MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measures

In our press release and schedules 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 generally accepted accounting principle measures to the non-GAAP measures (identified by a double asterisk on the following pages) that we refer to in our press release. Although our 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 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.

CTF transaction. Some of the non-GAAP measures are further adjusted to exclude the impact of the $94 million pre-tax charge (2005 second quarter) associated with the agreements we entered into with CTF Holdings Ltd. and its affiliates ("the CTF transaction"). That charge was primarily non-cash and primarily due to the write-off of deferred contract acquisition costs associated with the termination of management agreements. GAAP reporting for the CTF transaction charge does not reflect the fact that the company entered into new management agreements as part of the CTF transaction, which substantially replaced the terminated management agreements. Accordingly, our management evaluates the non-GAAP measures which exclude the CTF transaction charge because those measures allow for period-over-period comparisons relative to our on-going core lodging operations before material charges, and in particular because those non-GAAP measures recognize the new management agreements that were entered into as part of the CTF transaction and the resulting continuity of management for the hotels in question. In addition, these non-GAAP measures facilitate management’s comparison of our results with the results of other lodging companies.

Leveraged lease impairment charge and discontinued operations. Management evaluates non-GAAP measures that exclude the $17 million leveraged lease impairment charge recorded in the 2005 third quarter and discontinued operations in order to better assess the period-over-period performance of our on-going core operating business. Management does not consider the leveraged lease investment to be related to our core lodging business. In addition, non-GAAP measures which exclude these non-lodging items facilitate management’s comparison of our results with the results of other lodging companies.

October 5, 2006

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
($ in millions)

	Fiscal Year 2006						
				Range		Range	
				Estimated	Estimated	Estimated	Estimated
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fourth Quarter	Full Year	Full Year
Operating income	$ 203	$ 274	$ 229	***	***	***	***
Add back: Synthetic Fuel operating loss (income)	27	18	(2)	***	***	***	***
Lodging operating income**	$ 230	$ 292	$ 227	$ 310	$ 335	$ 1,059	$ 1,084

	Fiscal Year 2005				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Operating income as reported	$ 158	$ 41	$ 135	$ 221	$ 555
Add back: Synthetic Fuel operating loss	45	36	34	29	144
Lodging operating income**	$ 203	$ 77	$ 169	$ 250	$ 699

** Denotes non-GAAP financial measures.
*** Guidance not provided for the fourth quarter and full year of 2006.

October 5, 2006

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

	Twelve Weeks ending September 8, 2006				
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	Leveraged Lease Charge	Excluding Synthetic Fuel and Leveraged Lease Charge**
Operating income	$ 229	$ 2	$ 227	$ -	$ 227
Gains and other income	13	3	10	-	10
Interest income and interest expense	(18)	(3)	(15)	-	(15)
Equity in losses	(1)	-	(1)	-	(1)
Income from continuing operations before income taxes and minority interest	223	2	221	-	221
Tax provision	(78)	(1)	(77)	-	(77)
Reversal of tax credits	(4)	(4)	-	-	-
Total tax provision	(82)	(5)	(77)	-	(77)
Minority interest	-	-	-	-	-
Income (loss) from continuing operations	$ 141	$ (3)	$ 144	$ -	$ 144
Diluted shares	424.7	424.7	424.7	424.7	424.7
Earnings (losses) from continuing operations per share - diluted	$ 0.33	$ (0.01)	$ 0.34	$ -	$ 0.34
Tax rate	36.8%		34.8%		34.8%

	Twelve Weeks ending September 9, 2005				
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	Leveraged Lease Charge	Excluding Synthetic Fuel and Leveraged Lease Charge**
Operating income (loss)	$ 135	$ (34)	$ 169	$ -	$ 169
Gains and other income	39	21	18	-	18
Interest income, provision for loan losses and interest expense	(28)	-	(28)	(17)	(11)
Equity in earnings	17	-	17	-	17
Income (loss) from continuing operations before income taxes and minority interest	163	(13)	176	(17)	193
Tax (provision)/benefit	(61)	(3)	(58)	6	(64)
Tax credits	28	28	-	-	-
Total tax (provision)/benefit	(33)	25	(58)	6	(64)
Minority interest	18	18	-	-	-
Income (loss) from continuing operations	$ 148	$ 30	$ 118	$ (11)	$ 129
Diluted shares	458.7	458.7	458.7	458.7	458.7
Earnings (losses) from continuing operations per share - diluted[1]	$ 0.32	$ 0.07	$ 0.26	$ (0.02)	$ 0.28
Tax rate	20.2%		33.0%		33.2%

** Denotes non-GAAP financial measures.

[1] The sum of earnings per share as reported plus the individual earnings per share impact associated with Synthetic Fuel differs from earnings per share excluding Synthetic Fuel.

