



**Part II Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Please see attachment.

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18 Can any resulting loss be recognized? ▶ Please see attachment.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Please see attachment.

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 6/22/16

Print your name ▶ ALAN M. SCHMAID Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

**Starwood Hotels & Resorts Worldwide, Inc.**  
**EIN: 52-1193298**

**Attachment to Form 8937—Report of Organizational Actions Affecting Basis of Securities**

**CONSULT YOUR TAX ADVISOR**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury regulations promulgated thereunder and includes a general summary of certain U.S. federal income tax laws and regulations relating to the allocation of tax basis between a holder’s Starwood Hotels & Resorts Worldwide, Inc. (“Starwood”) common stock and Vistana Signature Experiences, Inc. (“Vistana”) common stock following the Distribution (as defined below). The information contained herein does not constitute tax advice and does not purport to be complete or to describe tax consequences that may apply to particular categories of Starwood stockholders, including stockholders who are not U.S. holders (as defined in the Form S-4 referenced below) and who owned, for U.S. federal income tax purposes, more than five percent of the outstanding Starwood common stock. Starwood does not provide tax advice to its stockholders, or to SLC Operating Limited Partnership unitholders who received shares of Vistana common stock. The example provided below is illustrative and is being provided as a convenience to Starwood stockholders when establishing their specific tax position. Starwood stockholders, and SLC Operating Limited Partnership unitholders who also received shares of Vistana common stock, should consult their tax advisors regarding the particular tax consequences to them of the receipt of shares of Vistana common stock, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. You should read the amended registration statement on Form S-4 of Interval Leisure Group, Inc. (“ILG”), as filed with the Securities and Exchange Commission on March 17, 2016 (the “Form S-4”), noting the discussion beginning on page 103 of the proxy statement/prospectus contained therein under the heading “U.S. Federal Income Tax Consequences of the Distribution and the Merger—Treatment of the Distribution and Merger—Tax-Free Distribution and Merger.” You may access the Form S-4 on ILG’s website at [www.iilg.com](http://www.iilg.com) in the Financial Information section under SEC Filings or at [www.sec.gov](http://www.sec.gov).

The discussion below does not apply to shares of Starwood common stock sold, exchanged or otherwise disposed of prior to the time of the Distribution.

**PART II: ORGANIZATIONAL ACTION**

**Item 14 — Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.**

On May 11, 2016, Starwood distributed to its stockholders of record as of the close of business on March 28, 2016, on a pro rata basis, virtually all of the issued and outstanding shares of common stock of Starwood’s wholly-owned subsidiary, Vistana (the “Distribution”). Immediately thereafter, a wholly-owned subsidiary of ILG merged with and into Vistana with Vistana surviving as a wholly-owned subsidiary of ILG (the “Merger”), and each share of

Vistana common stock issued and outstanding immediately prior to the Merger was converted into the right to receive 0.430944 shares of ILG common stock. No fractional shares of ILG common stock were issued in the Merger. All such fractional shares were aggregated and sold on the open market with the resulting net proceeds distributed to holders otherwise entitled to such fractional shares.

Starwood common stock trades on the New York Stock Exchange under the ticker symbol "HOT" and has the CUSIP number 85590A401. ILG common stock trades on the NASDAQ Global Select Market under the ticker symbol "ILG" and has the CUSIP number 46113M108.

**Item 15 — Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

As a result of the Distribution, Starwood stockholders are required to allocate the aggregate tax basis in their Starwood common stock held immediately before the Distribution among such shares and the shares of Vistana common stock treated as being received by such stockholders in the Distribution in proportion to the relative fair market values of the Starwood common stock and the Vistana common stock at the time of the Distribution. Stockholders who acquired Starwood common stock at different times or different prices should calculate their tax basis in each block of stock and then allocate a portion of that tax basis to the Starwood common stock and the Vistana common stock.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market values of the Starwood common stock and the Vistana common stock for purposes of allocating your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market values of the Starwood common stock and the Vistana common stock. One possible approach is to use the average of the high and low trading prices of (i) the Starwood common stock on the New York Stock Exchange on the day of the Distribution (\$82.00 per share) as an indication of the fair market value of the Starwood common stock immediately before the Distribution and (ii) the ILG common stock on the NASDAQ Global Select Market on the day of the Distribution (\$14.38 per share) as an indication of the fair market value, immediately before the Distribution, of the Vistana common stock that was exchanged for such ILG common stock in the Merger. Based on that approach and the assumptions and calculations set forth in Item 16, 92.44% of a stockholder's aggregate tax basis in his or her shares of Starwood common stock prior to the Distribution would be allocated to such stockholder's shares of Starwood common stock and 7.56% would be allocated to such stockholder's shares of Vistana common stock. Other approaches to determining fair market value may be possible, and you should determine, in consultation with your tax advisor, what approach to use in determining the fair market values of the Starwood common stock and the Vistana common stock.

Please note that some brokerage houses might not use the information provided in this document to allocate tax basis, and the information herein is provided only as an example of one potential method of determining fair market value. You should contact your tax advisor for additional information and clarification.

**Item 16 — Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of the securities and the valuation dates.**

The following is an example of how the approach to basis allocation described under Item 15 would be applied:

**Assumptions:**

- Shares of Starwood common stock owned: 100
- Starwood stockholder's aggregate tax basis (A): \$7000 (\$70 per share)
- Shares of Vistana common stock received in the Distribution: 100

**Tax basis allocation:**

	# Shares Owned	Assumed Beginning Tax Basis (A)	Assumed per share FMV of Starwood and Vistana Post Distribution	Aggregate FMV of Shares Owned Post Distribution	Percentage of Total FMV (B)	Allocated Tax Basis Immediately Prior to the Merger = (A) x (B)
Starwood common stock	100	\$7000	\$75.80 <sup>2</sup>	\$7580 <sup>3</sup>	92.44% <sup>5</sup>	\$6471
Vistana common stock	100		\$6.20 <sup>1</sup>	\$620 <sup>5</sup>	7.56% <sup>6</sup>	\$529
<b>Total</b>			<b>\$82.00</b>	<b>\$8200</b>	<b>100%</b>	<b>\$7000</b>

- (1) \$14.38 (average of the high and low trading prices of ILG common stock on 5/11/2016) x 0.430944 (in the Merger, each share of Vistana common stock was exchanged for 0.430944 shares of ILG common stock, before taking into account the aggregation and sale of fractional shares of ILG common stock).
- (2) \$82.00 (average of the high and low trading prices of Starwood common stock on 5/11/2016) less \$6.20 (per share fair market value of Vistana post-Distribution – see footnote 1).
- (3) 100 shares x \$75.80 per share.
- (4) 100 shares x \$6.20 per share.
- (5) \$7580/\$8200.
- (6) \$620/\$8200.

**Item 17 — List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 355(a)(1), 358(a) and (b), and 368(a)(1)(D).

**Item 18 — Can any resulting loss be recognized?**

Starwood stockholders should not recognize loss for U.S. federal income tax purposes on the receipt of Vistana common stock pursuant to the Distribution.

**Item 19 — Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

For additional information on the effect of the Merger on a stockholder's tax basis in Vistana common stock (and ILG common stock received in exchange therefor), see the Form 8937 (and the attachment thereto) with respect to the Merger posted on ILG's website at [www.iilg.com](http://www.iilg.com) in the Investor Relations section.

For calendar year taxpayers, the reportable tax year is 2016.