

MARRIOTT INTERNATIONAL, INC.
PRESS RELEASE SCHEDULES
QUARTER 3, 2010
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MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)

	As Reported 12 Weeks Ended September 10, 2010	As Reported 12 Weeks Ended September 11, 2009	Adjustments			As Adjusted 12 Weeks Ended September 11, 2009**	Percent Better/(Worse) 2010 vs. Adjusted 2009
			Restructuring Costs & Other Charges	Timeshare Strategy - Impairment Charges	Certain Tax Items		
REVENUES							
Base management fees	\$ 123	\$ 116	\$ -	\$ -	\$ -	\$ 116	6
Franchise fees	109	100	-	-	-	100	9
Incentive management fees	21	17	-	-	-	17	24
Owned, leased, corporate housing and other revenue ¹	220	226	-	-	-	226	(3)
Timeshare sales and services ²	275	254	(3)	-	-	251	10
Cost reimbursements ³	1,900	1,758	-	-	-	1,758	8
Total Revenues	2,648	2,471	(3)	-	-	2,468	7
OPERATING COSTS AND EXPENSES							
Owned, leased and corporate housing - direct ⁴	213	214	-	-	-	214	-
Timeshare - direct	219	238	-	-	-	238	8
Timeshare strategy - impairment charges	-	614	-	(614)	-	-	-
Reimbursed costs	1,900	1,758	-	-	-	1,758	(8)
Restructuring costs	-	9	(9)	-	-	-	-
General, administrative and other ⁵	149	144	(1)	-	-	143	(4)
Total Expenses	2,481	2,977	(10)	(614)	-	2,353	(5)
OPERATING INCOME (LOSS)	167	(506)	7	614	-	115	45
Gains and other income ⁶	3	(1)	-	-	-	(1)	400
Interest expense	(41)	(27)	-	-	-	(27)	(52)
Interest income	4	5	-	-	-	5	(20)
Equity in losses ⁷	(5)	(12)	1	-	-	(11)	55
Timeshare strategy - impairment charges (non-operating)	-	(138)	-	138	-	-	-
INCOME (LOSS) BEFORE INCOME TAXES	128	(679)	8	752	-	81	58
(Provision) benefit for income taxes	(45)	210	(4)	(250)	13	(31)	(45)
NET INCOME (LOSS)	83	(469)	4	502	13	50	66
Add: Net losses attributable to noncontrolling interests, net of tax	-	3	-	-	-	3	(100)
NET INCOME (LOSS) ATTRIBUTABLE TO MARRIOTT	\$ 83	\$ (466)	\$ 4	\$ 502	\$ 13	\$ 53	57
EARNINGS (LOSSES) PER SHARE - Basic ⁸							
Earnings (losses) per share attributable to Marriott shareholders ⁹	\$ 0.23	\$ (1.31)	\$ 0.01	\$ 1.41	\$ 0.03	\$ 0.15	53
EARNINGS (LOSSES) PER SHARE - Diluted ^{8,10}							
Earnings (losses) per share attributable to Marriott shareholders ⁹	\$ 0.22	\$ (1.31)	\$ 0.01	\$ 1.41	\$ 0.03	\$ 0.15	47
Basic Shares ⁸	363.1	356.7	356.7	356.7	356.7	356.7	
Diluted Shares ^{8,10}	378.1	356.7	356.7	356.7	356.7	367.5	

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and limitations on their use.
See page A-3 for footnote references.

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)

			Adjustments					
	As Reported 36 Weeks Ended September 10, 2010	As Reported 36 Weeks Ended September 11, 2009	Restructuring Costs & Other Charges	Timeshare Strategy - Impairment Charges	Certain Tax Items	As Adjusted 36 Weeks Ended September 11, 2009**	Percent Better/(Worse) 2010 vs. Adjusted 2009	
REVENUES								
Base management fees	\$ 384	\$ 367	\$ -	\$ -	\$ -	\$ 367	5	
Franchise fees	305	281	-	-	-	281	9	
Incentive management fees	107	95	-	-	-	95	13	
Owned, leased, corporate housing and other revenue ¹	704	684	-	-	-	684	3	
Timeshare sales and services (including net note sale losses of \$1 for thirty-six weeks ended September 11, 2009) ²	849	746	26	-	-	772	10	
Cost reimbursements ³	5,700	5,355	-	-	-	5,355	6	
Total Revenues	8,049	7,528	26	-	-	7,554	7	
OPERATING COSTS AND EXPENSES								
Owned, leased and corporate housing - direct ⁴	654	638	-	-	-	638	(3)	
Timeshare - direct	693	737	1	-	-	738	6	
Timeshare strategy - impairment charges	-	614	-	(614)	-	-	-	
Reimbursed costs	5,700	5,355	-	-	-	5,355	(6)	
Restructuring costs	-	44	(44)	-	-	-	-	
General, administrative and other ⁵	429	507	(92)	-	-	415	(3)	
Total Expenses	7,476	7,895	(135)	(614)	-	7,146	(5)	
OPERATING INCOME (LOSS)	573	(367)	161	614	-	408	40	
Gains and other income (including gain on debt extinguishment of \$21 for the thirty-six weeks ended September 11, 2009) ⁶	7	27	-	-	-	27	(74)	
Interest expense	(130)	(84)	-	-	-	(84)	(55)	
Interest income	11	20	-	-	-	20	(45)	
Equity in losses ⁷	(20)	(50)	33	-	-	(17)	(18)	
Timeshare strategy - impairment charges (non-operating)	-	(138)	-	138	-	-	-	
INCOME (LOSS) BEFORE INCOME TAXES	441	(592)	194	752	-	354	25	
(Provision) benefit for income taxes	(156)	133	(76)	(250)	56	(137)	(14)	
NET INCOME (LOSS)	285	(459)	118	502	56	217	31	
Add: Net losses attributable to noncontrolling interests, net of tax	-	7	-	-	-	7	(100)	
NET INCOME (LOSS) ATTRIBUTABLE TO MARRIOTT	\$ 285	\$ (452)	\$ 118	\$ 502	\$ 56	\$ 224	27	
EARNINGS (LOSSES) PER SHARE - Basic ⁸								
Earnings (losses) per share attributable to Marriott shareholders ⁹	\$ 0.79	\$ (1.27)	\$ 0.33	\$ 1.41	\$ 0.16	\$ 0.63	25	
EARNINGS (LOSSES) PER SHARE - Diluted ^{8,10}								
Earnings (losses) per share attributable to Marriott shareholders ⁹	\$ 0.76	\$ (1.27)	\$ 0.33	\$ 1.41	\$ 0.16	\$ 0.61	25	
Basic Shares ⁸	361.5	355.7	355.7	355.7	355.7	355.7		
Diluted Shares ^{8,10}	376.4	355.7	355.7	355.7	355.7	365.4		

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and limitations on their use.
See page A-3 for footnote references.

