

**MARRIOTT INTERNATIONAL, INC.**  
**PRESS RELEASE SCHEDULES**  
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**MARRIOTT INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED**  
**FOURTH QUARTER 2018 AND 2017**  
(in millions except per share amounts, unaudited)

	As Reported Three Months Ended December 31, 2018	As Reported <sup>10</sup> Three Months Ended December 31, 2017	Percent Better/(Worse) Reported 2018 vs. 2017
<b>REVENUES</b>			
Base management fees	\$ 288	\$ 284	1
Franchise fees <sup>1</sup>	455	404	13
Incentive management fees	167	174	(4)
<b>Gross Fee Revenues</b>	<b>910</b>	<b>862</b>	<b>6</b>
Contract investment amortization <sup>2</sup>	(14)	(16)	13
<b>Net Fee Revenues</b>	<b>896</b>	<b>846</b>	<b>6</b>
Owned, leased, and other revenue <sup>3</sup>	409	443	(8)
Cost reimbursement revenue <sup>4</sup>	3,984	3,962	1
<b>Total Revenues</b>	<b>5,289</b>	<b>5,251</b>	<b>1</b>
<b>OPERATING COSTS AND EXPENSES</b>			
Owned, leased, and other - direct <sup>5</sup>	321	354	9
Depreciation, amortization, and other <sup>6</sup>	62	53	(17)
General, administrative, and other <sup>7</sup>	242	270	10
Merger-related costs and charges	91	59	(54)
Reimbursed expenses <sup>4</sup>	4,151	4,091	(1)
<b>Total Expenses</b>	<b>4,867</b>	<b>4,827</b>	<b>(1)</b>
<b>OPERATING INCOME</b>	<b>422</b>	<b>424</b>	<b>-</b>
Gains and other income, net <sup>8</sup>	3	657	(100)
Interest expense	(94)	(72)	(31)
Interest income	6	14	(57)
Equity in earnings <sup>9</sup>	8	11	(27)
<b>INCOME BEFORE INCOME TAXES</b>	<b>345</b>	<b>1,034</b>	<b>(67)</b>
Provision for income taxes	(28)	(920)	97
<b>NET INCOME</b>	<b>\$ 317</b>	<b>\$ 114</b>	<b>178</b>
<b>EARNINGS PER SHARE</b>			
Earnings per share - basic	\$ 0.93	\$ 0.31	200
Earnings per share - diluted	\$ 0.92	\$ 0.31	197
Basic Shares	341.9	365.1	
Diluted Shares	345.7	369.9	

<sup>1</sup> *Franchise fees* include fees from our franchise agreements, application and relicensing fees, licensing fees from our timeshare, credit card programs, and residential branding fees.

<sup>2</sup> *Contract investment amortization* includes amortization of capitalized costs to obtain contracts with our owner and franchisee customers, and any related impairments, accelerations, or write-offs.

<sup>3</sup> *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, and other revenue.

<sup>4</sup> *Cost reimbursement revenue* includes reimbursements from properties for property-level and centralized programs and services that we operate for the benefit of our hotel owners. *Reimbursed expenses* include costs incurred by Marriott for certain property-level operating expenses and centralized programs and services.

<sup>5</sup> *Owned, leased, and other - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

<sup>6</sup> *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.

<sup>7</sup> *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

<sup>8</sup> *Gains and other income, net* includes gains and losses on the sale of real estate, the sale or impairment of joint ventures and investments, and results from other equity investments.

<sup>9</sup> *Equity in earnings* include our equity in earnings or losses of unconsolidated equity method investments.

<sup>10</sup> On January 1, 2018, we adopted ASU 2014-09. This column reflects our recast 2017 results under the new accounting standard.

**MARRIOTT INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED**  
**FOURTH QUARTER YEAR-TO-DATE 2018<sup>10</sup> AND 2017**  
(in millions except per share amounts, unaudited)

	As Reported <sup>10</sup> Twelve Months Ended December 31, 2018	As Reported <sup>11</sup> Twelve Months Ended December 31, 2017	Percent Better/(Worse) Reported 2018 vs. 2017
<b>REVENUES</b>			
Base management fees	\$ 1,140	\$ 1,102	3
Franchise fees <sup>1</sup>	1,849	1,586	17
Incentive management fees	649	607	7
<b>Gross Fee Revenues</b>	<b>3,638</b>	<b>3,295</b>	<b>10</b>
Contract investment amortization <sup>2</sup>	(58)	(50)	(16)
<b>Net Fee Revenues</b>	<b>3,580</b>	<b>3,245</b>	<b>10</b>
Owned, leased, and other revenue <sup>3</sup>	1,635	1,752	(7)
Cost reimbursement revenue <sup>4</sup>	15,543	15,455	1
<b>Total Revenues</b>	<b>20,758</b>	<b>20,452</b>	<b>1</b>
<b>OPERATING COSTS AND EXPENSES</b>			
Owned, leased, and other - direct <sup>5</sup>	1,306	1,411	7
Depreciation, amortization, and other <sup>6</sup>	226	229	1
General, administrative, and other <sup>7</sup>	927	921	(1)
Merger-related costs and charges	155	159	3
Reimbursed expenses <sup>4</sup>	15,778	15,228	(4)
<b>Total Expenses</b>	<b>18,392</b>	<b>17,948</b>	<b>(2)</b>
<b>OPERATING INCOME</b>	<b>2,366</b>	<b>2,504</b>	<b>(6)</b>
Gains and other income, net <sup>8</sup>	194	688	(72)
Interest expense	(340)	(288)	(18)
Interest income	22	38	(42)
Equity in earnings <sup>9</sup>	103	40	158
<b>INCOME BEFORE INCOME TAXES</b>	<b>2,345</b>	<b>2,982</b>	<b>(21)</b>
Provision for income taxes	(438)	(1,523)	71
<b>NET INCOME</b>	<b>\$ 1,907</b>	<b>\$ 1,459</b>	<b>31</b>
<b>EARNINGS PER SHARE</b>			
Earnings per share - basic	\$ 5.45	\$ 3.89	40
Earnings per share - diluted	\$ 5.38	\$ 3.84	40
Basic Shares	350.1	375.2	
Diluted Shares	354.2	379.9	

<sup>1</sup> Franchise fees include fees from our franchise agreements, application and relicensing fees, licensing fees from our timeshare, credit card programs, and residential branding fees.

