

MARRIOTT INTERNATIONAL, INC.
PRESS RELEASE SCHEDULES
QUARTER 1, 2012
TABLE OF CONTENTS

Consolidated Statements of Income	A-1
Total Lodging Products	A-3
Key Lodging Statistics	A-4
EBITDA and Adjusted EBITDA	A-6
EBITDA and Adjusted EBITDA Forecast	A-7
Adjusted Pretax Margin and EBITDA Margin Excluding Adjusted Reimbursed Costs	A-8
Adjusted 2011 EPS Including Timeshare Spin-off Adjustments, Other Charges and Certain Tax Items	A-9
Adjusted Fee Revenue and Adjusted General, Administrative and Other Expenses	A-10
Non-GAAP Financial Measures	A-11

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 ⁹	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 ¹	217	224	-	224	(3)
Timeshare sales and services ²	-	276	(276)	-	-
Cost reimbursements ³	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 ⁴	195	204	-	204	4
Timeshare - direct	-	225	(225)	-	-
Reimbursed costs	2,035	1,999	(62)	1,937	(5)
General, administrative and other ⁵	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 ⁶	2	2	-	2	-
Interest expense	(33)	(41)	9	(32)	(3)
Interest income	4	4	3	7	(43)
Equity in losses ⁷	(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 - Basic					
Earnings (losses) per share ⁸	\$ 0.31	\$ 0.27	\$ (0.04)	\$ 0.24	29
EARNINGS (LOSSES) PER SHARE - Diluted					
Earnings (losses) per share ⁸	\$ 0.30	\$ 0.26	\$ (0.03)	\$ 0.23	30
Basic Shares	333.7	367.1	367.1	367.1	
Diluted Shares	344.6	381.8	381.8	381.8	
See page A-2 for footnote references.					

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)

** Denotes non-GAAP financial measures. Please see pages A-11 and A-12 for additional information about our reasons for providing these alternative financial measures and limitations on their use.

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

² – *Timeshare sales and services* includes total timeshare revenue except for base management fees and cost reimbursements.

³ – *Cost reimbursements* include reimbursements from properties for Marriott-funded operating expenses.

⁴ – *Owned, leased and corporate housing - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments, pre-opening expenses and depreciation, plus expenses related to our corporate housing business.

⁵ – *General, administrative and other* expenses include the overhead costs allocated to our segments, and our corporate overhead costs and general expenses.

⁶ – *Gains and other income* includes gains and losses on: the sale of real estate, note sales or repayments (except timeshare note securitizations), the sale or other-than-temporary impairment of joint ventures and investments, debt extinguishments, and income from cost method joint ventures.

⁷ – *Equity in losses* includes our equity in losses of unconsolidated equity method joint ventures.

⁸ – Earnings per share plus adjustment items may not equal earnings per share as adjusted due to rounding.

⁹ – The adjusted consolidated statements of income are presented as if the Timeshare spin-off had occurred on January 1, 2011.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS ¹

