

MARRIOTT INTERNATIONAL, INC.
PRESS RELEASE SCHEDULES
QUARTER 4, 2015
TABLE OF CONTENTS

Consolidated Statements of Income	A-1
Total Lodging Products	A-3
Key Lodging Statistics	A-4
Adjusted EBITDA	A-8
Adjusted EBITDA Full Year Forecast	A-9
Adjusted Operating Income Margin	A-10
Return on Invested Capital	A-11
Non-GAAP Financial Measures	A-12

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOURTH QUARTER 2015 AND 2014

(in millions except per share amounts, unaudited)

	<u>Three Months Ended December 31, 2015</u>	<u>Three Months Ended December 31, 2014</u>	<u>Percent Better/ (Worse)</u>
REVENUES			
Base management fees	\$ 172	\$ 163	6
Franchise fees	201	185	9
Incentive management fees	81	82	(1)
Owned, leased, and other revenue ¹	257	275	(7)
Cost reimbursements ²	<u>2,995</u>	<u>2,854</u>	5
Total Revenues	3,706	3,559	4
OPERATING COSTS AND EXPENSES			
Owned, leased, and other - direct ³	181	202	10
Reimbursed costs	2,995	2,854	(5)
Depreciation, amortization, and other ⁴	32	32	-
General, administrative, and other ⁵	<u>188</u>	<u>180</u>	(4)
Total Expenses	3,396	3,268	(4)
OPERATING INCOME	310	291	7
Gains and other income, net ⁶	7	4	75
Interest expense	(46)	(26)	(77)
Interest income	10	13	(23)
Equity in earnings ⁷	<u>3</u>	<u>-</u>	*
INCOME BEFORE INCOME TAXES	284	282	1
Provision for income taxes	<u>(82)</u>	<u>(85)</u>	4
NET INCOME	\$ 202	\$ 197	3
EARNINGS PER SHARE			
Earnings per share - basic	<u>\$ 0.79</u>	<u>\$ 0.70</u>	13
Earnings per share - diluted	<u>\$ 0.77</u>	<u>\$ 0.68</u>	13
Basic Shares	256.9	282.4	
Diluted Shares	262.4	289.0	

¹ *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, branding fees, and other revenue.

² *Cost reimbursements* include reimbursements from properties for Marriott-funded operating expenses.

³ *Owned, leased, and other - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

⁴ *Depreciation, amortization, and other* expenses include depreciation for fixed assets, amortization of capitalized costs incurred to acquire management, franchise, and license agreements, and any related impairments, accelerations, or write-offs.

⁵ *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

⁶ *Gains and other income, net* includes gains and losses on the sale of real estate, the sale or other-than-temporary impairment of joint ventures and investments, and results from cost method investments.

⁷ *Equity in earnings* include our equity in earnings or losses of unconsolidated equity method investments.

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOURTH QUARTER YEAR-TO-DATE 2015 AND 2014
(in millions except per share amounts, unaudited)

	<u>Twelve Months Ended</u> <u>December 31, 2015</u>	<u>Twelve Months Ended</u> <u>December 31, 2014</u>	<u>Percent</u> <u>Better/</u> <u>(Worse)</u>
REVENUES			
Base management fees	\$ 698	\$ 672	4
Franchise fees	853	745	14
Incentive management fees	319	302	6
Owned, leased, and other revenue ¹	986	1,022	(4)
Cost reimbursements ²	11,630	11,055	5
Total Revenues	<u>14,486</u>	<u>13,796</u>	5
OPERATING COSTS AND EXPENSES			
Owned, leased, and other - direct ³	733	775	5
Reimbursed costs	11,630	11,055	(5)
Depreciation, amortization, and other ⁴	139	148	6
General, administrative, and other ⁵	634	659	4
Total Expenses	<u>13,136</u>	<u>12,637</u>	(4)
OPERATING INCOME	1,350	1,159	16
Gains and other income, net ⁶	27	8	238
Interest expense	(167)	(115)	(45)
Interest income	29	30	(3)
Equity in earnings ⁷	16	6	167
INCOME BEFORE INCOME TAXES	1,255	1,088	15
Provision for income taxes	(396)	(335)	(18)
NET INCOME	<u>\$ 859</u>	<u>\$ 753</u>	14
EARNINGS PER SHARE			
Earnings per share - basic	<u>\$ 3.22</u>	<u>\$ 2.60</u>	24
Earnings per share - diluted	<u>\$ 3.15</u>	<u>\$ 2.54</u>	24
Basic Shares	267.3	289.9	
Diluted Shares	272.8	296.8	

¹ *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, branding fees, and other revenue.

