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 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 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.

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. Management evaluates non-GAAP measures that exclude the $17 million leveraged lease impairment charge recorded in the 2005 third quarter 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.

Return on Invested Capital. 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 exclude our synthetic fuel operations for the reasons noted above in the "Synthetic Fuel" caption. 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.

Timeshare Sales and Services Revenue excluding Note Sale Gains. At the beginning of our 2006 fiscal year, we adopted Statement of Position 04-2, "Accounting for Real Estate Time-Sharing Transactions," ("SOP 04-2") as issued by the American Institute of Certified Public Accountants. During 2006, the American Resort Development Association, a timeshare trade association of which we are a member, and the Staff of the Securities and Exchange Commission had communications regarding SOP 04-2 and the income statement presentation of timeshare note securitizations gains. As a result of those communications, for 2006 we reflect Timeshare segment note securitization gains totaling $77 million for 2006 in our "Timeshare sales and services" revenue caption in our Consolidated Statement of Income, while for 2005 we reflect Timeshare segment note securitization gains totaling $69 million for 2005 in our "Gains and other income" caption. Management considers Timeshare Sales and Services Revenue Excluding Note Sale Gains to be a meaningful indicator of the performance of our Timeshare segment, as it allows for the period-over-period analysis of the revenues from our Timeshare business on a comparable basis.

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," "CTF Transaction" and "Leveraged Lease Impairment Charge," captions, our management also evaluates Adjusted EBITDA.

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MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Operating Income Excluding Synthetic Fuel
($ in millions)

	Fiscal Year 2006				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Operating income as reported	$ 203	$ 274	$ 229	$ 305	$ 1,011
Add back: Synthetic Fuel operating loss (income)	27	18	(2)	33	76
Operating income excluding Synthetic Fuel**	$ 230	$ 292	$ 227	$ 338	$ 1,087

	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
Operating income excluding Synthetic Fuel**	$ 203	$ 77	$ 169	$ 250	$ 699

** Denotes non-GAAP financial measures.

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

	Fourth Quarter 2006			Fourth Quarter 2005			Percent Better/ (Worse)
	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	As Reported	Synthetic Fuel Impact	Excluding Synthetic Fuel**	Excluding Synthetic Fuel
Operating income (loss)	$ 305	$ (33)	$ 338	$ 221	$ (29)	$ 250	35
Gains and other income (expense)	4	(17)	21	84	12	72	(71)
Interest income and interest expense	(27)	(3)	(24)	(23)	-	(23)	(4)
Equity in earnings	1	-	1	18	-	18	(94)
Income (losses) before income taxes and minority interest	283	(53)	336	300	(17)	317	6
Tax (provision)/benefit	(97)	19	(116)	(109)	2	(111)	(5)
Tax credits	34	34	-	33	33	-	-
Total tax (provision)/benefit	(63)	53	(116)	(76)	35	(111)	(5)
Minority interest	-	1	(1)	13	15	(2)	50
Net Income	$ 220	$ 1	$ 219	$ 237	$ 33	$ 204	7
Diluted shares	419.9	419.9	419.9	441.5	441.5	441.5	
Earnings per share - diluted [1]	$ 0.52	$ -	$ 0.52	$ 0.54	$ 0.07	$ 0.46	13
Tax rate	22.3%		34.5%	25.3%		35.0%	

** Denotes non-GAAP financial measures.

[1] For 2005, earnings per share as reported less earnings per share from Synthetic Fuel do not sum to earnings per share excluding Synthetic Fuel due to rounders

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

	Fiscal Year 2006			Fiscal Year 2005			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)	$ 1,011	$ (76)	$ 1,087	$ 555	$ (144)	$ 699	56
Gains and other income (expense)	59	(15)	74	181	32	149	(50)
Interest income, provision for loan losses and interest expense	(76)	(4)	(72)	(55)	-	(55)	(31)
Equity in earnings	3	-	3	36	-	36	(92)
Income (loss) from continuing operations before income taxes and minority interest	997	(95)	1,092	717	(112)	829	32
Tax (provision)/benefit	(348)	32	(380)	(261)	23	(284)	(34)
Tax credits	62	62	-	167	167	-	-
Total tax (provision)/benefit	(286)	94	(380)	(94)	190	(284)	(34)
Minority interest	6	6	-	45	47	(2)	100
Income from continuing operations	$ 717	$ 5	$ 712	$ 668	$ 125	$ 543	31
Diluted shares	430.2	430.2	430.2	462.3	462.3	462.3	
Earnings per share from continuing operations - diluted[1]	$ 1.66	$ 0.01	$ 1.65	$ 1.45	$ 0.27	$ 1.17	41
Tax rate	28.7%		34.8%	13.1%		34.3%	

** Denotes non-GAAP financial measures.

[1] For 2005, earnings per share as reported less earnings per share from Synthetic Fuel do not sum to earnings per share excluding Synthetic Fuel due to rounders

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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)