<sup>2</sup> Contract investment amortization includes amortization of capitalized costs to obtain contracts with our owner and franchisee customers, and any related impairments, accelerations, or write-offs.

<sup>3</sup> Owned, leased, and other revenue includes revenue from the properties we own or lease, termination fees, and other revenue.

<sup>4</sup> Cost reimbursement revenue includes reimbursements from properties for property-level and centralized programs and services that we operate for the benefit of our hotel owners. Reimbursed expenses include costs incurred by Marriott for certain property-level operating expenses and centralized programs and services.

<sup>5</sup> Owned, leased, and other - direct expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

<sup>6</sup> 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.

<sup>7</sup> General, administrative, and other expenses include our corporate and business segments overhead costs and general expenses.

<sup>8</sup> Gains and other income, net includes gains and losses on the sale of real estate, the sale or impairment of joint ventures and investments, and results from other equity investments.

<sup>9</sup> Equity in earnings include our equity in earnings or losses of unconsolidated equity method investments.

<sup>10</sup> Results for the 2018 full year reflect the correction of certain immaterial errors of cost reimbursement revenue and reimbursed expenses in the 2018 first, second, and third quarters. For more information, see our Annual Report on Form 10-K, which the company expects to file on March 1, 2019.

<sup>11</sup> On January 1, 2018, we adopted ASU 2014-09. This column reflects our recast 2017 results under the new accounting standard.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**

(\$ in millions except per share amounts)

The following table presents our reconciliations of Adjusted operating income, Adjusted operating income margin, Adjusted net income, and Adjusted diluted EPS, to the most directly comparable GAAP measure. Adjusted total revenues is used in the determination of Adjusted operating income margin.

	Three Months Ended			Twelve Months Ended		
	December 31, 2018	December 31, 2017 <sup>3</sup>	Percent Better/ (Worse)	December 31, 2018 <sup>4</sup>	December 31, 2017 <sup>3</sup>	Percent Better/ (Worse)
Total revenues, as reported	\$ 5,289	\$ 5,251		\$ 20,758	\$ 20,452	
Less: Cost reimbursement revenue	(3,984)	(3,962)		(15,543)	(15,455)	
Less: Other merger-related adjustments <sup>1</sup>	-	-		-	(3)	
<b>Adjusted total revenues**</b>	<b>1,305</b>	<b>1,289</b>		<b>5,215</b>	<b>4,994</b>	
Operating income, as reported	422	424		2,366	2,504	
Less: Cost reimbursement revenue	(3,984)	(3,962)		(15,543)	(15,455)	
Add: Reimbursed expenses	4,151	4,091		15,778	15,228	
Add: Merger-related costs, charges, and other <sup>2</sup>	91	59		155	155	
<b>Adjusted operating income **</b>	<b>680</b>	<b>612</b>	<b>11%</b>	<b>2,756</b>	<b>2,432</b>	<b>13%</b>
<b>Operating income margin</b>	<b>8%</b>	<b>8%</b>		<b>11%</b>	<b>12%</b>	
<b>Adjusted operating income margin **</b>	<b>52%</b>	<b>47%</b>		<b>53%</b>	<b>49%</b>	
Net income, as reported	317	114		1,907	1,459	
Less: Cost reimbursement revenue	(3,984)	(3,962)		(15,543)	(15,455)	
Add: Reimbursed expenses	4,151	4,091		15,778	15,228	
Add: Merger-related costs, charges, and other <sup>2</sup>	91	59		155	155	
Less: Gain on sale of Avendra	-	(659)		(6)	(659)	
Income tax effect of above adjustments	(83)	197		(117)	309	
Add: U.S. Tax Cuts and Jobs Act of 2017	5	563		27	563	
<b>Adjusted net income **</b>	<b>\$ 497</b>	<b>\$ 403</b>	<b>23%</b>	<b>\$ 2,201</b>	<b>\$ 1,600</b>	<b>38%</b>
<b>Diluted EPS, as reported</b>	<b>\$ 0.92</b>	<b>\$ 0.31</b>		<b>\$ 5.38</b>	<b>\$ 3.84</b>	
<b>Adjusted Diluted EPS**</b>	<b>\$ 1.44</b>	<b>\$ 1.09</b>	<b>32%</b>	<b>\$ 6.21</b>	<b>\$ 4.21</b>	<b>48%</b>

\*\* Denotes non-GAAP financial measures. Please see pages A-14 and A-15 for information about our reasons for providing these alternative financial measures and the limitations on their use.

<sup>1</sup> Other merger-related adjustments include Starwood purchase accounting revisions.

<sup>2</sup> Merger-related costs, charges, and other includes Starwood merger costs presented in the "Merger-related costs and charges" caption of our Income Statement and net purchase accounting revisions.

<sup>3</sup> On January 1, 2018, we adopted ASU 2014-09. This column reflects our recast 2017 results under the new accounting standard.

<sup>4</sup> Results for the 2018 full year reflect the correction of certain immaterial errors of cost reimbursement revenue and reimbursed expenses in the 2018 first, second, and third quarters. The errors had no impact on our Adjusted operating income, Adjusted operating income margin, Adjusted net income, Adjusted diluted EPS, or Adjusted EBITDA non-GAAP measures. For more information, see our Annual Report on Form 10-K, which the company expects to file on March 1, 2019.

