# MARRIOTT INTERNATIONAL, INC.

Non-GAAP Financial Measure Reconciliation

($ in millions)

We consider lodging operating income to be a meaningful indicator of our performance because it measures our growth in profitability as a lodging company and enables investors to compare the operating income related to our lodging segments to the operating income of other lodging companies. However, lodging operating income is a non-GAAP financial measure and is not an alternative to operating income or any other operating measure prescribed by United States generally accepted accounting principles.

The reconciliation of operating income to lodging operating income is as follows:

| | 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 |

| | Fiscal Year 2004 | | | | |
|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
| Operating income as reported | $ 151 | $ 118 | $ 99 | $ 109 | $ 477 |
| Add back: Synthetic fuel operating loss | - | 30 | 31 | 37 | 98 |
| Lodging operating income | $ 151 | $ 148 | $ 130 | $ 146 | $ 575 |

2/9/2006

# MARRIOTT INTERNATIONAL, INC.

## Non-GAAP Financial Measure Reconciliation

(in millions, except per share amounts)

The table below details the impact on our continuing operations of our Synthetic Fuel segment for the 2005 and 2004 fourth quarters. Our management evaluates the figures presented in the "Excluding Synthetic Fuel" columns because management expects the Synthetic Fuel segment will no longer have a material impact on our business after the Internal Revenue Code Section 29 synthetic fuel tax credits expire at the end of 2007 o earlier if the company elects to make permanent its present synthetic fuel production shutdown and because the presentation reflects the results of ou core lodging operations. Management also believes that these presentations facilitate the comparison of our results with the results of other lodging companies.

However, the figures presented in the "Excluding Synthetic Fuel" columns are all non-GAAP financial measures, may be calculated and/or presented differently than presentations of other companies and are not alternatives to operating income, income from continuing operations, net income, earnings per share or any other operating measure prescribed by United States generally accepted accounting principles.

| | Fourth Quarter 2005 | | | Fourth Quarter 2004 | | |
|---|---|---|---|---|---|---|
| | Continuing Operations | | | Continuing Operations | | |
| | Income from Continuing Operations | Synthetic Fuel Impact | Excluding Synthetic Fuel | Income from Continuing Operations | Synthetic Fuel Impact | Excluding Synthetic Fuel |
| Operating income (loss) | $ 221 | $ (29) | $ 250 | $ 109 | $ (37) | $ 146 |
| Gains and other income | 84 | 12 | 72 | 69 | - | 69 |
| Interest income, provision for loan losses and interest expense | (23) | - | (23) | 26 | - | 26 |
| Equity in earnings/(losses) | 18 | - | 18 | (5) | - | (5) |
| Pre-tax income (loss) | 300 | (17) | 317 | 199 | (37) | 236 |
| Tax (Provision)/Benefit | (109) | 2 | (111) | (72) | 9 | (81) |
| Tax Credits | 33 | 33 | - | 51 | 51 | - |
| Total Tax (Provision)/Benefit | (76) | 35 | (111) | (21) | 60 | (81) |
| Income from Continuing Operations before Minority Interest | 224 | 18 | 206 | 178 | 23 | 155 |
| Minority Interest | 13 | 15 | (2) | 10 | 11 | (1) |
| Income from Continuing Operations | $ 237 | $ 33 | $ 204 | $ 188 | $ 34 | $ 154 |
| Diluted Shares | 220.8 | 220.8 | 220.8 | 239.1 | 239.1 | 239.1 |
| Earnings per Share from Continuing Operations - Diluted | $1.07 | $0.15 | $0.92 | $0.79 | $0.14 | $0.65 |
| Tax Rate | 25.3% | | 35.0% | 10.4% | | 34.3% |

2/9/2006

# MARRIOTT INTERNATIONAL, INC.

## Non-GAAP Financial Measure Reconciliation

(in millions, except per share amounts)

The table below details the impact on our continuing operations of our Synthetic Fuel segment for the 52 weeks ended December 30, 2005 and December 31, 2004. Our management evaluates the figures presented in the “Excluding Synthetic Fuel” columns because management expects the Synthetic Fuel segment will no longer have a material impact on our business after the Internal Revenue Code Section 29 synthetic fuel tax credits expire at the end of 2007 or earlier if the company elects to make permanent its present synthetic fuel production shutdown and because the presentation reflects the results of our core lodging operations. Management also believes that these presentations facilitate the comparison of our results with the results of other lodging companies.