MARRIOTT INTERNATIONAL, INC.
FOOTNOTES TO CONSOLIDATED STATEMENTS OF INCOME

- ¹ – *Owned, leased, corporate housing and other revenue* includes revenue from the properties we own or lease, revenue from our corporate housing business, termination fees, branding fees and other revenue.
- ² – *Timeshare sales and services* includes total timeshare revenue except for base management fees and cost reimbursements.
- ³ – *Cost reimbursements* include reimbursements from properties for Marriott-funded operating expenses.
- ⁴ – *Owned, leased and corporate housing - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments, pre-opening expenses and depreciation, plus expenses related to our corporate housing business.
- ⁵ – *General, administrative and other* expenses include the overhead costs allocated to our segments, and our corporate overhead costs and general expenses.
- ⁶ – *Gains and other income* includes gains and losses on: the sale of real estate, note sales or repayments (except timeshare note securitizations), the sale of joint ventures and investments; and debt extinguishments, as well as income from cost method joint ventures.
- ⁷ – *Equity in losses* includes our equity in losses of unconsolidated equity method joint ventures.
- ⁸ – 2009 share numbers and per share amounts have been retroactively adjusted to reflect the stock dividends with distribution dates of July 30, 2009, September 3, 2009 and December 3, 2009.
- ⁹ – Earnings per share attributable to Marriott shareholders plus adjustment items may not equal earnings per share attributable to Marriott shareholders as adjusted due to rounding.
- ¹⁰ – Basic and fully diluted weighted average common shares outstanding used to calculate earnings per share for the periods in which we had a loss are the same because inclusion of additional equivalents would be anti-dilutive.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS ¹

Brand	<u>Number of Properties</u>			<u>Number of Rooms/Suites</u>		
	September 10, 2010	September 11, 2009	vs. September 11, 2009	September 10, 2010	September 11, 2009	vs. September 11, 2009
<u>Domestic Full-Service</u>						
Marriott Hotels & Resorts	355	350	5	142,277	139,280	2,997
Renaissance Hotels	79	78	1	28,790	28,508	282
Autograph Collection	11	-	11	1,646	-	1,646
<u>Domestic Limited-Service</u>						
Courtyard	785	761	24	110,325	106,835	3,490
Fairfield Inn & Suites	647	609	38	58,398	54,537	3,861
SpringHill Suites	271	241	30	31,772	27,818	3,954
Residence Inn	592	583	9	71,280	69,865	1,415
TownePlace Suites	192	179	13	19,320	17,917	1,403
<u>International</u>						
Marriott Hotels & Resorts	195	188	7	59,936	57,010	2,926
Renaissance Hotels	67	65	2	22,622	22,291	331
Courtyard	97	88	9	19,307	17,254	2,053
Fairfield Inn & Suites	10	9	1	1,235	1,109	126
SpringHill Suites	1	1	-	124	124	-
Residence Inn	18	18	-	2,559	2,604	(45)
Marriott Executive Apartments	23	22	1	3,775	3,580	195
<u>Luxury</u>						
The Ritz-Carlton - Domestic	39	37	2	11,587	11,549	38
The Ritz-Carlton - International	35	33	2	10,457	10,117	340
Bulgari Hotels & Resorts	2	2	-	117	117	-
The Ritz-Carlton Residential	26	25	1	2,715	2,638	77
The Ritz-Carlton Serviced Apartments	3	3	-	458	474	(16)
<u>Timeshare ²</u>						
Marriott Vacation Club ³	53	52	1	11,866	11,854	12
The Ritz-Carlton Destination Club	9	10	(1)	446	461	(15)
The Ritz-Carlton Residences	4	4	-	238	234	4
Grand Residences by Marriott - Fractional	2	2	-	248	248	-
Grand Residences by Marriott - Residential	2	2	-	68	91	(23)
Sub Total Timeshare	70	70	-	12,866	12,888	(22)
Total	3,518	3,362	156	611,566	586,515	25,051

Number of Timeshare Interval, Fractional and Residential Resorts

	Total Properties ²	Properties in Active Sales ⁴
<u>100% Company-Developed</u>		
Marriott Vacation Club ³	53	27
The Ritz-Carlton Destination Club and Residences	11	9
Grand Residences by Marriott and Residences	4	3
<u>Joint Ventures</u>		
The Ritz-Carlton Destination Club and Residences	2	2
Total	70	41

¹ Total Lodging Products excludes the 1,993 and 2,153 corporate housing rental units as of September 10, 2010 and September 11, 2009, respectively.

² Includes products that are in active sales as well as those that are sold out. Residential products are included once they possess a certificate of occupancy.

³ Marriott Vacation Club includes Horizons by Marriott Vacation Club products that were previously reported separately.