**MARRIOTT INTERNATIONAL, INC.**  
**TOTAL LODGING PRODUCTS**  
As of December 31, 2018

	North America		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
<b>Managed</b>	<b>766</b>	<b>242,301</b>	<b>1,107</b>	<b>297,817</b>	<b>1,873</b>	<b>540,118</b>
Marriott Hotels	125	66,870	168	49,606	293	116,476
Sheraton	28	23,606	184	63,201	212	86,807
Courtyard	240	38,356	96	20,765	336	59,121
Westin	45	24,808	69	21,333	114	46,141
The Ritz-Carlton	38	10,969	55	15,002	93	25,971
The Ritz-Carlton Serviced Apartments	-	-	5	697	5	697
JW Marriott	16	10,038	49	19,382	65	29,420
Renaissance	27	11,574	57	17,823	84	29,397
Le Méridien	3	570	72	19,801	75	20,371
Residence Inn	110	16,897	6	643	116	17,540
Four Points	1	134	72	18,677	73	18,811
W Hotels	24	6,965	28	6,904	52	13,869
The Luxury Collection	5	2,234	50	8,867	55	11,101
St. Regis	9	1,739	30	6,902	39	8,641
Aloft	1	330	37	8,798	38	9,128
Gaylord Hotels	6	9,918	-	-	6	9,918
Delta Hotels	25	6,764	-	-	25	6,764
Fairfield by Marriott	7	1,539	31	4,777	38	6,316
SpringHill Suites	31	4,988	-	-	31	4,988
Marriott Executive Apartments	-	-	30	4,440	30	4,440
Protea Hotels	-	-	36	4,327	36	4,327
Autograph Collection	5	1,307	8	1,722	13	3,029
TownePlace Suites	17	1,948	-	-	17	1,948
Element	1	180	6	1,253	7	1,433
EDITION	2	567	6	1,301	8	1,868
Moxy	-	-	4	599	4	599
Tribute Portfolio	-	-	3	559	3	559
Bulgari	-	-	5	438	5	438
<b>Franchised</b>	<b>4,133</b>	<b>597,379</b>	<b>508</b>	<b>109,437</b>	<b>4,641</b>	<b>706,816</b>
Courtyard	768	102,219	72	13,390	840	115,609
Fairfield by Marriott	933	86,513	8	1,459	941	87,972
Marriott Hotels	213	66,300	53	15,301	266	81,601
Residence Inn	678	80,246	7	963	685	81,209
Sheraton	160	47,594	63	17,912	223	65,506
SpringHill Suites	383	43,971	-	-	383	43,971
Westin	83	27,074	25	7,865	108	34,939
TownePlace Suites	371	37,283	-	-	371	37,283
Four Points	151	22,881	47	7,452	198	30,333
Autograph Collection	90	18,911	55	12,296	145	31,207
Renaissance	60	17,213	27	7,423	87	24,636
Aloft	107	15,966	14	2,258	121	18,224
The Luxury Collection	12	2,850	41	7,718	53	10,568
Delta Hotels	36	8,141	2	562	38	8,703
Le Méridien	16	3,417	16	4,246	32	7,663
JW Marriott	12	5,643	6	1,624	18	7,267
Moxy	11	2,235	22	4,743	33	6,978
Tribute Portfolio	18	4,285	10	1,077	28	5,362
Element	30	4,208	2	293	32	4,501
Protea Hotels	-	-	37	2,770	37	2,770
The Ritz-Carlton	1	429	-	-	1	429
Bulgari	-	-	1	85	1	85

**MARRIOTT INTERNATIONAL, INC.**  
**TOTAL LODGING PRODUCTS**  
As of December 31, 2018

	North America		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
<b>Owned/Leased</b>	<b>29</b>	<b>8,281</b>	<b>34</b>	<b>8,814</b>	<b>63</b>	<b>17,095</b>
Sheraton	2	1,474	4	1,830	6	3,304
Courtyard	19	2,814	4	894	23	3,708
Marriott Hotels	3	1,664	5	1,625	8	3,289
Westin	1	1,073	-	-	1	1,073
W Hotels	1	509	2	665	3	1,174
Protea Hotels	-	-	7	1,168	7	1,168
Renaissance	1	317	3	749	4	1,066
The Ritz-Carlton	-	-	2	553	2	553
JW Marriott	-	-	1	496	1	496
St. Regis	1	238	1	160	2	398
Residence Inn	1	192	1	140	2	332
The Luxury Collection	-	-	2	287	2	287
Autograph Collection	-	-	2	247	2	247
<b>Unconsolidated Joint Ventures</b>	<b>49</b>	<b>8,447</b>	<b>102</b>	<b>12,749</b>	<b>151</b>	<b>21,196</b>
AC Hotels by Marriott	49	8,447	96	12,330	145	20,777
Autograph Collection	-	-	6	419	6	419
<b>Residences</b>	<b>59</b>	<b>6,959</b>	<b>30</b>	<b>2,998</b>	<b>89</b>	<b>9,957</b>
The Ritz-Carlton Residences	37	4,854	11	950	48	5,804
W Residences	9	1,078	4	478	13	1,556
St. Regis Residences	7	585	7	593	14	1,178
Westin Residences	3	266	1	264	4	530
Bulgari Residences	-	-	3	366	3	366
Sheraton Residences	-	-	2	262	2	262
The Luxury Collection Residences	2	151	2	85	4	236
EDITION Residences	1	25	-	-	1	25
<b>Timeshare*</b>	<b>70</b>	<b>18,313</b>	<b>19</b>	<b>3,873</b>	<b>89</b>	<b>22,186</b>
<b>Grand Total</b>	<b>5,106</b>	<b>881,680</b>	<b>1,800</b>	<b>435,688</b>	<b>6,906</b>	<b>1,317,368</b>

