

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF INCOME

(in millions, except per share amounts)

	Twelve Weeks Ended		Percent Better/ (Worse)
	June 15, 2007	June 16, 2006	
REVENUES			
Base management fees	\$ 148	\$ 134	10
Franchise fees	101	93	9
Incentive management fees	116	77	51
Owned, leased, corporate housing and other revenue ¹	312	272	15
Timeshare sales and services ²	453	371	22
Cost reimbursements ³	1,992	1,905	5
Synthetic fuel	88	39	126
Total Revenues	<u>3,210</u>	<u>2,891</u>	11
OPERATING COSTS AND EXPENSES			
Owned, leased and corporate housing - direct ⁴	257	225	(14)
Timeshare - direct	331	289	(15)
Reimbursed costs	1,992	1,905	(5)
General, administrative and other ⁵	207	141	(47)
Synthetic fuel	123	57	(116)
Total Expenses	<u>2,910</u>	<u>2,617</u>	(11)
OPERATING INCOME	300	274	9
Gains and other income (expense) ⁶	(4)	8	(150)
Interest expense	(52)	(30)	(73)
Interest income	6	12	(50)
(Provision for) reversal of loan losses	-	1	(100)
Equity in earnings (losses) ⁷	(1)	6	(117)
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	249	271	(8)
Provision for income taxes	(42)	(85)	51
Minority interest	-	-	*
NET INCOME	<u>\$ 207</u>	<u>\$ 186</u>	11
EARNINGS PER SHARE - Basic	<u>\$ 0.54</u>	<u>\$ 0.45</u>	20
EARNINGS PER SHARE - Diluted	<u>\$ 0.51</u>	<u>\$ 0.43</u>	19
Basic Shares	382.9	412.5	
Diluted Shares	403.8	436.6	

* Percent can not be calculated.

¹ – *Owned, leased, corporate housing and other revenue* includes revenue from the properties we own or lease, revenue from our corporate housing business, land rent income and other revenue.

² – *Timeshare sales and services* includes total timeshare revenue except for base fees, cost reimbursements, real estate gains and joint venture earnings. Timeshare sales and services includes gains on the sale of timeshare note receivable securitizations.

³ – *Cost reimbursements* include reimbursements from lodging 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 lodging business segments, and our corporate overhead costs and general expenses.

⁶ – *Gains and other income (expense)* includes net gains on the sale of real estate, gains on note sales or repayments (except timeshare note securitizations gains), gains on the sale of joint ventures, income from cost method joint ventures and net earn-out payments associated with our synthetic fuel operations.

⁷ – *Equity in earnings (losses)* includes our equity in earnings (losses) of unconsolidated joint ventures.

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF INCOME

(in millions, except per share amounts)

	Twenty-Four Weeks Ended		Percent Better/ (Worse)
	June 15, 2007	June 16, 2006	
REVENUES			
Base management fees	\$ 282	\$ 261	8
Franchise fees	192	175	10
Incentive management fees	187	136	38
Owned, leased, corporate housing and other revenue ¹	562	526	7
Timeshare sales and services ²	822	677	21
Cost reimbursements ³	3,913	3,725	5
Synthetic fuel	156	96	63
Total Revenues	6,114	5,596	9
OPERATING COSTS AND EXPENSES			
Owned, leased and corporate housing - direct ⁴	476	433	(10)
Timeshare - direct	643	529	(22)
Reimbursed costs	3,913	3,725	(5)
General, administrative and other ⁵	354	291	(22)
Synthetic fuel	227	141	(61)
Total Expenses	5,613	5,119	(10)
OPERATING INCOME	501	477	5
Gains and other income (expense) ⁶	19	42	(55)
Interest expense	(85)	(57)	(49)
Interest income	9	23	(61)
(Provision for) reversal of loan losses	-	3	(100)
Equity in earnings (losses) ⁷	1	3	(67)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	445	491	(9)
Provision for income taxes	(56)	(141)	60
Minority interest	-	6	(100)
INCOME FROM CONTINUING OPERATIONS	389	356	9
Cumulative effect of change in accounting principle, net of tax ⁸	-	(109)	100
NET INCOME	\$ 389	\$ 247	57
EARNINGS PER SHARE - Basic			
Earnings from continuing operations	\$ 1.01	\$ 0.86	17
Losses from cumulative effect of change in accounting principle	-	(0.26)	100
Earnings per share	\$ 1.01	\$ 0.60	68
EARNINGS PER SHARE - Diluted			
Earnings from continuing operations	\$ 0.95	\$ 0.81	17
Losses from cumulative effect of change in accounting principle	-	(0.25)	100
Earnings per share	\$ 0.95	\$ 0.56	70
Basic Shares	385.5	412.1	
Diluted Shares	407.9	438.9	

¹ - *Owned, leased, corporate housing and other revenue* includes revenue from the properties we own or lease, revenue from our corporate housing business, land rent income and other revenue.

