

**MARRIOTT INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
(in millions, except per share amounts)

	Sixteen Weeks Ended		Percent Better/ (Worse)
	December 28, 2007	December 29, 2006	
<b>REVENUES</b>			
Base management fees	\$ 203	\$ 173	17
Franchise fees	136	121	12
Incentive management fees	126	96	31
Owned, leased, corporate housing and other revenue <sup>1</sup>	416	354	18
Timeshare sales and services <sup>2</sup>	536	526	2
Cost reimbursements <sup>3</sup>	2,672	2,528	6
<b>Total Revenues</b>	4,089	3,798	8
<b>OPERATING COSTS AND EXPENSES</b>			
Owned, leased and corporate housing - direct <sup>4</sup>	351	302	(16)
Timeshare - direct	410	393	(4)
Reimbursed costs	2,672	2,528	(6)
General, administrative and other <sup>5</sup>	250	237	(5)
<b>Total Expenses</b>	3,683	3,460	(6)
<b>OPERATING INCOME</b>	406	338	20
Gains and other income <sup>6</sup>	20	21	(5)
Interest expense	(57)	(38)	(50)
Interest income	12	14	(14)
(Provision for) reversal of loan losses	(17)	-	*
Equity in earnings (losses) <sup>7</sup>	6	1	500
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST</b>	370	336	10
Provision for income taxes	(134)	(116)	(16)
Minority interest	-	(1)	100
<b>INCOME FROM CONTINUING OPERATIONS</b>	236	219	8
Discontinued operations - Synthetic Fuel, net of tax <sup>8</sup>	(60)	1	(6,100)
<b>NET INCOME</b>	\$ 176	\$ 220	(20)
<b>EARNINGS PER SHARE - Basic</b>			
Earnings from continuing operations	\$ 0.65	\$ 0.56	16
Losses from discontinued operations	(0.17)	-	*
Earnings per share	\$ 0.48	\$ 0.56	(14)
<b>EARNINGS PER SHARE - Diluted</b>			
Earnings from continuing operations	\$ 0.62	\$ 0.52	19
Losses from discontinued operations	(0.16)	-	*
Earnings per share	\$ 0.46	\$ 0.52	(12)
Basic Shares	363.6	394.8	
Diluted Shares	383.1	419.9	

\* Percent can not be calculated.

<sup>1</sup> – *Owned, leased, corporate housing and other revenue* includes revenue from the properties we own or lease, revenue from our corporate housing business, termination fees and other revenue.

<sup>2</sup> – *Timeshare sales and services* includes total timeshare revenue except for base fees, cost reimbursements, real estate gains and joint venture earnings. Timeshare sales and services includes gains on the sale of timeshare note receivable securitizations.

<sup>3</sup> – *Cost reimbursements* include reimbursements from lodging properties for Marriott funded operating expenses.

<sup>4</sup> – *Owned, leased and corporate housing - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments, pre-opening expenses and depreciation, plus expenses related to our corporate housing business.

<sup>5</sup> – *General, administrative and other* expenses include the overhead costs allocated to our segments, and our corporate overhead costs and general expenses.

<sup>6</sup> – *Gains and other income* includes net gains on the sale of real estate, gains on note sales or repayments (except timeshare note securitizations gains), gains on the sale of joint ventures, and income from cost method joint ventures.

<sup>7</sup> – *Equity in earnings (losses)* includes our equity in earnings (losses) of unconsolidated equity method joint ventures.

<sup>8</sup> – *Discontinued operations* relates to our Synthetic Fuel business which was shut down and substantially all the assets liquidated at December 28, 2007.