\*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

**MARRIOTT INTERNATIONAL, INC.**  
**TOTAL LODGING PRODUCTS**  
As of December 31, 2018

<b>Total Systemwide</b>	<b>North America</b>		<b>Total International</b>		<b>Total Worldwide</b>	
	<i>Units</i>	<i>Rooms</i>	<i>Units</i>	<i>Rooms</i>	<i>Units</i>	<i>Rooms</i>
<b>Luxury</b>	<b>177</b>	<b>48,874</b>	<b>311</b>	<b>73,553</b>	<b>488</b>	<b>122,427</b>
JW Marriott	28	15,681	56	21,502	84	37,183
The Ritz-Carlton	39	11,398	57	15,555	96	26,953
The Ritz-Carlton Residences	37	4,854	11	950	48	5,804
The Ritz-Carlton Serviced Apartments	-	-	5	697	5	697
The Luxury Collection	17	5,084	93	16,872	110	21,956
The Luxury Collection Residences	2	151	2	85	4	236
W Hotels	25	7,474	30	7,569	55	15,043
W Residences	9	1,078	4	478	13	1,556
St. Regis	10	1,977	31	7,062	41	9,039
St. Regis Residences	7	585	7	593	14	1,178
EDITION	2	567	6	1,301	8	1,868
EDITION Residences	1	25	-	-	1	25
Bulgari	-	-	6	523	6	523
Bulgari Residences	-	-	3	366	3	366
<b>Full-Service</b>	<b>950</b>	<b>343,146</b>	<b>865</b>	<b>250,563</b>	<b>1,815</b>	<b>593,709</b>
Marriott Hotels	341	134,834	226	66,532	567	201,366
Sheraton	190	72,674	251	82,943	441	155,617
Sheraton Residences	-	-	2	262	2	262
Westin	129	52,955	94	29,198	223	82,153
Westin Residences	3	266	1	264	4	530
Renaissance	88	29,104	87	25,995	175	55,099
Autograph Collection	95	20,218	71	14,684	166	34,902
Le Méridien	19	3,987	88	24,047	107	28,034
Delta Hotels	61	14,905	2	562	63	15,467
Gaylord Hotels	6	9,918	-	-	6	9,918
Tribute Portfolio	18	4,285	13	1,636	31	5,921
Marriott Executive Apartments	-	-	30	4,440	30	4,440
<b>Limited-Service</b>	<b>3,909</b>	<b>471,347</b>	<b>605</b>	<b>107,699</b>	<b>4,514</b>	<b>579,046</b>
Courtyard	1,027	143,389	172	35,049	1,199	178,438
Residence Inn	789	97,335	14	1,746	803	99,081
Fairfield by Marriott	940	88,052	39	6,236	979	94,288
SpringHill Suites	414	48,959	-	-	414	48,959
Four Points	152	23,015	119	26,129	271	49,144
TownePlace Suites	388	39,231	-	-	388	39,231
Aloft	108	16,296	51	11,056	159	27,352
AC Hotels by Marriott	49	8,447	96	12,330	145	20,777
Protea Hotels	-	-	80	8,265	80	8,265
Moxy	11	2,235	26	5,342	37	7,577
Element	31	4,388	8	1,546	39	5,934
<b>Timeshare*</b>	<b>70</b>	<b>18,313</b>	<b>19</b>	<b>3,873</b>	<b>89</b>	<b>22,186</b>
<b>Grand Total</b>	<b>5,106</b>	<b>881,680</b>	<b>1,800</b>	<b>435,688</b>	<b>6,906</b>	<b>1,317,368</b>

\*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
In Constant \$

**Comparable Company-Operated North American Properties**

Brand	Three Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
JW Marriott	\$162.31	1.3%	71.6%	-0.9% pts.		\$226.84	2.6%
The Ritz-Carlton	\$267.85	3.4%	71.8%	-1.0% pts.		\$373.05	4.8%
W Hotels	\$253.18	1.2%	77.7%	-3.6% pts.		\$325.92	5.8%
<b>Composite North American Luxury<sup>1</sup></b>	<b>\$253.63</b>	<b>2.0%</b>	<b>72.9%</b>	<b>-2.3% pts.</b>		<b>\$347.84</b>	<b>5.3%</b>
Marriott Hotels	\$147.22	0.9%	72.0%	-0.4% pts.		\$204.47	1.5%
Sheraton	\$141.39	-0.9%	71.7%	-3.4% pts.		\$197.23	3.8%
Westin	\$157.24	-1.4%	71.6%	-1.3% pts.		\$219.52	0.4%
<b>Composite North American Upper Upscale<sup>2</sup></b>	<b>\$145.97</b>	<b>0.2%</b>	<b>72.0%</b>	<b>-1.1% pts.</b>		<b>\$202.86</b>	<b>1.8%</b>
<b>North American Full-Service<sup>3</sup></b>	<b>\$164.02</b>	<b>0.7%</b>	<b>72.1%</b>	<b>-1.3% pts.</b>		<b>\$227.44</b>	<b>2.5%</b>
Courtyard	\$95.75	-1.0%	68.2%	-1.3% pts.		\$140.36	0.9%
Residence Inn	\$117.23	0.3%	75.6%	-0.4% pts.		\$155.05	0.8%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$101.57</b>	<b>-0.6%</b>	<b>70.7%</b>	<b>-1.0% pts.</b>		<b>\$143.57</b>	<b>0.8%</b>
<b>North American - All<sup>5</sup></b>	<b>\$144.15</b>	<b>0.4%</b>	<b>71.7%</b>	<b>-1.2% pts.</b>		<b>\$201.09</b>	<b>2.1%</b>