October 5, 2006

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

	Thirty-six Weeks ending September 8, 2006					
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	CTF Transaction	Leveraged Lease Charge	Excluding Synthetic Fuel, CTF Transaction and Leveraged Lease Charge**
Operating income (loss)	$ 706	$ (43)	$ 749	$ -	$ -	$ 749
Gains and other income	55	2	53	-	-	53
Interest income, reversal of loan losses and interest expense	(49)	(1)	(48)	-	-	(48)
Equity in earnings	2	-	2	-	-	2
Income (loss) from continuing operations before income taxes and minority interest	714	(42)	756	-	-	756
Tax (provision)/benefit	(251)	13	(264)	-	-	(264)
Tax credits	28	28	-	-	-	-
Total tax (provision)/benefit	(223)	41	(264)	-	-	(264)
Minority interest	6	5	1	-	-	1
Income from continuing operations	$ 497	$ 4	$ 493	$ -	$ -	$ 493
Diluted shares	434.4	434.4	434.4	434.4	434.4	434.4
Earnings from continuing operations per share - diluted	$ 1.14	$ 0.01	$ 1.13	$ -	$ -	$ 1.13
Tax rate	31.2%		34.9%			34.9%

	Thirty-six Weeks ending September 9, 2005					
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	CTF Transaction	Leveraged Lease Charge	Excluding Synthetic Fuel, CTF Transaction and Leveraged Lease Charge**
Operating income (loss)	$ 334	$ (115)	$ 449	$ (94)	$ -	$ 543
Gains and other income	97	20	77	-	-	77
Interest income, provision for loan losses, and interest expense	(32)	-	(32)	-	(17)	(15)
Equity in earnings	18	-	18	-	-	18
Income (loss) from continuing operations before income taxes and minority interest	417	(95)	512	(94)	(17)	623
Tax (provision)/benefit	(152)	21	(173)	32	6	(211)
Tax credits	134	134	-	-	-	-
Total tax (provision)/benefit	(18)	155	(173)	32	6	(211)
Minority interest	32	32	-	-	-	-
Income (loss) from continuing operations	$ 431	$ 92	$ 339	$ (62)	$ (11)	$ 412
Diluted shares	470.6	470.6	470.6	470.6	470.6	470.6
Earnings (losses) from continuing operations per share - diluted[1]	$ 0.92	$ 0.20	$ 0.72	$ (0.13)	$ (0.02)	$ 0.88
Tax rate	4.3%		33.8%			33.9%

** Denotes non-GAAP financial measures.

[1] The sum of earnings per share as reported plus the individual earnings per share impact associated with Synthetic Fuel, CTF Transaction and Leveraged Lease charge differs from earnings per share excluding Synthetic Fuel, CTF Transaction and Leveraged Lease charge.

October 5, 2006

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

	Fiscal Year 2006			
	First Quarter	Second Quarter	Third Quarter	YTD Total
Net income	$ 65	$ 186	$ 141	$ 392
Cumulative effect of change in accounting principle before tax	173	-	-	173
Interest expense	27	30	29	86
Tax provision from continuing operations	56	85	82	223
Tax benefit from change in accounting principle	(68)	-	-	(68)
Depreciation	34	34	36	104
Amortization	6	8	8	22
Less: Depreciation reimbursed by third-party owners	(4)	(4)	(4)	(12)
Interest expense from unconsolidated joint ventures	5	6	5	16
Depreciation and amortization from unconsolidated joint ventures	6	7	7	20
EBITDA**	**$ 300**	**$ 352**	**$ 304**	**$ 956**
Synthetic fuel adjustment	24	11	(4)	31
Adjusted EBITDA**	**$ 324**	**$ 363**	**$ 300**	**$ 987**
Increase over 2005 Adjusted EBITDA	**17%**	**19%**	**12%**	**16%**
The following items make up the Synthetic Fuel adjustment:				
Pre-tax synthetic fuel operating losses (income)	$ 31	$ 13	$ (2)	$ 42
Pre-tax minority interest - synthetic fuel	(5)	-	-	(5)
Synthetic fuel depreciation	(2)	(2)	(2)	(6)
EBITDA adjustment for Synthetic Fuel	**$ 24**	**$ 11**	**$ (4)**	**$ 31**

	Fiscal Year 2005				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income	$ 145	$ 138	$ 149	$ 237	$ 669
Interest expense	24	21	24	37	106
Tax provision/(benefit) from continuing operations	5	(20)	33	76	94
Tax provision from discontinued operations	-	-	1	-	1
Depreciation	30	29	46	51	156
Amortization	7	7	7	7	28
Less: Depreciation reimbursed by third-party owners	-	-	(12)	(5)	(17)
Interest expense from unconsolidated joint ventures	11	6	4	8	29
Depreciation and amortization from unconsolidated joint ventures	12	9	7	11	39
EBITDA**	**$ 234**	**$ 190**	**$ 259**	**$ 422**	**$ 1,105**
Synthetic fuel adjustment	42	22	(7)	(1)	56
Pre-tax gain from discontinued operations	-	-	(2)	-	(2)
Non-recurring charges -					
CTF Transaction	-	94	-	-	94
Leveraged lease charge	-	-	17	-	17
Adjusted EBITDA**	**$ 276**	**$ 306**	**$ 267**	**$ 421**	**$ 1,270**
The following items make up the Synthetic Fuel adjustment:					
Pre-tax synthetic fuel operating losses	$ 54	$ 28	$ 13	$ 17	$ 112
Pre-tax minority interest - synthetic fuel	(10)	(4)	(18)	(15)	(47)
Synthetic fuel depreciation	(2)	(2)	(2)	(3)	(9)
EBITDA adjustment for synthetic fuel	**$ 42**	**$ 22**	**$ (7)**	**$ (1)**	**$ 56**

** Denotes non-GAAP financial measures.

October 5, 2006