Brand	<u>Number of Properties</u>			<u>Number of Rooms/Suites</u>		
	March 23, 2012	March 25, 2011	vs. March 25, 2011	March 23, 2012	March 25, 2011	vs. March 25, 2011
<u>Domestic Full-Service</u>						
Marriott Hotels & Resorts	351	356	(5)	142,078	143,876	(1,798)
Renaissance Hotels	80	80	-	29,229	28,892	337
Autograph Collection	20	14	6	5,815	3,954	1,861
<u>Domestic Limited-Service</u>						
Courtyard	807	798	9	113,692	112,041	1,651
Fairfield Inn & Suites	670	648	22	60,680	58,542	2,138
SpringHill Suites	288	273	15	33,821	31,961	1,860
Residence Inn	597	597	-	72,078	72,030	48
TownePlace Suites	202	193	9	20,248	19,409	839
<u>International</u>						
Marriott Hotels & Resorts	202	199	3	61,968	61,338	630
Renaissance Hotels	74	71	3	23,730	23,297	433
Autograph Collection	5	-	5	548	-	548
Courtyard	111	102	9	21,777	20,258	1,519
Fairfield Inn & Suites	13	10	3	1,568	1,235	333
SpringHill Suites	2	1	1	299	124	175
Residence Inn	22	18	4	3,028	2,559	469
TownePlace Suites	1	1	-	105	105	-
Marriott Executive Apartments	24	23	1	3,826	3,775	51
<u>Luxury</u>						
The Ritz-Carlton - Domestic	39	39	-	11,587	11,587	-
The Ritz-Carlton - International	39	36	3	11,996	10,941	1,055
Bulgari Hotels & Resorts	2	2	-	117	117	-
Edition	1	2	(1)	78	431	(353)
The Ritz-Carlton Residential	34	29	5	3,838	3,309	529
The Ritz-Carlton Serviced Apartments	4	4	-	579	579	-
<u>Unconsolidated Joint Ventures</u>						
AC Hotels by Marriott	75	68	7	7,976	7,143	833
Autograph Collection	5	4	1	350	278	72
Timeshare ²	64	71	(7)	12,932	13,045	(113)
Total	3,732	3,639	93	643,943	630,826	13,117

¹ Total Lodging Products excludes the 2,095 and 1,984 corporate housing rental units as of March 23, 2012 and March 25, 2011, respectively.

² Reported 2012 Timeshare properties and rooms/suites are not comparable to 2011 data due to a change in reporting methodology as a result of the Timeshare spin-off.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS
Constant \$

Comparable Company-Operated International Properties¹

Region	Two Months Ended February 29, 2012 and February 28, 2011						
	REVPAR		Occupancy			Average Daily Rate	
	2012	vs. 2011	2012	vs. 2011		2012	vs. 2011
Caribbean & Latin America	\$157.17	9.4%	75.9%	1.9% pts.		\$207.03	6.6%
Europe	\$98.07	2.9%	60.8%	0.2% pts.		\$161.31	2.5%
Middle East & Africa	\$83.76	-6.1%	57.5%	1.3% pts.		\$145.75	-8.2%
Asia Pacific	\$89.27	16.1%	67.8%	6.6% pts.		\$131.58	4.7%
Regional Composite²	\$101.32	7.4%	65.0%	2.9% pts.		\$155.80	2.6%
International Luxury³	\$210.51	2.2%	59.9%	-2.0% pts.		\$351.58	5.6%
Total International⁴	\$114.28	6.2%	64.4%	2.3% pts.		\$177.39	2.4%
Worldwide⁵	\$106.39	6.2%	67.1%	2.0% pts.		\$158.61	3.1%

Comparable Systemwide International Properties¹

Region	Two Months Ended February 29, 2012 and February 28, 2011						
	REVPAR		Occupancy			Average Daily Rate	
	2012	vs. 2011	2012	vs. 2011		2012	vs. 2011
Caribbean & Latin America	\$128.99	7.6%	69.0%	1.1% pts.		\$186.90	6.0%
Europe	\$92.41	3.5%	59.1%	0.3% pts.		\$156.40	2.8%
Middle East & Africa	\$81.37	-5.7%	57.7%	1.4% pts.		\$140.96	-7.9%
Asia Pacific	\$93.72	14.0%	67.3%	5.9% pts.		\$139.16	4.0%
Regional Composite²	\$98.47	6.8%	63.4%	2.3% pts.		\$155.37	2.9%
International Luxury³	\$210.51	2.2%	59.9%	-2.0% pts.		\$351.58	5.6%
Total International⁴	\$109.01	5.9%	63.0%	1.9% pts.		\$172.92	2.7%
Worldwide⁵	\$88.49	6.8%	66.1%	2.0% pts.		\$133.78	3.5%

¹ We report financial results on a period basis and international statistics on a monthly basis. Statistics are in constant dollars for January through February. International includes properties located outside the United States and Canada, except for Worldwide which includes the United States.

² Regional information includes the Marriott Hotels & Resorts, Renaissance Hotels and Courtyard brands.

³ International Luxury includes The Ritz-Carlton properties outside of the United States and Canada and Bulgari Hotels & Resorts.