² - *Timeshare sales and services* includes total timeshare revenue except for base fees, cost reimbursements, real estate gains and joint venture earnings. Timeshare sales and services includes gains on the sale of timeshare note receivable securitizations.

³ - *Cost reimbursements* include reimbursements from lodging 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 lodging business segments and our corporate overhead costs and general expenses.

⁶ - *Gains and other income (expense)* includes gains and losses on the sale of real estate, gains on note sales or repayments (except timeshare note securitizations gains), gains and losses on the sale of joint ventures, income from cost method joint ventures and net earn-out payments associated with our synthetic fuel operations.

⁷ - *Equity in earnings (losses)* includes our equity in earnings (losses) of unconsolidated equity method joint ventures.

⁸ - *Cumulative effect of change in accounting principle, net of tax* is associated with the adoption, in the 2006 first quarter, of Statement of Position 04-2, "Accounting for Real Estate Time-sharing Transactions" which was issued by the American Institute of Certified Public Accountants.

Marriott International, Inc.
Business Segments
(\$ in millions)

	Twelve Weeks Ended		Percent Better/ (Worse)
	June 15, 2007	June 16, 2006	
REVENUES			
North American Full-Service	\$ 1,282	\$ 1,267	1
North American Limited-Service	538	490	10
International	382	326	17
Luxury	370	329	12
Timeshare	532	427	25
Total lodging ¹	<u>3,104</u>	<u>2,839</u>	9
Synthetic Fuel	88	39	126
Other unallocated corporate	18	13	38
Total	<u>\$ 3,210</u>	<u>\$ 2,891</u>	11
NET INCOME			
North American Full-Service	\$ 132	\$ 105	26
North American Limited-Service	131	106	24
International	59	62	(5)
Luxury	18	16	13
Timeshare	107	68	57
Total lodging financial results ¹	<u>447</u>	<u>357</u>	25
Synthetic Fuel (after-tax)	32	4	700
Other unallocated corporate	(101)	(54)	(87)
Interest income, provision for loan losses and interest expense (excluding Synthetic Fuel)	(43)	(19)	(126)
Income taxes (excluding Synthetic Fuel)	(128)	(102)	(25)
Total	<u>\$ 207</u>	<u>\$ 186</u>	11

¹ We consider lodging revenues and lodging financial results to be meaningful indicators of our performance because they measure our growth in profitability as a lodging company and enable investors to compare the sales and results of our lodging operations to those of other lodging companies.

Marriott International, Inc.
Business Segments
(\$ in millions)

	Twenty-Four Weeks Ended		Percent Better/ (Worse)
	June 15, 2007	June 16, 2006	
REVENUES			
North American Full-Service	\$ 2,526	\$ 2,486	2
North American Limited-Service	1,001	942	6
International	713	601	19
Luxury	709	660	7
Timeshare	975	783	25
Total lodging ¹	<u>5,924</u>	<u>5,472</u>	8
Synthetic Fuel	156	96	63
Other unallocated corporate	34	28	21
Total	<u>\$ 6,114</u>	<u>\$ 5,596</u>	9
INCOME FROM CONTINUING OPERATIONS			
North American Full-Service	\$ 246	\$ 242	2
North American Limited-Service	218	178	22
International	109	105	4
Luxury	29	34	(15)
Timeshare	151	119	27
Total lodging financial results ¹	<u>753</u>	<u>678</u>	11
Synthetic Fuel (after-tax)	50	7	614
Other unallocated corporate	(133)	(109)	(22)
Interest income, provision for loan losses and interest expense (excluding Synthetic Fuel)	(67)	(33)	(103)
Income taxes (excluding Synthetic Fuel)	(214)	(187)	(14)
Total	<u>\$ 389</u>	<u>\$ 356</u>	9

¹ We consider lodging revenues and lodging financial results to be meaningful indicators of our performance because they measure our growth in profitability as a lodging company and enable investors to compare the sales and results of our lodging operations to those of other lodging companies.

