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 and related conference call. 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.

Earnings Before Interest, Taxes, Depreciation and Amortization. Earnings before interest, taxes, depreciation and amortization (EBITDA) reflects earnings excluding the impact of interest expense, tax expense, depreciation and amortization. Our management considers EBITDA 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. EBITDA is used by analysts, lenders, investors and others, as well as by us, to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. 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. Additionally, the tax positions of companies can 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 tax expense can vary considerably among companies. EBITDA also excludes depreciation and amortization 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.

ESOP Settlement Charge. Management evaluates non-GAAP measures that exclude the charge associated with the 2007 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, including adjusted earnings per share and adjusted earnings before interest, taxes, depreciation and amortization, 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.

Adjusted EBITDA. Our management also evaluates adjusted EBITDA which excludes the synthetic fuel business for 2007, as well as the $35 million charge in 2007 for excise taxes associated with the ESOP settlement. The synthetic fuel operations, discontinued in 2007, are not related to our core business, which is lodging. Accordingly, our management evaluates non-GAAP measures which exclude the impact of the synthetic fuel business 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. Our management excludes the excise taxes associated with the ESOP settlement for the reasons noted above in the "ESOP Settlement Charge" caption.

Prior Years' Tax Adjustments and Foreign Subsidiaries Related Income Tax Charges. Management evaluates non-GAAP measures including adjusted earnings per share that exclude: (1) income tax expense in the 2008 third quarter totaling $29 million (diluted earnings per share impact of $0.08) primarily related to an unfavorable court decision involving a tax planning transaction associated with a 1994 sale transaction; (2) income tax expense in the 2008 second quarter totaling $12 million (diluted earnings per share impact of $0.03) primarily due to prior years' tax adjustments, including a settlement with the IRS that resulted in a lower than expected refund of taxes associated with a 1995 leasing transaction; and (3) income tax expense in the 2008 second quarter totaling $24 million (diluted earnings per share impact of $0.07) related to the tax treatment of funds received from foreign subsidiaries that is in on-going discussions with the IRS. We evaluate these non-GAAP measures 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 the results of other lodging companies.

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EBITDA and Adjusted EBITDA
($ in millions)

	Fiscal Year 2008			
	First Quarter	Second Quarter	Third Quarter	Total Year to Date
Net income	$ 121	$ 157	$ 94	$ 372
Interest expense	42	38	33	113
Tax provision, continuing operations	75	139	103	317
Tax provision, minority interest	1	1	6	8
Tax (benefit) provision, synthetic fuel	-	(6)	(1)	(7)
Depreciation and amortization	41	47	42	130
Less: Depreciation reimbursed by third-party owners	(3)	(3)	(2)	(8)
Interest expense from unconsolidated joint ventures	4	4	5	13
Depreciation and amortization from unconsolidated joint ventures	5	6	6	17
EBITDA**	**$ 286**	**$ 383**	**$ 286**	**$ 955**
Discontinued operations adjustment (synthetic fuel)	1	2	1	4
Adjusted EBITDA**	**$ 287**	**$ 385**	**$ 287**	**$ 959**
Increase (Decrease) over 2007 Adjusted EBITDA	**-14%**	**-13%**	**-7%**	**-11%**
The following items make up the discontinued operations adjustment (synthetic fuel)				
Pre-tax Synthetic Fuel losses	$ 1	$ 2	$ 1	$ 4
EBITDA adjustment for discontinued operations (synthetic fuel)	**$ 1**	**$ 2**	**$ 1**	**$ 4**

	Fiscal Year 2007			
	First Quarter	Second Quarter	Third Quarter	Total Year to Date
Net income	$ 182	$ 207	$ 131	$ 520
Interest expense	33	52	42	127
Tax provision, continuing operations	86	128	93	307
Tax (benefit) provision, synthetic fuel	(72)	(86)	(41)	(199)
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**
ESOP Settlement - Excise Tax	-	35	-	35
Discontinued operations adjustment (synthetic fuel)	52	52	30	134
Adjusted EBITDA**	**$ 334**	**$ 441**	**$ 308**	**$ 1,083**
The following items make up the discontinued operations adjustment (synthetic fuel)				
Pre-tax Synthetic Fuel losses (income)	$ 54	$ 54	$ 32	$ 140
Synthetic Fuel depreciation	(2)	(2)	(2)	(6)
EBITDA adjustment for discontinued operations (synthetic fuel)	**$ 52**	**$ 52**	**$ 30**	**$ 134**

** Denotes non-GAAP financial measures.

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Non-GAAP Financial Measure Reconciliation

Measures that Exclude Prior Year Tax Adjustment

(in millions, except per share amounts)

	Third Quarter 2008		
	As Reported	Prior Year Tax Adjustment	Excluding the Prior Year Tax Adjustment**
Income (losses) from continuing operations before income taxes and minority interest	$ 187	$ -	$ 187
Provision for income taxes	(103)	(29)	(74)
Minority interest, net of tax	10	-	10
Income from continuing operations	$ 94	$ (29)	$ 123
Diluted shares	365.4	365.4	365.4
Earnings per share from continuing operations - diluted	$ 0.26	$ (0.08)	$ 0.34

** Denotes non-GAAP financial measures.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Prior Years' Tax Adjustments and Foreign Subsidiaries Related Income Tax Charges

	2008 Full Year Forecast	
	Low	High
Forecasted diluted earnings per share from continuing operations	$ 1.44	$ 1.50
Add back: Diluted earnings per share impact of prior years' tax adjustments and foreign subsidiaries related income tax charges	0.18	0.18
Forecasted diluted earnings per share excluding prior years' tax adjustments and foreign subsidiaries related income tax charges**	$ 1.62	$ 1.68

** Denotes non-GAAP financial measures.