However, the figures presented in the “Excluding Synthetic Fuel” columns are all non-GAAP financial measures, may be calculated and/or presented differently than presentations of other companies and are not alternatives to operating income, income from continuing operations, net income, earnings per share or any other operating measure prescribed by United States generally accepted accounting principles.

| | **Fiscal Year 2005** | | | **Fiscal Year 2004** | | |
|---|---|---|---|---|---|---|
| | Continuing Operations | | | Continuing Operations | | |
| | Income from Continuing Operations | Synthetic Fuel Impact | Excluding Synthetic Fuel | Income from Continuing Operations | Synthetic Fuel Impact | Excluding Synthetic Fuel |
| Operating income (loss) | $ 555 | $ (144) | $ 699 | $ 477 | $ (98) | $ 575 |
| Gains and other income | 181 | 32 | 149 | 164 | 28 | 136 |
| Interest income, provision for loan losses and interest expense | (55) | - | (55) | 55 | - | 55 |
| Equity in earnings/(losses) | 36 | - | 36 | (42) | (28) | (14) |
| Pre-tax income (loss) | 717 | (112) | 829 | 654 | (98) | 752 |
| Tax (Provision)/Benefit | (261) | 23 | (284) | (244) | 21 | (265) |
| Tax Credits | 167 | 167 | - | 144 | 144 | - |
| Total Tax (Provision)/Benefit | (94) | 190 | (284) | (100) | 165 | (265) |
| Income from Continuing Operations before Minority Interest | 623 | 78 | 545 | 554 | 67 | 487 |
| Minority Interest | 45 | 47 | (2) | 40 | 40 | - |
| Income from Continuing Operations | $ 668 | $ 125 | $ 543 | $ 594 | $ 107 | $ 487 |
| Diluted Shares | 231.2 | 231.2 | 231.2 | 240.5 | 240.5 | 240.5 |
| Earnings per Share from Continuing Operations - Diluted | $2.89 | $0.54 | $2.35 | $2.47 | $0.44 | $2.03 |
| Tax Rate | 13.1% | | 34.3% | 15.3% | | 35.2% |

2/9/2006

# MARRIOTT INTERNATIONAL, INC.

## Non-GAAP Financial Measure Reconciliation

(in millions, except per share amounts)

The table below details the impact on our continuing operations of the $94 million charge (2005 second quarter) associated with the agreements we entered into with CTF Holdings Ltd. (the "CTF transaction") and the $17 million leveraged lease impairment charge (2005 third quarter). The $94 million charge recorded in connection with the CTF transaction was primarily non-cash and primarily due to the write-off of deferred contract acquisition costs associated with the termination of management agreements. In addition, we incurred a material charge of $17 million associated with the impairment of our one investment in an aircraft leveraged lease. We do not consider the leveraged lease investment to be related to our core business.

Our management evaluates the figures in the “Excluding CTF and Leveraged Lease Charges” column because they allow for year-over-year comparisons relative to our on-going operations before material charges and believes that this presentation facilitates the comparison of our results with the results of other lodging companies. Management evaluates income-related financial measures that exclude the leveraged lease impairment charge in order to better assess the period-over-period performance of our core operating businesses. Management evaluates income-related financial measures that exclude the CTF transaction charge in order to better assess the Company’s period-over-period performance of our lodging operations in light of the fact that the CTF transaction charge does not reflect the fact that new management agreements, entered into as part of the CTF transaction, substantially replaced the old management agreements the termination of which make up the bulk of the CTF transaction charge.

However, the figures presented in the “Excluding CTF and Leveraged Lease Charges” column are all non-GAAP financial measures, may be calculated and/or presented differently than presentations of other companies, and are not alternatives to operating income, income from continuing operations, net income, earnings per share or any other operating measure prescribed by United States generally accepted accounting principles.