MARRIOTT INTERNATIONAL, INC.

Brand	Total Lodging Products ¹			Number of Rooms/Suites		
	Number of Properties			Number of Rooms/Suites		
	June 15, 2007	June 16, 2006	vs. June 16, 2006	June 15, 2007	June 16, 2006	vs. June 16, 2006
Domestic Full-Service						
Marriott Hotels & Resorts	341	340	1	135,800	135,463	337
Renaissance Hotels & Resorts	69	67	2	25,369	25,571	(202)
Domestic Limited-Service						
Courtyard	668	634	34	93,328	89,078	4,250
Fairfield Inn	513	516	(3)	45,592	46,746	(1,154)
SpringHill Suites	162	144	18	18,898	16,829	2,069
Residence Inn	508	483	25	60,462	57,810	2,652
TownePlace Suites	128	123	5	12,857	12,389	468
International						
Marriott Hotels & Resorts	180	177	3	51,967	50,796	1,171
Renaissance Hotels & Resorts	72	69	3	23,423	22,617	806
Courtyard	72	77	(5)	13,620	13,324	296
Fairfield Inn	7	5	2	756	559	197
SpringHill Suites	1	1	-	124	124	-
Residence Inn	18	17	1	2,563	2,240	323
Marriott Executive Apartments	18	17	1	3,005	2,804	201
Ramada	2	2	-	332	332	-
Luxury						
The Ritz-Carlton - Domestic	34	35	(1)	11,343	11,616	(273)
The Ritz-Carlton - International	29	25	4	8,487	7,766	721
Bulgari Hotels & Resorts	2	1	1	117	58	59
The Ritz-Carlton Residential	15	-	15	1,425	-	1,425
Timeshare ²						
Marriott Vacation Club	46	44	2	10,682	9,876	806
The Ritz-Carlton Club - Fractional	7	7	-	388	491	(103)
The Ritz-Carlton Club - Residential	2	-	2	82	-	82
Grand Residences by Marriott - Fractional	2	3	(1)	248	313	(65)
Horizons by Marriott Vacation Club	2	2	-	372	328	44
Sub Total Timeshare	59	56	3	11,772	11,008	764
Total	2,898	2,789	109	521,240	507,130	14,110

Number of Timeshare Interval, Fractional and Whole Ownership Resorts²

	Total ³	In Active
		Sales
100% Company-Developed		
Marriott Vacation Club	45	24
The Ritz-Carlton Club	5	3
Grand Residences by Marriott	2	2
Horizons by Marriott Vacation Club	2	2
Joint Ventures		
Marriott Vacation Club	1	1
The Ritz-Carlton Club	4	4
Total	59	36

¹ Total Lodging Products excludes the 2,054 and 2,005 corporate housing rental units as of June 15, 2007 and June 16, 2006, respectively.

² Includes products in active sales which may not be ready for occupancy.

³ Includes resorts that are in active sales and those that are sold out. Residential properties are captured once they possess a certificate of occupancy.

Marriott International, Inc.
Key Lodging Statistics

Comparable Company-Operated International Properties¹

Region	Three Months Ended May 31, 2007 and May 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$136.75	11.2%	78.4%	0.7% pts.	\$174.44	10.2%
Continental Europe	\$129.68	9.0%	75.8%	1.1% pts.	\$171.08	7.3%
United Kingdom	\$146.83	5.2%	76.7%	1.3% pts.	\$191.32	3.5%
Middle East & Africa	\$110.31	16.5%	76.8%	3.5% pts.	\$143.60	11.2%
Asia Pacific ²	\$117.31	8.6%	75.3%	-1.8% pts.	\$155.79	11.1%
Regional Composite³	\$129.16	9.0%	76.5%	0.5% pts.	\$168.76	8.3%
International Luxury⁴	\$236.74	12.2%	76.0%	4.0% pts.	\$311.43	6.2%
Total International⁵	\$139.99	9.6%	76.5%	0.9% pts.	\$183.03	8.4%
Worldwide⁶	\$129.42	6.9%	76.5%	0.2% pts.	\$169.08	6.7%

