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 calendar year 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 in the second quarter 2007 reflecting $35 million of excise taxes (impacting General, Administrative, and Other Expenses), $13 million of interest expense on those excise taxes and $6 million of income tax expense primarily reflecting additional interest.

Gains and Other Income. Management evaluates forecasted non-GAAP earnings per share figures that exclude the impact of gains and other income because these items are not related to our on-going core operations, but instead are primarily associated with hotel property dispositions. Excluding gains and other income from our forecasted earnings per share figures for certain periods allows for period-over-period comparisons relative to our on-going operations, especially in light of the fact that gains associated with hotel property dispositions are expected to be much lower in 2008 than 2007 as we expect to have fewer hotel properties available for sale. Additionally, earnings per share figures excluding gains and other income facilitate management's comparison of our results relative to on-going operations with that of other lodging companies.

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)

	Third Quarter 2007			Third 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)	$ 183	$ (27)	$ 210	$ 229	$ 2	$ 227	(7)
Gains and other income (expense)	27	(3)	30	13	3	10	200
Interest income, provision for loan losses and interest expense	(36)	(2)	(34)	(18)	(3)	(15)	(127)
Equity in earnings (losses)	8	-	8	(1)	-	(1)	900
Income (loss) from continuing operations before income taxes and minority interest	182	(32)	214	223	2	221	(3)
Tax (provision) benefit	(81)	12	(93)	(78)	(1)	(77)	(21)
Tax credits	29	29	-	(4)	(4)	-	*
Total tax (provision) benefit	(52)	41	(93)	(82)	(5)	(77)	(21)
Minority interest	1	-	1	-	-	-	*
Income from continuing operations	$ 131	$ 9	$ 122	$ 141	$ (3)	$ 144	(15)
Diluted shares	394.1	394.1	394.1	424.7	424.7	424.7	
Earnings per share from continuing operations - diluted	$ 0.33	$ 0.02	$ 0.31	$ 0.33	$ (0.01)	$ 0.34	(9)
Tax rate	28.6%		43.5%	36.8%		34.8%	

* Percent can not be calculated.
** Denotes non-GAAP financial measures.

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

	Third Quarter YTD 2007			Third 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)	$ 684	$ (98)	$ 782	$ 706	$ (43)	$ 749	4
Gains and other income (expense)	46	(31)	77	55	2	53	45
Interest income, provision for loan losses and interest expense	(112)	(11)	(101)	(49)	(1)	(48)	(110)
Equity in earnings (losses)	9	-	9	2	-	2	350
Income (loss) from continuing operations before income taxes and minority interest	627	(140)	767	714	(42)	756	1
Tax (provision) benefit	(256)	51	(307)	(251)	13	(264)	(16)
Tax credits	148	148	-	28	28	-	*
Total tax (provision) benefit	(108)	199	(307)	(223)	41	(264)	(16)
Minority interest	1	-	1	6	5	1	-
Income from continuing operations	$ 520	$ 59	$ 461	$ 497	$ 4	$ 493	(6)
Diluted shares	403.4	403.4	403.4	434.4	434.4	434.4	
Earnings per share from continuing operations - diluted	$ 1.29	$ 0.15	$ 1.14	$ 1.14	$ 0.01	$ 1.13	1
Tax rate	17.2%		40.0%	31.2%		34.9%	

* Percent can not be calculated.
** Denotes non-GAAP financial measures.

Marriott International, Inc.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Gains and Other Income and the Second Quarter 2007 ESOP Tax Settlement
(in millions, except per share amounts)

	Range	
	Estimated Full Year 2007	Estimated Full Year 2007
General, administrative and other expenses	$ 753	$ 758
Less: ESOP tax settlement impact	(35)	(35)
General, administrative and other expenses excluding the ESOP tax settlement**	$ 718	$ 723

	Range	
	Estimated Full Year 2007	Estimated Full Year 2007
Operating income excluding Synthetic Fuel*	$ 1,162	$ 1,182
Add back: ESOP tax settlement impact	35	35
Operating income excluding the ESOP tax settlement and Synthetic Fuel**	$ 1,197	$ 1,217

	Estimated Full Year 2007
Net interest expense excluding Synthetic Fuel*	$ 146
Less: ESOP tax settlement impact	(13)
Net interest expense excluding the ESOP tax settlement**	$ 133

	Range		Range	
	Estimated Full Year 2007	Estimated Full Year 2007	Estimated Full Year 2008	Estimated Full Year 2008
Earnings per share excluding Synthetic Fuel*	$ 1.74	$ 1.76	$ 2.10	$ 2.25
Add back: ESOP tax settlement impact	0.14	0.14	-	-
Less: Gains and other income impact	(0.15)	(0.15)	(0.05)	(0.05)
Earnings per share excluding Synthetic Fuel, gains and the ESOP tax settlement**	$ 1.73	$ 1.75	$ 2.05	$ 2.20

	Estimated Full Year 2007
Effective tax rate excluding Synthetic Fuel*	38.7%
Less: ESOP tax settlement impact	(2.2)
Effective tax rate excluding Synthetic Fuel and the ESOP tax settlement**	36.5%

* Synthetic Fuel guidance not provided for full year 2007.
** Denotes non-GAAP financial measures.

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

	Fiscal Year 2007			
	First Quarter	Second Quarter	Third Quarter	Total
Net income	$ 182	$ 207	$ 131	$ 520
Interest expense	33	52	42	127
Tax provision	14	42	52	108
Depreciation and amortization	46	45	43	134
Less: Depreciation reimbursed by third-party owners	(4)	(4)	(4)	(12)
Interest expense from unconsolidated joint ventures	5	5	8	18
Depreciation and amortization from unconsolidated joint ventures	6	7	6	19
EBITDA**	**$ 282**	**$ 354**	**$ 278**	**$ 914**
Synthetic Fuel adjustment	52	52	30	134
ESOP Settlement - Excise Tax	-	35	-	35
Adjusted EBITDA**	**$ 334**	**$ 441**	**$ 308**	**$ 1,083**
Increase over 2006 Adjusted EBITDA	**3%**	**21%**	**3%**	**10%**
The following items make up the Synthetic Fuel adjustment:				
Pre-tax Synthetic Fuel operating losses (income)	$ 54	$ 54	$ 32	$ 140
Pre-tax minority interest - Synthetic Fuel	-	-	-	-
Synthetic Fuel depreciation	(2)	(2)	(2)	(6)
EBITDA adjustment for Synthetic Fuel	**$ 52**	**$ 52**	**$ 30**	**$ 134**

	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	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.