

**MARRIOTT INTERNATIONAL, INC.**  
**PRESS RELEASE SCHEDULES**  
**QUARTER 2, 2015**  
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**MARRIOTT INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**SECOND QUARTER 2015 AND 2014**

(in millions except per share amounts, unaudited)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Percent Better/ (Worse)
<b>REVENUES</b>			
Base management fees	\$ 191	\$ 176	9
Franchise fees	221	194	14
Incentive management fees	81	82	(1)
Owned, leased, and other revenue <sup>1</sup>	243	269	(10)
Cost reimbursements <sup>2</sup>	2,953	2,763	7
<b>Total Revenues</b>	<b>3,689</b>	<b>3,484</b>	<b>6</b>
<b>OPERATING COSTS AND EXPENSES</b>			
Owned, leased, and other - direct <sup>3</sup>	183	199	8
Reimbursed costs	2,953	2,763	(7)
Depreciation, amortization, and other <sup>4</sup>	32	47	32
General, administrative, and other <sup>5</sup>	152	159	4
<b>Total Expenses</b>	<b>3,320</b>	<b>3,168</b>	<b>(5)</b>
<b>OPERATING INCOME</b>	<b>369</b>	<b>316</b>	<b>17</b>
Gains and other income, net <sup>6</sup>	20	3	567
Interest expense	(42)	(30)	(40)
Interest income	6	4	50
Equity in earnings (losses) <sup>7</sup>	2	(8)	125
<b>INCOME BEFORE INCOME TAXES</b>	<b>355</b>	<b>285</b>	<b>25</b>
Provision for income taxes	(115)	(93)	(24)
<b>NET INCOME</b>	<b>\$ 240</b>	<b>\$ 192</b>	<b>25</b>
<b>EARNINGS PER SHARE</b>			
Earnings per share - basic	\$ 0.88	\$ 0.66	33
Earnings per share - diluted	\$ 0.87	\$ 0.64	36
Basic Shares	272.4	292.5	
Diluted Shares	277.3	298.7	

<sup>1</sup> *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, branding fees, and other revenue.

<sup>2</sup> *Cost reimbursements* include reimbursements from properties for Marriott-funded operating expenses.

<sup>3</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>4</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>5</sup> *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

<sup>6</sup> *Gains and other income, net* includes gains and losses on: the sale of real estate, the sale or other-than-temporary impairment of joint ventures and investments, and results from cost method investments.

<sup>7</sup> *Equity in earnings (losses)* include our equity in earnings or losses of unconsolidated equity method investments.

**MARRIOTT INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**SECOND QUARTER YEAR-TO-DATE 2015 AND 2014**  
(in millions except per share amounts, unaudited)

	<u>Six Months Ended June 30, 2015</u>	<u>Six Months Ended June 30, 2014</u>	<u>Percent Better/ (Worse)</u>
<b>REVENUES</b>			
Base management fees	\$ 356	\$ 331	8
Franchise fees	425	357	19
Incentive management fees	170	153	11
Owned, leased, and other revenue <sup>1</sup>	500	503	(1)
Cost reimbursements <sup>2</sup>	5,751	5,433	6
<b>Total Revenues</b>	<u>7,202</u>	<u>6,777</u>	6
<b>OPERATING COSTS AND EXPENSES</b>			
Owned, leased, and other - direct <sup>3</sup>	377	384	2
Reimbursed costs	5,751	5,433	(6)
Depreciation, amortization, and other <sup>4</sup>	76	83	8
General, administrative, and other <sup>5</sup>	297	307	3
<b>Total Expenses</b>	<u>6,501</u>	<u>6,207</u>	(5)
<b>OPERATING INCOME</b>	701	570	23
Gains and other income, net <sup>6</sup>	20	3	567
Interest expense	(78)	(60)	(30)
Interest income	14	9	56
Equity in earnings (losses) <sup>7</sup>	5	(6)	183
<b>INCOME BEFORE INCOME TAXES</b>	662	516	28
Provision for income taxes	(215)	(152)	(41)
<b>NET INCOME</b>	<u>\$ 447</u>	<u>\$ 364</u>	23
<b>EARNINGS PER SHARE</b>			
Earnings per share - basic	<u>\$ 1.63</u>	<u>\$ 1.24</u>	31
Earnings per share - diluted	<u>\$ 1.59</u>	<u>\$ 1.21</u>	31
Basic Shares	275.1	294.3	
Diluted Shares	280.6	301.2	

<sup>1</sup> *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, branding fees, and other revenue.

