

A large, stylized number '3' is positioned on the left side of the page. The top portion of the '3' is blue, and the bottom portion is grey. The number is partially cut off by the left edge of the page.

3

## Corporate Profile

Founded more than 30 years ago, Bluegreen Corporation (NYSE: BXG) is one of the leading providers of vacation ownership resorts and residential communities in the United States. Bluegreen Resorts develops, markets and operates vacation ownership resorts in seven states and Aruba. These vacation ownership opportunities provide 110,000 owner-members, including the 75,000 members of the points-based Bluegreen Vacation Club<sup>®</sup>, with the flexibility they desire to enjoy resort vacations, cruises and other travel benefits. Bluegreen Communities<sup>™</sup> develops and markets planned residential communities predominately in the Southeastern and Southwestern United States. Headquartered in Boca Raton, Florida, Bluegreen Corporation employs more than 3,400 people.





Letter to our [Shareholders](#)

*Dear Fellow Shareholder:*

2003 was the most successful year in Bluegreen's history. Net income and earnings per share set new records. Sales at Bluegreen® Resorts reached all-time highs. We increased our market share in the resorts business and decreased our overall cost of doing business. Bluegreen Communities™ continued to produce stable, predictable financial results and opened a number of new properties that we expect will contribute to our success in both the near- and long-term.

During 2003, we sold approximately 27,000 vacation ownership interests and more than 1,900 homesites, solidifying our positions as a top 10 provider of vacation ownership resorts and, to the best of our knowledge, the only U.S. company of comparable size and resources that sells residential land directly to retail consumers. Most importantly, we provided approximately 125,000 vacation experiences to our nearly 110,000 Bluegreen Resorts owners and continued to positively impact the lifestyles of our Bluegreen Communities homesite owners.

We believe that this success is rooted in both our history — 30 years of developing communities and a decade of developing and marketing resort properties — and a commitment to the future, which is reflected in our ongoing investments in properties, technologies, programs and people. Our 75,000 members of the Bluegreen Vacation Club®, our 35,000 traditional timeshare owners and our Communities homesite owners experience a variety of Colorful Places to Live and Play® in ways that are tailored to fit their individual lifestyles. Our history and our commitment produced record results in 2003 and we believe that they will also serve as catalysts for our future success.

live

## Financial Highlights

### Financial highlights for 2003 included:

- Net income rose 138% to a record \$25.8 million, or \$.94 per diluted share, versus net income of \$10.8 million, or \$.44 per diluted share last year. The cumulative effect of a change in accounting principle reduced net income in 2002 by approximately \$5.9 million, net of tax, or \$.19 per diluted share.
- Record vacation ownership sales of \$253.9 million represented a 43% increase from 2002, surpassing the growth of our industry. This increase was due primarily to continued same-resort sales increases at a majority of Bluegreen properties and higher sales of the Bluegreen Vacation Club, reflecting the opening of three new resort sales offices and one new off-site sales office during 2003. As of January 2004, all of our sales offices, including Aruba, were selling vacation ownership interests in the Bluegreen Vacation Club.
- Communities' sales reached \$104.4 million, up 3% from last year. We experienced solid sales growth at a number of new properties opened at various points during the year. As of December 31, 2003, approximately \$18.9 million of Communities' sales and \$8.1 million of Communities' profits were deferred under percentage of completion accounting and will be recognized ratably in future periods as these projects are developed.
- Selling, general and administrative expenses as a percentage of total sales declined to 57% from 58%, despite a 29% increase in total operating revenue. We believe that this reflects our improved sales and marketing strategies, including our focus on increasing sales to our existing owner base and to prospects referred to us by owners and others.
- Upgrade and referral resort sales increased 46% and 40%, respectively. Historically, these sales to existing owners, prospects referred by our owners and prospects referred by others require fewer associated marketing dollars. We also take great pride that the experiences we are providing encourage our existing customers to re-invest in their lifestyle commitment with Bluegreen and/or spread the word to their friends and families.

### SELECTED FINANCIAL DATA

The selected consolidated financial data set forth below should be read in conjunction with the Consolidated Financial Statements, related notes, and other financial information appearing in our December 31, 2003 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission.