**MARRIOTT INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
(in millions, except per share amounts)

	Fifty-Two Weeks Ended		Percent Better/ (Worse)
	December 28, 2007	December 29, 2006	
<b>REVENUES</b>			
Base management fees	\$ 620	\$ 553	12
Franchise fees	439	390	13
Incentive management fees	369	281	31
Owned, leased, corporate housing and other revenue <sup>1</sup>	1,240	1,119	11
Timeshare sales and services <sup>2</sup>	1,747	1,577	11
Cost reimbursements <sup>3</sup>	8,575	8,075	6
<b>Total Revenues</b>	<b>12,990</b>	<b>11,995</b>	<b>8</b>
<b>OPERATING COSTS AND EXPENSES</b>			
Owned, leased and corporate housing - direct <sup>4</sup>	1,062	936	(13)
Timeshare - direct	1,397	1,220	(15)
Reimbursed costs	8,575	8,075	(6)
General, administrative and other <sup>5</sup>	768	677	(13)
<b>Total Expenses</b>	<b>11,802</b>	<b>10,908</b>	<b>(8)</b>
<b>OPERATING INCOME</b>	<b>1,188</b>	<b>1,087</b>	<b>9</b>
Gains and other income <sup>6</sup>	97	74	31
Interest expense	(184)	(124)	(48)
Interest income	38	49	(22)
(Provision for) reversal of loan losses	(17)	3	(667)
Equity in earnings (losses) <sup>7</sup>	15	3	400
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST</b>	<b>1,137</b>	<b>1,092</b>	<b>4</b>
Provision for income taxes	(441)	(380)	(16)
Minority interest	1	-	*
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>697</b>	<b>712</b>	<b>(2)</b>
Discontinued operations - Synthetic Fuel, net of tax <sup>8</sup>	(1)	5	(120)
<b>INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>696</b>	<b>717</b>	<b>(3)</b>
Cumulative effect of change in accounting principle, net of tax <sup>9</sup>	-	(109)	100
<b>NET INCOME</b>	<b>\$ 696</b>	<b>\$ 608</b>	<b>14</b>
<b>EARNINGS PER SHARE - Basic</b>			
Earnings from continuing operations	\$ 1.85	\$ 1.76	5
Earnings from discontinued operations	-	0.01	(100)
Losses from cumulative effect of change in accounting principle	-	(0.27)	100
Earnings per share	<b>\$ 1.85</b>	<b>\$ 1.50</b>	<b>23</b>
<b>EARNINGS PER SHARE - Diluted</b>			
Earnings from continuing operations	\$ 1.75	\$ 1.65	6
Earnings from discontinued operations	-	0.01	(100)
Losses from cumulative effect of change in accounting principle	-	(0.25)	100
Earnings per share	<b>\$ 1.75</b>	<b>\$ 1.41</b>	<b>24</b>
Basic Shares	376.1	404.1	
Diluted Shares	397.3	430.2	

\* Percent can not be calculated.

<sup>1</sup> - *Owned, leased, corporate housing and other revenue* includes revenue from the properties we own or lease, revenue from our corporate housing business, termination fees and other revenue.

<sup>2</sup> - *Timeshare sales and services* includes total timeshare revenue except for base fees, cost reimbursements, real estate gains and joint venture earnings. Timeshare sales and services includes gains on the sale of timeshare note receivable securitizations.

<sup>3</sup> - *Cost reimbursements* include reimbursements from lodging properties for Marriott funded operating expenses.

<sup>4</sup> - *Owned, leased and corporate housing - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments, pre-opening expenses and depreciation, plus expenses related to our corporate housing business.

<sup>5</sup> - *General, administrative and other* expenses include the overhead costs allocated to our segments and our corporate overhead costs and general expenses.

<sup>6</sup> - *Gains and other income* includes gains and losses on the sale of real estate, gains on note sales or repayments (except timeshare note securitizations gains), gains and losses on the sale of joint ventures, and income from cost method joint ventures.

<sup>7</sup> - *Equity in earnings (losses)* includes our equity in earnings (losses) of unconsolidated equity method joint ventures.

<sup>8</sup> - *Discontinued operations* relates to our Synthetic Fuel business which was shut down and substantially all the assets liquidated at December 28, 2007.

<sup>9</sup> - *Cumulative effect of change in accounting principle, net of tax* is associated with the adoption, in the 2006 first quarter, of Statement of Position 04-2, "Accounting for Real Estate Time-sharing Transactions" which was issued by the American Institute of Certified Public Accountants.

**Marriott International, Inc.**  
**Business Segments**  
(\$ in millions)

	Sixteen Weeks Ended		Percent Better/ (Worse)
	December 28, 2007	December 29, 2006	
<b>REVENUES</b>			
North American Full-Service	\$ 1,709	\$ 1,586	8
North American Limited-Service	657	618	6
International	538	478	13
Luxury	528	450	17
Timeshare	627	644	(3)
Total segment revenues <sup>1</sup>	4,059	3,776	7
Other unallocated corporate	30	22	36
Total	\$ 4,089	\$ 3,798	8
<b>INCOME FROM CONTINUING OPERATIONS</b>			
North American Full-Service	\$ 154	\$ 141	9
North American Limited-Service	124	109	14
International	105	77	36
Luxury	28	19	47
Timeshare	116	100	16
Total segment financial results <sup>1</sup>	527	446	18
Other unallocated corporate	(95)	(87)	(9)
Interest income, provision for loan losses and interest expense	(62)	(24)	(158)
Income taxes	(134)	(116)	(16)
Total	\$ 236	\$ 219	8

<sup>1</sup> We consider segment revenues and segment financial results to be meaningful indicators of our performance because they measure our growth in profitability as a lodging company and enable investors to compare the revenues and results of our lodging operations to those of other lodging companies.