Comparable Systemwide International Properties¹

Region	Three Months Ended May 31, 2007 and May 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$128.46	8.5%	77.3%	2.0% pts.	\$166.28	5.6%
Continental Europe	\$125.61	8.3%	72.6%	0.2% pts.	\$173.05	8.1%
United Kingdom	\$144.20	5.1%	76.2%	1.4% pts.	\$189.28	3.1%
Middle East & Africa	\$106.87	16.5%	75.4%	3.5% pts.	\$141.75	11.0%
Asia Pacific ²	\$116.04	8.9%	75.8%	-0.6% pts.	\$153.08	9.7%
Regional Composite³	\$125.41	8.6%	75.3%	0.7% pts.	\$166.51	7.6%
International Luxury⁴	\$236.74	12.2%	76.0%	4.0% pts.	\$311.43	6.2%
Total International⁵	\$134.72	9.2%	75.4%	1.0% pts.	\$178.73	7.7%
Worldwide⁶	\$109.13	6.4%	76.0%	0.1% pts.	\$143.51	6.3%

¹ International financial results are reported on a period basis, while International statistics are reported on a monthly basis. Statistics are in constant dollars for March through May. Excludes North America (except for Worldwide).

² Does not include Hawaii.

³ Regional information includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Courtyard brands. Includes Hawaii.

⁴ International Luxury includes The Ritz-Carlton properties outside of North America and Bulgari Hotels & Resorts.

⁵ Includes Regional Composite, The Ritz-Carlton International and Bulgari Hotels & Resorts brands.

⁶ Includes international statistics for the three calendar months ended May 31, 2007 and May 31, 2006, and North American statistics for the twelve weeks ended June 15, 2007 and June 16, 2006. Includes the Marriott Hotels & Resorts, The Ritz-Carlton, Bulgari Hotels & Resorts, Renaissance Hotels & Resorts, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.

Marriott International, Inc.
Key Lodging Statistics

Comparable Company-Operated International Properties¹

Region	Five Months Ended May 31, 2007 and May 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$138.10	11.4%	77.8%	1.0% pts.	\$177.56	10.0%
Continental Europe	\$116.77	9.4%	70.7%	1.5% pts.	\$165.22	7.1%
United Kingdom	\$141.45	5.6%	74.6%	1.7% pts.	\$189.69	3.1%
Middle East & Africa	\$106.49	18.3%	74.1%	4.4% pts.	\$143.78	11.3%
Asia Pacific ²	\$113.27	9.3%	74.0%	-1.6% pts.	\$152.97	11.6%
Regional Composite³	\$123.17	9.4%	73.9%	0.7% pts.	\$166.61	8.3%
International Luxury⁴	\$222.55	12.0%	73.2%	4.0% pts.	\$303.90	6.0%
Total International⁵	\$133.17	9.9%	73.9%	1.1% pts.	\$180.30	8.3%
Worldwide⁶	\$120.81	6.7%	72.9%	-0.2% pts.	\$165.67	7.0%

Comparable Systemwide International Properties¹

Region	Five Months Ended May 31, 2007 and May 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$127.55	11.7%	75.5%	2.2% pts.	\$168.89	8.4%
Continental Europe	\$112.80	9.1%	67.6%	0.6% pts.	\$166.79	8.2%
United Kingdom	\$138.99	5.5%	74.0%	1.9% pts.	\$187.93	2.9%
Middle East & Africa	\$102.89	18.0%	72.4%	4.2% pts.	\$142.10	11.2%
Asia Pacific ²	\$112.08	9.2%	74.3%	-0.5% pts.	\$150.86	10.0%
Regional Composite³	\$119.06	9.4%	72.5%	0.9% pts.	\$164.26	8.1%
International Luxury⁴	\$222.55	12.0%	73.2%	4.0% pts.	\$303.90	6.0%
Total International⁵	\$127.67	9.8%	72.5%	1.1% pts.	\$175.98	8.1%
Worldwide⁶	\$102.12	6.2%	72.3%	-0.5% pts.	\$141.15	6.9%

¹ International financial results are reported on a period basis, while International statistics are reported on a monthly basis. Statistics are in constant dollars for January through May. Excludes North America (except for Worldwide).

² Does not include Hawaii.

³ Regional information includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Courtyard brands. Includes Hawaii.

⁴ International Luxury includes The Ritz-Carlton properties outside of North America and Bulgari Hotels & Resorts.

⁵ Includes Regional Composite, The Ritz-Carlton International and Bulgari Hotels & Resorts brands.

⁶ Includes international statistics for the five calendar months ended May 31, 2007 and May 31, 2006, and North American statistics for the twenty-four weeks ended June 15, 2007 and June 16, 2006. Includes the Marriott Hotels & Resorts, The Ritz-Carlton, Bulgari Hotels & Resorts, Renaissance Hotels & Resorts, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.

