

Wyndham Worldwide Reports Solid First Quarter 2008 Results

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Announces reported EPS of \$0.24, or adjusted EPS of \$0.35 excluding legacy and rebranding charges

Wyndham Worldwide Corporation (NYSE:WYN) today announced results for the three months ended March 31, 2008.

FIRST QUARTER 2008 HIGHLIGHTS:

First quarter 2008 revenues were \$1.0 billion, with solid performance across the Company's three businesses. Revenue growth was reduced, as expected, by the impact of \$82 million in deferred vacation ownership revenue.

Gross Vacation Ownership Interest sales increased 7% compared to the first quarter of 2007.

System-wide revenue per available room (RevPAR) increased 2.7% in the first quarter of 2008 compared to the first quarter of 2007, while comparable RevPAR rose 2.2% compared to the first quarter of 2007.

Lodging opened over 10,000 rooms in the first quarter of 2008, ending the quarter with a hotel pipeline of almost 107,000 rooms.

Average number of vacation exchange members increased 5%, or 158,000 members, compared to the first quarter of 2007, reaching 3.6 million members.

Average net price per vacation rental increased 18% for first quarter 2008 compared to the first quarter of 2007, or 9% excluding the effect of currency translations.

First quarter 2008 net income was \$42 million or \$0.24 diluted earnings per share. Adjusted net income excluding legacy and rebranding charges was \$62 million or \$0.35 adjusted diluted earnings per share. The Company had provided first quarter EPS guidance of \$0.30-0.35.

During the first quarter of 2008, Wyndham Worldwide repurchased approximately 520,000 shares. At March 31, 2008, approximately \$155 million remained under the Company's previously announced share repurchase program.

On April 25, 2008, the Company priced a term securitization transaction involving the issuance of \$200 million of investment grade asset-backed notes by Sierra Timeshare 2008-1 Receivables Funding, LLC, an indirect subsidiary of Wyndham Vacation Ownership. The transaction is expected to close on May 1, 2008.

"Wyndham Worldwide's portfolio of resilient businesses and brands produced strong first-quarter results despite the challenging economic environment," said Stephen P. Holmes, Wyndham Worldwide chairman and chief executive officer. "We are focused on our growth strategy while prudently managing costs, and we remain confident that our business model offers balance, strength and stability across economic cycles."

FIRST QUARTER 2008 OPERATING RESULTS

Revenues for the first quarter of 2008 were \$1.0 billion, flat compared to the first quarter of 2007, reflecting the expected impact of \$82 million in deferred vacation ownership revenue recorded under the percentage-of-completion method of accounting. Excluding the net effect of deferred revenues in both periods, adjusted revenues would have grown 9%.

Net income for the first quarter of 2008 was \$42 million or \$0.24 diluted earnings per share, compared to \$86 million or \$0.45 diluted earnings per share for the first quarter of 2007.

Excluding \$3 million in after-tax net expense from the resolution of, and adjustment to, certain legacy items and a \$17 million after-tax, non-cash charge due to the Company's initiative to rebrand its vacation ownership trademarks to the Wyndham brand, adjusted net income for the first quarter of 2008 would have been \$62 million, or \$0.35 adjusted diluted earnings per share (such amounts are not adjusted for the impact of the increase in deferred revenues).

Excluding \$4 million after-tax of separation and related costs and excluding \$9 million in after-tax net benefit from the resolution of, and adjustment to, certain legacy items, adjusted net income for the first quarter of 2007 would have been \$81 million, or \$0.43 adjusted diluted earnings per share.

BUSINESS UNIT RESULTS

Lodging (Wyndham Hotel Group)

Revenues increased 12% to \$170 million in the first quarter of 2008 compared with the first quarter of 2007, reflecting increased property management reimbursable revenues and RevPAR gains. System-wide RevPAR increased 2.7% in the first quarter of 2008, while comparable RevPAR increased 2.2% over the prior year period, led by RevPAR gains in the international portfolio.

For the quarter, Ramada, Super 8 and Days Inn, which collectively represent over 70% of the Company's U.S. lodging portfolio, achieved domestic RevPAR growth above their competitive sets.

Property management reimbursable revenues were \$27 million and marketing/reservation revenues, including TripRewards revenues, were \$62 million in the first quarter of 2008, compared to \$16 million and \$61 million, respectively, in the first quarter of 2007, these items contribute little, if any, EBITDA.

First quarter 2008 EBITDA grew to \$46 million compared to \$45 million in the first quarter of 2007. The EBITDA growth was tempered by the timing of approximately \$5 million of incremental marketing expenses.

As of March 31, 2008, the Company's hotel system consisted of approximately 551,100 rooms and 6,550 properties, with a development pipeline of approximately 930 hotels and approximately 107,000 rooms, of which 45% were new construction and 35% were international.

Vacation Exchange and Rentals (Group RCI)

Revenues increased to \$341 million in the first quarter of 2008, a 9% increase compared with the first quarter of 2007, reflecting growth in vacation exchange and vacation rentals, including favorable currency translations. Excluding the favorable effect of currency translations of \$16 million, revenues increased 4% compared to the first quarter of 2007.