**Marriott International, Inc.**  
**Business Segments**  
(\$ in millions)

	Fifty-Two Weeks Ended		Percent Better/ (Worse)
	December 28, 2007	December 29, 2006	
<b>REVENUES</b>			
North American Full-Service	\$ 5,476	\$ 5,196	5
North American Limited-Service	2,198	2,060	7
International	1,594	1,411	13
Luxury	1,576	1,423	11
Timeshare	2,065	1,840	12
Total segment revenues <sup>1</sup>	<u>12,909</u>	<u>11,930</u>	8
Other unallocated corporate	81	65	25
Total	<u>\$ 12,990</u>	<u>\$ 11,995</u>	8
<b>INCOME FROM CONTINUING OPERATIONS</b>			
North American Full-Service	\$ 478	\$ 455	5
North American Limited-Service	461	380	21
International	271	237	14
Luxury	72	63	14
Timeshare	306	280	9
Total segment financial results <sup>1</sup>	<u>1,588</u>	<u>1,415</u>	12
Other unallocated corporate	(287)	(251)	(14)
Interest income, provision for loan losses and interest expense	(163)	(72)	(126)
Income taxes	(441)	(380)	(16)
Total	<u>\$ 697</u>	<u>\$ 712</u>	(2)

<sup>1</sup> We consider segment revenues and segment financial results to be meaningful indicators of our performance because they measure our growth in profitability as a lodging company and enable investors to compare the revenues and results of our lodging operations to those of other lodging companies.

MARRIOTT INTERNATIONAL, INC.

Total Lodging Products <sup>1</sup>

Brand	Number of Properties			Number of Rooms/Suites		
	December 28, 2007	December 29, 2006	vs. December 29, 2006	December 28, 2007	December 29, 2006	vs. December 29, 2006
<b>Domestic Full-Service</b>						
Marriott Hotels & Resorts	342	340	2	136,348	136,097	251
Renaissance Hotels & Resorts	71	65	6	26,117	25,106	1,011
<b>Domestic Limited-Service</b>						
Courtyard	693	650	43	96,759	91,226	5,533
Fairfield Inn	529	513	16	46,930	46,030	900
SpringHill Suites	176	152	24	20,445	17,684	2,761
Residence Inn	528	494	34	62,805	58,973	3,832
TownePlace Suites	141	123	18	14,122	12,368	1,754
<b>International</b>						
Marriott Hotels & Resorts	178	179	(1)	52,196	51,307	889
Renaissance Hotels & Resorts	70	71	(1)	22,817	23,120	(303)
Courtyard	74	83	(9)	14,021	14,300	(279)
Fairfield Inn	8	5	3	947	559	388
SpringHill Suites	1	1	-	124	124	-
Residence Inn	18	17	1	2,611	2,313	298
Marriott Executive Apartments	18	18	-	2,905	3,027	(122)
Ramada	2	2	-	332	332	-
<b>Luxury</b>						
The Ritz-Carlton - Domestic	36	35	1	11,627	11,616	11
The Ritz-Carlton - International	32	25	7	9,591	7,790	1,801
Bulgari Hotels & Resorts	2	2	-	117	117	-
The Ritz-Carlton Residential	17	-	17	1,707	-	1,707
The Ritz-Carlton Services Apartments	2	-	2	387	-	387
<b>Timeshare <sup>2</sup></b>						
Marriott Vacation Club	46	45	1	10,896	10,512	384
The Ritz-Carlton Club - Fractional	7	5	2	388	398	(10)
The Ritz-Carlton Club - Residential	3	2	1	144	148	(4)
Grand Residences by Marriott - Fractional	2	2	-	248	248	-
Grand Residences by Marriott - Residential	1	1	-	65	65	-
Horizons by Marriott Vacation Club	2	2	-	444	372	72
<b>Sub Total Timeshare</b>	<b>61</b>	<b>57</b>	<b>4</b>	<b>12,185</b>	<b>11,743</b>	<b>442</b>
<b>Total</b>	<b>2,999</b>	<b>2,832</b>	<b>167</b>	<b>535,093</b>	<b>513,832</b>	<b>21,261</b>

**Number of Timeshare Interval, Fractional and Residential Resorts <sup>2</sup>**

	In Active	
	Total <sup>3</sup>	Sales
<b>100% Company-Developed</b>		
Marriott Vacation Club	45	24
The Ritz-Carlton Club and Residences	6	4
Grand Residences by Marriott and Residences	3	3
Horizons by Marriott Vacation Club	2	2
<b>Joint Ventures</b>		
Marriott Vacation Club	1	1
The Ritz-Carlton Club and Residences	4	4
<b>Total</b>	<b>61</b>	<b>38</b>

<sup>1</sup> Total Lodging Products excludes the 2,156 and 2,046 corporate housing rental units as of December 28, 2007 and December 29, 2006, respectively.

<sup>2</sup> Includes products in active sales which may not be ready for occupancy.

<sup>3</sup> Includes resorts that are in active sales and those that are sold out. Residential properties are captured once they possess a certificate of occupancy.