Marriott International, Inc.

Key Lodging Statistics

Comparable Company-Operated North American Properties

Brand	Twelve Weeks Ended June 15, 2007 and June 16, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$136.32	6.7%	76.6%	0.9% pts.	\$177.97	5.5%
Renaissance Hotels & Resorts	\$134.78	3.2%	76.7%	-1.1% pts.	\$175.72	4.7%
Composite North American Full-Service¹	\$136.09	6.2%	76.6%	0.6% pts.	\$177.63	5.4%
The Ritz-Carlton ²	\$269.10	7.1%	76.2%	-0.1% pts.	\$352.95	7.3%
Composite North American Full-Service & Luxury³	\$150.27	6.4%	76.6%	0.5% pts.	\$196.24	5.7%
Residence Inn	\$100.22	3.4%	80.9%	-1.0% pts.	\$123.93	4.6%
Courtyard	\$95.28	4.5%	74.3%	-0.9% pts.	\$128.24	5.8%
TownePlace Suites	\$66.67	7.6%	78.3%	-1.2% pts.	\$85.20	9.2%
SpringHill Suites	\$84.02	3.1%	77.6%	-0.3% pts.	\$108.22	3.5%
Composite North American Limited-Service⁴	\$94.22	4.3%	76.6%	-0.9% pts.	\$123.08	5.6%
Composite - All⁵	\$124.88	5.6%	76.6%	-0.1% pts.	\$163.11	5.9%

Comparable Systemwide North American Properties

Brand	Twelve Weeks Ended June 15, 2007 and June 16, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$119.79	6.1%	74.7%	1.4% pts.	\$160.33	4.2%
Renaissance Hotels & Resorts	\$119.16	3.4%	74.7%	-1.2% pts.	\$159.44	5.1%
Composite North American Full-Service¹	\$119.69	5.7%	74.7%	1.0% pts.	\$160.20	4.4%
The Ritz-Carlton ²	\$269.10	7.1%	76.2%	-0.1% pts.	\$352.95	7.3%
Composite North American Full-Service & Luxury³	\$129.04	5.9%	74.8%	0.9% pts.	\$172.49	4.6%
Residence Inn	\$98.69	4.7%	80.7%	-1.1% pts.	\$122.25	6.1%
Courtyard	\$94.88	5.3%	75.8%	-0.6% pts.	\$125.15	6.2%
Fairfield Inn	\$65.57	6.9%	74.7%	-0.3% pts.	\$87.82	7.3%
TownePlace Suites	\$66.28	4.3%	76.7%	-2.9% pts.	\$86.38	8.2%
SpringHill Suites	\$83.18	6.1%	77.7%	-0.3% pts.	\$107.11	6.4%
Composite North American Limited-Service⁴	\$87.53	5.3%	77.1%	-0.8% pts.	\$113.58	6.4%
Composite - All⁵	\$103.64	5.6%	76.2%	-0.1% pts.	\$136.03	5.8%

¹ Includes the Marriott Hotels & Resorts and Renaissance Hotels & Resorts brands.

² Statistics for The Ritz-Carlton are for March through May.

³ Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and The Ritz-Carlton brands.

⁴ Includes the Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites and SpringHill Suites brands.

⁵ Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites, and SpringHill Suites brands.

Marriott International, Inc.
Key Lodging Statistics

Comparable Company-Operated North American Properties

Brand	Twenty-Four Weeks Ended June 15, 2007 and June 16, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$128.00	6.6%	72.5%	0.6% pts.	\$176.43	5.7%
Renaissance Hotels & Resorts	\$125.40	3.7%	73.6%	-1.2% pts.	\$170.42	5.3%
Composite North American Full-Service¹	\$127.61	6.2%	72.7%	0.4% pts.	\$175.53	5.6%
The Ritz-Carlton ²	\$259.70	7.5%	74.0%	-0.5% pts.	\$350.86	8.2%
Composite North American Full-Service & Luxury³	\$139.39	6.4%	72.8%	0.3% pts.	\$191.42	5.9%
Residence Inn	\$95.46	2.4%	76.9%	-2.3% pts.	\$124.07	5.4%
Courtyard	\$90.12	4.2%	70.2%	-1.5% pts.	\$128.47	6.5%
TownePlace Suites	\$62.93	6.9%	73.5%	-2.3% pts.	\$85.58	10.2%
SpringHill Suites	\$77.95	3.2%	71.6%	-1.4% pts.	\$108.83	5.2%
Composite North American Limited-Service⁴	\$89.20	3.8%	72.3%	-1.8% pts.	\$123.36	6.4%
Composite - All⁵	\$116.42	5.5%	72.6%	-0.6% pts.	\$160.38	6.4%