⁴ Products in active sales may not be ready for occupancy.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
Constant \$

Comparable Company-Operated International Properties¹

Region	Three Months Ended August 31, 2010 and August 31, 2009					
	REVPAR		Occupancy			Average Daily Rate
	2010	vs. 2009	2010	vs. 2009		2010 vs. 2009
Caribbean & Latin America	\$113.33	7.6%	71.5%	5.8% pts.		\$158.53 -1.1%
Continental Europe	\$112.54	8.6%	75.5%	3.8% pts.		\$149.09 3.2%
United Kingdom	\$129.35	9.7%	81.6%	3.3% pts.		\$158.45 5.3%
Middle East & Africa	\$74.25	-2.2%	62.4%	1.5% pts.		\$119.06 -4.5%
Asia Pacific ²	\$80.76	29.9%	68.1%	13.1% pts.		\$118.54 4.9%
Regional Composite³	\$103.89	12.1%	73.0%	6.5% pts.		\$142.33 2.2%
International Luxury⁴	\$182.05	12.4%	62.8%	5.3% pts.		\$289.92 2.8%
Total International⁵	\$112.42	12.2%	71.9%	6.3% pts.		\$156.39 2.3%
Worldwide⁶	\$101.43	8.4%	71.2%	3.7% pts.		\$142.46 2.8%

Comparable Systemwide International Properties¹

Region	Three Months Ended August 31, 2010 and August 31, 2009					
	REVPAR		Occupancy			Average Daily Rate
	2010	vs. 2009	2010	vs. 2009		2010 vs. 2009
Caribbean & Latin America	\$100.82	14.2%	68.6%	8.1% pts.		\$146.92 0.7%
Continental Europe	\$111.17	9.0%	74.7%	4.8% pts.		\$148.78 2.0%
United Kingdom	\$127.58	9.6%	81.3%	3.4% pts.		\$157.02 5.0%
Middle East & Africa	\$73.85	-1.9%	62.7%	1.6% pts.		\$117.81 -4.4%
Asia Pacific ²	\$88.25	21.0%	68.2%	11.3% pts.		\$129.35 0.9%
Regional Composite³	\$103.38	11.9%	72.2%	6.7% pts.		\$143.23 1.5%
International Luxury⁴	\$182.05	12.4%	62.8%	5.3% pts.		\$289.92 2.8%
Total International⁵	\$110.47	12.0%	71.3%	6.6% pts.		\$154.85 1.6%
Worldwide⁶	\$89.79	8.2%	71.7%	4.2% pts.		\$125.18 1.8%

¹ We report financial results on a period basis and international statistics on a monthly basis. Statistics are in constant dollars for June through August. International includes properties located outside the Continental United States and Canada, except for Worldwide which includes the Continental United States.

² Does not include Hawaii.

³ Regional information includes the Marriott Hotels & Resorts, Renaissance Hotels and Courtyard brands. Includes Hawaii.

⁴ International Luxury includes The Ritz-Carlton properties outside of the Continental United States and Canada and Bulgari Hotels & Resorts.

⁵ Includes Regional Composite and International Luxury.

⁶ Includes international statistics for the three calendar months ended August 31, 2010 and August 31, 2009, and the Continental United States statistics for the twelve weeks ended September 10, 2010 and September 11, 2009. Includes the Marriott Hotels & Resorts, Renaissance Hotels, The Ritz-Carlton, Bulgari Hotels & Resorts, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites and SpringHill Suites brands.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
Constant \$

Comparable Company-Operated International Properties¹

Region	Eight Months Ended August 31, 2010 and August 31, 2009						
	REVPAR		Occupancy			Average Daily Rate	
	2010	vs. 2009	2010	vs. 2009		2010	vs. 2009
Caribbean & Latin America	\$130.49	5.2%	72.4%	5.2%	pts.	\$180.16	-2.4%
Continental Europe	\$108.94	5.8%	69.4%	4.0%	pts.	\$156.87	-0.3%
United Kingdom	\$117.80	7.5%	76.0%	3.9%	pts.	\$154.96	2.0%
Middle East & Africa	\$90.84	-4.4%	69.0%	2.3%	pts.	\$131.57	-7.5%
Asia Pacific ²	\$80.00	25.7%	66.1%	14.1%	pts.	\$121.02	-1.1%
Regional Composite³	\$104.12	8.5%	70.5%	6.8%	pts.	\$147.78	-1.9%
International Luxury⁴	\$196.14	9.8%	63.5%	6.8%	pts.	\$308.92	-1.9%
Total International⁵	\$114.16	8.7%	69.7%	6.8%	pts.	\$163.79	-1.8%
Worldwide⁶	\$102.45	5.5%	69.2%	4.6%	pts.	\$148.01	-1.5%

Comparable Systemwide International Properties¹

Region	Eight Months Ended August 31, 2010 and August 31, 2009						
	REVPAR		Occupancy			Average Daily Rate	
	2010	vs. 2009	2010	vs. 2009		2010	vs. 2009
Caribbean & Latin America	\$113.59	11.1%	69.3%	7.9%	pts.	\$163.94	-1.6%
Continental Europe	\$106.02	5.5%	68.1%	4.7%	pts.	\$155.68	-1.8%
United Kingdom	\$116.04	7.3%	75.4%	3.8%	pts.	\$153.86	1.9%
Middle East & Africa	\$89.87	-3.9%	69.1%	2.7%	pts.	\$130.09	-7.6%
Asia Pacific ²	\$85.54	17.9%	66.5%	12.1%	pts.	\$128.55	-3.5%
Regional Composite³	\$102.48	8.4%	69.4%	6.9%	pts.	\$147.58	-2.4%
International Luxury⁴	\$196.14	9.8%	63.5%	6.8%	pts.	\$308.92	-1.9%
Total International⁵	\$110.92	8.6%	68.9%	6.9%	pts.	\$160.97	-2.3%
Worldwide⁶	\$87.38	4.8%	68.6%	4.3%	pts.	\$127.41	-1.8%

¹ We report financial results on a period basis and international statistics on a monthly basis. Statistics are in constant dollars for January through August. International includes properties located outside the Continental United States and Canada, except for Worldwide which includes the Continental United States.

² Does not include Hawaii.

³ Regional information includes the Marriott Hotels & Resorts, Renaissance Hotels and Courtyard brands. Includes Hawaii.

⁴ International Luxury includes The Ritz-Carlton properties outside of the Continental United States and Canada and Bulgari Hotels & Resorts.

⁵ Includes Regional Composite and International Luxury.