	As of or for the Years Ended			As of or for the Nine Months Ended	As of or for the Year Ended
	Apr 2, 2000	Apr 1, 2001	Mar 31, 2002	Dec 31, 2002	Dec 31, 2003
<b>Income Statement Data</b>					
Sales of real estate	\$214,488	\$229,874	\$240,628	\$222,655	\$358,312
Total revenues	254,140	275,121	287,825	271,973	438,454
Income before income taxes, minority interest and cumulative effect of change in accounting principle (1)	10,565	3,002	19,482	24,671	45,325
Income before cumulative effect of change in accounting principle (1)	6,777	2,717	11,732	15,376	25,827
Net income	6,777	2,717	11,732	9,797	25,827
Diluted earnings per share before cumulative effect of change in accounting principle (1)	0.28	0.11	0.46	0.58	0.94
Diluted earnings per common share	0.28	0.11	0.46	0.39	0.94
<b>Balance Sheet Data</b>					
Total assets	413,983	419,681	435,161	433,992	570,406
Shareholders' equity	134,044	136,790	149,656	158,283	186,880
Book value per common share	5.50	5.65	6.16	6.44	7.49
<b>Selected Operating Data</b>					
Bluegreen Resorts statistics:					
VOI sales	\$117,271	\$140,975	\$144,226	\$144,026	\$253,939
Gross margin on VOI sales	77%	78%	77%	75%	80%
Selling, general and administrative expenses as a percentage of VOI sales (1)	72%	71%	65%	64%	59%
Field Operating Profit (2)	\$ 7,410	\$ 9,724	\$ 19,729	\$ 17,218	\$ 62,094
Number of resorts at period end	10	11	12	13	17
Number of VOI sale transactions(3)	13,518	16,240	16,414	16,347	26,839
Bluegreen Communities statistics:					
Homesite sales	\$ 97,217	\$ 88,899	\$ 96,402	\$ 78,629	\$104,373
Gross margin on homesite sales	51%	46%	45%	46%	45%
Selling, general and administrative expenses as a percentage of homesite sales	27%	30%	28%	28%	32%
Field Operating Profit (2)	\$ 22,587	\$ 12,991	\$ 15,415	\$ 13,570	\$ 12,580
Number of homesites sold (3)	1,846	1,614	1,640	1,242	1,962

(1) Effective April 1, 2002, we elected to change our accounting policy to expense previously deferred costs of generating VOI tours through telemarketing programs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" and Note 1 of the Notes to Consolidated Financial Statements in our 2003 Annual Report on Form 10-K for further information.

(2) Field Operating Profit is operating profit prior to the allocation of corporate overhead, interest income, gain on sale of receivables, other income, provision for loan losses, interest expense, income taxes, minority interest and cumulative effect of change in accounting principles. See Note 19 of the Notes to Consolidated Financial Statements in our 2003 Annual Report on Form 10-K for further information.

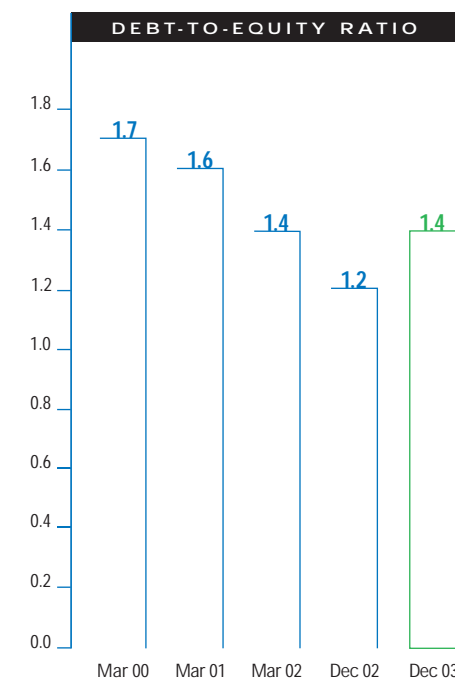
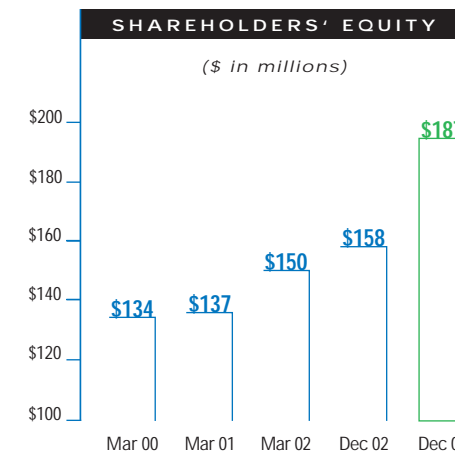
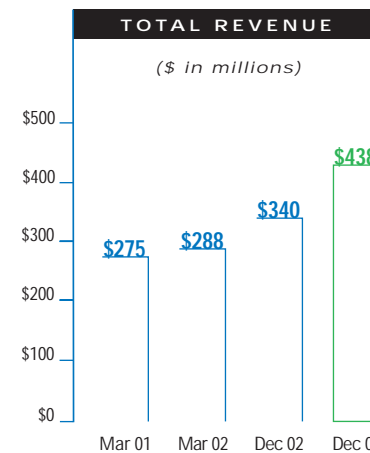
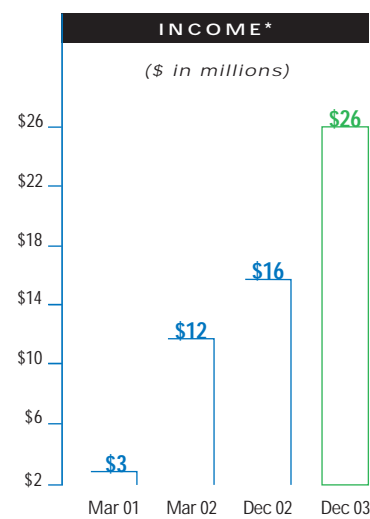
(3) Unit sales data includes those sales made during the applicable period where recognition of revenue is deferred under the percentage-of-completion method of accounting. See "Contracts Receivable and Revenue Recognition" under Note 1 of the Notes to Consolidated Financial Statements in our 2003 Annual Report on Form 10-K.