<sup>2</sup> *Cost reimbursements* include reimbursements from properties for Marriott-funded operating expenses.

<sup>3</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>4</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>5</sup> *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

<sup>6</sup> *Gains and other income, net* includes gains and losses on: the sale of real estate, the sale or other-than-temporary impairment of joint ventures and investments, and results from cost method investments.

<sup>7</sup> *Equity in earnings (losses)* include our equity in earnings or losses of unconsolidated equity method investments.

**MARRIOTT INTERNATIONAL, INC.**  
**TOTAL LODGING PRODUCTS**

<b>Brand</b>	<b>Number of Properties</b>			<b>Number of Rooms</b>		
	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>vs. June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>vs. June 30, 2014</b>
<b><u>North America Full Service</u></b>						
Marriott Hotels	364	362	2	146,874	145,823	1,051
Renaissance Hotels	81	80	1	28,322	28,422	(100)
Autograph Collection Hotels	49	35	14	11,562	9,075	2,487
Gaylord Hotels	5	5	-	8,098	8,098	-
Delta Hotels & Resorts	37	-	37	9,595	-	9,595
The Ritz-Carlton Hotels	40	39	1	11,691	11,567	124
The Ritz-Carlton Residences	32	32	-	3,812	3,812	-
EDITION Hotels	2	-	2	568	-	568
EDITION Residences	1	-	1	25	-	25
<b><u>North America Limited Service</u></b>						
Courtyard	895	866	29	126,409	122,907	3,502
Residence Inn	681	655	26	83,227	79,840	3,387
TownePlace Suites	260	231	29	26,111	23,109	3,002
Fairfield Inn & Suites	743	712	31	68,375	65,098	3,277
SpringHill Suites	327	313	14	38,652	36,836	1,816
AC Hotels by Marriott <sup>1</sup>	5	-	5	911	-	911
<b><u>International</u></b>						
Marriott Hotels	228	206	22	69,892	62,466	7,426
Marriott Executive Apartments	27	28	(1)	4,149	4,423	(274)
Renaissance Hotels	78	79	(1)	24,361	24,742	(381)
Autograph Collection Hotels <sup>1</sup>	37	26	11	9,428	3,283	6,145
Protea Hotels	105	112	(7)	9,864	9,995	(131)
The Ritz-Carlton Hotels	48	46	2	14,057	13,510	547
The Ritz-Carlton Serviced Apartments	4	4	-	579	579	-
The Ritz-Carlton Residences	8	8	-	416	416	-
Bulgari Hotels & Resorts	3	3	-	202	202	-
Bulgari Residences	1	-	1	5	-	5
EDITION Hotels	2	2	-	251	251	-
Courtyard	107	101	6	21,374	20,205	1,169
Residence Inn	7	4	3	717	421	296
Fairfield Inn & Suites	4	3	1	622	482	140
AC Hotels by Marriott <sup>1</sup>	77	73	4	9,448	8,310	1,138
Moxy Hotels	1	-	1	162	-	162
<b>Timeshare<sup>2</sup></b>	<b>58</b>	<b>62</b>	<b>(4)</b>	<b>12,876</b>	<b>13,054</b>	<b>(178)</b>
<b>Total Lodging</b>	<b>4,317</b>	<b>4,087</b>	<b>230</b>	<b>742,635</b>	<b>696,926</b>	<b>45,709</b>

<sup>1</sup> Results for all AC Hotels by Marriott properties and five Autograph Collection properties are presented in the "Equity in earnings (losses)" caption of our Consolidated Statements of Income.

<sup>2</sup> Timeshare unit and room counts are as of June 19, 2015 and June 20, 2014, the end of Marriott Vacation Worldwide's second quarter for 2015 and 2014, respectively.