⁴ Includes Regional Composite and International Luxury.

⁵ Includes international statistics for the two calendar months ended February 29, 2012 and February 28, 2011, and the United States statistics for the twelve weeks ended March 23, 2012 and March 25, 2011. Includes the Marriott Hotels & Resorts, Renaissance Hotels, Autograph Collection, The Ritz-Carlton, Bulgari Hotels & Resorts, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites brands.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS

Comparable Company-Operated North American Properties¹

Brand	Twelve Weeks Ended March 23, 2012 and March 25, 2011					
	REVPAR		Occupancy		Average Daily Rate	
	2012	vs. 2011	2012	vs. 2011	2012	vs. 2011
Marriott Hotels & Resorts	\$117.58	6.7%	69.5%	2.7% pts.	\$169.26	2.5%
Renaissance Hotels	\$120.39	7.9%	72.1%	3.4% pts.	\$167.06	2.8%
Composite North American Full-Service²	\$118.00	6.9%	69.9%	2.8% pts.	\$168.92	2.6%
The Ritz-Carlton ³	\$229.73	7.1%	68.4%	0.8% pts.	\$336.03	5.8%
Composite North American Full-Service & Luxury⁴	\$126.39	7.0%	69.7%	2.7% pts.	\$181.22	2.9%
Residence Inn	\$84.67	1.9%	70.3%	-0.3% pts.	\$120.39	2.4%
Courtyard	\$73.05	5.4%	63.5%	1.1% pts.	\$115.11	3.6%
TownePlace Suites	\$52.05	12.5%	65.7%	3.1% pts.	\$79.27	7.2%
SpringHill Suites	\$66.54	2.9%	62.5%	0.8% pts.	\$106.52	1.7%
Composite North American Limited-Service⁵	\$74.71	4.5%	65.4%	0.8% pts.	\$114.18	3.2%
Composite - All⁶	\$104.00	6.2%	67.9%	1.9% pts.	\$153.23	3.3%

Comparable Systemwide North American Properties¹

Brand	Twelve Weeks Ended March 23, 2012 and March 25, 2011					
	REVPAR		Occupancy		Average Daily Rate	
	2012	vs. 2011	2012	vs. 2011	2012	vs. 2011
Marriott Hotels & Resorts	\$105.10	7.1%	66.9%	2.3% pts.	\$157.12	3.4%
Renaissance Hotels	\$103.69	6.4%	68.7%	2.0% pts.	\$151.00	3.2%
Autograph Collection Hotels ³	\$117.72	9.2%	70.6%	6.3% pts.	\$166.86	-0.6%
Composite North American Full-Service²	\$104.96	7.0%	67.2%	2.3% pts.	\$156.19	3.3%
The Ritz-Carlton ³	\$229.73	7.1%	68.4%	0.8% pts.	\$336.03	5.8%
Composite North American Full-Service & Luxury⁴	\$110.38	7.1%	67.2%	2.3% pts.	\$164.13	3.5%
Residence Inn	\$84.95	4.3%	72.5%	0.7% pts.	\$117.13	3.3%
Courtyard	\$74.84	6.8%	64.5%	1.8% pts.	\$116.04	3.8%
Fairfield Inn & Suites	\$55.71	10.0%	61.3%	3.0% pts.	\$90.94	4.6%
TownePlace Suites	\$59.45	8.7%	68.1%	2.3% pts.	\$87.30	4.9%
SpringHill Suites	\$67.08	7.4%	65.8%	2.7% pts.	\$101.91	2.9%
Composite North American Limited-Service⁵	\$71.66	6.7%	66.2%	1.9% pts.	\$108.26	3.6%
Composite - All⁶	\$85.61	6.9%	66.6%	2.0% pts.	\$128.59	3.6%

¹ Statistics include only properties located in the United States.

² Includes the Marriott Hotels & Resorts, Renaissance Hotels, and Autograph Collection brands.

³ Statistics for Autograph Collection and The Ritz-Carlton are for January through February.