**Comparable Systemwide North American Properties**

Brand	Three Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
JW Marriott	\$165.73	2.0%	72.4%	-1.0% pts.		\$228.91	3.3%
The Ritz-Carlton	\$267.85	3.4%	71.8%	-1.0% pts.		\$373.05	4.8%
W Hotels	\$253.18	1.2%	77.7%	-3.6% pts.		\$325.92	5.8%
<b>Composite North American Luxury<sup>1</sup></b>	<b>\$240.27</b>	<b>2.3%</b>	<b>73.2%</b>	<b>-2.0% pts.</b>		<b>\$328.30</b>	<b>5.1%</b>
Marriott Hotels	\$122.36	1.3%	68.3%	-0.4% pts.		\$179.13	1.9%
Sheraton	\$107.34	-0.7%	67.0%	-2.4% pts.		\$160.09	2.8%
Westin	\$143.66	-0.4%	70.4%	-1.1% pts.		\$204.07	1.2%
<b>Composite North American Upper Upscale<sup>2</sup></b>	<b>\$125.43</b>	<b>0.7%</b>	<b>69.1%</b>	<b>-0.8% pts.</b>		<b>\$181.40</b>	<b>2.0%</b>
<b>North American Full-Service<sup>3</sup></b>	<b>\$136.64</b>	<b>1.0%</b>	<b>69.5%</b>	<b>-1.0% pts.</b>		<b>\$196.48</b>	<b>2.4%</b>
Courtyard	\$94.70	-0.2%	68.4%	-1.0% pts.		\$138.37	1.3%
Residence Inn	\$108.80	-0.3%	75.1%	-0.9% pts.		\$144.85	0.9%
Fairfield by Marriott	\$74.92	-1.2%	66.6%	-1.2% pts.		\$112.50	0.5%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$91.37</b>	<b>-0.8%</b>	<b>69.7%</b>	<b>-1.4% pts.</b>		<b>\$131.13</b>	<b>1.2%</b>
<b>North American - All<sup>5</sup></b>	<b>\$111.00</b>	<b>0.2%</b>	<b>69.6%</b>	<b>-1.2% pts.</b>		<b>\$159.43</b>	<b>1.9%</b>

<sup>1</sup> Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, and EDITION.

<sup>2</sup> Includes Marriott Hotels, Sheraton, Westin, Renaissance, Autograph Collection, Delta Hotels, Gaylord Hotels, and Le Méridien. Systemwide also includes Tribute Portfolio.

<sup>3</sup> Includes Composite North American Luxury and Composite North American Upper Upscale.

<sup>4</sup> Includes Courtyard, Residence Inn, Fairfield by Marriott, SpringHill Suites, TownePlace Suites, Four Points, Aloft, Element, and AC Hotels by Marriott. Systemwide also includes Moxy.

<sup>5</sup> Includes North American Full-Service and Composite North American Limited-Service.



**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
**In Constant \$**

**Comparable Company-Operated International Properties**

Region	Three Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
Greater China	\$95.61	3.5%	73.1%	0.5% pts.		\$130.84	2.9%
Rest of Asia Pacific	\$133.38	8.6%	76.8%	2.0% pts.		\$173.73	5.8%
<b>Asia Pacific</b>	<b>\$109.64</b>	<b>5.8%</b>	<b>74.5%</b>	<b>1.0% pts.</b>		<b>\$147.26</b>	<b>4.3%</b>
Caribbean & Latin America	\$131.49	8.6%	64.6%	-1.2% pts.		\$203.56	10.7%
Europe	\$135.89	5.5%	72.3%	0.7% pts.		\$187.95	4.6%
Middle East & Africa	\$113.81	-5.9%	70.2%	1.5% pts.		\$162.01	-8.0%
<b>International - All<sup>1</sup></b>	<b>\$118.27</b>	<b>3.8%</b>	<b>72.4%</b>	<b>0.9% pts.</b>		<b>\$163.41</b>	<b>2.5%</b>
<b>Worldwide<sup>2</sup></b>	<b>\$131.17</b>	<b>1.9%</b>	<b>72.0%</b>	<b>-0.2% pts.</b>		<b>\$182.11</b>	<b>2.1%</b>

**Comparable Systemwide International Properties**

Region	Three Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
Greater China	\$95.07	3.5%	72.5%	0.6% pts.		\$131.13	2.7%
Rest of Asia Pacific	\$131.24	7.2%	76.5%	1.4% pts.		\$171.49	5.2%
<b>Asia Pacific</b>	<b>\$111.00</b>	<b>5.4%</b>	<b>74.3%</b>	<b>0.9% pts.</b>		<b>\$149.45</b>	<b>4.1%</b>
Caribbean & Latin America	\$102.10	6.8%	62.1%	-1.7% pts.		\$164.37	9.7%
Europe	\$124.73	5.7%	72.9%	1.0% pts.		\$170.99	4.2%
Middle East & Africa	\$108.45	-5.6%	69.6%	1.2% pts.		\$155.91	-7.2%
<b>International - All<sup>1</sup></b>	<b>\$113.66</b>	<b>4.0%</b>	<b>71.7%</b>	<b>0.7% pts.</b>		<b>\$158.46</b>	<b>3.0%</b>
<b>Worldwide<sup>2</sup></b>	<b>\$111.77</b>	<b>1.3%</b>	<b>70.2%</b>	<b>-0.7% pts.</b>		<b>\$159.15</b>	<b>2.2%</b>

<sup>1</sup> Includes Asia Pacific, Caribbean & Latin America, Europe, and Middle East & Africa.

<sup>2</sup> Includes North American - All and International - All.