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

**Comparable Company-Operated International Properties<sup>1</sup>**

Region	Three Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Caribbean & Latin America	\$172.37	6.7%	73.3%	1.7%	pts.	\$235.10	4.2%
Europe	\$141.67	5.7%	80.0%	2.0%	pts.	\$177.18	3.1%
Middle East & Africa	\$110.57	0.1%	62.2%	2.3%	pts.	\$177.70	-3.6%
Asia Pacific	\$113.67	5.3%	74.0%	4.8%	pts.	\$153.53	-1.5%
<b>Total International<sup>2</sup></b>	<b>\$130.83</b>	<b>5.1%</b>	<b>74.5%</b>	<b>3.1%</b>	<b>pts.</b>	<b>\$175.53</b>	<b>0.8%</b>
<b>Worldwide<sup>3</sup></b>	<b>\$140.02</b>	<b>5.4%</b>	<b>77.4%</b>	<b>1.2%</b>	<b>pts.</b>	<b>\$180.90</b>	<b>3.8%</b>

**Comparable Systemwide International Properties<sup>1</sup>**

Region	Three Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Caribbean & Latin America	\$147.83	5.0%	72.3%	1.4%	pts.	\$204.54	3.0%
Europe	\$131.80	4.1%	77.2%	1.4%	pts.	\$170.62	2.3%
Middle East & Africa	\$110.07	0.8%	62.9%	2.3%	pts.	\$175.05	-2.9%
Asia Pacific	\$114.52	5.7%	74.5%	4.4%	pts.	\$153.74	-0.5%
<b>Total International<sup>2</sup></b>	<b>\$126.35</b>	<b>4.5%</b>	<b>74.0%</b>	<b>2.5%</b>	<b>pts.</b>	<b>\$170.68</b>	<b>0.9%</b>
<b>Worldwide<sup>3</sup></b>	<b>\$119.32</b>	<b>5.3%</b>	<b>77.4%</b>	<b>0.6%</b>	<b>pts.</b>	<b>\$154.26</b>	<b>4.4%</b>

<sup>1</sup> International includes properties located outside the United States and Canada, except for Worldwide which includes the United States and Canada.

<sup>2</sup> Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, The Ritz-Carlton, Bulgari, EDITION, Residence Inn, Courtyard, and Fairfield Inn & Suites properties.

<sup>3</sup> Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, Gaylord Hotels, The Ritz-Carlton, Bulgari, EDITION, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

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

**Comparable Company-Operated International Properties<sup>1</sup>**

Region	Six Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Caribbean & Latin America	\$202.30	6.9%	75.3%	1.4%	pts.	\$268.52	4.9%
Europe	\$126.24	6.9%	73.9%	2.7%	pts.	\$170.92	2.9%
Middle East & Africa	\$119.42	4.9%	63.6%	4.7%	pts.	\$187.88	-2.8%
Asia Pacific	\$116.15	5.5%	72.9%	4.4%	pts.	\$159.30	-0.9%
<b>Total International<sup>2</sup></b>	<b>\$131.60</b>	<b>6.2%</b>	<b>72.4%</b>	<b>3.5%</b>	<b>pts.</b>	<b>\$181.73</b>	<b>1.1%</b>
<b>Worldwide<sup>3</sup></b>	<b>\$135.50</b>	<b>5.9%</b>	<b>74.5%</b>	<b>1.5%</b>	<b>pts.</b>	<b>\$181.98</b>	<b>3.7%</b>

**Comparable Systemwide International Properties<sup>1</sup>**

Region	Six Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Caribbean & Latin America	\$166.39	5.4%	72.5%	1.0%	pts.	\$229.46	4.0%
Europe	\$117.61	5.3%	71.2%	2.1%	pts.	\$165.23	2.2%
Middle East & Africa	\$118.26	5.1%	64.1%	4.4%	pts.	\$184.60	-2.0%
Asia Pacific	\$116.30	5.9%	73.3%	4.1%	pts.	\$158.72	-0.1%
<b>Total International<sup>2</sup></b>	<b>\$125.34</b>	<b>5.5%</b>	<b>71.4%</b>	<b>2.8%</b>	<b>pts.</b>	<b>\$175.53</b>	<b>1.3%</b>
<b>Worldwide<sup>3</sup></b>	<b>\$113.49</b>	<b>6.0%</b>	<b>73.8%</b>	<b>1.1%</b>	<b>pts.</b>	<b>\$153.78</b>	<b>4.4%</b>

<sup>1</sup> International includes properties located outside the United States and Canada, except for Worldwide which includes the United States and Canada.