	Fiscal Year 2005				
	As Reported	Synthetic Fuel Impact	CTF Transaction	Leveraged Lease Charge	Excluding Synthetic Fuel, CTF Transaction and Leveraged Lease Charge**
Operating income (loss)	$ 555	$ (144)	$ (94)	$ -	$ 793
Gains and other income	181	32	-	-	149
Interest income, provision for loan losses, and interest expense	(55)	-	-	(17)	(38)
Equity in earnings	36	-	-	-	36
Income (loss) from continuing operations before income taxes and minority interest	717	(112)	(94)	(17)	940
Tax (provision)/benefit	(261)	23	32	6	(322)
Tax credits	167	167	-	-	-
Total tax (provision)/benefit	(94)	190	32	6	(322)
Minority interest	45	47	-	-	(2)
Income (loss) from continuing operations	$ 668	$ 125	$ (62)	$ (11)	$ 616
Diluted shares	462.3	462.3	462.3	462.3	462.3
Earnings (losses) per share from continuing operations - diluted	$ 1.45	$ 0.27	$ (0.13)	$ (0.02)	$ 1.33
Tax rate	13.1%				34.3%

** Denotes non-GAAP financial measures.

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

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

	Fiscal Year 2006		
	As Reported	Synthetic Fuel Impact [1]	Excluding Synthetic Fuel **
Income from continuing operations	$ 717	$ 5	$ 712
Add:			
Provision (benefit) for income taxes	286	(94)	380
Tax benefit included in minority interest	-	-	-
Interest expense	124	-	124
Timeshare interest [2]	21	-	21
Earnings (losses) before income taxes and interest expense **	$ 1,148	$ (89)	$ 1,237

The reconciliation of assets to invested capital is as follows:

	Year End 2006			Year End 2005		
	As Reported	Synthetic Fuel Impact [1]	Excluding Synthetic Fuel **	As Reported	Synthetic Fuel Impact [1]	Excluding Synthetic Fuel **
Assets	$ 8,588	$ 91	$ 8,497	$ 8,530	$ 103	$ 8,427
Add:						
Cumulative goodwill amortization	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)
Assets - discontinued operations	-	-	-	-	-	-
Deferred tax assets, net	(865)	-	(865)	(765)	-	(765)
Timeshare capitalized interest	(19)	-	(19)	(20)	-	(20)
Invested capital **	$ 5,325	$ 36	$ 5,289	$ 5,796	$ 49	$ 5,747
Average capital investment ** [3]	$ 5,561	$ 43	$ 5,518			
Return on invested capital **			**22%**			

** 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. Timeshare interest represents previously capitalized interest that is a component of product cost
3. Calculated as "Invested capital" for the current year and prior year, divided by two.

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

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

	Fiscal Year 2003		
	As Reported	Synthetic Fuel Impact [1]	Excluding Synthetic Fuel **
Income from continuing operations	$ 476	$ 96	$ 380
Add:			
Provision (benefit) for income taxes	(43)	(245)	202
Tax benefit included in minority interest	94	94	-
Interest expense	110	-	110
Timeshare interest [2]	21	-	21
Earnings (losses) before income taxes and interest expense **	$ 658	$ (55)	$ 713

The reconciliation of assets to invested capital is as follows:

	Year End 2003			Year End 2002		
	As Reported	Synthetic Fuel Impact [1]	Excluding Synthetic Fuel **	As Reported	Synthetic Fuel Impact [1]	Excluding Synthetic Fuel **
Assets	$ 8,177	$ 83	$ 8,094	$ 8,296	$ 59	$ 8,237
Add:						
Cumulative goodwill amortization	128	-	128	128	-	128
Current liabilities - discontinued operations	-	-	-	119	-	119
Less:						
Current liabilities, net of current portion of long-term debt	(1,779)	(16)	(1,763)	(2,043)	(14)	(2,029)
Assets - discontinued operations	-	-	-	(633)	-	(633)
Deferred tax assets, net	(466)	-	(466)	(369)	-	(369)
Timeshare capitalized interest	(22)	-	(22)	(26)	-	(26)
Invested capital **	$ 6,038	$ 67	$ 5,971	$ 5,472	$ 45	$ 5,427
Average capital investment ** [3]	$ 5,755	$ 56	$ 5,699			
Return on invested capital **			**13%**			

** 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. Timeshare interest represents previously capitalized interest that is a component of product cost.
3. Calculated as "Invested capital" for the current year and prior year, divided by two.

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MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Timeshare Sales and Services Revenue Excluding Note Sale Gains
($ in millions)

	Fiscal Year 2006				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Timeshare sales and services revenue as reported	$ 306	$ 371	$ 374	$ 526	$ 1,577
Less: Timeshare note sale gains	-	40	-	37	77
Timeshare sales and services revenue excluding note sale gains**	$ 306	$ 331	$ 374	$ 489	$ 1,500

	Fiscal Year 2005				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Timeshare sales and services revenue as reported [1]	$ 346	$ 335	$ 393	$ 413	$ 1,487

** Denotes non-GAAP financial measures.

[1] Timeshare sales and services revenue as reported for 2005 does not include gains from the sale of timeshare notes.

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

	Fiscal Year 2006				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net income[1]	$ 61	$ 186	$ 141	$ 220	$ 608
Cumulative effect of change in accounting principle	173	-	-	-	173
Interest expense	27	30	29	38	124
Tax provision	56	85	82	63	286
Tax benefit from cumulative effect of change in accounting principle[1]	(64)	-	-	-	(64)
Depreciation	34	34	36	51	155
Amortization	6	8	8	11	33
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**
Increase over 2005 Adjusted EBITDA	**17%**	**19%**	**12%**	**4%**	**12%**
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**

	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 Acquisition one-time charge	-	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.

[1] First Quarter results were restated to reflect a change in the tax rate associated with the cumulative effect of change in accounting principle.

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