Vacation exchange revenues were \$137 million, up 1% compared to the first quarter of 2007, primarily driven by a 5% increase in the average number of members, partially offset by a 3% decrease in annual dues and exchange revenue per member, primarily related to the earlier Easter holiday, which shortened the prime booking season.

Vacation rentals revenues were \$160 million, a 15% increase compared to the first quarter of 2007, or a 6% increase excluding the favorable effect of currency translations. These results reflect an 18% increase in the average net price per vacation rental, or 9% excluding favorable currency translations, primarily due to improved pricing and favorable mix in the Novasol and Landal brands, and the conversion of two existing Landal parks from franchised to managed properties.

Other ancillary revenues generated primarily from additional products and services provided to affiliates and members were \$44 million in the first quarter of 2008, compared with \$40 million in the first quarter of 2007.

First quarter 2008 EBITDA was \$93 million, compared to first quarter 2007 EBITDA of \$85 million. Excluding the favorable net effect of currency translations of \$4 million, EBITDA increased \$4 million compared to the first quarter of 2007.

Vacation Ownership (Wyndham Vacation Ownership)

Gross Vacation Ownership Interest sales (which are not affected by deferred revenues) were \$458 million for the first quarter of 2008, up 7% compared to the first quarter of 2007. This increase was driven by marketing efforts resulting in increases in tour flow and volume per guest based on strong performance by our sales force, the opening of new sales locations and continued strength in transaction pricing.

Reported revenues were \$504 million in the first quarter of 2008, an 8% decrease from the first quarter of 2007, resulting from higher levels of deferred revenue which more than offset continued success in marketing and sales, growing consumer finance revenues and incremental property management revenues.

First quarter 2008 revenues were reduced by \$82 million as a result of deferred vacation ownership revenue recorded under the percentage-of-completion method of accounting. Including this deferred revenue and the recognition of \$4 million of previously deferred revenue in the first quarter of 2007, first quarter 2008 adjusted vacation ownership revenues would have grown 8% over the prior year period.

For comparison purposes, the impact of deferred revenues in both periods is summarized as follows:

(\$ in millions)	2008	2007	% Change
Reported Revenue	\$504	\$549	(8)%
Net Change in Deferred Revenue(1)	82	\$(4)	N/M
Total Adjusted Revenue	\$586	545	8%

(1) Represents the revenue that is deferred under the percentage-of-completion method of accounting.

Consumer finance revenues increased \$18 million to \$99 million in the first quarter of 2008, up 22% compared to the first quarter of 2007, reflecting continued Vacation Ownership sales growth.

EBITDA for the first quarter of 2008 was \$7 million, including a \$28 million pre-tax (\$17 million after-tax), non-cash charge due to the Wyndham rebranding initiative mentioned above, compared to \$63 million in the first quarter of 2007, which included \$3 million of separation and related costs. The decrease in EBITDA reflects a net reduction of approximately \$40 million (\$38 million reduction for 2008 and a \$2 million increase from 2007) due to the increase in deferred vacation ownership revenue.

On April 25, 2008, the Company priced a term securitization transaction involving the issuance of \$200 million of investment grade asset-backed notes by Sierra Timeshare 2008-1 Receivables Funding, LLC, an indirect subsidiary of Wyndham Vacation Ownership. The notes are backed by vacation ownership receivables originated by subsidiaries of Wyndham Vacation Ownership. The transaction is expected to close on May 1, 2008.

Other Items

Interest expense for the first quarter of 2008 was \$19 million, a \$1 million increase from the first quarter of 2007. Interest income for the quarter was \$3 million, unchanged from the comparable prior year period. Depreciation and amortization rose \$6 million to \$44 million reflecting increased capital investments over the past twelve months.

Balance Sheet Information as of March 31, 2008:

Cash and cash equivalents of approximately \$230 million compared to approximately \$210 million at December 31, 2007

Vacation ownership contract receivables, net, of \$3.0 billion compared to \$2.9 billion at December 31, 2007

Vacation ownership and other inventory of approximately \$1.2 billion, unchanged since December 31, 2007

Securitized vacation ownership debt of \$2.1 billion, unchanged since December 31, 2007

Other debt of \$1.6 billion, compared to \$1.5 billion at December 31, 2007

A schedule of debt is included in the financial tables section of this press release.

Share Repurchase

The Company repurchased approximately 520,000 shares of stock during the first quarter of 2008 at an average price of \$21.96. At March 31, 2008, approximately \$155 million remained under the Company's previously announced share repurchase program.

Outlook and Guidance

Wyndham Worldwide affirms full-year 2008 guidance as follows:

Revenues of \$4,800 - \$4,900 million

EBITDA of \$920 - \$945 million

Depreciation and amortization expense of \$175 - \$185 million

Interest expense, net of \$75 - \$85 million

Effective tax rate of 38.25%

Adjusted* net income of \$401 - \$429 million

Adjusted* EPS of \$2.23 - \$2.38 based on weighted average shares of approximately 180 million

The Company also issues second quarter 2008 guidance as follows:

EPS of \$0.46 - \$0.48 based on weighted average shares of approximately 180 million

EPS guidance is reduced by the estimated impact of deferred vacation ownership revenue of approximately \$0.04 - \$0.06 per share that will be recognized in future quarters

*All guidance excludes the first quarter rebranding charge as well as legacy items, which may have a positive or negative impact on reported results.

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