**Marriott International, Inc.**  
**Key Lodging Statistics**

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

Region	Four Months Ended December 31, 2007 and December 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$124.79	14.2%	74.8%	3.7% pts.	\$166.81	8.6%
Continental Europe	\$145.74	10.1%	76.9%	1.0% pts.	\$189.57	8.7%
United Kingdom	\$167.23	5.2%	78.1%	-1.4% pts.	\$214.00	7.1%
Middle East & Africa	\$104.19	15.1%	72.2%	5.7% pts.	\$144.39	6.0%
Asia Pacific <sup>2</sup>	\$121.60	6.1%	76.2%	-0.2% pts.	\$159.51	6.5%
<b>Regional Composite<sup>3</sup></b>	<b>\$136.77</b>	<b>8.4%</b>	<b>76.5%</b>	<b>0.9% pts.</b>	<b>\$178.87</b>	<b>7.1%</b>
<b>International Luxury<sup>4</sup></b>	<b>\$211.48</b>	<b>9.3%</b>	<b>72.0%</b>	<b>2.5% pts.</b>	<b>\$293.69</b>	<b>5.5%</b>
<b>Total International<sup>5</sup></b>	<b>\$144.54</b>	<b>8.5%</b>	<b>76.0%</b>	<b>1.0% pts.</b>	<b>\$190.18</b>	<b>7.0%</b>
<b>Worldwide<sup>6</sup></b>	<b>\$123.72</b>	<b>7.0%</b>	<b>71.7%</b>	<b>0.6% pts.</b>	<b>\$172.43</b>	<b>6.1%</b>

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

Region	Four Months Ended December 31, 2007 and December 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$112.41	12.4%	73.5%	3.4% pts.	\$152.88	7.2%
Continental Europe	\$141.52	9.3%	75.4%	2.2% pts.	\$187.76	6.1%
United Kingdom	\$164.37	4.9%	77.9%	-1.2% pts.	\$210.97	6.5%
Middle East & Africa	\$102.10	15.5%	71.6%	5.7% pts.	\$142.63	6.3%
Asia Pacific <sup>2</sup>	\$122.65	5.2%	76.4%	-0.5% pts.	\$160.54	5.9%
<b>Regional Composite<sup>3</sup></b>	<b>\$132.92</b>	<b>7.7%</b>	<b>75.8%</b>	<b>1.2% pts.</b>	<b>\$175.47</b>	<b>6.0%</b>
<b>International Luxury<sup>4</sup></b>	<b>\$211.48</b>	<b>9.3%</b>	<b>72.0%</b>	<b>2.5% pts.</b>	<b>\$293.69</b>	<b>5.5%</b>
<b>Total International<sup>5</sup></b>	<b>\$139.63</b>	<b>7.9%</b>	<b>75.4%</b>	<b>1.3% pts.</b>	<b>\$185.11</b>	<b>6.0%</b>
<b>Worldwide<sup>6</sup></b>	<b>\$103.51</b>	<b>6.6%</b>	<b>70.8%</b>	<b>0.2% pts.</b>	<b>\$146.29</b>	<b>6.3%</b>

<sup>1</sup> International financial results are reported on a period basis, while International statistics are reported on a monthly basis. Statistics are in constant dollars for September through December. Excludes North America (except for Worldwide).

<sup>2</sup> Does not include Hawaii.

<sup>3</sup> Regional information includes Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Courtyard properties. Includes Hawaii.

<sup>4</sup> International Luxury includes The Ritz-Carlton properties outside of North America and Bulgari Hotels & Resorts.

<sup>5</sup> Includes Regional Composite and International Luxury.

<sup>6</sup> Includes international statistics for the four calendar months ended December 31, 2007 and December 31, 2006, and North American statistics for the sixteen weeks ended December 28, 2007 and December 29, 2006. Includes Marriott Hotels & Resorts, The Ritz-Carlton, Bulgari Hotels & Resorts, Renaissance Hotels & Resorts, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn and SpringHill Suites properties.

**Marriott International, Inc.**  
**Key Lodging Statistics**

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

Region	Twelve Months Ended December 31, 2007 and December 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$128.25	12.7%	76.5%	2.4% pts.	\$167.56	9.2%
Continental Europe	\$129.34	7.7%	74.4%	1.3% pts.	\$173.92	5.8%
United Kingdom	\$158.08	5.2%	77.8%	0.1% pts.	\$203.27	5.2%
Middle East & Africa	\$99.57	16.8%	73.3%	4.8% pts.	\$135.74	9.1%
Asia Pacific <sup>2</sup>	\$111.15	7.8%	75.2%	-0.8% pts.	\$147.79	8.9%
<b>Regional Composite<sup>3</sup></b>	<b>\$127.44</b>	<b>8.2%</b>	<b>75.7%</b>	<b>0.8% pts.</b>	<b>\$168.30</b>	<b>7.0%</b>
<b>International Luxury<sup>4</sup></b>	<b>\$212.54</b>	<b>12.2%</b>	<b>72.7%</b>	<b>4.0% pts.</b>	<b>\$292.24</b>	<b>6.1%</b>
<b>Total International<sup>5</sup></b>	<b>\$136.29</b>	<b>8.9%</b>	<b>75.4%</b>	<b>1.2% pts.</b>	<b>\$180.73</b>	<b>7.2%</b>
<b>Worldwide<sup>6</sup></b>	<b>\$121.34</b>	<b>7.0%</b>	<b>73.5%</b>	<b>0.5% pts.</b>	<b>\$165.19</b>	<b>6.2%</b>