1380% \$25.8

Our results to date and our ability to continue to expand are based in large part on our long-standing commitment to maintaining a capital structure that is sufficient to support our **growth.**



At December 31, 2003, shareholders' equity rose 18% to \$186.9 million from \$158.3 million at December 31, 2002 and total assets increased 31% to \$570.4 million. Since 2000, shareholders' equity has grown at a compounded annual rate of 8.7% and our debt-to-equity ratio has declined from 1.7:1 to 1.4:1. During 2003, we increased and extended the maturities of both a revolving vacation ownership receivables purchase facility with Resort Finance LLC, and an unsecured line of credit with Wachovia Bank, NA. We also signed a combination \$30 million Acquisition & Development and Timeshare Receivables facility with Textron Financial Corporation in conjunction with the acquisition of The Hammocks at Marathon™. This agreement represented Bluegreen's initial relationship with Textron Financial Corporation.



\*Before cumulative effect of change in accounting principle

# “How can we do this better?”

We have long believed that spending time with family and friends is a defining part of our American culture. We also recognize that we live in a world where products and services can quickly become commodities. By continually asking, “How can we do this better?,” we believe that we will be in a position to answer the needs of consumers seeking memorable leisure and lifestyle experiences



A comfortable home-away-from-home awaits Bluegreen Vacation Club members at each resort. Rustic elegance is the motif at Big Cedar Wilderness Club.™ Other Club locations blend with the country charm of the Smoky Mountains, the Art Deco style of Miami's South Beach or the country-club chic of St. Augustine's World Golf Village.® Although the themes may vary, the quality never does.



New Acquisitions



The Bluegreen Vacation Club now includes 18 resort properties in Florida, reflecting the increasing popularity of this state as a vacation destination.

Bluegreen Vacation Club members may use their points to choose when, where and for how long they wish to vacation at any of 35 amenity-filled resorts, access other vacation options, including cruises and book stays at more than 3,700 resorts offered through affiliated worldwide vacation ownership exchange networks. To further increase member destination choices and enhance the experience of a Bluegreen vacation, during the last twelve months we increased our portfolio of resort properties to include:

- The Fountains™ in Orlando, FL (formerly Oasis Lakes Resort), the largest acquisition in our history in terms of size, amenities and potential build-out. This property is situated on beautiful Lake Eve and is minutes from attractions such as Disney World®, Sea World® and Universal Studios®. Amenities include a clubhouse with a heated indoor/outdoor swimming pool, a pool bar, a massage room, steam and sauna rooms, a family activity room, tennis and basketball courts. Units at this RCI®-rated Gold Crown Resort include, among other things, fully-equipped kitchens, washers and dryers, stereo systems, televisions, VCRs, lake views and private patios. The acquisition included land that can accommodate the construction of approximately 576 new vacation residences, a portfolio of notes receivable, a small amount of unsold vacation ownership interests, an adjoining

parcel of land that is zoned for a 450-room hotel and retail construction, and an existing 20,000 square-foot sales center. The first phase of new vacation residence construction is expected to commence in the first half of 2004.

- The unsold vacation ownership interests inventory of World Golf Village® in St. Augustine, FL, which we have re-named Grande Villas at World Golf Village®. The acquisition included additional land that can accommodate the construction of approximately 200 new vacation residences. This resort is adjacent to the renowned World Golf Village® and its 18-hole championship golf course the Slammer & Squire, which is named for Hall of Fame members and course consultants Sam Snead and Gene Sarazen.