Comparable Systemwide North American Properties

Brand	Twenty-Four Weeks Ended June 15, 2007 and June 16, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$114.21	5.9%	71.0%	0.5% pts.	\$160.90	5.2%
Renaissance Hotels & Resorts	\$112.74	3.8%	71.8%	-1.3% pts.	\$157.04	5.7%
Composite North American Full-Service¹	\$114.00	5.6%	71.1%	0.2% pts.	\$160.32	5.2%
The Ritz-Carlton ²	\$259.70	7.5%	74.0%	-0.5% pts.	\$350.86	8.2%
Composite North American Full-Service & Luxury³	\$121.59	5.8%	71.3%	0.2% pts.	\$170.64	5.5%
Residence Inn	\$94.42	4.4%	77.5%	-1.8% pts.	\$121.84	6.8%
Courtyard	\$89.25	5.1%	71.7%	-1.1% pts.	\$124.52	6.7%
Fairfield Inn	\$60.45	6.2%	69.6%	-0.9% pts.	\$86.89	7.6%
TownePlace Suites	\$63.32	4.6%	72.8%	-3.4% pts.	\$86.95	9.4%
SpringHill Suites	\$78.25	5.7%	73.3%	-0.9% pts.	\$106.73	7.0%
Composite North American Limited-Service⁴	\$82.57	5.1%	73.0%	-1.3% pts.	\$113.15	7.0%
Composite - All⁵	\$97.57	5.4%	72.3%	-0.8% pts.	\$134.92	6.5%

¹ Includes the Marriott Hotels & Resorts and Renaissance Hotels & Resorts brands.

² Statistics for The Ritz-Carlton are for January through May.

³ Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts and The Ritz-Carlton brands.

⁴ Includes the Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites and SpringHill Suites brands

⁵ Includes the Marriott Hotels & Resorts, Renaissance Hotels & Resorts, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites, and SpringHill Suites brands.

MARRIOTT INTERNATIONAL, INC.
TIMESHARE SEGMENT
(\$ in millions)

Segment Results	Second Quarter 2007	Second Quarter 2006	Percent Better / (Worse)
Base fees revenue	\$ 10	\$ 8	25
Timeshare sales and services revenue, net of direct expense	122	82	49
Joint venture equity income (loss)	(1)	2	(150)
General, administrative and other expense	(24)	(24)	0
Segment results	<u>\$ 107</u>	<u>\$ 68</u>	57

Sales and Services Revenue	Second Quarter 2007	Second Quarter 2006	Percent Better / (Worse)
Development	\$ 303	\$ 238	27
Services	72	68	6
Financing	69	62	11
Other revenue	9	3	200
Sales and services revenue	<u>\$ 453</u>	<u>\$ 371</u>	22

Contract Sales	Second Quarter 2007	Second Quarter 2006	Percent Better / (Worse)
Company:			
Timeshare	\$ 289	\$ 291	(1)
Fractional	6	11	(45)
Whole-Ownership	-	1	(100)
Total company	<u>295</u>	<u>303</u>	(3)
Joint ventures:			
Timeshare	8	7	14
Fractional	21	18	17
Whole-Ownership	35	143	(76)
Total joint ventures	<u>64</u>	<u>168</u>	(62)
Total contract sales, including joint ventures	<u>\$ 359</u>	<u>\$ 471</u>	(24)

MARRIOTT INTERNATIONAL, INC.
TIMESHARE SEGMENT
(\$ in millions)

Segment Results	YTD 2007	YTD 2006	Percent Better / (Worse)
Base fees revenue	\$ 20	\$ 16	25
Timeshare sales and services revenue, net of direct expense	179	148	21
Joint venture equity income (loss)	(1)	1	(200)
General, administrative and other expense	(47)	(46)	(2)
Segment results	<u>\$ 151</u>	<u>\$ 119</u>	27

Sales and Services Revenue	YTD 2007	YTD 2006	Percent Better / (Worse)
Development	\$ 567	\$ 453	25
Services	148	137	8
Financing	92	81	14
Other revenue	15	6	150
Sales and services revenue	<u>\$ 822</u>	<u>\$ 677</u>	21

