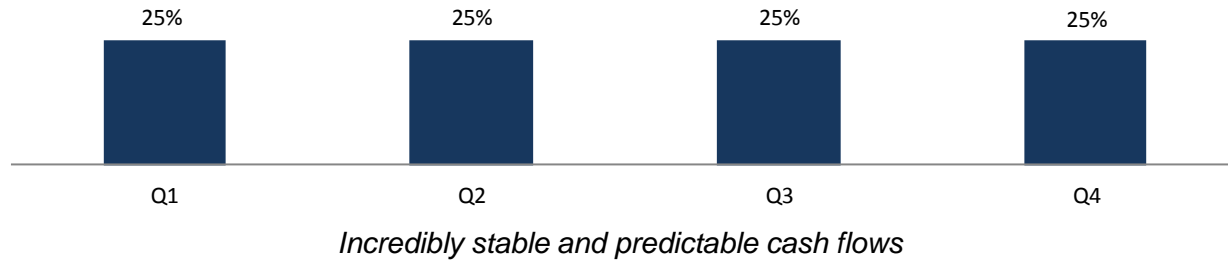
- ◆ 2016 EBITDA Realization*
 - ◆ Additional management fees generated through six new evergreen cost-plus management contracts for the entire year
 - ◆ Each of the four new sales centers to sell Diamond's full points based product providing for increases in sales production while maintaining Diamond's credit underwriting standards
 - ◆ Each customer purchasing becomes a Club member
 - ◆ Cost synergies to be achieved primarily through a reduction in G&A by leveraging Diamond's existing technology platform
- ◆ Additional Annualized EBITDA Synergy to be Realized in 2017*
 - ◆ Predominately driven by the further realization of sales production through increased efficiencies

Gold Key Projected EBITDA Seasonality

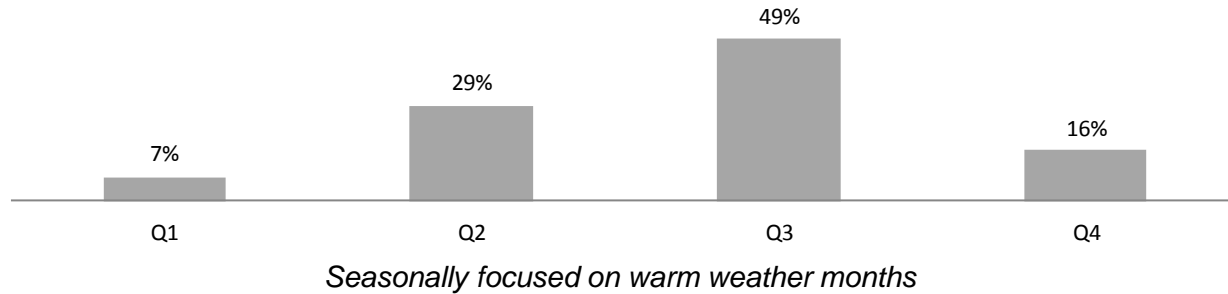
(\$ in millions)



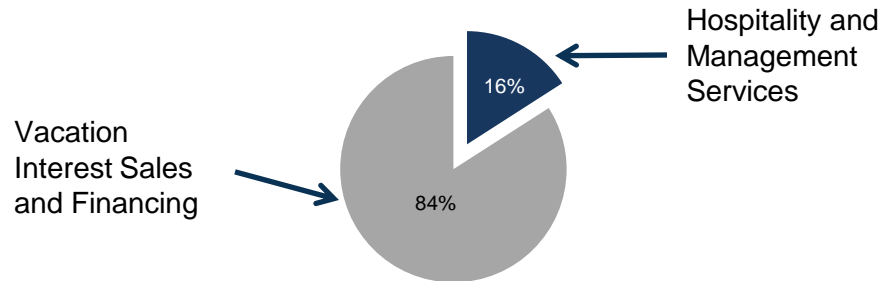
Hospitality and Management Services



Vacation Interest Sales and Financing



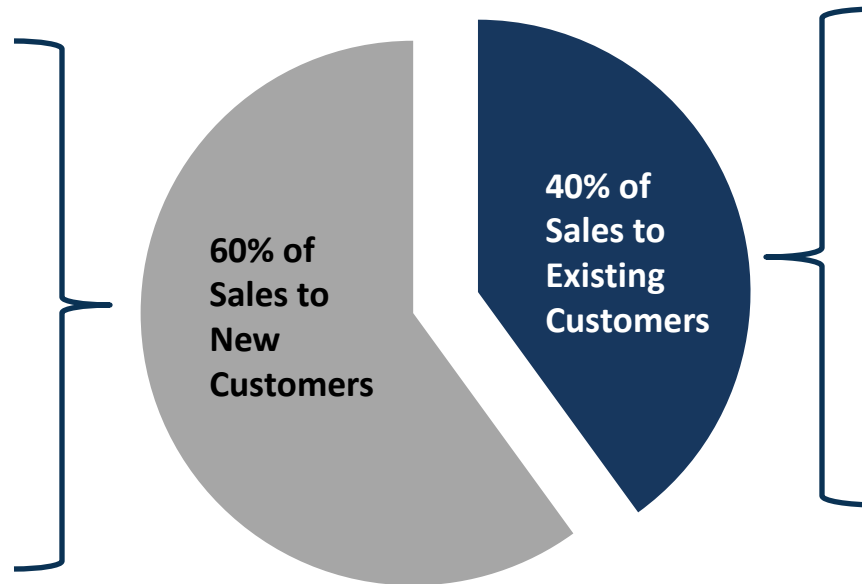
2016 EBITDA Realization Excluding G&A*



Projected Distribution of Gold Key Sales



- ❖ Sales to New Customers
 - ❖ Generated through OPC and concierge locations
 - ❖ Proven propensity to buy multiple times
 - ❖ Becomes a club member
 - ❖ Expands sales of Diamond's point based product



- ❖ Sales to Existing Customers
 - ❖ Generated through sales to the 30,000+ owner families
 - ❖ Leveraging high customer satisfaction
 - ❖ Becomes a club member
 - ❖ Attractive upgrade path for deeded owners to purchase Diamond's points based product