**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
**In Constant \$**

**Comparable Company-Operated North American Properties**

Brand	Twelve Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
JW Marriott	\$178.07	0.7%	76.8%	-0.3%	pts.	\$231.79	1.1%
The Ritz-Carlton	\$276.13	4.4%	74.0%	0.1%	pts.	\$373.25	4.2%
W Hotels	\$249.18	1.8%	81.0%	-1.3%	pts.	\$307.77	3.4%
<b>Composite North American Luxury<sup>1</sup></b>	<b>\$258.71</b>	<b>3.3%</b>	<b>76.9%</b>	<b>-0.5%</b>	<b>pts.</b>	<b>\$336.58</b>	<b>3.9%</b>
Marriott Hotels	\$153.97	2.3%	76.4%	0.3%	pts.	\$201.45	1.9%
Sheraton	\$145.39	2.0%	76.6%	-0.4%	pts.	\$189.88	2.5%
Westin	\$164.58	0.7%	75.7%	-0.3%	pts.	\$217.50	1.0%
<b>Composite North American Upper Upscale<sup>2</sup></b>	<b>\$151.44</b>	<b>1.9%</b>	<b>76.0%</b>	<b>0.0%</b>	<b>pts.</b>	<b>\$199.35</b>	<b>1.9%</b>
<b>North American Full-Service<sup>3</sup></b>	<b>\$169.44</b>	<b>2.2%</b>	<b>76.1%</b>	<b>-0.1%</b>	<b>pts.</b>	<b>\$222.60</b>	<b>2.3%</b>
Courtyard	\$103.63	0.1%	72.6%	-0.5%	pts.	\$142.82	0.8%
Residence Inn	\$126.43	0.1%	79.2%	-0.7%	pts.	\$159.65	1.0%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$109.72</b>	<b>0.3%</b>	<b>74.9%</b>	<b>-0.4%</b>	<b>pts.</b>	<b>\$146.55</b>	<b>0.8%</b>
<b>North American - All<sup>5</sup></b>	<b>\$150.42</b>	<b>1.8%</b>	<b>75.7%</b>	<b>-0.2%</b>	<b>pts.</b>	<b>\$198.66</b>	<b>2.0%</b>

**Comparable Systemwide North American Properties**

Brand	Twelve Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017		2018	vs. 2017
JW Marriott	\$179.40	1.7%	77.4%	-0.1%	pts.	\$231.92	1.9%
The Ritz-Carlton	\$276.13	4.4%	74.0%	0.1%	pts.	\$373.25	4.2%
W Hotels	\$249.18	1.8%	81.0%	-1.3%	pts.	\$307.77	3.4%
<b>Composite North American Luxury<sup>1</sup></b>	<b>\$245.35</b>	<b>3.5%</b>	<b>77.0%</b>	<b>-0.3%</b>	<b>pts.</b>	<b>\$318.54</b>	<b>3.8%</b>
Marriott Hotels	\$130.21	2.0%	72.8%	0.2%	pts.	\$178.97	1.7%
Sheraton	\$115.07	1.3%	72.5%	-0.7%	pts.	\$158.74	2.3%
Westin	\$153.29	1.1%	75.3%	-0.4%	pts.	\$203.66	1.6%
<b>Composite North American Upper Upscale<sup>2</sup></b>	<b>\$132.64</b>	<b>1.8%</b>	<b>73.5%</b>	<b>-0.1%</b>	<b>pts.</b>	<b>\$180.54</b>	<b>1.9%</b>
<b>North American Full-Service<sup>3</sup></b>	<b>\$143.64</b>	<b>2.1%</b>	<b>73.8%</b>	<b>-0.1%</b>	<b>pts.</b>	<b>\$194.59</b>	<b>2.2%</b>
Courtyard	\$102.38	0.6%	72.9%	-0.1%	pts.	\$140.48	0.7%
Residence Inn	\$117.52	0.9%	79.3%	0.1%	pts.	\$148.27	0.7%
Fairfield by Marriott	\$82.32	1.1%	71.6%	0.3%	pts.	\$114.98	0.7%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$99.29</b>	<b>0.9%</b>	<b>74.3%</b>	<b>0.0%</b>	<b>pts.</b>	<b>\$133.61</b>	<b>1.0%</b>
<b>North American - All<sup>5</sup></b>	<b>\$118.51</b>	<b>1.5%</b>	<b>74.1%</b>	<b>-0.1%</b>	<b>pts.</b>	<b>\$159.94</b>	<b>1.6%</b>

<sup>1</sup> Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, and EDITION.

<sup>2</sup> Includes Marriott Hotels, Sheraton, Westin, Renaissance, Autograph Collection, Delta Hotels, Gaylord Hotels, and Le Méridien. Systemwide also includes Tribute Portfolio.

<sup>3</sup> Includes Composite North American Luxury and Composite North American Upper Upscale.

<sup>4</sup> Includes Courtyard, Residence Inn, Fairfield by Marriott, SpringHill Suites, TownePlace Suites, Four Points, Aloft, Element, and AC Hotels by Marriott. Systemwide also includes Moxy.

<sup>5</sup> Includes North American Full-Service and Composite North American Limited-Service.

**MARRIOTT INTERNATIONAL, INC.**  
**KEY LODGING STATISTICS**  
**In Constant \$**

**Comparable Company-Operated International Properties**

Region	Twelve Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	2018	vs. 2017	
Greater China	\$94.54	7.6%	72.3%	2.6% pts.	\$130.77	3.7%	
Rest of Asia Pacific	\$129.25	7.3%	75.6%	1.6% pts.	\$170.99	5.0%	
<b>Asia Pacific</b>	<b>\$107.43</b>	<b>7.5%</b>	<b>73.5%</b>	<b>2.2% pts.</b>	<b>\$146.14</b>	<b>4.2%</b>	
Caribbean & Latin America	\$131.52	8.6%	64.8%	0.1% pts.	\$202.84	8.5%	
Europe	\$151.86	4.8%	74.0%	0.7% pts.	\$205.15	3.8%	
Middle East & Africa	\$102.39	-1.8%	66.4%	2.4% pts.	\$154.17	-5.3%	
<b>International - All<sup>1</sup></b>	<b>\$118.86</b>	<b>5.2%</b>	<b>71.6%</b>	<b>1.7% pts.</b>	<b>\$165.91</b>	<b>2.7%</b>	
<b>Worldwide<sup>2</sup></b>	<b>\$134.58</b>	<b>3.3%</b>	<b>73.7%</b>	<b>0.8% pts.</b>	<b>\$182.67</b>	<b>2.2%</b>	

