

Marriott International, Inc.
Non-GAAP Financial Measure Reconciliation
Return on Invested Capital
(\$ in millions)

We calculate return on invested capital ("ROIC") excluding our synthetic fuel operation as earnings before income taxes and interest expense (EBIT), excluding our synthetic fuel operation, divided by average capital investment, excluding our Synthetic Fuel segment. 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. We consider ROIC excluding our synthetic fuel operation to be a meaningful indicator of our operating performance, and we evaluate this financial measure because it measures how effectively we use the money invested in our lodging operations.

The reconciliation of income from continuing operations to earnings before income taxes and interest expense is as follows:

	Fiscal Year 2006			Fiscal Year 2005			Fiscal Year 2004		
	As Reported	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	As Reported	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	As Reported	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}
Income from continuing operations	\$ 717	\$ 5	\$ 712	\$ 668	\$ 125	\$ 543	\$ 594	\$ 107	\$ 487
Add:									
Provision (benefit) for income taxes	286	(94)	\$ 380	94	(190)	284	100	(165)	265
Tax benefit included in minority interest	-	-	-	-	-	-	-	-	-
Interest expense	124	-	\$ 124	106	-	106	99	-	99
Goodwill amortization ²	-	-	-	-	-	-	-	-	-
Timeshare interest ³	21	-	21	24	-	24	21	-	21
Earnings (losses) before income taxes and interest expense ^{**}	<u>\$ 1,148</u>	<u>\$ (89)</u>	<u>\$ 1,237</u>	<u>\$ 892</u>	<u>\$ (65)</u>	<u>\$ 957</u>	<u>\$ 814</u>	<u>\$ (58)</u>	<u>\$ 872</u>

The reconciliation of assets to invested capital is as follows:

	Year End 2006			Year End 2005			Year End 2004		
	Total	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	Total	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	Total	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel
Assets	\$ 8,588	\$ 91	\$ 8,497	\$ 8,530	\$ 103	\$ 8,427	\$ 8,668	\$ 116	\$ 8,552
Add:									
Cumulative goodwill amortization	128	-	128	128	-	128	128	-	128
Current liabilities - discontinued operations	-	-	-	-	-	-	-	-	-
Less:									
Current liabilities, net of current portion of long-term debt	(2,507)	(55)	(2,452)	(2,077)	(54)	(2,023)	(2,005)	(76)	(1,929)
Assets - discontinued operations	-	-	-	-	-	-	-	-	-
Deferred tax assets, net	(865)	-	(865)	(765)	-	(765)	(559)	-	(559)
Timeshare capitalized interest	(19)	-	(19)	(20)	-	(20)	(21)	-	(21)
Invested capital ^{**}	<u>\$ 5,325</u>	<u>\$ 36</u>	<u>\$ 5,289</u>	<u>\$ 5,796</u>	<u>\$ 49</u>	<u>\$ 5,747</u>	<u>\$ 6,211</u>	<u>\$ 40</u>	<u>\$ 6,171</u>
Average capital investment ^{** 4}	<u>\$ 5,561</u>	<u>\$ 43</u>	<u>\$ 5,518</u>	<u>\$ 6,004</u>	<u>\$ 45</u>	<u>\$ 5,959</u>	<u>\$ 6,125</u>	<u>\$ 54</u>	<u>\$ 6,071</u>
Return on invested capital ^{**}			22%			16%			14%

^{**} Denotes a non-GAAP financial measure.

1. We acquired the synthetic fuel operations in the 2001 fourth quarter and began operating the facilities in the 2002 first quarter.
2. Beginning with 2002, we stopped amortizing goodwill in conjunction with the adoption of FAS No. 142, "Goodwill and Other Intangible Assets." For comparability, we add the amortized portion back for 2001, 2000 and 1999.
3. Timeshare interest represents previously capitalized interest that is a component of product cost.
4. Calculated as "Invested capital" for the current year and prior year, divided by two.

March 14, 2007

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The reconciliation of income from continuing operations to earnings before income taxes and interest expense is as follows:

	Fiscal Year 2003			Fiscal Year 2002			Fiscal Year 2001			Fiscal Year 2000	
	As Reported	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	As Reported	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	As Reported	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	As Reported	
Income from continuing operations	\$ 476	\$ 96	\$ 380	\$ 439	\$ 74	\$ 365	\$ 269	\$ -	\$ 269	\$ 490	
Add:											
Provision (benefit) for income taxes	(43)	(245)	202	32	(208)	240	152	-	152	281	
Tax benefit included in minority interest	94	94	-	-	-	-	-	-	-	-	
Interest expense	110	-	110	86	-	86	109	-	109	100	
Goodwill amortization ²	-	-	-	-	-	-	28	-	28	29	
Timeshare interest ³	21	-	21	17	-	17	12	-	12	8	
Earnings (losses) before income taxes and interest expense ^{**}	<u>\$ 658</u>	<u>\$ (55)</u>	<u>\$ 713</u>	<u>\$ 574</u>	<u>\$ (134)</u>	<u>\$ 708</u>	<u>\$ 570</u>	<u>\$ -</u>	<u>\$ 570</u>	<u>\$ 908</u>	

The reconciliation of assets to invested capital is as follows:

	Year End 2003			Year End 2002			Year End 2001			Year End 2000	Year End 1999
	Total	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	Total	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel ^{**}	Total	Synthetic Fuel Impact ¹	Excluding Synthetic Fuel	Total	Total
Assets	\$ 8,177	\$ 83	\$ 8,094	\$ 8,296	\$ 59	\$ 8,237	\$ 9,107	\$ 49	\$ 9,058	\$ 8,237	\$ 7,324
Add:											
Cumulative goodwill amortization	128	-	128	128	-	128	128	-	128	100	71
Current liabilities - discontinued operations	-	-	-	119	-	119	129	-	129	125	118
Less:											
Current liabilities, net of current portion of long-term debt	(1,779)	(16)	(1,763)	(2,043)	(14)	(2,029)	(1,883)	-	(1,883)	(1,926)	(1,770)
Assets - discontinued operations	-	-	-	(633)	-	(633)	(889)	-	(889)	(978)	(1,167)
Deferred tax assets, net	(466)	-	(466)	(369)	-	(369)	(128)	-	(128)	(72)	(84)
Timeshare capitalized interest	(22)	-	(22)	(26)	-	(26)	(17)	-	(17)	(7)	(4)
Invested capital ^{**}	<u>\$ 6,038</u>	<u>\$ 67</u>	<u>\$ 5,971</u>	<u>\$ 5,472</u>	<u>\$ 45</u>	<u>\$ 5,427</u>	<u>\$ 6,447</u>	<u>\$ 49</u>	<u>\$ 6,398</u>	<u>\$ 5,479</u>	<u>\$ 4,488</u>
Average capital investment ^{** 4}	<u>\$ 5,755</u>	<u>\$ 56</u>	<u>\$ 5,699</u>	<u>\$ 5,960</u>	<u>\$ 47</u>	<u>\$ 5,913</u>	<u>\$ 5,963</u>	<u>\$ 25</u>	<u>\$ 5,938</u>	<u>\$ 4,984</u>	
Return on invested capital ^{**}			13%			12%			10%	18%	

^{**} Denotes a non-GAAP financial measure.

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