<sup>2</sup> Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, The Ritz-Carlton, Bulgari, EDITION, Residence Inn, Courtyard, and Fairfield Inn & Suites properties.

<sup>3</sup> Includes Marriott Hotels, Renaissance Hotels, Autograph Collection Hotels, Gaylord Hotels, The Ritz-Carlton, Bulgari, EDITION Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

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

**Comparable Company-Operated North American Properties**

Brand	Three Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$160.00	5.1%	79.8%	0.2%	pts.	\$200.54	4.7%
Renaissance Hotels	\$148.70	6.2%	79.5%	-0.2%	pts.	\$187.12	6.5%
The Ritz-Carlton	\$267.47	3.2%	74.9%	-0.1%	pts.	\$356.95	3.3%
<b>Composite North American Full-Service<sup>1</sup></b>	<b>\$168.07</b>	<b>4.7%</b>	<b>78.9%</b>	<b>0.2%</b>	<b>pts.</b>	<b>\$213.08</b>	<b>4.4%</b>
Courtyard	\$109.92	7.1%	77.1%	0.3%	pts.	\$142.49	6.6%
SpringHill Suites	\$104.62	8.9%	80.9%	0.8%	pts.	\$129.27	7.8%
Residence Inn	\$120.56	8.5%	81.9%	0.6%	pts.	\$147.15	7.8%
TownePlace Suites	\$83.02	11.4%	80.8%	2.5%	pts.	\$102.81	7.9%
<b>Composite North American Limited-Service<sup>2</sup></b>	<b>\$111.21</b>	<b>7.5%</b>	<b>78.7%</b>	<b>0.4%</b>	<b>pts.</b>	<b>\$141.28</b>	<b>6.9%</b>
<b>Composite - All<sup>3</sup></b>	<b>\$144.52</b>	<b>5.6%</b>	<b>78.8%</b>	<b>0.3%</b>	<b>pts.</b>	<b>\$183.38</b>	<b>5.2%</b>

**Comparable Systemwide North American Properties**

Brand	Three Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$137.65	4.9%	76.7%	0.1%	pts.	\$179.38	4.8%
Renaissance Hotels	\$130.33	5.4%	78.0%	0.0%	pts.	\$167.12	5.4%
Autograph Collection Hotels	\$185.73	3.1%	79.4%	0.3%	pts.	\$233.79	2.8%
The Ritz-Carlton	\$267.47	3.2%	74.9%	-0.1%	pts.	\$356.95	3.3%
<b>Composite North American Full-Service<sup>4</sup></b>	<b>\$146.24</b>	<b>4.6%</b>	<b>76.9%</b>	<b>0.1%</b>	<b>pts.</b>	<b>\$190.21</b>	<b>4.5%</b>
Courtyard	\$108.41	7.0%	77.7%	0.8%	pts.	\$139.51	5.9%
Fairfield Inn & Suites	\$82.83	4.4%	75.0%	-0.1%	pts.	\$110.49	4.5%
SpringHill Suites	\$95.51	5.1%	78.7%	-0.2%	pts.	\$121.31	5.3%
Residence Inn	\$117.56	6.3%	83.0%	0.1%	pts.	\$141.63	6.2%
TownePlace Suites	\$81.39	5.2%	79.3%	0.4%	pts.	\$102.67	4.7%
<b>Composite North American Limited-Service<sup>2</sup></b>	<b>\$102.23</b>	<b>6.1%</b>	<b>78.7%</b>	<b>0.3%</b>	<b>pts.</b>	<b>\$129.97</b>	<b>5.7%</b>
<b>Composite - All<sup>5</sup></b>	<b>\$117.89</b>	<b>5.4%</b>	<b>78.0%</b>	<b>0.2%</b>	<b>pts.</b>	<b>\$151.10</b>	<b>5.1%</b>

<sup>1</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, and The Ritz-Carlton properties.

<sup>2</sup> Includes Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

<sup>3</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

<sup>4</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, and The Ritz-Carlton properties.

