MARRIOTT INTERNATIONAL, INC.

Non-GAAP Financial Measures

In our press release and schedules, and 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 tables on the following pages reconcile the most directly comparable GAAP measures to the non-GAAP measures (identified by a double asterisk on the following pages) that we refer to in our press release. Although management evaluates and presents these non-GAAP measures for the reasons described below, please be aware that these non-GAAP measures are not alternatives to 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.

Synthetic Fuel. We do not consider the Synthetic Fuel segment to be related to our core business, which is lodging. In addition, management expects the Synthetic Fuel segment will no longer have a material impact on our business after the end of 2007, when the Internal Revenue Code provision which provides for synthetic fuel tax credits expires. Accordingly, our management evaluates non-GAAP measures which exclude the impact of our Synthetic Fuel segment because those measures allow for period-over-period comparisons of our on-going core lodging operations. In addition, these non-GAAP measures facilitate management's comparison of our results with the results of other lodging companies.

ESOP Settlement Charge. Management evaluates non-GAAP measures that exclude the charge associated with the settlement of issues raised during the IRS' and Department of Labor's examination of the employee stock ownership plan ("ESOP") feature of our Employees' Profit Sharing, Retirement and Savings Plan and Trust because these measures allow for period-over-period comparisons relative to our on-going operations before material charges. Additionally, these non-GAAP measures facilitate management's comparison of our results relative to on-going operations before material charges with that of other lodging companies. The settlement resulted in an after tax charge of $54 million reflecting $35 million of excise taxes (impacting General, Administration, and Other Expenses), $13 million of interest expense on those excise taxes and $6 million of income tax expense primarily reflecting additional interest.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA Our management considers earnings before interest, taxes, depreciation and amortization to be an indicator of operating performance because it can be used to measure our ability to service debt, fund capital expenditures, and expand our business. For the reasons noted above in the "Synthetic Fuel" and "ESOP" captions, our management also evaluates Adjusted EBITDA which excludes the Synthetic Fuel segment and the second quarter 2007 $35 million charge for excise taxes associated with the ESOP settlement.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Synthetic Fuel
(in millions, except per share amounts)

	Second Quarter 2007			Second Quarter 2006			Percent Better/ (Worse) Excluding Synthetic Fuel
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	
Operating income (loss)	$ 300	$ (35)	$ 335	$ 274	$ (18)	$ 292	15
Gains and other income (expense)	(4)	(16)	12	8	3	5	140
Interest income, provision for loan losses and interest expense	(46)	(3)	(43)	(17)	2	(19)	(126)
Equity in earnings (losses)	(1)	-	(1)	6	-	6	(117)
Income (losses) before income taxes and minority interest	249	(54)	303	271	(13)	284	7
Tax (provision) benefit	(108)	20	(128)	(96)	6	(102)	(25)
Tax credits	66	66	-	11	11	-	-
Total tax (provision) benefit	(42)	86	(128)	(85)	17	(102)	(25)
Minority interest	-	-	-	-	-	-	*
Net Income	$ 207	$ 32	$ 175	$ 186	$ 4	$ 182	(4)
Diluted shares	403.8	403.8	403.8	436.6	436.6	436.6	
Earnings per share - diluted	$ 0.51	$ 0.08	$ 0.43	$ 0.43	$ 0.01	$ 0.42	2
Tax rate	16.9%		42.2%	31.4%		35.9%	

* Percentage not meaningful.
** Denotes non-GAAP financial measures.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Synthetic Fuel
(in millions, except per share amounts)

	Second Quarter YTD 2007			Second Quarter YTD 2006			Percent Better/ (Worse) Excluding Synthetic Fuel
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	
Operating income (loss)	$ 501	$ (71)	$ 572	$ 477	$ (45)	$ 522	10
Gains and other income (expense)	19	(28)	47	42	(1)	43	9
Interest income, provision for loan losses and interest expense	(76)	(9)	(67)	(31)	2	(33)	(103)
Equity in earnings (losses)	1	-	1	3	-	3	(67)
Income (losses) from continuing operations before income taxes and minority interest	445	(108)	553	491	(44)	535	3
Tax (provision) benefit	(175)	39	(214)	(173)	14	(187)	(14)
Tax credits	119	119	-	32	32	-	*
Total tax (provision) benefit	(56)	158	(214)	(141)	46	(187)	(14)
Minority interest	-	-	-	6	5	1	(100)
Income from continuing operations	$ 389	$ 50	$ 339	$ 356	$ 7	$ 349	(3)
Diluted shares	407.9	407.9	407.9	438.9	438.9	438.9	
Earnings per share from continuing operations - diluted	$ 0.95	$ 0.12	$ 0.83	$ 0.81	$ 0.02	$ 0.79	5
Tax rate	12.6%		38.7%	28.7%		35.0%	