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

Region	Twelve Months Ended December 31, 2007 and December 31, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Caribbean & Latin America	\$117.20	11.7%	74.8%	2.8% pts.	\$156.76	7.5%
Continental Europe	\$126.01	7.3%	72.0%	1.2% pts.	\$174.93	5.4%
United Kingdom	\$155.27	5.1%	77.4%	0.3% pts.	\$200.65	4.7%
Middle East & Africa	\$96.95	17.0%	72.4%	4.9% pts.	\$133.98	9.0%
Asia Pacific <sup>2</sup>	\$111.92	7.0%	75.3%	-0.5% pts.	\$148.67	7.7%
<b>Regional Composite<sup>3</sup></b>	<b>\$123.78</b>	<b>7.8%</b>	<b>74.6%</b>	<b>1.0% pts.</b>	<b>\$166.03</b>	<b>6.3%</b>
<b>International Luxury<sup>4</sup></b>	<b>\$212.54</b>	<b>12.2%</b>	<b>72.7%</b>	<b>4.0% pts.</b>	<b>\$292.24</b>	<b>6.1%</b>
<b>Total International<sup>5</sup></b>	<b>\$131.36</b>	<b>8.4%</b>	<b>74.4%</b>	<b>1.3% pts.</b>	<b>\$176.57</b>	<b>6.6%</b>
<b>Worldwide<sup>6</sup></b>	<b>\$103.19</b>	<b>6.5%</b>	<b>72.9%</b>	<b>0.1% pts.</b>	<b>\$141.60</b>	<b>6.4%</b>

<sup>1</sup> International financial results are reported on a period basis, while International statistics are reported on a monthly basis. Statistics are in constant dollars for January through December. Excludes North America (except for Worldwide).

<sup>2</sup> Does not include Hawaii.

<sup>3</sup> Regional information includes Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Courtyard properties. Includes Hawaii.

<sup>4</sup> International Luxury includes The Ritz-Carlton properties outside of North America and Bulgari Hotels & Resorts.

<sup>5</sup> Includes Regional Composite and International Luxury.

<sup>6</sup> Includes international statistics for the twelve calendar months ended December 31, 2007 and December 31, 2006, and North American statistics for the fifty-two weeks ended December 28, 2007 and December 29, 2006. Includes Marriott Hotels & Resorts, The Ritz-Carlton, Bulgari Hotels & Resorts, Renaissance Hotels & Resorts, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn and SpringHill Suites properties.

**Marriott International, Inc.**  
**Key Lodging Statistics**

**Comparable Company-Operated North American Properties**

Brand	Sixteen Weeks Ended December 28, 2007 and December 29, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$128.23	6.1%	70.0%	0.1% pts.	\$183.31	5.9%
Renaissance Hotels & Resorts	\$123.40	7.9%	70.0%	1.2% pts.	\$176.29	6.1%
<b>Composite North American Full-Service<sup>1</sup></b>	<b>\$127.47</b>	<b>6.4%</b>	<b>70.0%</b>	<b>0.3% pts.</b>	<b>\$182.20</b>	<b>5.9%</b>
The Ritz-Carlton <sup>2</sup>	\$232.62	7.0%	68.7%	-0.1% pts.	\$338.59	7.1%
<b>Composite North American Full-Service &amp; Luxury<sup>3</sup></b>	<b>\$138.26</b>	<b>6.5%</b>	<b>69.8%</b>	<b>0.3% pts.</b>	<b>\$197.99</b>	<b>6.1%</b>
Residence Inn	\$93.60	5.1%	75.0%	0.8% pts.	\$124.83	4.0%
Courtyard	\$88.19	5.4%	68.0%	0.1% pts.	\$129.65	5.3%
TownePlace Suites	\$60.95	8.5%	71.5%	1.3% pts.	\$85.30	6.5%
SpringHill Suites	\$75.40	6.8%	70.0%	2.2% pts.	\$107.65	3.5%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$87.08</b>	<b>5.6%</b>	<b>70.2%</b>	<b>0.5% pts.</b>	<b>\$124.11</b>	<b>4.9%</b>
<b>Composite - All<sup>5</sup></b>	<b>\$115.07</b>	<b>6.2%</b>	<b>70.0%</b>	<b>0.4% pts.</b>	<b>\$164.43</b>	<b>5.6%</b>