<sup>5</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

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

**Comparable Company-Operated North American Properties**

Brand	Six Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$150.98	4.8%	76.4%	0.2%	pts.	\$197.49	4.5%
Renaissance Hotels	\$143.92	7.5%	78.0%	0.9%	pts.	\$184.56	6.3%
The Ritz-Carlton	\$270.48	2.9%	73.1%	-0.4%	pts.	\$370.22	3.5%
<b>Composite North American Full-Service<sup>1</sup></b>	<b>\$161.22</b>	<b>4.7%</b>	<b>76.0%</b>	<b>0.3%</b>	<b>pts.</b>	<b>\$212.11</b>	<b>4.3%</b>
Courtyard	\$102.13	8.3%	73.0%	1.3%	pts.	\$139.95	6.4%
SpringHill Suites	\$96.92	7.8%	75.9%	0.6%	pts.	\$127.77	7.0%
Residence Inn	\$113.32	7.8%	78.5%	0.3%	pts.	\$144.29	7.4%
TownePlace Suites	\$74.89	10.6%	73.6%	1.1%	pts.	\$101.80	8.9%
<b>Composite North American Limited-Service<sup>2</sup></b>	<b>\$103.72</b>	<b>8.2%</b>	<b>74.7%</b>	<b>1.0%</b>	<b>pts.</b>	<b>\$138.88</b>	<b>6.7%</b>
<b>Composite - All<sup>3</sup></b>	<b>\$137.41</b>	<b>5.7%</b>	<b>75.5%</b>	<b>0.6%</b>	<b>pts.</b>	<b>\$182.10</b>	<b>4.9%</b>

**Comparable Systemwide North American Properties**

Brand	Six Months Ended June 30, 2015 and June 30, 2014						
	REVPAR		Occupancy			Average Daily Rate	
	2015	vs. 2014	2015	vs. 2014		2015	vs. 2014
Marriott Hotels	\$131.06	5.3%	73.5%	0.2%	pts.	\$178.37	4.9%
Renaissance Hotels	\$125.41	6.9%	75.6%	1.0%	pts.	\$165.86	5.5%
Autograph Collection Hotels	\$180.70	3.9%	77.3%	0.4%	pts.	\$233.64	3.3%
The Ritz-Carlton	\$270.48	2.9%	73.1%	-0.4%	pts.	\$370.22	3.5%
<b>Composite North American Full-Service<sup>4</sup></b>	<b>\$140.59</b>	<b>5.0%</b>	<b>73.9%</b>	<b>0.3%</b>	<b>pts.</b>	<b>\$190.19</b>	<b>4.6%</b>
Courtyard	\$100.34	8.1%	73.4%	1.6%	pts.	\$136.73	5.8%
Fairfield Inn & Suites	\$75.46	6.1%	70.3%	1.0%	pts.	\$107.40	4.6%
SpringHill Suites	\$89.34	6.2%	75.1%	0.6%	pts.	\$119.03	5.3%
Residence Inn	\$109.67	6.6%	79.3%	0.4%	pts.	\$138.32	6.1%
TownePlace Suites	\$76.53	6.6%	75.1%	0.8%	pts.	\$101.89	5.5%
<b>Composite North American Limited-Service<sup>2</sup></b>	<b>\$94.78</b>	<b>7.1%</b>	<b>74.5%</b>	<b>1.0%</b>	<b>pts.</b>	<b>\$127.24</b>	<b>5.6%</b>
<b>Composite - All<sup>5</sup></b>	<b>\$111.08</b>	<b>6.2%</b>	<b>74.3%</b>	<b>0.8%</b>	<b>pts.</b>	<b>\$149.53</b>	<b>5.0%</b>

<sup>1</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, and The Ritz-Carlton properties.

<sup>2</sup> Includes Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

<sup>3</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.

<sup>4</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, and The Ritz-Carlton properties.

<sup>5</sup> Includes Marriott Hotels, Renaissance Hotels, Gaylord Hotels, Autograph Collection Hotels, The Ritz-Carlton, Residence Inn, Courtyard, Fairfield Inn & Suites, TownePlace Suites, and SpringHill Suites properties.