⁶ Includes international statistics for the eight calendar months ended August 31, 2010 and August 31, 2009, and the Continental United States statistics for the thirty-six weeks ended September 10, 2010 and September 11, 2009. Includes the Marriott Hotels & Resorts, Renaissance Hotels, The Ritz-Carlton, Bulgari Hotels & Resorts, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites and SpringHill Suites brands.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS

Comparable Company-Operated North American Properties¹

Brand	Twelve Weeks Ended September 10, 2010 and September 11, 2009					
	REVPAR		Occupancy			Average Daily Rate
	2010	vs. 2009	2010	vs. 2009		2010 vs. 2009
Marriott Hotels & Resorts	\$105.35	7.0%	71.7%	2.2% pts.		\$147.02 3.7%
Renaissance Hotels	\$98.20	3.8%	69.1%	0.7% pts.		\$142.02 2.7%
Composite North American Full-Service²	\$104.01	6.4%	71.2%	1.9% pts.		\$146.11 3.5%
The Ritz-Carlton ³	\$169.51	7.9%	68.6%	2.9% pts.		\$247.12 3.3%
Composite North American Full-Service & Luxury⁴	\$112.10	6.7%	70.9%	2.0% pts.		\$158.18 3.6%
Residence Inn	\$89.50	6.2%	78.9%	3.8% pts.		\$113.40 1.1%
Courtyard	\$71.37	5.8%	67.5%	2.5% pts.		\$105.77 1.9%
TownePlace Suites	\$54.67	5.2%	72.8%	4.0% pts.		\$75.06 -0.5%
SpringHill Suites	\$64.65	8.0%	68.5%	3.6% pts.		\$94.32 2.3%
Composite North American Limited-Service⁵	\$74.74	6.0%	70.9%	3.0% pts.		\$105.39 1.5%
Composite - All⁶	\$96.40	6.5%	70.9%	2.4% pts.		\$135.99 2.8%

Comparable Systemwide North American Properties¹

Brand	Twelve Weeks Ended September 10, 2010 and September 11, 2009					
	REVPAR		Occupancy			Average Daily Rate
	2010	vs. 2009	2010	vs. 2009		2010 vs. 2009
Marriott Hotels & Resorts	\$95.20	7.4%	69.4%	3.1% pts.		\$137.17 2.6%
Renaissance Hotels	\$92.22	6.2%	69.6%	2.7% pts.		\$132.59 2.1%
Composite North American Full-Service²	\$94.67	7.2%	69.4%	3.1% pts.		\$136.35 2.5%
The Ritz-Carlton ³	\$169.51	7.9%	68.6%	2.9% pts.		\$247.12 3.3%
Composite North American Full-Service & Luxury⁴	\$100.21	7.3%	69.4%	3.0% pts.		\$144.46 2.6%
Residence Inn	\$91.37	6.6%	80.6%	4.4% pts.		\$113.32 0.9%
Courtyard	\$76.92	6.8%	70.2%	3.3% pts.		\$109.63 1.8%
Fairfield Inn & Suites	\$61.20	8.4%	70.5%	4.4% pts.		\$86.76 1.7%
TownePlace Suites	\$61.74	8.6%	76.4%	7.1% pts.		\$80.79 -1.4%
SpringHill Suites	\$69.63	6.9%	70.6%	4.5% pts.		\$98.56 0.1%
Composite North American Limited-Service⁵	\$75.92	7.1%	73.3%	4.1% pts.		\$103.52 1.1%
Composite - All⁶	\$85.24	7.2%	71.8%	3.7% pts.		\$118.69 1.7%

¹ Statistics include only properties located in the Continental United States.

² Includes the Marriott Hotels & Resorts and Renaissance Hotels brands.

³ Statistics for The Ritz-Carlton are for June through August.

⁴ Includes the Marriott Hotels & Resorts, Renaissance Hotels and The Ritz-Carlton brands.

⁵ Includes the Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites and SpringHill Suites brands.

⁶ Includes the Marriott Hotels & Resorts, Renaissance Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites brands.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS

Comparable Company-Operated North American Properties¹

Brand	Thirty-six Weeks Ended September 10, 2010 and September 11, 2009					
	REVPAR		Occupancy			Average Daily Rate
	2010	vs. 2009	2010	vs. 2009		2010 vs. 2009
Marriott Hotels & Resorts	\$107.94	4.3%	70.4%	3.7% pts.		\$153.40 -1.2%
Renaissance Hotels	\$102.32	1.1%	68.1%	2.2% pts.		\$150.30 -2.3%
Composite North American Full-Service²	\$106.88	3.7%	69.9%	3.4% pts.		\$152.83 -1.4%
The Ritz-Carlton ³	\$191.72	9.7%	68.7%	6.5% pts.		\$279.22 -0.7%
Composite North American Full-Service & Luxury⁴	\$116.24	4.7%	69.8%	3.7% pts.		\$166.55 -0.9%
Residence Inn	\$85.65	3.5%	75.0%	4.7% pts.		\$114.20 -3.0%
Courtyard	\$69.98	1.9%	65.2%	3.2% pts.		\$107.35 -3.1%
TownePlace Suites	\$49.48	-1.1%	66.6%	3.4% pts.		\$74.34 -6.2%
SpringHill Suites	\$63.36	3.0%	65.9%	3.7% pts.		\$96.09 -2.9%
Composite North American Limited-Service⁵	\$72.48	2.3%	68.0%	3.6% pts.		\$106.63 -3.1%
Composite - All⁶	\$97.69	4.0%	69.0%	3.7% pts.		\$141.53 -1.6%

Comparable Systemwide North American Properties¹

Brand	Thirty-six Weeks Ended September 10, 2010 and September 11, 2009					
	REVPAR		Occupancy			Average Daily Rate
	2010	vs. 2009	2010	vs. 2009		2010 vs. 2009
Marriott Hotels & Resorts	\$95.79	4.4%	67.6%	4.0% pts.		\$141.62 -1.7%
Renaissance Hotels	\$94.03	3.1%	68.0%	3.9% pts.		\$138.29 -2.8%
Composite North American Full-Service²	\$95.48	4.2%	67.7%	4.0% pts.		\$141.02 -1.9%
The Ritz-Carlton ³	\$191.72	9.7%	68.7%	6.5% pts.		\$279.22 -0.7%
Composite North American Full-Service & Luxury⁴	\$101.80	4.8%	67.8%	4.1% pts.		\$150.23 -1.5%
Residence Inn	\$85.83	3.8%	76.4%	4.7% pts.		\$112.34 -2.6%
Courtyard	\$73.42	2.7%	66.8%	3.1% pts.		\$109.90 -2.0%
Fairfield Inn & Suites	\$54.54	2.7%	64.5%	2.8% pts.		\$84.62 -1.7%
TownePlace Suites	\$55.95	3.1%	69.6%	5.5% pts.		\$80.33 -5.1%
SpringHill Suites	\$65.41	2.0%	66.9%	3.8% pts.		\$97.73 -3.7%
Composite North American Limited-Service⁵	\$71.08	3.0%	69.0%	3.7% pts.		\$103.04 -2.5%
Composite - All⁶	\$82.80	3.9%	68.5%	3.8% pts.		\$120.84 -1.9%

¹ Statistics include only properties located in the Continental United States.