**Comparable Systemwide North American Properties**

Brand	Sixteen Weeks Ended December 28, 2007 and December 29, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$112.62	6.3%	68.0%	0.0% pts.	\$165.66	6.3%
Renaissance Hotels & Resorts	\$112.37	6.2%	69.3%	0.0% pts.	\$162.07	6.3%
<b>Composite North American Full-Service<sup>1</sup></b>	<b>\$112.58</b>	<b>6.3%</b>	<b>68.2%</b>	<b>0.0% pts.</b>	<b>\$165.11</b>	<b>6.3%</b>
The Ritz-Carlton <sup>2</sup>	\$232.62	7.0%	68.7%	-0.1% pts.	\$338.59	7.1%
<b>Composite North American Full-Service &amp; Luxury<sup>3</sup></b>	<b>\$119.87</b>	<b>6.4%</b>	<b>68.2%</b>	<b>0.0% pts.</b>	<b>\$175.72</b>	<b>6.4%</b>
Residence Inn	\$92.85	5.6%	75.6%	0.0% pts.	\$122.88	5.6%
Courtyard	\$87.62	6.3%	69.7%	0.4% pts.	\$125.71	5.7%
Fairfield Inn	\$59.30	6.8%	67.0%	-0.1% pts.	\$88.50	6.9%
TownePlace Suites	\$61.13	4.9%	70.5%	-1.3% pts.	\$86.76	6.8%
SpringHill Suites	\$74.22	5.3%	69.9%	-0.9% pts.	\$106.22	6.7%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$80.81</b>	<b>6.0%</b>	<b>70.7%</b>	<b>0.0% pts.</b>	<b>\$114.22</b>	<b>6.0%</b>
<b>Composite - All<sup>5</sup></b>	<b>\$95.89</b>	<b>6.2%</b>	<b>69.8%</b>	<b>0.0% pts.</b>	<b>\$137.43</b>	<b>6.2%</b>

<sup>1</sup> Includes Marriott Hotels & Resorts and Renaissance Hotels & Resorts properties.

<sup>2</sup> Statistics for Ritz-Carlton properties are for September through December.

<sup>3</sup> Includes Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Ritz-Carlton properties.

<sup>4</sup> Includes Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites and SpringHill Suites properties.

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



**Marriott International, Inc.**  
**Key Lodging Statistics**

**Comparable Company-Operated North American Properties**

Brand	Fifty-two Weeks Ended December 28, 2007 and December 29, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$127.43	6.9%	72.6%	1.0% pts.	\$175.41	5.4%
Renaissance Hotels & Resorts	\$124.17	5.9%	73.1%	0.4% pts.	\$169.93	5.4%
<b>Composite North American Full-Service<sup>1</sup></b>	<b>\$126.92</b>	<b>6.8%</b>	<b>72.7%</b>	<b>0.9% pts.</b>	<b>\$174.54</b>	<b>5.4%</b>
The Ritz-Carlton <sup>2</sup>	\$239.67	7.5%	72.3%	0.1% pts.	\$331.48	7.3%
<b>Composite North American Full-Service &amp; Luxury<sup>3</sup></b>	<b>\$137.66</b>	<b>6.9%</b>	<b>72.7%</b>	<b>0.8% pts.</b>	<b>\$189.41</b>	<b>5.7%</b>
Residence Inn	\$96.53	3.9%	77.7%	-0.5% pts.	\$124.24	4.6%
Courtyard	\$89.69	4.9%	70.4%	-0.4% pts.	\$127.34	5.6%
TownePlace Suites	\$63.56	7.2%	74.2%	-1.1% pts.	\$85.65	8.9%
SpringHill Suites	\$78.27	5.0%	72.6%	0.6% pts.	\$107.86	4.2%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$89.18</b>	<b>4.8%</b>	<b>72.7%</b>	<b>-0.4% pts.</b>	<b>\$122.63</b>	<b>5.4%</b>
<b>Composite - All<sup>5</sup></b>	<b>\$115.60</b>	<b>6.2%</b>	<b>72.7%</b>	<b>0.3% pts.</b>	<b>\$159.01</b>	<b>5.8%</b>

**Comparable Systemwide North American Properties**

Brand	Fifty-two Weeks Ended December 28, 2007 and December 29, 2006					
	REVPAR		Occupancy		Average Daily Rate	
	2007	vs. 2006	2007	vs. 2006	2007	vs. 2006
Marriott Hotels & Resorts	\$113.66	6.4%	70.8%	0.6% pts.	\$160.61	5.5%
Renaissance Hotels & Resorts	\$112.96	5.1%	71.8%	-0.4% pts.	\$157.29	5.8%
<b>Composite North American Full-Service<sup>1</sup></b>	<b>\$113.56</b>	<b>6.2%</b>	<b>70.9%</b>	<b>0.5% pts.</b>	<b>\$160.10</b>	<b>5.5%</b>
The Ritz-Carlton <sup>2</sup>	\$239.67	7.5%	72.3%	0.1% pts.	\$331.48	7.3%
<b>Composite North American Full-Service &amp; Luxury<sup>3</sup></b>	<b>\$120.65</b>	<b>6.4%</b>	<b>71.0%</b>	<b>0.4% pts.</b>	<b>\$169.92</b>	<b>5.7%</b>
Residence Inn	\$95.80	5.1%	78.2%	-0.8% pts.	\$122.44	6.1%
Courtyard	\$89.53	5.6%	72.1%	-0.2% pts.	\$124.12	5.9%
Fairfield Inn	\$62.17	6.7%	70.5%	-0.3% pts.	\$88.19	7.2%
TownePlace Suites	\$63.89	5.0%	73.5%	-2.4% pts.	\$86.93	8.4%
SpringHill Suites	\$77.97	5.7%	73.2%	-0.6% pts.	\$106.49	6.5%
<b>Composite North American Limited-Service<sup>4</sup></b>	<b>\$83.37</b>	<b>5.6%</b>	<b>73.6%</b>	<b>-0.5% pts.</b>	<b>\$113.34</b>	<b>6.3%</b>
<b>Composite - All<sup>5</sup></b>	<b>\$97.70</b>	<b>6.0%</b>	<b>72.6%</b>	<b>-0.2% pts.</b>	<b>\$134.62</b>	<b>6.2%</b>

<sup>1</sup> Includes Marriott Hotels & Resorts and Renaissance Hotels & Resorts properties.