- The Hammocks at Marathon™ (formerly Marathon Resort and Marina), which established our presence in the Florida Keys. We have begun transforming The Hammocks at Marathon into 58 one- and two-bedroom vacation residences offering such amenities as a pool, boat slips, outside tiki bar and a variety of water sport recreational vehicle rentals.

Left > Grande Villas at World Golf Village®  
St. Augustine, Florida  
Right > The Fountains™  
Orlando, Florida  
Below > The Hammocks at Marathon™  
Marathon, Florida



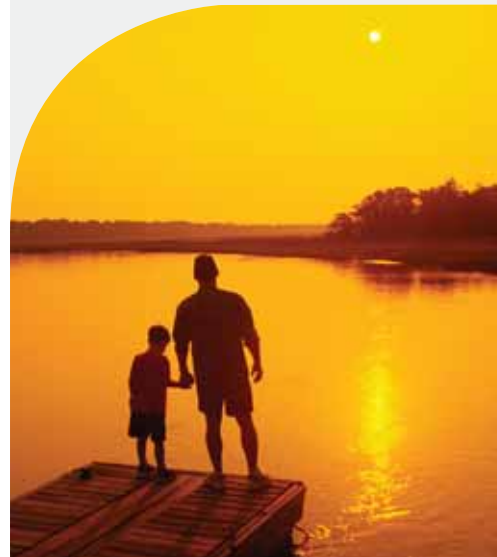
## Bluegreen Communities

L O C A T I O N

L O C A T I O N

L O C A T I O N

By selling directly to the consumer and not builders or developers, Bluegreen Communities allows its customers to make such important decisions as the location, style and size of their home. During 2003, we opened two Bluegreen Golf Communities in Georgia: Traditions of Braselton™ and Sanctuary Cove at St. Andrews Sound.™ Traditions of Braselton is comprised of just over 1,100 acres, with 330 acres expected to be reserved for green space. We expect the amenities to include an 18-hole championship golf course, tennis & swim center, children's recreation complex, ponds, community drop-off for a local middle school and village shopping. Sanctuary Cove at St. Andrews Sound is a rare jewel near Georgia's St. Simons Island. Comprised of approximately 500 acres, it delivers all that coastal living has to offer. Amenities are expected to include more than 900 acres of adjoining preserved saltwater marshes and coastal wetlands, a Fred Couples Signature Golf Course, designed by Love Golf Design, an owners' clubhouse and swimming and tennis facilities.



Bluegreen Communities adds a healthy measure of individuality and uniqueness to the homesite buying process. Land selection, with consideration to the preservation of wooded areas, natural habitats and water features is key. Bluegreen Communities then develops the community infrastructure and various amenities to complement the landscape. Bluegreen Communities personalizes the buyer's experience with a unique approach that offers the consumer the option to purchase a homesite now, with the flexibility of building their dream home when they are ready. The Bluegreen Communities' approach also allows the buyer the freedom to select the builder of his or her choice.

Bluegreen vacation getaways are sold in a “store within a store” inside Bass Pro Shop® locations. The Outdoor Traveler™ name blends the great outdoors experience of Bass Pro with the travel aspects of Bluegreen to create a distinctive house brand. Outdoor Traveler counters and fixtures blend perfectly with the rugged wilderness motif of the Bass Pro Shop interior. An Outdoor Traveler vacation getaway gives the Bass Pro shopper an informal introduction to the Bluegreen Vacation Club product.



New and innovative ways to sell, market and deliver our products and services significantly contributed to our results in 2003. We increased our focus on permission-based marketing, in which we obtain approval from prospective buyers before we contact them to purchase our products and services, as a response to the impact of increased do-not-call regulations. We are also benefiting from regional branding programs, such as our successful 10-year agreement to market the Bluegreen Vacation Club in Bass Pro Shops® locations across the country and to its estimated 7 million subscribers who receive approximately 34 million catalogs per year. To date, this relationship has produced approximately 25,000 qualified marketing tours and contributed to a processed database of over 300,000 qualified telemarketing leads. We also established a Purchasing and Design organization to standardize these activities throughout our resorts business. This new department will ensure that our guests experience the same superior quality at any Bluegreen resort at which they choose to stay, while allowing us to streamline costs and recognize additional revenue from property owner associations who utilize these services.

We also welcomed Scott Holloway, Lawrence Cirillo and Mark Nerenhausen to Bluegreen as independent members of our Board of Directors. With these appointments, Bluegreen's Board membership increased to ten and the number of independent Directors rose to seven.