² Includes the Marriott Hotels & Resorts and Renaissance Hotels brands.

³ Statistics for The Ritz-Carlton are for January through August.

⁴ Includes the Marriott Hotels & Resorts, Renaissance Hotels and The Ritz-Carlton brands.

⁵ Includes the Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites and SpringHill Suites brands.

⁶ Includes the Marriott Hotels & Resorts, Renaissance Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites brands.

MARRIOTT INTERNATIONAL, INC.
TIMESHARE SEGMENT
(\$ in millions)

	As Reported 12 Weeks Ended September 10, 2010	As Reported 12 Weeks Ended September 11, 2009	Adjustments		As Adjusted 12 Weeks Ended September 11, 2009**	Percent Better/ (Worse) 2010 vs. Adjusted 2009
			Restructuring Costs & Other Charges	Timeshare Strategy - Impairment Charges		
Segment Revenues						
Base management fees	\$ 11	\$ 11	\$ -	\$ -	\$ 11	-
Sales and services revenue						
<i>Development</i>	135	138	-	-	138	(2)
<i>Services</i>	86	82	-	-	82	5
Financing revenue						
Interest income - non-securitized notes	11	11	-	-	11	-
Interest income - securitized notes	30	-	-	-	-	*
Other financing revenue	2	12	(3)	-	9	(78)
<i>Total financing revenue</i>	43	23	(3)	-	20	115
<i>Other revenue</i>	11	11	-	-	11	-
Total sales and services revenue	275	254	(3)	-	251	10
Cost reimbursements	65	65	-	-	65	-
Segment revenues	\$ 351	\$ 330	\$ (3)	\$ -	\$ 327	7
Segment Results						
Base management fees	\$ 11	\$ 11	\$ -	\$ -	\$ 11	-
Timeshare sales and services, net	56	16	(3)	-	13	331
Timeshare strategy - impairment charges	-	(614)	-	614	-	-
Restructuring costs	-	(7)	7	-	-	-
General, administrative and other expense	(16)	(17)	-	-	(17)	6
Gains and other income	-	1	-	-	1	(100)
Equity in losses	(2)	(4)	1	-	(3)	(33)
Interest expense	(12)	-	-	-	-	*
Timeshare strategy - impairment charges (non-operating)	-	(71)	-	71	-	-
Noncontrolling interest	-	4	-	-	4	(100)
Segment results	\$ 37	\$ (681)	\$ 5	\$ 685	\$ 9	311
Contract Sales						
Company:						
Timeshare	\$ 157	\$ 164	\$ -	\$ -	\$ 164	(4)
Fractional	5	7	-	-	7	(29)
Residential	-	2	-	-	2	(100)
Total company	162	173	-	-	173	(6)
Joint ventures:						
Timeshare	-	-	-	-	-	-
Fractional	2	(4)	7	-	3	(33)
Residential	-	(17)	17	-	-	-
Total joint ventures	2	(21)	24	-	3	(33)
Total contract sales ¹	\$ 164	\$ 152	\$ 24	\$ -	\$ 176	(7)

* Percent cannot be calculated.

**Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ As Reported 12 Weeks Ended September 10, 2010 includes fractional contract cancellation allowances of (\$1) million. Gross contract sales for the 2010 third quarter were \$165 million before the contract cancellation allowance.

MARRIOTT INTERNATIONAL, INC.
TIMESHARE SEGMENT
(\$ in millions)

	As Reported 36 Weeks Ended September 10, 2010	As Reported 36 Weeks Ended September 11, 2009	Adjustments		As Adjusted 36 Weeks Ended September 11, 2009**	Percent Better/ (Worse) 2010 vs. Adjusted 2009
			Restructuring Costs & Other Charges	Timeshare Strategy - Impairment Charges		
Segment Revenues						
Base management fees	\$ 34	\$ 32	\$ -	\$ -	\$ 32	6
Sales and services revenue						
<i>Development</i>	430	441	4	-	445	(3)
<i>Services</i>	253	232	-	-	232	9
Financing revenue						
Interest income - non-securitized notes	30	34	-	-	34	(12)
Interest income - securitized notes	99	-	-	-	-	*
Other financing revenue ¹	5	8	22	-	30	(83)
<i>Total financing revenue</i>	134	42	22	-	64	109
<i>Other revenue</i>	32	31	-	-	31	3
Total sales and services revenue	849	746	26	-	772	10
Cost reimbursements	189	184	-	-	184	3
Segment revenues	\$ 1,072	\$ 962	\$ 26	\$ -	\$ 988	9
Segment Results						
Base management fees	\$ 34	\$ 32	\$ -	\$ -	\$ 32	6
Timeshare sales and services, net	156	9	25	-	34	359
Timeshare strategy - impairment charges	-	(614)	-	614	-	-
Restructuring costs	-	(38)	38	-	-	-
General, administrative and other expense	(48)	(57)	7	-	(50)	4
Gains and other income	-	1	-	-	1	100
Equity in losses	(10)	(6)	3	-	(3)	233
Interest expense	(40)	-	-	-	-	*
Timeshare strategy - impairment charges (non-operating)	-	(71)	-	71	-	-
Noncontrolling interest	-	11	-	-	11	(100)
Segment results	\$ 92	\$ (733)	\$ 73	\$ 685	\$ 25	268
Contract Sales						
Company:						
Timeshare	\$ 463	\$ 502	\$ -	\$ -	\$ 502	(8)
Fractional	21	25	1	-	26	(19)
Residential	6	(1)	4	-	3	100
Total company	490	526	5	-	531	(8)
Joint ventures:						
Timeshare	-	-	-	-	-	-
Fractional	2	(9)	23	-	14	(86)
Residential	(3)	(27)	27	-	-	*
Total joint ventures	(1)	(36)	50	-	14	(107)
Total contract sales ²	489	490	55	-	545	(10)

* Percent cannot be calculated.

**Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ As Reported 36 Weeks Ended September 11, 2009 and As Adjusted 36 Weeks Ended September 11, 2009 include losses on notes sold of \$1 million and \$1 million, respectively.

² As Reported 36 Weeks Ended September 10, 2010 includes fractional and residential contract cancellation allowances of (\$8) million and (\$7) million, respectively. Gross contract sales for 2010 year-to-date were \$504 million before the contract cancellation allowance.

MARRIOTT INTERNATIONAL, INC.
TIMESHARE SEGMENT

AS ADJUSTED HAD ASU NOS. 2009-16 AND 2009-17 BEEN ADOPTED ON JANUARY 3, 2009

THIRD QUARTER 2009

(\$ in millions)

	Adjustments					
	As Reported 12 Weeks Ended September 11, 2009	Restructuring Costs & Other Charges	Timeshare Strategy - Impairment Charges	As Adjusted 12 Weeks Ended September 11, 2009**	ASU Nos. 2009-16 And 2009-17 Adjustments	As Adjusted For ASU Nos. 2009-16 And 2009-17 12 Weeks Ended September 11, 2009**
Segment Revenues						
Base management fees	\$ 11	\$ -	\$ -	\$ 11	\$ -	\$ 11
Sales and services revenue						
<i>Development</i>	138	-	-	138	11	149
<i>Services</i>	82	-	-	82	-	82
Financing revenue						
Interest income - non-securitized notes	11	-	-	11	-	11
Interest income - securitized notes	-	-	-	-	36	36
Other financing revenue	12	(3)	-	9	(8)	1
<i>Total financing revenue</i>	23	(3)	-	20	28	48
<i>Other revenue</i>	11	-	-	11	-	11
Total sales and services revenue	254	(3)	-	251	39	290
Cost reimbursements	65	-	-	65	-	65
Segment revenues	\$ 330	\$ (3)	\$ -	\$ 327	\$ 39	\$ 366
Segment Results						
Base management fees	\$ 11	\$ -	\$ -	\$ 11	\$ -	\$ 11
Timeshare sales and services, net	16	(3)	-	13	32	45
Timeshare strategy - impairment charges	(614)	-	614	-	-	-
Restructuring costs	(7)	7	-	-	-	-
General, administrative and other expense	(17)	-	-	(17)	-	(17)
Gains and other income	1	-	-	1	-	1
Equity in losses	(4)	1	-	(3)	-	(3)
Interest expense	-	-	-	-	(17)	(17)
Timeshare strategy - impairment charges (non-operating)	(71)	-	71	-	-	-
Noncontrolling interest	4	-	-	4	-	4
Segment results	\$ (681)	\$ 5	\$ 685	\$ 9	\$ 15	\$ 24
Contract Sales						
Company:						
Timeshare	\$ 164	\$ -	\$ -	\$ 164	\$ -	\$ 164
Fractional	7	-	-	7	-	7
Residential	2	-	-	2	-	2
Total company	173	-	-	173	-	173
Joint ventures:						
Timeshare	-	-	-	-	-	-
Fractional	(4)	7	-	3	-	3
Residential	(17)	17	-	-	-	-
Total joint ventures	(21)	24	-	3	-	3
Total contract sales, including joint ventures	\$ 152	\$ 24	\$ -	\$ 176	\$ -	\$ 176

**Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
TIMESHARE INVENTORY

AS ADJUSTED HAD ASU NOS. 2009-16 AND 2009-17 BEEN ADOPTED ON JANUARY 3, 2009
(\$ in millions)

			<u>Adjustments</u>	
	Balance at End of 2010 Third Quarter	As Reported Balance at Year-End 2009	ASU Nos. 2009-16 And 2009-17 Adjustments	As Adjusted For ASU Nos. 2009-16 And 2009-17 Balance at Year-End 2009** ¹
Finished goods ²	\$ 738	\$ 721	\$ 100	\$ 821
Work-in-process	147	198	-	198
Land and infrastructure	552	507	-	507
Total inventory	<u>\$ 1,437</u>	<u>\$ 1,426</u>	<u>\$ 100</u>	<u>\$ 1,526</u>

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these financial measures and the limitations on their use.

¹ As Adjusted had ASU Nos. 2009-16 and 2009-17 (formerly referred to as FAS 166 & 167) been adopted on January 3, 2009.

² Includes completed inventory as well as an estimate of inventory we expect to acquire when we foreclose on defaulted notes. The estimate of inventory we expect to acquire when we foreclose on defaulted notes for As Adjusted 2009 and As Reported 2010 include securitized and non-securitized notes, and As Reported 2009 includes non-securitized notes.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
EBITDA AND ADJUSTED EBITDA
(\$ in millions)

	Fiscal Year 2010			
	First Quarter	Second Quarter	Third Quarter	Total Year to Date
Net Income attributable to Marriott	\$ 83	\$ 119	\$ 83	\$ 285
Interest expense	45	44	41	130
Tax provision	46	65	45	156
Depreciation and amortization	39	42	40	121
Less: Depreciation reimbursed by third-party owners	(3)	(3)	(2)	(8)
Interest expense from unconsolidated joint ventures	5	5	6	16
Depreciation and amortization from unconsolidated joint ventures	6	6	7	19
EBITDA **	\$ 221	\$ 278	\$ 220	\$ 719
Increase over 2009 Adjusted EBITDA	3%	26%	35%	20%

	Fiscal Year 2009				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net Income (Loss) attributable to Marriott	\$ (23)	\$ 37	\$ (466)	\$ 106	\$ (346)
Interest expense	29	28	27	34	118
Tax provision (benefit)	33	44	(210)	68	(65)
Tax provision, noncontrolling interest	1	2	1	-	4
Depreciation and amortization	39	42	43	61	185
Less: Depreciation reimbursed by third-party owners	(2)	(2)	(2)	(3)	(9)
Interest expense from unconsolidated joint ventures	3	6	4	6	19
Depreciation and amortization from unconsolidated joint ventures	6	6	6	9	27
EBITDA **	86	163	(597)	281	(67)
Restructuring costs and other charges					
Severance	2	10	4	5	21
Facilities exit costs	-	22	5	2	29
Development cancellations	-	1	-	-	1
Total restructuring costs	2	33	9	7	51
Impairment of investments and other, net of prior year reserves	68	3	1	11	83
Reserves for loan losses	42	1	-	-	43
Contract cancellation allowances	4	1	1	3	9
Residual interests valuation	13	12	(3)	(2)	20
System development write-off	-	7	-	-	7
Total other charges	127	24	(1)	12	162
Total restructuring costs and other charges	129	57	8	19	213
Timeshare strategy - impairment charges					
Operating impairments	-	-	614	-	614
Non-operating impairments	-	-	138	-	138
Total timeshare strategy - impairment charges	-	-	752	-	752
Adjusted EBITDA **	\$ 215	\$ 220	\$ 163	\$ 300	\$ 898