Contract Sales	YTD 2007	YTD 2006	Percent Better / (Worse)
Company:			
Timeshare	\$ 564	\$ 579	(3)
Fractional	15	19	(21)
Whole-Ownership	-	3	(100)
Total company	<u>579</u>	<u>601</u>	(4)
Joint ventures:			
Timeshare	16	13	23
Fractional	39	19	105
Whole-Ownership	51	148	(66)
Total joint ventures	<u>106</u>	<u>180</u>	(41)
Total contract sales, including joint ventures	<u>\$ 685</u>	<u>\$ 781</u>	(12)

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. 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.

Synthetic Fuel. We do not consider the Synthetic Fuel segment to be related to our core business, which is lodging. In addition, management expects the Synthetic Fuel segment will no longer have a material impact on our business after the end of 2007, when the Internal Revenue Code provision which provides for synthetic fuel tax credits expires. Accordingly, our management evaluates non-GAAP measures which exclude the impact of our Synthetic Fuel segment 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.

ESOP Settlement Charge. Management evaluates non-GAAP measures that exclude the charge associated with the 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 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 reflecting \$35 million of excise taxes (impacting General, Administration, and Other Expenses), \$13 million of interest expense on those excise taxes and \$6 million of income tax expense primarily reflecting additional interest.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA Our management considers earnings before interest, taxes, depreciation and amortization 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. For the reasons noted above in the "Synthetic Fuel" and "ESOP" captions, our management also evaluates Adjusted EBITDA which excludes the Synthetic Fuel segment and the second quarter 2007 \$35 million charge for excise taxes associated with the ESOP settlement.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Synthetic Fuel
(in millions, except per share amounts)

	Second Quarter 2007			Second Quarter 2006			Percent Better/ (Worse) Excluding Synthetic Fuel
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	
Operating income (loss)	\$ 300	\$ (35)	\$ 335	\$ 274	\$ (18)	\$ 292	15
Gains and other income (expense)	(4)	(16)	12	8	3	5	140
Interest income, provision for loan losses and interest expense	(46)	(3)	(43)	(17)	2	(19)	(126)
Equity in earnings (losses)	(1)	-	(1)	6	-	6	(117)
Income (losses) before income taxes and minority interest	249	(54)	303	271	(13)	284	7
Tax (provision) benefit	(108)	20	(128)	(96)	6	(102)	(25)
Tax credits	66	66	-	11	11	-	-
Total tax (provision) benefit	(42)	86	(128)	(85)	17	(102)	(25)
Minority interest	-	-	-	-	-	-	*
Net Income	\$ 207	\$ 32	\$ 175	\$ 186	\$ 4	\$ 182	(4)
Diluted shares	403.8	403.8	403.8	436.6	436.6	436.6	
Earnings per share - diluted	\$ 0.51	\$ 0.08	\$ 0.43	\$ 0.43	\$ 0.01	\$ 0.42	2
Tax rate	16.9%		42.2%	31.4%		35.9%	

* Percentage not meaningful.

** Denotes non-GAAP financial measures.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Synthetic Fuel
(in millions, except per share amounts)

	Second Quarter YTD 2007			Second Quarter YTD 2006			Percent Better/ (Worse) Excluding Synthetic Fuel
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	
Operating income (loss)	\$ 501	\$ (71)	\$ 572	\$ 477	\$ (45)	\$ 522	10
Gains and other income (expense)	19	(28)	47	42	(1)	43	9
Interest income, provision for loan losses and interest expense	(76)	(9)	(67)	(31)	2	(33)	(103)
Equity in earnings (losses)	1	-	1	3	-	3	(67)
Income (losses) from continuing operations before income taxes and minority interest	<u>445</u>	<u>(108)</u>	<u>553</u>	<u>491</u>	<u>(44)</u>	<u>535</u>	3
Tax (provision) benefit	(175)	39	(214)	(173)	14	(187)	(14)
Tax credits	119	119	-	32	32	-	*
Total tax (provision) benefit	<u>(56)</u>	<u>158</u>	<u>(214)</u>	<u>(141)</u>	<u>46</u>	<u>(187)</u>	(14)
Minority interest	-	-	-	6	5	1	(100)
Income from continuing operations	<u>\$ 389</u>	<u>\$ 50</u>	<u>\$ 339</u>	<u>\$ 356</u>	<u>\$ 7</u>	<u>\$ 349</u>	(3)
Diluted shares	407.9	407.9	407.9	438.9	438.9	438.9	
Earnings per share from continuing operations - diluted	\$ 0.95	\$ 0.12	\$ 0.83	\$ 0.81	\$ 0.02	\$ 0.79	5
Tax rate	12.6%		38.7%	28.7%		35.0%	

* Percentage not meaningful.