<sup>2</sup> Statistics for Ritz-Carlton properties are for January through December.

<sup>3</sup> Includes Marriott Hotels & Resorts, Renaissance Hotels & Resorts and Ritz-Carlton properties.

<sup>4</sup> Includes Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites and SpringHill Suites properties.

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

**MARRIOTT INTERNATIONAL, INC.**  
**TIMESHARE SEGMENT**

(\$ in millions)

<b>Segment Results</b>	<b>Sixteen Weeks Ended</b>		<b>Percent Better / (Worse)</b>
	<b>December 28, 2007</b>	<b>December 29, 2006</b>	
	Base fees revenue	\$ 13	
Timeshare sales and services revenue, net of direct expense	126	133	(5)
Joint venture equity income (loss)	6	(3)	300
General, administrative and other expense	(29)	(40)	28
Segment results	<b>\$ 116</b>	<b>\$ 100</b>	<b>16</b>

<b>Sales and Services Revenue</b>	<b>Sixteen Weeks Ended</b>		<b>Percent Better / (Worse)</b>
	<b>December 28, 2007</b>	<b>December 29, 2006</b>	
	Development	\$ 362	
Services	90	79	14
Financing	75	67	12
Other revenue	9	2	350
Sales and services revenue	<b>\$ 536</b>	<b>\$ 526</b>	<b>2</b>

<b>Contract Sales<sup>1</sup></b>	<b>Sixteen Weeks Ended</b>		<b>Percent Better / (Worse)</b>
	<b>December 28, 2007</b>	<b>December 29, 2006</b>	
	Company:		
Timeshare	\$ 344	\$ 314	10
Fractional	17	10	70
Residential	(15)	-	*
Total company	346	324	7
Joint ventures:			
Timeshare	10	10	-
Fractional	8	46	(83)
Residential	2	116	(98)
Total joint ventures	20	172	(88)
Total contract sales, including joint ventures	<b>\$ 366</b>	<b>\$ 496</b>	<b>(26)</b>

\* Percent can not be calculated.

<sup>1</sup> – Timeshare contract sales represent gross sales of timeshare, fractional, and residential products from both our wholly-owned and joint venture projects, before the adjustment for percentage-of-completion accounting.

## MARRIOTT INTERNATIONAL, INC.

### TIMESHARE SEGMENT

(\$ in millions)

#### Segment Results

	Fifty-Two Weeks Ended		Percent Better / (Worse)
	December 28, 2007	December 29, 2006	
Base fees revenue	\$ 43	\$ 34	26
Timeshare sales and services revenue, net of direct expense	350	357	(2)
Joint venture equity income (loss)	10	(2)	600
Minority interest	1	-	*
General, administrative and other expense	(98)	(109)	10
Segment results	\$ 306	\$ 280	9

#### Sales and Services Revenue

	Fifty-Two Weeks Ended		Percent Better / (Worse)
	December 28, 2007	December 29, 2006	
Development	\$ 1,208	\$ 1,112	9
Services	315	286	10
Financing	195	171	14
Other revenue	29	8	263
Sales and services revenue	\$ 1,747	\$ 1,577	11

#### Contract Sales<sup>1</sup>

	Fifty-Two Weeks Ended		Percent Better / (Worse)
	December 28, 2007	December 29, 2006	
Company:			
Timeshare	\$ 1,221	\$ 1,207	1
Fractional	44	42	5
Residential	(9)	5	(280)
Total company	1,256	1,254	-
Joint ventures:			
Timeshare	33	28	18
Fractional	54	68	(21)
Residential	58	282	(79)
Total joint ventures	145	378	(62)
Total contract sales, including joint ventures	\$ 1,401	\$ 1,632	(14)

\* Percent can not be calculated.

<sup>1</sup> – Timeshare contract sales represent gross sales of timeshare, fractional, and residential products from both our wholly-owned and joint venture projects, before the adjustment for percentage-of-completion accounting.

# 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 GAAP measures to the non-GAAP measures (identified by a double asterisk on the following pages) that we refer to in our press release and related conference call. 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.

**ESOP Settlement Charge.** Management evaluates non-GAAP measures that exclude the charge associated with the 2007 settlement of issues raised during the IRS’ and Department of Labor’s examination of the employee stock ownership plan (“ESOP”) feature of our Employees’ Profit Sharing, Retirement and Savings Plan and Trust, including adjusted earnings per share and adjusted earnings before interest, taxes, depreciation and amortization, because these measures allow for period-over-period comparisons relative to our on-going operations before material charges. Additionally, these non-GAAP measures facilitate management’s comparison of our results relative to on-going operations before material charges with that of other lodging companies. The settlement resulted in an after-tax charge of \$54 million in the second quarter 2007 reflecting \$35 million of excise taxes (impacting General, Administrative, and Other Expenses), \$13 million of interest expense on those excise taxes and \$6 million of income tax expense primarily reflecting additional interest.