On December 31, 2003, BankAtlantic Bancorp, Inc. (NYSE: BAX) completed its spin-off of Levitt Corporation (NYSE: LEV). In connection with the spin-off, BankAtlantic's interest in Bluegreen was transferred to Levitt Corporation, which now beneficially owns approximately 38% of our common stock. Our relationship with Levitt Corporation remains strong and we appreciate its confidence and support.

We want to create industry best practices, not simply follow them. Our goals for 2004 are designed to further the growth of the business, produce improved operating metrics and enhance long-term shareholder value. We will seek to prudently broaden our portfolio of properties, increase sales at our resorts and communities, maintain disciplined

financial management processes and utilize technology to effectively and efficiently identify and market to new customers. As always, we remain committed to providing vacation and lifestyle experiences that are among the finest in our industry.

On behalf of Bluegreen's senior management team, our Board of Directors and employees, I thank you for your continued support.

Sincerely,

George F. Donovan  
President & Chief Executive Officer



## Corporate Directory

### **Board of Directors**

Alan B. Levan, Chairman  
Chairman, Levitt Corporation  
Chairman, President and Chief Executive Officer,  
BankAtlantic Bancorp, Inc.  
Chairman, President and Chief Executive Officer,  
BFC Financial Corporation

John E. Abdo, Vice Chairman  
Vice Chairman and President, Levitt Corporation  
Vice Chairman, BankAtlantic Bancorp, Inc.  
Vice Chairman, BFC Financial Corporation

Norman H. Becker  
Certified Public Accountant

Lawrence A. Cirillo  
Southport Maritime, Inc.

George F. Donovan  
President and Chief Executive Officer,  
Bluegreen Corporation

Scott W. Holloway  
Principal,  
iCap Realty Advisors, LLC

John Laguardia  
President and Chief Operating Officer,  
ALH II, Inc.

Mark A. Nerenhausen  
President and Chief Executive Officer,  
Broward Center for the Performing Arts

J. Larry Rutherford  
President and Chief Executive Officer,  
SouthStar Development Partners, Inc.

Arnold Sevell  
President,  
Sevell Realty Partners, Inc.

### **Director Emeritus**

Joseph C. Abeles  
Private Investor

### **Corporate Officers**

George F. Donovan  
President and Chief Executive Officer

John F. Chiste  
Senior Vice President, Treasurer and  
Chief Financial Officer

Daniel C. Koscher  
Senior Vice President,  
President, Bluegreen Communities

John M. Maloney, Jr.  
Senior Vice President,  
President, Bluegreen Resorts

Sheila B. Beauchesne  
Senior Vice President and  
Chief Information Officer

Allan J. Herz  
Senior Vice President,  
Mortgage Operations

Douglas O. Kinsey  
Senior Vice President,  
Acquisitions and Development

Susan J. Milanese  
Senior Vice President and  
Chief Human Resources Officer

Anthony M. Puleo  
Senior Vice President and  
Chief Accounting Officer

Randi S. Tompkins  
Vice President,  
Director of Corporate Legal Affairs  
and Clerk

### **Corporate Data**

Corporate Headquarters  
4960 Conference Way North, Ste. 100  
Boca Raton, Florida 33431  
Telephone: 561.912.8000  
Fax: 561.912.8100  
[www.bluegreenonline.com](http://www.bluegreenonline.com)

**Annual Meeting**  
The Annual Meeting of Shareholders  
will begin at 3:30 p.m., May 11, 2004 at  
The Broward County Convention Center  
1950 Eisenhower Blvd., 3rd Floor  
Fort Lauderdale, Florida 33316

We will also participate with BankAtlantic  
Bancorp, Inc., Levitt Corporation and  
BFC Financial Corporation in the 2004  
Shareholders and Customer Annual Celebration  
and Expo at the Broward County Convention  
Center on May 11, 2004 starting at 4:00 p.m.

**Legal Counsel**  
Stearns, Weaver, Miller, Weissler,  
Alhadeff & Sitterson, P.A.  
Miami, Florida

**Independent Certified Public Accountants**  
Ernst & Young LLP  
West Palm Beach, Florida

**Request for Corporate Information**  
The Company's annual and quarterly reports filed  
with the Securities and Exchange Commission  
along with other corporate information are available  
on the Company's website under "Investors" and  
will also be furnished upon written request to  
Investor Relations at the Corporate Headquarters.

**Registrar and Transfer Agent**  
Mellon Investor Services  
P.O. Box 3315  
So. Hackensack, New Jersey 07606  
Telephone: 800.522.6645  
[www.melloninvestor.com](http://www.melloninvestor.com)

**Investor Relations**  
The Equity Group, Inc.  
New York, New York  
212.371.8660  
[www.theequitygroup.com](http://www.theequitygroup.com)