² *Cost reimbursements* include reimbursements from properties for Marriott-funded operating expenses.

³ *Owned, leased, and other - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

⁴ *Depreciation, amortization, and other* expenses include depreciation for fixed assets, amortization of capitalized costs incurred to acquire management, franchise, and license agreements, and any related impairments, accelerations, or write-offs.

⁵ *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

⁶ *Gains and other income, net* includes gains and losses on the sale of real estate, the sale or other-than-temporary impairment of joint ventures and investments, and results from cost method investments.

⁷ *Equity in earnings* include our equity in earnings or losses of unconsolidated equity method investments.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS

Brand	Number of Properties			Number of Rooms		
	December 31, 2015	December 31, 2014	vs. December 31, 2014	December 31, 2015	December 31, 2014	vs. December 31, 2014
North American Full-Service						
Marriott Hotels	367	363	4	148,584	146,151	2,433
Renaissance Hotels	82	81	1	27,359	28,591	(1,232)
Autograph Collection Hotels	55	45	10	13,135	10,315	2,820
Gaylord Hotels	5	5	-	8,098	8,098	-
Delta Hotels and Resorts	36	-	36	9,385	-	9,385
The Ritz-Carlton Hotels	40	40	-	11,839	11,691	148
The Ritz-Carlton Residences	32	32	-	3,812	3,812	-
EDITION Hotels	2	1	1	568	295	273
EDITION Residences	1	1	-	25	25	-
North American Limited-Service						
Courtyard	916	884	32	129,041	124,990	4,051
Residence Inn	690	668	22	84,412	81,446	2,966
TownePlace Suites	270	244	26	27,128	24,491	2,637
Fairfield Inn & Suites	761	718	43	69,970	65,969	4,001
SpringHill Suites	336	316	20	39,750	37,267	2,483
AC Hotels by Marriott ¹	5	1	4	911	220	691
International						
Marriott Hotels	236	215	21	72,735	65,852	6,883
Marriott Executive Apartments	28	27	1	4,181	4,261	(80)
Renaissance Hotels	78	78	-	24,234	24,365	(131)
Autograph Collection Hotels ¹	40	30	10	9,673	7,195	2,478
Protea Hotels	102	112	(10)	9,609	10,107	(498)
The Ritz-Carlton Hotels	52	47	5	14,713	13,823	890
The Ritz-Carlton Serviced Apartments	4	4	-	579	579	-
The Ritz-Carlton Residences	8	8	-	416	416	-
Bulgari Hotels & Resorts	3	3	-	202	202	-
Bulgari Residences	1	1	-	5	5	-
EDITION Hotels	2	2	-	251	251	-
Courtyard	121	104	17	24,376	20,810	3,566
Residence Inn	7	7	-	717	717	-
Fairfield Inn & Suites	7	3	4	1,102	482	620
AC Hotels by Marriott ¹	78	76	2	9,551	9,311	240
Moxy Hotels	1	1	-	162	162	-
Timeshare²	58	58	-	12,807	12,866	(59)
Total Lodging	4,424	4,175	249	759,330	714,765	44,565

¹ Results for all AC Hotels by Marriott properties and five Autograph Collection properties are presented in the "Equity in earnings" caption of our Consolidated Statements of Income.

² Timeshare property and room counts are as of January 1, 2016 and January 2, 2015, the end of Marriott Vacation Worldwide's fourth quarter for 2015 and 2014, respectively.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
Constant \$

Comparable Company-Operated International Properties¹

Region	Three Months Ended December 31, 2015 and December 31, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Caribbean & Latin America	\$173.48	3.6%	70.4%	-0.2%	pts.	\$246.24	3.9%
Europe	\$124.79	3.1%	73.0%	-1.3%	pts.	\$171.05	4.9%
Middle East & Africa	\$115.31	-7.5%	62.1%	-1.4%	pts.	\$185.59	-5.5%
Asia Pacific	\$118.87	3.6%	76.3%	1.9%	pts.	\$155.73	1.0%
Total International²	\$127.87	2.0%	72.6%	0.1%	pts.	\$176.08	1.9%
Worldwide³	\$128.51	3.8%	71.8%	0.9%	pts.	\$179.04	2.4%