| | Fiscal Year 2005 | | | |
|---|---|---|---|---|
| | Income from Continuing Operations | CTF Transaction Charge | Leveraged Lease Charge | Excluding CTF and Leveraged Lease Charges |
| Operating income (loss) | $ 555 | $ (94) | $ - | $ 649 |
| Gains and other income | 181 | - | - | 181 |
| Interest income, provision for loan losses and interest expense | (55) | - | (17) | (38) |
| Equity in earnings | 36 | - | - | 36 |
| Pre-tax income (loss) | 717 | (94) | (17) | 828 |
| Tax (Provision)/Benefit | (261) | 32 | 6 | (299) |
| Tax Credits | 167 | - | - | 167 |
| Total Tax (Provision)/ Benefit | (94) | 32 | 6 | (132) |
| Income (Loss) from Continuing Operations before Minority Interest | 623 | (62) | (11) | 696 |
| Minority Interest | 45 | - | - | 45 |
| Income (Loss) from Continuing Operations | $ 668 | $ (62) | $ (11) | $ 741 |
| Diluted Shares | 231.2 | 231.2 | 231.2 | 231.2 |
| Earnings/(Loss) per Share from Continuing Operations - Diluted | $ 2.89 | $ (0.27) | $ (0.05) | $ 3.21 |

| | Fiscal Year 2004 | | | |
|---|---|---|---|---|
| | Income from Continuing Operations | CTF Transaction Charge | Leveraged Lease Charge | Excluding CTF and Leveraged Lease Charges |
| Operating income | $ 477 | $ - | $ - | $ 477 |
| Gains and other income | 164 | - | - | 164 |
| Interest income, provision for loan losses and interest expense | 55 | - | - | 55 |
| Equity in losses | (42) | - | - | (42) |
| Pre-tax income | 654 | - | - | 654 |
| Tax Provision | (244) | - | - | (244) |
| Tax Credits | 144 | - | - | 144 |
| Total Tax Provision | (100) | - | - | (100) |
| Income from Continuing Operations before Minority Interest | 554 | - | - | 554 |
| Minority Interest | 40 | - | - | 40 |
| Income from Continuing Operations | $ 594 | $ - | $ - | $ 594 |
| Diluted Shares | 240.5 | 240.5 | 240.5 | 240.5 |
| Earnings per Share from Continuing Operations - Diluted | $ 2.47 | $ - | $ - | $ 2.47 |

2/9/2006

## MARRIOTT INTERNATIONAL, INC.

Non-GAAP Financial Measure Reconciliation

We adopted Statement of Financial Accounting Standard No. 123 (revised 2004), "Share-Based Payment ("FAS No. 123R") at the beginning of our 2006 fiscal year. We estimate the adoption of FAS No. 123R, using the modified prospective method, will result in incremental pre-tax expense in the 2006 first quarter of $9 million and total incremental pre-tax expense for the entire 2006 fiscal year of $44 million.

Our management evaluates diluted earnings per share from continuing operations excluding the impact of the Synthetic Fuel segment and the adoption of FAS 123R because it allows for year-over-year comparisons relative to our on-going lodging operations before material charges and because management expects the Synthetic Fuel segment will no longer have a material impact on our business after the Internal Revenue Code Section 29 synthetic fuel tax credits expire at the end of 2007 or earlier if the company elects to make permanent its present synthetic fuel production shutdown. Management believes that this presentation facilitates the comparison of our results with the results of other lodging companies.

However, diluted earnings per share from continuing operations excluding the impact of the Synthetic Fuel segment and the adoption of FAS 123R is a non-GAAP financial measure, may be calculated and/or presented differently than presentations of other companies and are not alternatives to operating income, income from continuing operations, net income, earnings per share or any other operating measure prescribed by United States generally accepted accounting principles.

| | Range | |
|---|---|---|
| | **Estimated First Quarter 2006** | **Estimated First Quarter 2006** |
| Diluted earnings per share from continuing operations excluding the impact of the Synthetic Fuel segment | $ 0.67 | $ 0.73 |
| Add back estimated eps impact associated with the adoption of FAS No. 123R | 0.03 | 0.03 |
| Diluted earnings per share from continuing operations excluding the impact of the Synthetic Fuel segment and the adoption of FAS No. 123R | $ 0.70 | $ 0.76 |

| | Range | |
|---|---|---|
| | **Estimated Full Year 2006** | **Estimated Full Year 2006** |
| Diluted earnings per share from continuing operations excluding the impact of the Synthetic Fuel segment | $ 2.95 | $ 3.05 |
| Add back estimated eps impact associated with the adoption of FAS No. 123R | 0.13 | 0.13 |
| Diluted earnings per share from continuing operations excluding the impact of the Synthetic Fuel segment and the adoption of FAS No. 123R | $ 3.08 | $ 3.18 |

2/9/2006

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

Our management considers earnings before interest, taxes, depreciation and amortization (EBITDA) to be an indicator of operating performance because it can be used to measure our ability to service debt, fund capital expenditures, and expand our business.