**Earnings Before Interest and Taxes.** Earnings before interest and taxes (EBIT) reflects earnings excluding the impact of interest expense and tax expense. EBIT is used by analysts, lenders, investors and others, as well as by us, to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. 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. Additionally, the tax positions of companies can 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 tax expense can vary considerably among companies.

**Earnings Before Interest, Taxes, Depreciation and Amortization.** Earnings before interest, taxes, depreciation and amortization (EBITDA) reflects EBIT excluding the impact of depreciation and amortization. Our management considers 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. EBITDA is used by analysts, lenders, investors and others, as well as by us, to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. In addition to the items previously noted that are excluded in calculating EBIT, EBITDA further excludes depreciation and amortization 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.

**Adjusted EBITDA.** Our management also evaluates adjusted EBITDA which excludes the synthetic fuel business for 2007 and 2006, as well as the \$35 million charge in 2007 for excise taxes associated with the ESOP settlement. The synthetic fuel operations, discontinued in 2007, are not related to our core business, which is lodging. Accordingly, our management evaluates non-GAAP measures which exclude the impact of the synthetic fuel business 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. Our management excludes the excise taxes associated with the ESOP settlement for the reasons noted above in the “ESOP Settlement Charge” caption.

**Return on Invested Capital.** Return on Invested Capital (“ROIC”) is calculated as EBIT divided by average capital investment. We consider ROIC to be a meaningful indicator of our operating performance, and we evaluate this metric because it measures how effectively we use the money invested in our lodging operations. The calculation of EBIT adds back to income from continuing operations: 1) the provision for income taxes; 2) interest expense; and 3) timeshare interest representing previously capitalized interest that is a component of product cost. The calculation of invested capital adds back to total assets cumulative goodwill amortization to be consistent with the calculation for earlier years. Beginning with 2002, we stopped amortizing goodwill in conjunction with the adoption of FAS No. 142, “Goodwill and Other Intangible Assets.” The calculation of invested capital deducts from total assets: 1) current liabilities as they will be satisfied in the short term; 2) assets associated with discontinued operations net of liabilities because the ROIC metric we analyze is related to our core lodging business (continuing operations); 3) deferred tax assets net of liabilities because the numerator of the calculation is a pre-tax number; and 4) timeshare capitalized interest because the numerator of the calculation is a pre-interest expense number.

**MARRIOTT INTERNATIONAL, INC.**  
**Non-GAAP Financial Measure Reconciliation**  
**Measures that Exclude the Second Quarter 2007 ESOP Settlement**  
(in millions, except per share amounts)

	<b>Fiscal Year 2007</b>		
	As Reported	ESOP Impact	Excluding ESOP ** <sup>1</sup>
Operating income (loss)	\$ 1,188	\$ (35)	\$ 1,223
Gains and other income (expense)	97	-	97
Interest income, provision for loan losses and interest expense	(163)	(13)	(150)
Equity in earnings (losses)	15	-	15
Income (losses) from continuing operations before income taxes and minority interest	1,137	(48)	1,185
Provision for income taxes	(441)	(6)	(435)
Minority interest	1	-	1
Income (loss) from continuing operations	\$ 697	\$ (54)	\$ 751
Diluted shares	397.3	397.3	397.3
Earnings per share - diluted	\$ 1.75	\$ (0.14)	\$ 1.89

\*\* Denotes non-GAAP financial measures.

<sup>1</sup> – We refer to earnings per share excluding the ESOP impact as adjusted earnings per share, and we refer to income from continuing operations excluding the ESOP impact as adjusted income from continuing operations.

**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:

	<u>Fiscal Year 2007</u>
Income from continuing operations	\$ 697
Add:	
Provision for income taxes	441
Interest expense	184
Timeshare interest <sup>1</sup>	24
Earnings before income taxes and interest expense **	<u>\$ 1,346</u>

The reconciliation of assets to invested capital is as follows:

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2006</u>
Assets	\$ 8,942	\$ 8,588
Add:		
Cumulative goodwill amortization	128	128
Current liabilities - discontinued operations	13	55
Less:		
Current liabilities, net of current portion of long-term debt	(2,701)	(2,507)
Assets - discontinued operations	(53)	(91)
Deferred tax assets, net	(863)	(865)
Timeshare capitalized interest	(19)	(19)
Invested capital **	<u>\$ 5,447</u>	<u>\$ 5,289</u>
Average capital investment ** <sup>2</sup>	<u>\$ 5,368</u>	

**Return on invested capital \*\*** **25%**

\*\* Denotes a non-GAAP financial measure.

<sup>1</sup> Timeshare interest represents previously capitalized interest that is a component of product cost.

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