** Denotes non-GAAP financial measures.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Measures that Exclude Synthetic Fuel and the ESOP Settlement
(in millions, except per share amounts)

Second Quarter 2007

	As Reported	Synthetic Fuel Impact	ESOP Settlement	Excluding Synthetic Fuel and the ESOP Settlement**
Operating income (loss)	\$ 300	\$ (35)	\$ (35)	\$ 370
Gains and other income (expense)	(4)	(16)	-	12
Interest income, provision for loan losses and interest expense	(46)	(3)	(13)	(30)
Equity in earnings (losses)	(1)	-	-	(1)
Income (losses) operations before income taxes and minority interest	249	(54)	(48)	351
Tax (provision) benefit	(108)	20	(6)	(122)
Tax credits	66	66	-	-
Total tax (provision) benefit	(42)	86	(6)	(122)
Minority interest	-	-	-	-
Net Income	<u>\$ 207</u>	<u>\$ 32</u>	<u>\$ (54)</u>	<u>\$ 229</u>
Diluted shares	403.8	403.8	403.8	403.8
Earnings per share - diluted ¹	\$ 0.51	\$ 0.08	\$ (0.13)	\$ 0.57
Tax rate	16.9%			34.8%

** Denotes non-GAAP financial measures.

¹ Earnings per share does not crossfoot due to rounding.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure
EBITDA and Adjusted EBITDA
(\$ in millions)

	Fiscal Year 2007		
	First Quarter	Second Quarter	Total
Net income	\$ 182	\$ 207	\$ 389
Interest expense	33	52	85
Tax provision	14	42	56
Depreciation and amortization	46	45	91
Less: Depreciation reimbursed by third-party owners	(4)	(4)	(8)
Interest expense from unconsolidated joint ventures	5	5	10
Depreciation and amortization from unconsolidated joint ventures	6	7	13
EBITDA**	\$ 282	\$ 354	\$ 636
Synthetic Fuel adjustment	52	52	104
ESOP settlement - Excise Tax	-	35	35
Adjusted EBITDA**	\$ 334	\$ 441	\$ 775
Increase (Decrease) over 2006 Adjusted EBITDA	3%	21%	13%
The following items make up the Synthetic Fuel adjustment:			
Pre-tax Synthetic Fuel operating losses (income)	\$ 54	\$ 54	\$ 108
Pre-tax minority interest - Synthetic Fuel	-	-	-
Synthetic Fuel depreciation	(2)	(2)	(4)
EBITDA adjustment for Synthetic Fuel	\$ 52	\$ 52	\$ 104

	Fiscal Year 2006				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income	\$ 61	\$ 186	\$ 141	\$ 220	\$ 608
Cumulative effect of change in accounting principle	173	-	-	-	173
Interest expense	27	30	29	38	124
Tax provision (benefit)	56	85	82	63	286
Tax benefit from cumulative effect of change in accounting principle	(64)	-	-	-	(64)
Depreciation and amortization	40	42	44	62	188
Less: Depreciation reimbursed by third-party owners	(4)	(4)	(4)	(6)	(18)
Interest expense from unconsolidated joint ventures	5	6	5	7	23
Depreciation and amortization from unconsolidated joint ventures	6	7	7	9	29
EBITDA**	\$ 300	\$ 352	\$ 304	\$ 393	\$ 1,349
Synthetic Fuel adjustment	24	11	(4)	44	75
Adjusted EBITDA**	\$ 324	\$ 363	\$ 300	\$ 437	\$ 1,424
The following items make up the Synthetic Fuel adjustment:					
Pre-tax Synthetic Fuel operating losses (income)	\$ 31	\$ 13	\$ (2)	\$ 53	\$ 95
Pre-tax minority interest - Synthetic Fuel	(5)	-	-	(1)	(6)
Synthetic Fuel depreciation	(2)	(2)	(2)	(8)	(14)
EBITDA adjustment for Synthetic Fuel	\$ 24	\$ 11	\$ (4)	\$ 44	\$ 75

** Denotes non-GAAP financial measures.