Comparable Systemwide International Properties¹

Region	Three Months Ended December 31, 2015 and December 31, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Caribbean & Latin America	\$140.69	2.9%	69.1%	0.3%	pts.	\$203.56	2.5%
Europe	\$123.88	4.1%	73.4%	-1.0%	pts.	\$168.69	5.5%
Middle East & Africa	\$113.95	-6.4%	62.3%	-0.9%	pts.	\$182.91	-5.1%
Asia Pacific	\$120.32	4.7%	76.8%	1.8%	pts.	\$156.60	2.3%
Total International²	\$124.46	3.0%	72.7%	0.2%	pts.	\$171.10	2.8%
Worldwide³	\$106.07	3.8%	70.0%	0.4%	pts.	\$151.49	3.2%

¹ International includes properties located outside the United States and Canada, except for Worldwide which includes the United States and Canada.

² Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, The Ritz-Carlton, Bulgari, EDITION, Residence Inn, Courtyard, and Fairfield Inn & Suites properties.

³ Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, Gaylord Hotels, The Ritz-Carlton, Bulgari, EDITION, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
Constant \$

Comparable Company-Operated International Properties¹

Region	Twelve Months Ended December 31, 2015 and December 31, 2014							
	REVPAR		Occupancy			Average Daily Rate		
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014	
Caribbean & Latin America	\$179.58	5.2%	72.4%	0.2%	pts.	\$248.05	4.9%	
Europe	\$131.43	6.5%	75.9%	1.7%	pts.	\$173.07	4.1%	
Middle East & Africa	\$110.85	0.9%	61.2%	2.7%	pts.	\$181.16	-3.5%	
Asia Pacific	\$114.00	4.7%	74.1%	3.4%	pts.	\$153.83	0.0%	
Total International²	\$128.50	5.0%	72.9%	2.3%	pts.	\$176.24	1.7%	
Worldwide³	\$132.30	5.0%	74.1%	1.2%	pts.	\$178.46	3.4%	

Comparable Systemwide International Properties¹

Region	Twelve Months Ended December 31, 2015 and December 31, 2014							
	REVPAR		Occupancy			Average Daily Rate		
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014	
Caribbean & Latin America	\$148.86	4.1%	70.7%	0.6%	pts.	\$210.46	3.3%	
Europe	\$124.59	6.2%	74.3%	1.5%	pts.	\$167.63	4.0%	
Middle East & Africa	\$109.80	1.6%	61.6%	2.8%	pts.	\$178.37	-3.0%	
Asia Pacific	\$115.77	5.5%	74.6%	3.2%	pts.	\$155.24	0.9%	
Total International²	\$124.13	5.1%	72.5%	2.1%	pts.	\$171.20	2.1%	
Worldwide³	\$112.25	5.2%	73.7%	0.8%	pts.	\$152.30	4.1%	

¹ International includes properties located outside the United States and Canada, except for Worldwide which includes the United States and Canada.

² Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, The Ritz-Carlton, Bulgari, EDITION, Residence Inn, Courtyard, and Fairfield Inn & Suites properties.

³ Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, Gaylord Hotels, The Ritz-Carlton, Bulgari, EDITION, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
Constant \$

Comparable Company-Operated North American Properties

Brand	Three Months Ended December 31, 2015 and December 31, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$142.24	4.7%	71.7%	1.7%	pts.	\$198.43	2.2%
Renaissance Hotels	\$128.00	5.2%	69.9%	1.6%	pts.	\$183.01	2.9%
The Ritz-Carlton	\$252.44	1.7%	69.0%	0.4%	pts.	\$365.97	1.0%
Composite North American Full-Service¹	\$153.03	4.6%	71.7%	1.6%	pts.	\$213.56	2.2%
Courtyard	\$94.01	4.2%	69.1%	0.5%	pts.	\$136.09	3.3%
SpringHill Suites	\$90.38	7.3%	73.2%	3.4%	pts.	\$123.41	2.2%
Residence Inn	\$104.08	5.2%	75.0%	1.2%	pts.	\$138.68	3.5%
TownePlace Suites	\$65.29	6.9%	65.5%	0.3%	pts.	\$99.71	6.5%
Composite North American Limited-Service²	\$95.62	4.8%	70.9%	0.9%	pts.	\$134.79	3.5%
Composite - All³	\$128.82	4.6%	71.4%	1.3%	pts.	\$180.54	2.7%

