

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
(in millions, except per share amounts)

We consider net income excluding the impact of the synthetic fuel operations, earnings per share excluding the impact of the synthetic fuel operations, and the effective tax rate excluding the impact of the synthetic fuel operations, to be meaningful performance indicators because they reflect that portion of our net income, earnings per share, and the effective tax rate that relates to our lodging business and enables investors to compare the results of our operations and effective tax rate to that of other lodging companies. However, net income excluding the impact of the synthetic fuel operations, earnings per share excluding the impact of the synthetic fuel operations, and the effective tax rate excluding the impact of the synthetic fuel operations are all non-GAAP financial measures, and are not alternatives to net income, earnings per share, effective tax rate or any other operating measure prescribed by United States generally accepted accounting principles.

The reconciliation of net income, earnings per share, and the effective income tax rate as reported to net income excluding the impact of the synthetic fuel operations, earnings per share excluding the impact of the synthetic fuel operations, and the effective income tax rate excluding the impact of the synthetic fuel operations is as follows:

	First Quarter 2005			First Quarter 2004		
	Net Income	Synthetic Fuel Impact	Excluding Synthetic Fuel	Net Income	Synthetic Fuel Impact	Excluding Synthetic Fuel
Operating income (loss)	\$ 158	\$ (45)	\$ 203	\$ 151	\$ -	\$ 151
Gains and other income (expense)	(5)	(9)	4	4	-	4
Interest income, provision for loan losses and interest expense	(8)	-	(8)	7	-	7
Equity in losses	(5)	-	(5)	(30)	(28)	(2)
Pre-tax income (loss)	140	(54)	194	\$ 132	\$ (28)	\$ 160
Tax (Provision)/Benefit	(52)	15	(67)	(47)	10	(57)
Tax Credits	47	47	-	29	29	-
Total Tax (Provision)/Benefit	(5)	62	(67)	(18)	39	(57)
Income before Minority Interest	135	8	127	114	11	103
Minority Interest	10	10	-	-	-	-
Net Income	<u>\$ 145</u>	<u>\$ 18</u>	<u>\$ 127</u>	<u>\$ 114</u>	<u>\$ 11</u>	<u>\$ 103</u>
Diluted Shares	239.6	239.6	239.6	242.9	242.9	242.9
Earnings per Share - Diluted	\$0.61	\$0.08	\$0.53	\$0.47	\$0.04	\$0.43
Tax Rate	3.6%		34.5%	13.7%		35.5%

April 21, 2005

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(\$ in millions)

We consider lodging operating income to be a meaningful indicator of our performance because it measures our growth in profitability as a lodging company and enables investors to compare the operating income related to our lodging segments to the operating income of other lodging companies. However, lodging operating income is a non-GAAP financial measure and is not an alternative to operating income or any other operating measure prescribed by United States generally accepted accounting principles.

The reconciliation of operating income to lodging operating income is as follows:

Fiscal Year 2005	
First Quarter	Total
Operating income as reported	\$ 158 \$ 158
Add back: Synthetic fuel operating loss	<u>45</u> <u>45</u>
Lodging operating income	<u>\$ 203</u> <u>\$ 203</u>

	Fiscal Year 2004				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Operating income as reported	\$ 151	\$ 118	\$ 99	\$ 109	\$ 477
Add back: Synthetic fuel operating loss	<u>-</u>	<u>30</u>	<u>31</u>	<u>37</u>	<u>98</u>
Lodging operating income	\$ 151	\$ 148	\$ 130	\$ 146	\$ 575

April 21, 2005

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Non-GAAP Financial Measure

EBITDA

(in millions)

We consider earnings before interest, taxes, depreciation and amortization, adjusted to eliminate the impact of our synthetic fuel segment and discontinued operations (Adjusted EBITDA), to be an indicator of operating performance from on-going operations because it can be used to measure our ability to service debt, fund capital expenditures, and expand our business, and reflects our belief that the synthetic fuel segment will no longer have a material impact on our business after the Section 29 synthetic fuel tax credits expire at the end of 2007. However, EBITDA and Adjusted EBITDA are non-GAAP financial measures, and are not alternatives to net income, financial results, cash flow from operations, or any other operating measure prescribed by United States generally accepted accounting principles. Additionally, our calculation of EBITDA and Adjusted EBITDA may be different from the calculations used by other companies and as a result comparability may be limited.

Fiscal Year 2005		
	First Quarter	Total
Net income	\$ 145	\$ 145
Interest expense	24	24
Tax provision	5	5
Depreciation	30	30
Amortization	7	7
Interest expense from unconsolidated joint ventures	11	11
Depreciation and amortization from unconsolidated joint ventures	12	12
EBITDA	\$ 234	\$ 234
Synthetic fuel adjustment	42	42
Adjusted EBITDA	\$ 276	\$ 276
The following items make up the synthetic fuel adjustment:		
Pre-tax synthetic fuel operating losses	\$ 54	\$ 54
Pre-tax minority interest - synthetic fuel	(10)	(10)
Synthetic fuel depreciation	(2)	(2)
EBITDA adjustment for synthetic fuel	\$ 42	\$ 42

Fiscal Year 2004					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income	\$ 114	\$ 160	\$ 133	\$ 189	\$ 596
Interest expense	22	24	23	30	99
Tax provision continuing operations	18	33	28	21	100
Tax provision discontinued operations	-	-	1	-	1
Depreciation	32	29	32	40	133
Amortization	7	8	7	11	33
Interest expense from unconsolidated joint ventures	10	11	9	15	45
Depreciation and amortization from unconsolidated joint ventures	13	9	13	17	52
EBITDA	\$ 216	\$ 274	\$ 246	\$ 323	\$ 1,059
Synthetic fuel adjustment	28	5	(6)	21	48
Pre-tax gain discontinued operations	(1)	-	(1)	(1)	(3)
Adjusted EBITDA	\$ 243	\$ 279	\$ 239	\$ 343	\$ 1,104
The following items make up the synthetic fuel adjustment:					
Pre-tax synthetic fuel operating losses	\$ -	\$ 21	\$ 12	\$ 37	\$ 70
Pre-tax synthetic fuel equity losses	28	-	-	-	28
Pre-tax minority interest - synthetic fuel	-	(14)	(15)	(11)	(40)
Synthetic fuel depreciation	-	(2)	(3)	(5)	(10)
EBITDA adjustment for synthetic fuel	\$ 28	\$ 5	\$ (6)	\$ 21	\$ 48