In the 2005 second quarter we recorded a $94 million charge associated with the agreements we entered into with CTF Holdings Ltd. (the "CTF transaction"). The $94 million charge was primarily non-cash and due to the write-off of deferred contract acquisition costs associated with the termination of management agreements. In addition, we incurred a material charge of $17 million in the 2005 third quarter associated with the impairment of our one investment in an aircraft leveraged lease. We do not consider the leveraged lease investment to be related to our core business. Management expects the Synthetic Fuel segment will no longer have a material impact on our business after the Internal Revenue Code Section 29 synthetic fuel tax credits expire at the end of 2007 or earlier if the company elects to make permanent its present synthetic fuel production shutdown.

Management evaluates Adjusted EBITDA which excludes the aircraft leveraged lease impairment charge, discontinued operations and the impact of our Synthetic Fuel segment in order to better assess the period-over-period performance of our on-going core operating businesses. Management evaluates Adjusted EBITDA which also excludes the CTF transaction charge in order to better assess the Company's period-over-period performance of our lodging operations in light of the fact that the CTF transaction charge does not reflect the fact that new management agreements, entered into as part of the CTF transaction, substantially replaced the old management agreements the termination of which makes up the bulk of the CTF transaction charge. Management also believes that these presentations facilitate the comparison of our results with the results of other lodging companies.

However, EBITDA and Adjusted EBITDA are non-GAAP financial measures, may be calculated and/or presented differently than presentations of other companies, and are not alternatives to operating income, income from continuing operations, net income, cash flow from operations, or any other operating measure prescribed by United States generally accepted accounting principles.

| | 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[1] | 30 | 29 | 34 | 46 | 139 |
| Amortization | 7 | 7 | 7 | 7 | 28 |
| 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 discontinued operations | - | - | (2) | - | (2) |
| Non-recurring charges - | | | | | |
| CTF acquisition charge | - | 94 | - | - | 94 |
| Leveraged lease charge | - | - | 17 | - | 17 |
| **Adjusted EBITDA** | **$ 276** | **$ 306** | **$ 267** | $ 421 | **$ 1,270** |
| **Increase over 2004 Adjusted EBITDA** | **14%** | **10%** | **12%** | **23%** | **15%** |
| **The following items make up the synthetic fuel adjustment:** | | | | | |
| Pre-tax synthetic fuel 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** |

[1] Does not include depreciation reimbursed by third party owners.

| | Fiscal Year 2004 | | | | |
|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total |
| **Net income** | **$ 114** | **$ 160** | **$ 133** | **$ 189** | **$ 596** |
| Interest expense | 22 | 24 | 23 | 30 | 99 |
| Tax provision continuing operations | 18 | 33 | 28 | 21 | 100 |
| Tax provision discontinued operations | - | - | 1 | - | 1 |
| Depreciation | 32 | 29 | 32 | 40 | 133 |
| Amortization | 7 | 8 | 7 | 11 | 33 |
| Interest expense from unconsolidated joint ventures | 10 | 11 | 9 | 15 | 45 |
| Depreciation and amortization from unconsolidated joint ventures | 13 | 9 | 13 | 17 | 52 |
| **EBITDA** | **$ 216** | **$ 274** | **$ 246** | **$ 323** | **$ 1,059** |
| Synthetic fuel adjustment | 28 | 5 | (6) | 21 | 48 |
| Pre-tax gain discontinued operations | (1) | - | (1) | (1) | (3) |
| **Adjusted EBITDA** | **$ 243** | **$ 279** | **$ 239** | **$ 343** | **$ 1,104** |
| **The following items make up the synthetic fuel adjustment:** | | | | | |
| Pre-tax synthetic fuel losses | $ - | $ 21 | $ 12 | $ 37 | $ 70 |
| Pre-tax synthetic fuel equity losses | 28 | - | - | - | 28 |
| Pre-tax minority interest - synthetic fuel | - | (14) | (15) | (11) | (40) |
| Synthetic fuel depreciation | - | (2) | (3) | (5) | (10) |
| **EBITDA adjustment for synthetic fuel** | **$ 28** | **$ 5** | **$ (6)** | **$ 21** | **$ 48** |

2/9/2006