**Comparable Systemwide International Properties**

Region	Twelve Months Ended December 31, 2018 and December 31, 2017						
	REVPAR		Occupancy			Average Daily Rate	
	2018	vs. 2017	2018	vs. 2017	2018	vs. 2017	
Greater China	\$93.96	7.5%	71.7%	2.7% pts.	\$131.07	3.5%	
Rest of Asia Pacific	\$128.40	7.0%	75.3%	1.6% pts.	\$170.43	4.7%	
<b>Asia Pacific</b>	<b>\$109.14</b>	<b>7.2%</b>	<b>73.3%</b>	<b>2.2% pts.</b>	<b>\$148.90</b>	<b>4.0%</b>	
Caribbean & Latin America	\$104.77	7.4%	63.2%	0.1% pts.	\$165.71	7.3%	
Europe	\$134.10	5.8%	73.0%	1.4% pts.	\$183.74	3.7%	
Middle East & Africa	\$98.38	-1.6%	66.1%	2.0% pts.	\$148.87	-4.6%	
<b>International - All<sup>1</sup></b>	<b>\$114.56</b>	<b>5.5%</b>	<b>70.9%</b>	<b>1.7% pts.</b>	<b>\$161.48</b>	<b>3.0%</b>	
<b>Worldwide<sup>2</sup></b>	<b>\$117.37</b>	<b>2.6%</b>	<b>73.2%</b>	<b>0.4% pts.</b>	<b>\$160.37</b>	<b>2.0%</b>	

<sup>1</sup> Includes Asia Pacific, Caribbean & Latin America, Europe, and Middle East & Africa.

<sup>2</sup> Includes North American - All and International - All.

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

**Fiscal Year 2018**

	<b>First Quarter<sup>1</sup></b>	<b>Second Quarter<sup>1</sup></b>	<b>Third Quarter<sup>1</sup></b>	<b>Fourth Quarter</b>	<b>Total</b>
Net income	\$ 420	\$ 667	\$ 503	\$ 317	\$ 1,907
Cost reimbursement revenue	(3,776)	(4,048)	(3,735)	(3,984)	(15,543)
Reimbursed expenses	3,808	3,964	3,855	4,151	15,778
Interest expense	75	85	86	94	340
Interest expense from unconsolidated joint ventures	2	3	2	3	10
Tax provision	112	207	91	28	438
Depreciation and amortization	54	58	52	62	226
Contract investment amortization	18	13	13	14	58
Depreciation classified in reimbursed expenses	33	34	39	41	147
Depreciation and amortization from unconsolidated joint ventures	10	10	10	10	40
Share-based compensation	38	47	43	43	171
Gain on asset dispositions	(58)	(109)	(16)	(6)	(189)
Gain on investees' property sales	-	(10)	(55)	-	(65)
Merger-related costs and charges	34	18	12	91	155
<b>Adjusted EBITDA **</b>	<b>\$ 770</b>	<b>\$ 939</b>	<b>\$ 900</b>	<b>\$ 864</b>	<b>\$ 3,473</b>
<b>Increase over 2017 Adjusted EBITDA **</b>	<b>8%</b>	<b>15%</b>	<b>12%</b>	<b>10%</b>	<b>11%</b>

**Fiscal Year 2017<sup>2</sup>**

	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Total</b>
Net income	\$ 371	\$ 489	\$ 485	\$ 114	\$ 1,459
Cost reimbursement revenue	(3,736)	(3,927)	(3,830)	(3,962)	(15,455)
Reimbursed expenses	3,696	3,791	3,650	4,091	15,228
Interest expense	70	73	73	72	288
Interest expense from unconsolidated joint ventures	1	3	2	4	10
Tax provision	123	227	253	920	1,523
Depreciation and amortization	51	71	54	53	229
Contract investment amortization	11	12	11	16	50
Depreciation classified in reimbursed expenses	32	33	28	33	126
Depreciation and amortization from unconsolidated joint ventures	11	10	10	11	42
Share-based compensation	35	41	42	37	155
Gain on asset dispositions	-	(24)	-	(659)	(683)
Merger-related costs and charges	51	21	28	59	159
<b>Adjusted EBITDA **</b>	<b>\$ 716</b>	<b>\$ 820</b>	<b>\$ 806</b>	<b>\$ 789</b>	<b>\$ 3,131</b>

\*\* Denotes non-GAAP financial measures. See pages A-14 and A-15 for information about our reasons for providing these alternative financial measures and the limitations on their use.

<sup>1</sup> Results for the 2018 full year and for the first, second, and third quarters of 2018 reflect the correction of certain immaterial errors of cost reimbursement revenue and reimbursed expenses in the previously reported 2018 first, second, and third quarters. The errors had no impact on our Adjusted operating income, Adjusted operating income margin, Adjusted net income, Adjusted diluted EPS, or Adjusted EBITDA non-GAAP measures. For more information, see our Annual Report on Form 10-K, which the company expects to file on March 1, 2019.

<sup>2</sup> On January 1, 2018, we adopted ASU 2014-09. The table above reflects our recast 2017 results under the new accounting standard.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**  
**ADJUSTED EBITDA FORECAST**  
**FIRST QUARTER 2019**

(\$ in millions)

	<u>Range</u>		<u>First Quarter 2018**</u>
	<u>Estimated</u>		
	<u>First Quarter 2019</u>		
Net income excluding certain items <sup>1</sup>	\$ 445	\$ 464	
Interest expense	100	100	
Interest expense from unconsolidated joint ventures	-	-	
Tax provision	115	121	
Depreciation and amortization	55	55	
Contract investment amortization	15	15	
Depreciation classified in reimbursed expenses	35	35	
Depreciation and amortization from unconsolidated joint ventures	10	10	
Share-based compensation	45	45	
<b>Adjusted EBITDA **</b>	<b>\$ 820</b>	<b>\$ 845</b>	<b>\$ 770</b>
<b>Increase over 2018 Adjusted EBITDA **</b>	<b>6%</b>	<b>10%</b>	

\*\* Denotes non-GAAP financial measures. See pages A-14 and A-15 for information about our reasons for providing these alternative financial measures and the limitations on their use.