* Percentage not meaningful.
** Denotes non-GAAP financial measures.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Synthetic Fuel and the ESOP Settlement
(in millions, except per share amounts)

	Second Quarter 2007			
	As Reported	Synthetic Fuel Impact	ESOP Settlement	Excluding Synthetic Fuel and the ESOP Settlement**
Operating income (loss)	$ 300	$ (35)	$ (35)	$ 370
Gains and other income (expense)	(4)	(16)	-	12
Interest income, provision for loan losses and interest expense	(46)	(3)	(13)	(30)
Equity in earnings (losses)	(1)	-	-	(1)
Income (losses) operations before income taxes and minority interest	249	(54)	(48)	351
Tax (provision) benefit	(108)	20	(6)	(122)
Tax credits	66	66	-	-
Total tax (provision) benefit	(42)	86	(6)	(122)
Minority interest	-	-	-	-
Net Income	$ 207	$ 32	$ (54)	$ 229
Diluted shares	403.8	403.8	403.8	403.8
Earnings per share - diluted [1]	$ 0.51	$ 0.08	$ (0.13)	$ 0.57
Tax rate	16.9%			34.8%

** Denotes non-GAAP financial measures.

[1] Earnings per share does not crossfoot due to rounding.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure
EBITDA and Adjusted EBITDA
($ in millions)

	Fiscal Year 2007		
	First Quarter	**Second Quarter**	**Total**
Net income	$ 182	$ 207	$ 389
Interest expense	33	52	85
Tax provision	14	42	56
Depreciation and amortization	46	45	91
Less: Depreciation reimbursed by third-party owners	(4)	(4)	(8)
Interest expense from unconsolidated joint ventures	5	5	10
Depreciation and amortization from unconsolidated joint ventures	6	7	13
EBITDA**	**$ 282**	**$ 354**	**$ 636**
Synthetic Fuel adjustment	52	52	104
ESOP settlement - Excise Tax	-	35	35
Adjusted EBITDA**	**$ 334**	**$ 441**	**$ 775**
Increase (Decrease) over 2006 Adjusted EBITDA	**3%**	**21%**	**13%**
The following items make up the Synthetic Fuel adjustment:			
Pre-tax Synthetic Fuel operating losses (income)	$ 54	$ 54	$ 108
Pre-tax minority interest - Synthetic Fuel	-	-	-
Synthetic Fuel depreciation	(2)	(2)	(4)
EBITDA adjustment for Synthetic Fuel	**$ 52**	**$ 52**	**$ 104**

	Fiscal Year 2006				
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Total**
Net income	$ 61	$ 186	$ 141	$ 220	$ 608
Cumulative effect of change in accounting principle	173	-	-	-	173
Interest expense	27	30	29	38	124
Tax provision (benefit)	56	85	82	63	286
Tax benefit from cumulative effect of change in accounting principle	(64)	-	-	-	(64)
Depreciation and amortization	40	42	44	62	188
Less: Depreciation reimbursed by third-party owners	(4)	(4)	(4)	(6)	(18)
Interest expense from unconsolidated joint ventures	5	6	5	7	23
Depreciation and amortization from unconsolidated joint ventures	6	7	7	9	29
EBITDA**	**$ 300**	**$ 352**	**$ 304**	**$ 393**	**$ 1,349**
Synthetic Fuel adjustment	24	11	(4)	44	75
Adjusted EBITDA**	**$ 324**	**$ 363**	**$ 300**	**$ 437**	**$ 1,424**
The following items make up the Synthetic Fuel adjustment:					
Pre-tax Synthetic Fuel operating losses (income)	$ 31	$ 13	$ (2)	$ 53	$ 95
Pre-tax minority interest - Synthetic Fuel	(5)	-	-	(1)	(6)
Synthetic Fuel depreciation	(2)	(2)	(2)	(8)	(14)
EBITDA adjustment for Synthetic Fuel	**$ 24**	**$ 11**	**$ (4)**	**$ 44**	**$ 75**

** Denotes non-GAAP financial measures.