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

**Fiscal Year 2015**

	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Total</b>
Net income	\$ 207	\$ 240	\$ 447
Interest expense	36	42	78
Tax provision	100	115	215
Depreciation and amortization	32	32	64
Depreciation classified in Reimbursed costs	14	14	28
Interest expense from unconsolidated joint ventures	1	0	1
Depreciation and amortization from unconsolidated joint ventures	3	2	5
<b>EBITDA **</b>	<b>393</b>	<b>445</b>	<b>838</b>
EDITION impairment charge	12	-	12
Losses on expected disposition of real estate	-	22	22
Gain on redemption of preferred equity ownership interest	-	(41)	(41)
Share-based compensation (including share-based compensation reimbursed by third-party owners)	24	31	55
<b>Adjusted EBITDA **</b>	<b>\$ 429</b>	<b>\$ 457</b>	<b>\$ 886</b>
<b>Increase over 2014 Quarterly Adjusted EBITDA **</b>	<b>27%</b>	<b>12%</b>	<b>19%</b>

**Fiscal Year 2014**

	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Total</b>
Net income	\$ 172	\$ 192	\$ 192	\$ 197	\$ 753
Interest expense	30	30	29	26	115
Tax provision	59	93	98	85	335
Depreciation and amortization	26	32	33	32	123
Depreciation classified in Reimbursed costs	12	13	13	13	51
Interest expense from unconsolidated joint ventures	1	1	-	1	3
Depreciation and amortization from unconsolidated joint ventures	4	3	1	2	10
<b>EBITDA **</b>	<b>304</b>	<b>364</b>	<b>366</b>	<b>356</b>	<b>1,390</b>
EDITION impairment charge	10	15	-	-	25
Share-based compensation (including share-based compensation reimbursed by third-party owners)	25	29	27	28	109
<b>Adjusted EBITDA **</b>	<b>\$ 339</b>	<b>\$ 408</b>	<b>\$ 393</b>	<b>\$ 384</b>	<b>\$ 1,524</b>

\*\* Denotes non-GAAP financial measures. Please see pages A-13 and A-14 for information about our reasons for providing these alternative financial measures and the limitations on their use.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**  
**FULL YEAR EBITDA AND ADJUSTED EBITDA**  
**FORECASTED 2015**  
(\$ in millions)

	<u>Range</u>		<u>As Reported</u> <u>Fiscal Year 2014</u>
	<u>Estimated EBITDA</u> <u>Fiscal Year 2015</u>		
Net income	\$ 849	\$ 872	\$ 753
Interest expense	165	165	115
Tax provision	401	413	335
Depreciation and amortization	128	128	123
Depreciation classified in Reimbursed costs	60	60	51
Interest expense from unconsolidated joint ventures	5	5	3
Depreciation and amortization from unconsolidated joint ventures	10	10	10
<b>EBITDA **</b>	<u>1,618</u>	<u>1,653</u>	<u>1,390</u>
EDITION impairment charge	12	12	25
Losses on expected disposition of real estate	22	22	-
Gain on redemption of preferred equity ownership interest	(41)	(41)	-
Share-based compensation (including share-based compensation reimbursed by third-party owners)	110	110	109
<b>Adjusted EBITDA **</b>	<u>\$ 1,721</u>	<u>\$ 1,756</u>	<u>\$ 1,524</u>
<b>Increase over 2014 Adjusted EBITDA**</b>	<b>13%</b>	<b>15%</b>	

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**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**  
**ADJUSTED OPERATING INCOME MARGIN**  
**SECOND QUARTER 2015 AND 2014**  
(\$ in millions)

<b>ADJUSTED OPERATING INCOME MARGIN</b>	<b>Second Quarter 2015</b>	<b>Second Quarter 2014</b>
Total revenues, as reported	\$ 3,689	\$ 3,484
Less: cost reimbursements	(2,953)	(2,763)
<b>Total revenues, as adjusted **</b>	<b>\$ 736</b>	<b>\$ 721</b>
Operating income	\$ 369	\$ 316
Add: EDITION impairment charge	-	15
Add: Venezuela currency loss	-	7
<b>Operating income, as adjusted **</b>	<b>\$ 369</b>	<b>\$ 338</b>
<b>Adjusted operating income margin **</b>	<b>50%</b>	<b>47%</b>

\*\* Denotes non-GAAP financial measures. See pages A-13 and A-14 for information about our reasons for providing these alternative financial measures and the limitations on their use.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**  
**ADJUSTED EARNINGS PER SHARE, NET OF TAX**  
(in millions, except per share amounts)