Comparable Systemwide North American Properties

Brand	Three Months Ended December 31, 2015 and December 31, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$119.56	4.5%	68.1%	1.0%	pts.	\$175.57	2.9%
Renaissance Hotels	\$112.88	5.2%	69.1%	1.0%	pts.	\$163.47	3.6%
Autograph Collection Hotels	\$179.82	4.3%	77.3%	3.5%	pts.	\$232.58	-0.5%
The Ritz-Carlton	\$252.44	1.7%	69.0%	0.4%	pts.	\$365.97	1.0%
Composite North American Full-Service⁴	\$130.49	4.5%	69.1%	1.2%	pts.	\$188.74	2.7%
Courtyard	\$91.41	3.4%	68.4%	0.1%	pts.	\$133.61	3.3%
Fairfield Inn & Suites	\$69.76	2.9%	65.5%	-0.3%	pts.	\$106.58	3.4%
SpringHill Suites	\$80.71	3.6%	70.4%	0.1%	pts.	\$114.64	3.5%
Residence Inn	\$102.28	4.2%	74.9%	0.2%	pts.	\$136.61	4.0%
TownePlace Suites	\$68.52	2.5%	69.2%	-0.3%	pts.	\$99.05	3.0%
Composite North American Limited-Service²	\$86.92	3.5%	69.6%	0.0%	pts.	\$124.81	3.5%
Composite - All⁵	\$102.33	4.0%	69.5%	0.4%	pts.	\$147.31	3.3%

¹ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, and The Ritz-Carlton properties.

² Includes Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

³ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

⁴ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, and The Ritz-Carlton properties.

⁵ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
Constant \$

Comparable Company-Operated North American Properties

Brand	Twelve Months Ended December 31, 2015 and December 31, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$147.33	4.7%	75.4%	0.6%	pts.	\$195.28	3.8%
Renaissance Hotels	\$136.91	5.5%	75.2%	0.8%	pts.	\$182.13	4.4%
The Ritz-Carlton	\$259.41	2.7%	72.1%	-0.1%	pts.	\$359.92	2.9%
Composite North American Full-Service¹	\$157.10	4.3%	74.9%	0.6%	pts.	\$209.72	3.5%
Courtyard	\$101.18	6.3%	72.8%	0.7%	pts.	\$139.08	5.2%
SpringHill Suites	\$95.21	7.5%	76.0%	1.6%	pts.	\$125.24	5.1%
Residence Inn	\$112.33	6.5%	78.5%	0.4%	pts.	\$143.14	6.0%
TownePlace Suites	\$74.83	8.3%	72.7%	0.1%	pts.	\$102.99	8.2%
Composite North American Limited-Service²	\$102.76	6.5%	74.5%	0.7%	pts.	\$137.92	5.5%
Composite - All³	\$134.18	5.0%	74.7%	0.6%	pts.	\$179.53	4.2%

Comparable Systemwide North American Properties

Brand	Twelve Months Ended December 31, 2015 and December 31, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$127.52	5.0%	72.6%	0.6%	pts.	\$175.53	4.2%
Renaissance Hotels	\$121.20	5.4%	73.9%	0.8%	pts.	\$164.02	4.3%
Autograph Collection Hotels	\$178.16	3.5%	77.5%	1.1%	pts.	\$229.90	1.9%
The Ritz-Carlton	\$259.41	2.7%	72.1%	-0.1%	pts.	\$359.92	2.9%
Composite North American Full-Service⁴	\$136.95	4.6%	73.1%	0.6%	pts.	\$187.40	3.8%
Courtyard	\$99.88	6.1%	73.1%	0.8%	pts.	\$136.58	5.0%
Fairfield Inn & Suites	\$76.70	4.7%	70.6%	0.3%	pts.	\$108.71	4.2%
SpringHill Suites	\$88.80	5.2%	74.8%	0.3%	pts.	\$118.64	4.8%
Residence Inn	\$110.75	5.5%	79.4%	0.1%	pts.	\$139.51	5.3%
TownePlace Suites	\$76.15	5.0%	74.8%	0.3%	pts.	\$101.83	4.6%
Composite North American Limited-Service²	\$94.99	5.6%	74.4%	0.5%	pts.	\$127.65	4.9%
Composite - All⁵	\$109.83	5.2%	73.9%	0.5%	pts.	\$148.53	4.5%

¹ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, and The Ritz-Carlton properties.