⁴ Includes the Marriott Hotels & Resorts, Renaissance Hotels, Autograph Collection and The Ritz-Carlton brands.

⁵ Includes the Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites and SpringHill Suites brands.

⁶ Includes the Marriott Hotels & Resorts, Renaissance Hotels, Autograph Collections, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites brands.

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

**Fiscal Year
2012**

**First
Quarter**

Net Income	\$ 104
Interest expense	33
Tax provision	43
Depreciation and amortization	29
Less: Depreciation reimbursed by third-party owners	(4)
Interest expense from unconsolidated joint ventures	4
Depreciation and amortization from unconsolidated joint ventures	6
EBITDA **	\$ 215

Increase over 2011 Adjusted EBITDA **9%**

Fiscal Year 2011

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net Income (loss)	\$ 101	\$ 135	\$ (179)	\$ 141	\$ 198
Interest expense	41	37	39	47	164
Tax provision (benefit)	51	66	(20)	61	158
Depreciation and amortization	35	41	40	52	168
Less: Depreciation reimbursed by third-party owners	(4)	(3)	(4)	(4)	(15)
Interest expense from unconsolidated joint ventures	4	4	5	5	18
Depreciation and amortization from unconsolidated joint ventures	6	7	7	10	30
EBITDA **	234	287	(112)	312	721
Timeshare Spin-off Adjustments					
Net Income	(13)	(9)	264	18	260
Interest expense	(9)	(8)	(7)	(5)	(29)
Tax provision (benefit)	(8)	(5)	57	(4)	40
Depreciation and amortization	(7)	(9)	(7)	(5)	(28)
Total Timeshare Spin-off Adjustments	(37)	(31)	307	4	243
Other charges	-	-	28	-	28
Total other charges	-	-	28	-	28
Adjusted EBITDA **	\$ 197	\$ 256	\$ 223	\$ 316	\$ 992

** Denotes non-GAAP financial measures. Please see pages A-11 and A-12 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
EBITDA AND ADJUSTED EBITDA
FORECASTED 2012
(\$ in millions)

	<u>Range</u>		<u>As Adjusted 52 Weeks Ended December 30, 2011 **</u>
	<u>Estimated EBITDA Full Year 2012</u>		
Net Income	\$ 534	\$ 571	\$ 475
Interest expense	135	135	135
Tax provision	256	274	209
Depreciation and amortization	145	145	140
Less: Depreciation reimbursed by third-party owners	(15)	(15)	(15)
Interest expense from unconsolidated joint ventures	20	20	18
Depreciation and amortization from unconsolidated joint ventures	30	30	30
EBITDA **	\$ 1,105	\$ 1,160	\$ 992
Increase over 2011 Adjusted EBITDA	11%	17%	

** Denotes non-GAAP financial measures. Please see pages A-11 and A-12 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED PRETAX AND EBITDA MARGIN EXCLUDING ADJUSTED REIMBURSED COSTS
FIRST QUARTER 2012 AND 2011
(\$ in millions)

	First Quarter 2012	First Quarter 2011
ADJUSTED PRETAX MARGIN		
Income before income taxes as reported	\$ 147	\$ 152
Timeshare spin-off adjustments	-	(21)
Income before income taxes, as adjusted **	\$ 147	\$ 131
Total revenues as reported	\$ 2,552	\$ 2,778
Timeshare spin-off adjustments	-	(338)
Total revenues, as adjusted **	2,552	2,440
Less: adjusted cost reimbursements **	(2,035)	(1,937)
Total revenues as adjusted and excluding cost reimbursements **	\$ 517	\$ 503
Adjusted pretax margin, excluding cost reimbursements **	28.4%	26.0%
EBITDA **	\$ 215	
EBITDA Margin **	42%	

** Denotes non-GAAP financial measures. Please see pages A-11 and A-12 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED 2011 EPS INCLUDING TIMESHARE SPIN-OFF ADJUSTMENTS,
OTHER CHARGES AND CERTAIN TAX ITEMS
(\$ in millions except per share amounts)