	<b>Second Quarter 2015</b>	<b>Second Quarter 2014</b>
Net income, as reported	<u>\$ 240</u>	<u>\$ 192</u>
Add: EDITION impairment charge, net of tax	-	9
Add: Venezuela currency loss, net of tax	-	5
Add: Litigation reserve, net of tax	-	7
Add: Losses on expected disposition of real estate, net of tax	13	-
Less: Gain on redemption of preferred equity ownership interest, net of tax	(25)	-
<b>Net income, as adjusted **</b>	<u><b>\$ 228</b></u>	<u><b>\$ 213</b></u>
Diluted EPS, as reported	<u><b>\$ 0.87</b></u>	<u><b>\$ 0.64</b></u>
Add: EDITION impairment charge, net of tax	-	0.03
Add: Venezuela currency loss, net of tax	-	0.02
Add: Litigation reserve, net of tax	-	0.02
Add: Losses on expected disposition of real estate, net of tax	0.04	-
Less: Gain on redemption of preferred equity ownership interest, net of tax	(0.09)	-
<b>Diluted EPS, as adjusted **</b>	<u><b>\$ 0.82</b></u>	<u><b>\$ 0.71</b></u>
Diluted Shares	277.3	
<b>Increase over 2014 Diluted EPS</b>	<b>36%</b>	
<b>Adjusted increase over 2014 Diluted EPS, as adjusted **</b>	<b>15%</b>	

\*\* Denotes non-GAAP financial measures. See pages A-13 and A-14 for information about our reasons for providing these alternative financial measures and the limitations on their use.

**MARRIOTT INTERNATIONAL, INC.**  
**NON-GAAP FINANCIAL MEASURES**  
**RETURN ON INVESTED CAPITAL**  
(\$ in millions)

The reconciliation of net income to earnings before interest expense and taxes is as follows:

	<b>Twelve Months Ended</b>
	<b>June 30, 2015</b>
Net income	\$ 836
Interest expense	133
Tax provision	398
Earnings before interest expense and taxes **	<u>\$ 1,367</u>

The reconciliations of assets to invested capital are as follows:

	<b>Twelve Months Ended</b>	<b>Twelve Months Ended</b>
	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Assets	\$ 6,321	\$ 6,830
Less: current liabilities, net of current portion of long-term debt	(2,903)	(2,683)
Less: deferred tax assets, net <sup>1</sup>	(684)	(800)
Invested capital **	<u>\$ 2,734</u>	<u>\$ 3,347</u>

Average invested capital <sup>2**</sup>	<u>\$ 3,041</u>
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**Return on invested capital \*\*** **45%**

<sup>1</sup> Deducted because the numerator of the calculation is a pre-tax number. At June 30, 2015 and 2014, "Deferred tax assets, net" is also net of "current deferred income tax liabilities" of \$22 million and \$19 million, respectively.

<sup>2</sup> Calculated as "Invested capital" for the current year and prior year, divided by two.

\*\* Denotes non-GAAP financial measures. See pages A-13 and A-14 for information about our reasons for providing these alternative financial measures and the limitations on their use.

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

In our press release and schedules, and on the related conference call, we report certain financial measures that are not 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 (identified by a double asterisk on the preceding pages). Although management evaluates and presents these non-GAAP measures for the reasons described below, please be aware that these non-GAAP measures have limitations and should not be considered in isolation or as a substitute for revenue, operating income, income from continuing operations, net income, earnings per share or any other comparable operating measure prescribed by GAAP. In addition, 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 Measures that Exclude 2015 and 2014 Second Quarter Gains and Charges.** We believe that measures excluding the following 2015 and 2014 second quarter gains and charges are meaningful measures of our performance because they permit period-over-period comparisons of our ongoing core operations before these items and facilitate our comparison of results before these items with results from other lodging companies.

We recorded a net gain of \$19 million pre-tax (\$12 million after-tax) in the 2015 second quarter, consisting of: (1) a \$41 million pre-tax (\$25 million after-tax) gain triggered by a mandatory redemption feature of a preferred equity security; and (2) a \$22 million pre-tax (\$13 million after-tax) loss on expected dispositions of real estate, which we recorded in the "Gains and other income, net" caption of our Condensed Consolidated Statements of Income (our "Income Statements").