<sup>1</sup> Guidance excludes cost reimbursement revenue, reimbursed expenses, and merger-related costs and charges, which the company cannot accurately forecast and which may be significant, except for depreciation classified in reimbursed expenses, which is included in the caption "Depreciation classified in reimbursed expenses" above.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**  
**ADJUSTED EBITDA FORECAST**  
**FULL YEAR 2019**

(\$ in millions)

	<u>Range</u>		<u>Full Year 2018**</u>
	<u>Estimated</u>		
	<u>Full Year 2019</u>		
Net income excluding certain items <sup>1</sup>	\$ 1,967	\$ 2,043	
Interest expense	415	415	
Interest expense from unconsolidated joint ventures	10	10	
Tax provision	593	617	
Depreciation and amortization	215	215	
Contract investment amortization	60	60	
Depreciation classified in reimbursed expenses	135	135	
Depreciation and amortization from unconsolidated joint ventures	35	35	
Share-based compensation	185	185	
<b>Adjusted EBITDA **</b>	<b><u>\$ 3,615</u></b>	<b><u>\$ 3,715</u></b>	<b><u>\$ 3,473</u></b>
<b>Increase over 2018 Adjusted EBITDA **</b>	<b>4%</b>	<b>7%</b>	

\*\* Denotes non-GAAP financial measures. See pages A-14 and A-15 for information about our reasons for providing these alternative financial measures and the limitations on their use.

<sup>1</sup> Guidance excludes cost reimbursement revenue, reimbursed expenses, and merger-related costs and charges, which the company cannot accurately forecast and which may be significant, except for depreciation classified in reimbursed expenses, which is included in the caption "Depreciation classified in reimbursed expenses" above.

**MARRIOTT INTERNATIONAL, INC.**  
**EXPLANATION OF NON-GAAP FINANCIAL AND PERFORMANCE 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. 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.

**Adjusted Operating Income and Adjusted Operating Income Margin.** Adjusted operating income and Adjusted operating income margin exclude cost reimbursement revenue, reimbursed expenses, Starwood merger costs presented in the “Merger-related costs and charges” caption of our Income Statements, and net purchase accounting revisions. Adjusted operating income margin reflects Adjusted operating income divided by Adjusted total revenues. We believe that these are meaningful metrics because they allow for period-over-period comparisons of our ongoing operations before these items and for the reasons further described below.

**Adjusted Net Income and Adjusted Diluted EPS.** Adjusted net income and Adjusted diluted EPS reflect our net income and diluted earnings per share excluding the impact of cost reimbursement revenue, reimbursed expenses, merger-related costs, charges, and other merger-related adjustments due to purchase accounting, the gain on the sale of our ownership interest in Avendra, and the income tax effect of these adjustments, and the impact of the U.S. Tax Cuts and Jobs Act of 2017. We calculate the income tax effect of the adjustments using an estimated tax rate applicable to each adjustment. We believe that these measures are meaningful indicators of our performance because they allow for period-over-period comparisons of our ongoing operations before these items and for the reasons further described below.

**Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“Adjusted EBITDA”).** Adjusted EBITDA reflects net income excluding the impact of the following items: cost reimbursement revenue and reimbursed expenses, interest expense, depreciation (including depreciation classified in “Reimbursed expenses,” as discussed below), amortization, and provision for income taxes, pre-tax transaction and transition costs associated with the Starwood merger, and share-based compensation expense for all periods presented. When applicable, Adjusted EBITDA also excludes gains and losses on asset dispositions made by us or by our joint venture investees.

In our presentations of Adjusted operating income and Adjusted operating income margin, Adjusted net income, and Adjusted diluted EPS, we exclude transaction and transition costs associated with the Starwood merger, which we record in the “Merger-related costs and charges” caption of our Income Statements, and other merger-related adjustments due to purchase accounting, to allow for period-over period comparisons of our ongoing operations before the impact of these items. We exclude cost reimbursement revenue and reimbursed expenses, which relate to property-level and centralized programs and services that we operate for the benefit of our hotel owners. We do not operate these programs and services to generate a profit over the contract term, and accordingly, when we recover the costs that we incur for these programs and services from our hotel owners, we do not seek a mark-up. For property-level services, our owners typically reimburse us at the same time that we incur expenses. However, for centralized programs and services, our owners may reimburse us before or after we incur expenses, causing temporary timing differences between the costs we incur and the related reimbursement from hotel owners in our operating and net income. Over the long term, these programs and services are not designed to impact our economics, either positively or negatively. Because we do not retain any such profits or losses over time, we exclude the net impact when evaluating period-over-period changes in our operating results.

**MARRIOTT INTERNATIONAL, INC.**  
**EXPLANATION OF NON-GAAP FINANCIAL AND PERFORMANCE MEASURES**

We believe that Adjusted EBITDA is a meaningful indicator of our operating performance because it permits period-over-period comparisons of our ongoing 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. 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 classified in "Reimbursed expenses" and "Contract investment amortization" in our Consolidated Statements of Income (our "Income Statements"), because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. Depreciation classified in "Reimbursed expenses" reflects depreciation of Marriott-owned assets, for which we receive cash from owners to reimburse the company for its investments made for the benefit of the system. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We exclude share-based compensation expense in all periods presented to address the 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.

**RevPAR.** In addition to the foregoing non-GAAP financial measures, we present Revenue per Available Room ("RevPAR") as a performance measure. We believe RevPAR is a meaningful indicator of our performance because it measures the period-over-period change in room revenues for comparable properties. RevPAR may not be comparable to similarly titled measures, such as revenues. We calculate RevPAR by dividing room sales (recorded in local currency) for comparable properties by room nights available for the period. We present growth in comparative pro forma combined company RevPAR on a constant dollar basis, which we calculate by applying exchange rates for the current period to each period presented. We believe constant dollar analysis provides valuable information regarding our properties' performance as it removes currency fluctuations from the presentation of such results.