	Range		Full Year 2011
	Estimated Full Year 2012		
Net income, as reported			\$ 198
Timeshare spin-off adjustments, net of tax			260
Other charges, net of tax			17
Net income, as adjusted **			\$ 475
DILUTED EPS AS ADJUSTED **			\$ 1.31
DILUTED EPS GUIDANCE	\$ 1.58	\$ 1.69	
INCREASE OVER 2011 ADJUSTED DILUTED EPS **	21%	29%	
Diluted Shares			362.3

** Denotes non-GAAP financial measures. Please see pages A-11 and A-12 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED FEE REVENUE AND ADJUSTED GENERAL, ADMINISTRATIVE AND OTHER EXPENSES
(\$ in millions)

	Range		
	Estimated Full Year 2012		Full Year 2011
Total fee revenue, as reported			\$ 1,303
Timeshare spin-off adjustments			4
Total fee revenue, as adjusted **			\$ 1,307
Total Fee Revenue	\$ 1,425	\$ 1,465	
INCREASE OVER 2011 ADJUSTED TOTAL FEE REVENUE **	9%	12%	
	Range		
	Estimated Full Year 2012		Full Year 2011
Total general, administrative and other expenses, as reported			\$ 752
Timeshare spin-off adjustments			(99)
Other charges			(10)
Total general, administrative and other expenses, as adjusted **			\$ 643
Total General, Administrative and Other Expenses	\$ 660	\$ 670	
INCREASE OVER 2011 ADJUSTED TOTAL GENERAL, ADMINISTRATIVE AND OTHER EXPENSES **	3%	4%	

** Denotes non-GAAP financial measures. Please see pages A-11 and A-12 for additional 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 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 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, 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 remove the results of our former Timeshare segment, assume payment by MVW of estimated license fees (\$14 million, \$15 million, \$15 million, and \$16 million for the 2011 first quarter through 2011 fourth quarter, respectively) and remove the unallocated spin-off transaction costs (\$1 million, \$4 million, \$8 million, and \$21 million for the 2011 first quarter through 2011 fourth quarter, respectively). We have also included certain corporate items not previously allocated to our former Timeshare segment in the Timeshare Spin-off Adjustments.

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.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES (cont.)

Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) is a financial measure that is not prescribed or authorized by United States generally accepted accounting principles (“GAAP”), reflects earnings excluding the impact of interest expense, provision for income taxes, and depreciation and amortization. We consider EBITDA to be an indicator of operating performance because we use it to measure our ability to service debt, fund capital expenditures, and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, 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. 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 provision for income taxes 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.

We also evaluate Adjusted EBITDA, another non-GAAP financial measure, as an indicator of operating performance. Our Adjusted EBITDA reflects the following items, each of which we describe more fully above: (1) Timeshare Spin-off Adjustments; and (2) an adjustment for \$28 million of other charges for 2011. We use Adjusted EBITDA to make period-over-period comparisons of our ongoing core operations before material charges and to facilitate comparing results from our ongoing operations before material charges with those of other lodging companies.

EBITDA and Adjusted EBITDA have limitations and should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP. Both of these non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do or may not calculate them at all, limiting EBITDA’s and Adjusted EBITDA’s usefulness as comparative measures.

Adjusted Pretax Margin and EBITDA Margin Excluding Adjusted Cost Reimbursements. Cost reimbursements revenue represents reimbursements of costs incurred 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 Marriott Rewards and Ritz-Carlton Rewards programs. As we record cost reimbursements based upon costs incurred with no added markup, this revenue and related expense has no impact on either our operating income or net income because cost reimbursements revenue net of reimbursed costs expense is zero. We consider total revenues as adjusted for Timeshare Spin-off Adjustments and income before income taxes as adjusted for Timeshare Spin-off Adjustments to be meaningful metrics for the reasons noted above. In calculating adjusted pretax margin and EBITDA margin we consider total revenues as adjusted to further exclude cost reimbursements and therefore, adjusted pretax margin and EBITDA margin excluding cost reimbursements to be meaningful metrics as they represent that portion of revenue, pretax margin, and EBITDA margin that impacts operating income and net income.