We recorded charges of \$33 million pre-tax (\$21 million after-tax) in the 2014 second quarter, consisting of: (1) a \$15 million pre-tax (\$9 million after-tax) impairment charge recorded in the "Depreciation, amortization, and other" caption of our Income Statements following an evaluation of our EDITION hotels for recovery and determination that our cost estimates exceeded our total fixed sales price; (2) an \$11 million pre-tax (\$7 million after-tax) charge recorded in the "Equity in earnings (losses)" caption of our Income Statements for a litigation reserve; and (3) a \$7 million pre-tax (\$5 million after-tax) charge recorded in the "General, administrative, and other" caption of our Income Statements for foreign currency exchange losses from the devaluation of assets denominated in Venezuelan Bolivars.

**Earnings Before Interest Expense and Taxes ("EBIT"), and Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization ("Adjusted EBITDA").** EBIT and Earnings Before Interest Expense, Taxes, Depreciation and Amortization ("EBITDA") are financial measures not required by, or presented in accordance with GAAP. EBIT, which we use as part of our return on invested capital calculation, reflects net income excluding the impact of interest expense and provision for income taxes, and EBITDA reflects EBIT excluding the impact of depreciation and amortization. Our non-GAAP measure of Adjusted EBITDA further adjusts EBITDA to exclude (1) the \$41 million pre-tax preferred equity investment gain and the \$22 million pre-tax expected loss on dispositions of real estate that we describe in more detail above; (2) the pre-tax EDITION impairment charges of \$12 million in the 2015 first quarter, \$10 million in the 2014 first quarter, and \$15 million in the 2014 second quarter; and (3) share-based compensation expense for all periods presented.

We believe that Adjusted EBITDA is a meaningful indicator of our operating performance because it permits period-over-period comparisons of our ongoing core 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, and analysts, lenders, investors, and others use EBITDA or Adjusted EBITDA for similar purposes. 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 included under "Reimbursed costs" in our Income Statements, because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We also excluded share-based compensation expense in all periods presented in order to address 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.

Adjusted EBITDA and EBIT have limitations and should not be considered in isolation or as substitutes for performance measures calculated under GAAP. These non-GAAP measures exclude certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, limiting the usefulness of Adjusted EBITDA as a comparative measure.

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

**Adjusted Operating Income Margin.** We consider operating income, as adjusted and therefore, operating income margin, as adjusted for the 2014 second quarter pre-tax EDITION impairment charges of \$15 million and the \$7 million pre-tax foreign currency exchange losses from the devaluation of assets denominated in Venezuelan Bolivars, meaningful for the reasons noted above. Cost reimbursements revenue represents reimbursements we receive for costs we incur on behalf of managed and franchised properties and relates, predominantly, to payroll costs at managed properties where we are the employer, but also includes reimbursements for other costs, such as those associated with our rewards programs. As we record cost reimbursements based on the costs we incur with no added markup, this revenue and related expense has no impact on either our operating income or net income because cost reimbursements revenue net of reimbursed costs expense is zero. In calculating adjusted operating income margin we consider total revenues, as adjusted and operating income, as adjusted, to be meaningful metrics as they represent that portion of revenue and that portion of operating income that allows for period-over-period operating margin comparisons.

**Adjusted Earnings per Share (“Adjusted EPS”).** Our Adjusted EPS excludes a net gain of \$19 million pre-tax (\$12 after-tax) that we recorded in the 2015 second quarter and charges of \$33 million pre-tax (\$21 million after-tax) that we recorded in the 2014 second quarter, described in more detail above. We believe that Adjusted EPS that excludes these items is a meaningful measure of our performance because it permits period-over-period comparisons of our ongoing core operations before these items and facilitates our comparison of results before these items with results from other lodging companies.

**Return on Invested Capital (“ROIC”).** We calculate ROIC as EBIT divided by average invested capital. We consider ROIC to be a meaningful indicator of our operating performance, and we evaluate ROIC because it measures how effectively we use the money we invest in our operations. We calculate invested capital by deducting from total assets: (1) current liabilities, as we intend to satisfy them in the short term, net of current portion of long-term debt, as the numerator of the calculation excludes interest expense; and (2) deferred tax assets net of deferred tax liabilities, because the numerator of the calculation is a pre-tax amount.