² Includes Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

³ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

⁴ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, and The Ritz-Carlton properties.

⁵ Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

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

	Fiscal Year 2015				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income	\$ 207	\$ 240	\$ 210	\$ 202	\$ 859
Interest expense	36	42	43	46	167
Tax provision	100	115	99	82	396
Depreciation and amortization	32	32	31	32	127
Depreciation classified in Reimbursed costs	14	14	15	15	58
Interest expense from unconsolidated joint ventures	1	0	1	0	2
Depreciation and amortization from unconsolidated joint ventures	3	2	3	2	10
EBITDA **	393	445	402	379	1,619
EDITION impairment charge	12	-	-	-	12
Loss (gain) on dispositions of real estate	-	22	-	(7)	15
Gain on redemption of preferred equity ownership interest	-	(41)	-	-	(41)
Share-based compensation (including share-based compensation reimbursed by third-party owners)	24	31	29	29	113
Adjusted EBITDA **	\$ 429	\$ 457	\$ 431	\$ 401	\$ 1,718
 Increase over 2014 Quarterly Adjusted EBITDA **	27%	12%	10%	4%	13%

	Fiscal Year 2014				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income	\$ 172	\$ 192	\$ 192	\$ 197	\$ 753
Interest expense	30	30	29	26	115
Tax provision	59	93	98	85	335
Depreciation and amortization	26	32	33	32	123
Depreciation classified in Reimbursed costs	12	13	13	13	51
Interest expense from unconsolidated joint ventures	1	1	-	1	3
Depreciation and amortization from unconsolidated joint ventures	4	3	1	2	10
EBITDA **	304	364	366	356	1,390
EDITION impairment charge	10	15	-	-	25
Share-based compensation (including share-based compensation reimbursed by third-party owners)	25	29	27	28	109
Adjusted EBITDA **	\$ 339	\$ 408	\$ 393	\$ 384	\$ 1,524

** Denotes non-GAAP financial measures. Please see page A-12 for information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA FULL YEAR FORECAST
FORECASTED 2016

(\$ in millions)

	Range		As Reported Fiscal Year 2015
	Estimated EBITDA Fiscal Year 2016		
Net income	\$ 921	\$ 965	\$ 859
Interest expense	200	200	167
Tax provision	439	460	396
Depreciation and amortization	130	130	127
Depreciation classified in Reimbursed costs	60	60	58
Interest expense from unconsolidated joint ventures	5	5	2
Depreciation and amortization from unconsolidated joint ventures	10	10	10
EBITDA **	1,765	1,830	1,619
EDITION impairment charge	-	-	12
Loss (gain) disposition of real estate	-	-	15
Gain on redemption of preferred equity ownership interest	-	-	(41)
Share-based compensation (including share-based compensation reimbursed by third-party owners)	120	120	113
Adjusted EBITDA **	\$ 1,885	\$ 1,950	\$ 1,718
Increase over 2015 Adjusted EBITDA**	10%	14%	

** Denotes non-GAAP financial measures. See page A-12 for information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED OPERATING INCOME MARGIN
FULL YEAR 2015
(\$ in millions)

	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
Total revenues, as reported	\$ 14,486	\$ 13,796
Less: cost reimbursements	(11,630)	(11,055)
Total revenues, as adjusted **	<u>\$ 2,856</u>	<u>\$ 2,741</u>
Operating income	<u>\$ 1,350</u>	<u>\$ 1,159</u>
Adjusted operating income margin **	47%	42%

** Denotes non-GAAP financial measures. See page A-12 for information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
RETURN ON INVESTED CAPITAL
(\$ in millions)

The reconciliation of net income to earnings before interest expense and taxes is as follows:

	Twelve Months Ended
	December 31, 2015
Net income	\$ 859
Interest expense	167
Tax provision	396
Earnings before interest expense and taxes **	<u>\$ 1,422</u>

The reconciliations of assets to invested capital are as follows:

	December 31, 2015	December 31, 2014
Assets	\$ 6,082	\$ 6,855
Less: current liabilities, net of current portion of long-term debt	(2,933)	(2,714)
Less: deferred tax assets	(672)	(841)
Invested capital **	<u>\$ 2,477</u>	<u>\$ 3,300</u>

Average invested capital ¹ **	<u>\$ 2,889</u>
--	-----------------

Return on invested capital ** **49.2%**

¹ Calculated as "Invested capital" for December 31, 2015 and 2014, divided by two.

** Denotes non-GAAP financial measures. See page A-12 for 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 required by, or presented in accordance with, 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, we may calculate and/or present these non-GAAP financial measures differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

Earnings Before Interest Expense and Taxes (“EBIT”), and Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“Adjusted EBITDA”). EBIT and Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) are financial measures not required by, or presented in accordance with GAAP. EBIT, which we use as part of our return on invested capital calculation, reflects net income excluding the impact of interest expense and provision for income taxes, and EBITDA reflects EBIT excluding the impact of depreciation and amortization. Our non-GAAP measure of Adjusted EBITDA further adjusts EBITDA to exclude (1) the \$41 million pre-tax preferred equity investment gain in the 2015 second quarter, the \$22 million pre-tax expected loss on dispositions of real estate in the 2015 second quarter, and the \$7 million reversal of a portion of the pre-tax loss on disposition upon sale of one property in the 2015 fourth quarter, all of which we recorded in the “Gains and other income, net” caption of our Condensed Consolidated Statements of Income (our “Income Statements”); (2) the pre-tax EDITION impairment charges of \$12 million in the 2015 first quarter, \$10 million in the 2014 first quarter, and \$15 million in the 2014 second quarter, which we recorded in the “Depreciation, amortization, and other” caption of our Income Statements following an evaluation of our EDITION hotels and residences for recovery; and (3) share-based compensation expense for all periods presented.

We believe that Adjusted EBITDA is a meaningful indicator of our operating performance because it permits period-over-period comparisons of our ongoing core operations before these items and facilitates our comparison of results before these items with results from other lodging companies. We use Adjusted EBITDA to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry, and analysts, lenders, investors, and others use EBITDA or Adjusted EBITDA for similar purposes. 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 provisions for income taxes can vary considerably among companies. Our Adjusted EBITDA also excludes depreciation and amortization expense which we report under “Depreciation, amortization, and other” as well as depreciation included under “Reimbursed costs” in our Income Statements, 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. We also excluded share-based compensation expense in all periods presented in order to address considerable variability among companies in recording compensation expense because companies use share-based payment awards differently, both in the type and quantity of awards granted.

EBIT and Adjusted EBITDA have limitations and should not be considered in isolation or as substitutes for performance measures calculated under GAAP. These non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting the usefulness of Adjusted EBITDA as a comparative measure.

Adjusted Operating Income Margin Excluding Cost Reimbursements. Cost reimbursements revenue represents reimbursements we receive for costs we incur on behalf of managed and franchised properties and relates, predominantly, to payroll costs at managed properties where we are the employer, but also includes reimbursements for other costs, such as those associated with our rewards programs. As we record cost reimbursements based on the costs we incur with no added markup, this revenue and the related expense have no impact on either our operating income or net income because cost reimbursements revenue net of reimbursed costs expense is zero. In calculating adjusted operating income margin, we consider total revenues, as adjusted to exclude cost reimbursements, to be meaningful metrics as they represent that portion of revenue and operating income margin that allows for period-over-period comparisons.

Return on Invested Capital (“ROIC”). We calculate ROIC as EBIT divided by average invested capital. We consider ROIC to be a meaningful indicator of our operating performance, and we evaluate ROIC because it measures how effectively we use the money we invest in our operations. We calculate invested capital by deducting from total assets: (1) current liabilities, as we intend to satisfy them in the short term, net of current portion of long-term debt, as the numerator of the calculation excludes interest expense; and (2) deferred tax assets because the numerator of the calculation is a pre-tax amount.