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
EBITDA AND ADJUSTED EBITDA
AS ADJUSTED HAD ASU NOS. 2009-16 AND 2009-17 BEEN ADOPTED ON JANUARY 3, 2009
THIRD QUARTER 2009
(\$ in millions)

	Third Quarter 2009	ASU Nos. 2009-16 and 2009-17 Adjustments	As Adjusted For ASU Nos. 2009-16 and 2009-17 Third Quarter 2009**
Net (Loss) Income attributable to Marriott	\$ (466)	\$ 9	\$ (457)
Interest expense	27	17	44
Tax benefit	(210)	6	(204)
Tax provision, noncontrolling interest	1	-	1
Depreciation and amortization	43	-	43
Less: Depreciation reimbursed by third-party owners	(2)	-	(2)
Interest expense from unconsolidated joint ventures	4	-	4
Depreciation and amortization from unconsolidated joint ventures	6	-	6
EBITDA **	(597)	32	(565)
Restructuring costs and other charges			
Severance	4	-	4
Facilities exit costs	5	-	5
Development cancellations	-	-	-
Total restructuring costs	9	-	9
Impairment of investments and other, net of prior year reserves	1	-	1
Reserves for loan losses	-	-	-
Contract cancellation allowances	1	-	1
Residual interests valuation	(3)	-	(3)
System development write-off	-	-	-
Total other charges	(1)	-	(1)
Total restructuring costs and other charges	8	-	8
Timeshare strategy - impairment charges			
Operating impairments	614	-	614
Non-operating impairments	138	-	138
Total timeshare strategy - impairment charges	752	-	752
Adjusted EBITDA **	\$ 163	\$ 32	\$ 195

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
EBITDA AND ADJUSTED EBITDA

2009 AS ADJUSTED HAD ASU NOS. 2009-16 AND 2009-17 BEEN ADOPTED ON JANUARY 3, 2009 AND FORECASTED 2010
(\$ in millions)

			As Adjusted For ASU Nos. 2009-16 and 2009-17 Fiscal Year 2009**	Range	
	2009 Fiscal Year	ASU Nos. 2009-16 and 2009-17 Adjustments		Estimated EBITDA Full Year 2010	
Net (Loss) Income attributable to Marriott	\$ (346)	\$ (1)	\$ (347)	\$ 411	\$ 424
Interest expense	118	77	195	190	185
Tax (benefit) provision	(65)	-	(65)	224	231
Tax provision, noncontrolling interest	4	-	4	-	-
Depreciation and amortization	185	-	185	180	180
Less: Depreciation reimbursed by third-party owners	(9)	-	(9)	(10)	(10)
Interest expense from unconsolidated joint ventures	19	-	19	25	25
Depreciation and amortization from unconsolidated joint ventures	27	-	27	30	30
EBITDA **	(67)	76	9	1,050	1,065
Restructuring costs and other charges					
Severance	21	-	21	-	-
Facilities exit costs	29	-	29	-	-
Development cancellations	1	-	1	-	-
Total restructuring costs	51	-	51	-	-
Impairment of investments and other, net of prior year reserves	83	-	83	-	-
Reserves for loan losses	43	-	43	-	-
Contract cancellation allowances	9	-	9	-	-
Residual interests valuation	20	-	20	-	-
System development write-off	7	-	7	-	-
Total other charges	162	-	162	-	-
Total restructuring costs and other charges	213	-	213	-	-
Timeshare strategy - impairment charges					
Operating impairments	614	-	614	-	-
Non-operating impairments	138	-	138	-	-
Total timeshare strategy - impairment charges	752	-	752	-	-
Adjusted EBITDA **	\$ 898	\$ 76	\$ 974	\$ 1,050	\$ 1,065
Increase over 2009 Adjusted EBITDA as Adjusted for ASU Nos. 2009-16 and 2009-17				8%	9%

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED TOTAL DEBT NET OF CASH
(\$ in millions)

				<u>Better / (Worse) Change</u>	
				Balance at End of 2010 Third Quarter as Compared to	
	Balance at End of 2010 Third Quarter	Balance at Year-End 2009	Balance at Year-End 2008	Balance at Year-End 2009	Balance at Year-End 2008
Total debt	\$ 2,726	\$ 2,298	\$ 3,095	\$ (428)	\$ 369
Cash and cash equivalents	(223)	(115)	(134)	108	89
Total debt net of cash**	2,503	2,183	2,961	(320)	458
Less the impact of ASU Nos. 2009-16 and 2009-17	(912)	-	-	912	912
Adjusted total debt net of cash** (a)	<u>\$ 1,591</u>	<u>\$ 2,183</u>	<u>\$ 2,961</u>	<u>\$ 592</u>	<u>\$ 1,370</u>

(a) Excludes the impact of the update to ASU Nos. 2009-16 and 2009-17.

