MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME
FIRST QUARTER 2012 AND 2011

(in millions, except per share amounts)

	As Reported 12 Weeks Ended March 23, 2012	As Reported 12 Weeks Ended March 25, 2011	Timeshare Spin-off Adjustments [1]	As Adjusted 12 Weeks Ended March 25, 2011**	Percent Better (Worse) 2012 vs. Adjusted 2011
REVENUES					
Base management fees	$ 124	$ 134	$ (14)	$ 120	3
Franchise fees	126	103	14	117	8
Incentive management fees	50	42	-	42	19
Owned, leased, corporate housing and other revenue	217	224	-	224	(3)
Timeshare sales and services	-	276	(276)	-	-
Cost reimbursements	2,035	1,999	(62)	1,937	5
Total Revenues	2,552	2,778	(338)	2,440	5
OPERATING COSTS AND EXPENSES					
Owned, leased and corporate housing - direct	195	204	-	204	4
Timeshare - direct	-	225	(225)	-	-
Reimbursed costs	2,035	1,999	(62)	1,937	(5)
General, administrative and other	147	159	(18)	141	(4)
Total Expenses	2,377	2,587	(305)	2,282	(4)
OPERATING INCOME (LOSS)	175	191	(33)	158	11
Gains and other income	2	2	-	2	-
Interest expense	(33)	(41)	9	(32)	(3)
Interest income	4	4	3	7	(43)
Equity in losses	(1)	(4)	-	(4)	75
INCOME (LOSS) BEFORE INCOME TAXES	147	152	(21)	131	12
(Provision) benefit for income taxes	(43)	(51)	8	(43)	-
NET INCOME (LOSS)	$ 104	$ 101	$ (13)	$ 88	18
EARNINGS (LOSSES) PER SHARE - Diluted					
Earnings (losses) per share	$ 0.30	$ 0.26	$ (0.03)	$ 0.23	30
Diluted Shares	344.6	381.8	381.8	381.8	

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

[1] – The adjusted consolidated statements of income are presented as if the Timeshare spin-off had occurred on January 1, 2011.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED CONSOLIDATED STATEMENT OF INCOME
FULL YEAR 2011
(in millions, except per share amounts)

	As Reported 52 Weeks Ended December 30, 2011	Timeshare Spin-off Adjustments[1]	Other Charges	As Adjusted 52 Weeks Ended December 30, 2011 **
REVENUES				
Base management fees	$ 602	$ (56)	$ -	$ 546
Franchise fees	506	60	-	566
Incentive management fees	195	-	-	195
Owned, leased, corporate housing and other revenue [1]	1,083	-	-	1,083
Timeshare sales and services [2]	1,088	(1,088)	-	-
Cost reimbursements [3]	8,843	(268)	-	8,575
Total Revenues	12,317	(1,352)	-	10,965
OPERATING COSTS AND EXPENSES				
Owned, leased and corporate housing - direct [4]	943	-	-	943
Timeshare - direct	929	(929)	-	-
Timeshare strategy - impairment charges [5]	324	(324)	-	-
Reimbursed costs	8,843	(268)	-	8,575
General, administrative and other [6]	752	(99)	(10)	643
Total Expenses	11,791	(1,620)	(10)	10,161
OPERATING INCOME (LOSS)	526	268	10	804
(Losses) gains and other income [7]	(7)	(3)	18	8
Interest expense	(164)	29	-	(135)
Interest income	14	10	-	24
Equity in losses [8]	(13)	(4)	-	(17)
INCOME (LOSS) BEFORE INCOME TAXES	356	300	28	684
(Provision) benefit for income taxes	(158)	(40)	(11)	(209)
NET INCOME (LOSS)	$ 198	$ 260	$ 17	$ 475
EARNINGS (LOSSES) PER SHARE - Diluted				
Earnings (losses) per share [9]	$ 0.55	$ 0.72	$ 0.05	$ 1.31
Diluted Shares	362.3	362.3	362.3	362.3

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

[1] – The adjusted consolidated statements of income are presented as if the Timeshare spin-off had occurred on January 1, 2011.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES

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 reconcile the most directly comparable GAAP measure to each non-GAAP measure that we refer to (identified by a double asterisk on the preceding page). 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 other companies report, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

Adjusted Measures that Reflect the Timeshare Spin-off as if it had Occurred on the First Day of 2011. ("Timeshare Spin-off Adjustments"). On November 21, 2011 we completed a spin-off of our timeshare operations and timeshare development business through a special tax-free dividend to our shareholders of all of the issued and outstanding common stock of our wholly owned subsidiary Marriott Vacations Worldwide Corporation ("MVW").

Because of Marriott's significant continuing involvement in MVW future operations (by virtue of the license and other agreements between Marriott and MVW), we continue to include our former Timeshare segment's historical financial results for periods before the spin-off date in our historical financial results as a component of continuing operations. Under the license agreements we receive license fees consisting of a fixed annual fee of $50 million (subject to a periodic inflation adjustment), plus two percent of the gross sales price paid to MVW for initial developer sales of interests in vacation ownership units and residential real estate units and one percent of the gross sales price paid to MVW for resales of interests in vacation ownership units and residential real estate units, in each case that are identified with or use the Marriott or Ritz-Carlton marks.

In order to perform year-over-year comparisons on a comparable basis, management evaluates non-GAAP measures that, for periods prior to the spin-off date , assume the spin-off had occurred on the first day of 2011. The Timeshare Spin-off Adjustments to net income of $13 million deducted for the 2011 first quarter and $260 million added back for the full year 2011 totaled $21 million and $300 million pre-tax, respectively, and are primarily comprised of the following pre-tax items: 1) removal of the results of our former Timeshare segment (segment income of $35 million for the 2011 first quarter and segment losses of $217 million for the full year 2011); 2) the addition of a payment by MVW to us of estimated license fees ($14 million for the 2011 first quarter and $60 million for the full year 2011); 3) the addition of estimated interest income ($3 million for the 2011 first quarter and $10 million for the full year 2011); 4) the addition of estimated interest expense ($3 million for the 2011 first quarter and $14 million for the full year 2011); 5) the removal of spin-off transaction costs ($34 million for the full year 2011); and 6) the addition of other items, including items not previously allocated to our former segment ($7 million for the full year 2011).

We provide adjusted measures that reflect Timeshare Spin-off Adjustments for illustrative and informational purposes only. These adjusted measures are not necessarily indicative of, and do not purport to represent, what our operating results would have been had the spin-off actually occurred on the first day of 2011. This information also does not reflect certain financial and operating benefits we expect to realize as a result of the spin-off.

Adjusted Measures That Exclude Other Charges. Management evaluates non-GAAP measures that exclude certain 2011 charges because those non-GAAP measures allow for period-over-period comparisons of our on-going core operations before the impact of 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.

2011 Other Charges. We recorded charges of $28 million in the 2011 third quarter, which included an $18 million other-than-temporary impairment of an investment in marketable securities (not allocated to any of our segments) recorded in the "(Losses) gains and other income" caption of our Income Statement and a $10 million charge related to the impairment of deferred contract acquisition costs and an accounts receivable reserve, both of which were associated with a Luxury segment property whose owner filed for bankruptcy and recorded in the "General, administrative, and other" caption of our Income Statement.