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
INTEREST EXPENSE
AS ADJUSTED HAD ASU NOS. 2009-16 AND 2009-17 BEEN ADOPTED ON JANUARY 3, 2009
THIRD QUARTER 2009
(\$ in millions)

	As Reported 12 Weeks Ended September 11, 2009	ASU Nos. 2009-16 and 2009-17 Adjustments	As Adjusted For ASU Nos. 2009-16 And 2009-17 12 Weeks Ended September 11, 2009**
Interest Expense	<u>\$ 27</u>	<u>\$ 17</u>	<u>\$ 44</u>

** Denotes non-GAAP financial measures. Please see pages A-18 and A-19 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES

In our press release and schedules, and on the related conference call, we report certain financial measures that are not prescribed or authorized by United States generally accepted accounting principles ("GAAP"). We discuss management's reasons for reporting these non-GAAP measures below, and the press release schedules reconcile the most directly comparable GAAP measure to each non-GAAP measure that we refer to (identified by a double asterisk on the preceding pages). Although management evaluates and presents these non-GAAP measures for the reasons described below, please be aware that these non-GAAP measures have limitations and should not be considered in isolation or as a substitute for revenue, operating income, income from continuing operations, net income, earnings per share or any other comparable operating measure prescribed by GAAP. In addition, these non-GAAP financial measures may be calculated and/or presented differently than measures with the same or similar names that are reported by other companies, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

Adjusted Measures That Exclude Certain Charges, Costs, and Other Expenses Management evaluates non-GAAP measures that exclude the impact of Timeshare strategy - impairment charges incurred in the 2009 third quarter, restructuring costs and other charges incurred in the 2009 first through fourth quarters, and certain tax expenses incurred in the 2009 first through third quarters, because those non-GAAP measures allow for period-over-period comparisons of our on-going core operations before material charges. These non-GAAP measures also facilitate management's comparison of results from our on-going operations before material charges with results from other lodging companies.

Timeshare Strategy - Impairment Charges. In response to the difficult business conditions that the Timeshare segment's timeshare, luxury residential, and luxury fractional real estate development businesses experienced, we evaluated our entire Timeshare portfolio in the 2009 third quarter. In order to adjust the business strategy to reflect current market conditions at that time, on September 22, 2009, we approved plans for our Timeshare segment to take the following actions: (1) for our luxury residential projects, reduce prices, convert certain proposed projects to other uses, sell some undeveloped land, and not pursue further Marriott-funded residential development projects; (2) reduce prices for existing luxury fractional units; (3) continue short-term promotions for our U.S. timeshare business and defer the introduction of new projects and development phases; and (4) for our European timeshare and fractional resorts, continue promotional pricing and marketing incentives and not pursue further development. As a result of these decisions, we recorded third quarter 2009 pretax charges totaling \$752 million in our Consolidated Statements of Income (\$502 million after-tax), including \$614 million of pretax charges impacting operating income under the "Timeshare strategy-impairment charges" caption, and \$138 million of pretax charges impacting non-operating income under the "Timeshare strategy-impairment charges (non-operating)" caption.

Restructuring Costs and Other Charges. During the latter part of 2008 we experienced a significant decline in demand for hotel rooms both domestically and internationally due, in part, to the financial crisis and the dramatic downturn in the economy. Our capital intensive Timeshare business was also hurt by the downturn in market conditions and particularly, the significant deterioration in the credit markets. These declines resulted in reduced management and franchise fees, cancellation of development projects, reduced timeshare contract sales, contract cancellation allowances, and charges and reserves associated with expected fundings, loans, Timeshare inventory, accounts receivable, contract cancellation allowances, valuation of Timeshare residual interests, hedge ineffectiveness, and asset impairments. We responded by implementing various cost saving measures which resulted in first, second, third and fourth quarter 2009 restructuring costs of \$2 million, \$33 million, \$9 million, and \$7 million, respectively, that were directly related to the downturn. We also incurred other charges in the 2009 first, second, and fourth quarters totaling \$127 million, \$24 million, and \$12 million respectively, as well as \$1 million in net other credits in the 2009 third quarter, that were directly related to the downturn, including asset impairment charges, accounts receivable and guarantee charges, reserves associated with loans, reversal of the liability related to expected fundings, Timeshare contract cancellation allowances, and charges related to the valuation of Timeshare residual interests.

Certain Tax Expenses. Certain tax expenses included non-cash charges of \$26 million in the 2009 first quarter, \$17 million in the 2009 second quarter, and \$13 million in the 2009 third quarter primarily related to the treatment of funds received from certain foreign subsidiaries, an issue we are contesting with the Internal Revenue Service.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
(cont.)

Earnings Before Interest, Taxes, Depreciation and Amortization. Earnings before interest, taxes, depreciation and amortization ("EBITDA") reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. Management considers EBITDA to be an indicator of operating performance because we use it to measure our ability to service debt, fund capital expenditures, and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company's capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

Both EBITDA and Adjusted EBITDA (described below) exclude certain cash expenses that we are obligated to make.

Adjusted EBITDA. Management also evaluates Adjusted EBITDA as an indicator of operating performance. Adjusted EBITDA excludes: (1) Timeshare strategy - impairment charges of \$752 million incurred in the 2009 third quarter; and (2) the 2009 restructuring costs and other charges of \$19 million from the fourth quarter, \$8 million from the third quarter, \$57 million from the second quarter and \$129 million from the first quarter. Management excludes these Timeshare strategy-impairment charges and restructuring costs and other charges for the reasons noted above under "Adjusted Measures That Exclude Certain Charges, Costs, and Other Expenses."

Adjusted Measures that Exclude the Impact of New Accounting Standards or Reflect Their Early Adoption. As of the first day of fiscal year 2010, we adopted Accounting Standards Update ("ASU") No. 2009-16, "Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets" (formerly known as FAS No. 166) and ASU No. 2009-17, "Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities" (formerly known as FAS No. 167), which required consolidating previously securitized pools of Timeshare notes and impacts the ongoing accounting for those notes. Management evaluates non-GAAP measures that exclude the impact of these standards in the current year or include the impact of these standards as if we had adopted them early in order to better perform year-over-year comparisons on a comparable basis.

Total Debt Net of Cash (or "Net Debt") and Adjusted Total Debt Net of Cash. Total debt net of cash reflects total debt less cash and cash equivalents. Management considers total debt net of cash to be a more accurate indicator of the net debt that must be repaid or refinanced at maturity (as it gives consideration to cash resources available to retire a portion of the debt when due). In addition, Management evaluates adjusted total debt net of cash, which excludes the debt that was consolidated as a result of adopting ASU Nos. 2009-16 and 2009-17, because that debt is non-recourse to the Company and is not supported by the Company's cash flows. Management believes that these financial measures provide a clearer picture of the future demands on cash to repay debt and uses these measures in making decisions regarding its borrowing capacity and future refinancing needs. Management also evaluates adjusted total debt net of cash for the reason stated in the previous paragraph.