

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

	<u>Fiscal Year 2011</u>
	<u>First Quarter</u>
Net Income	\$ 101
Interest expense	41
Tax provision	51
Depreciation and amortization	35
Less: Depreciation reimbursed by third-party owners	(4)
Interest expense from unconsolidated joint ventures	4
Depreciation and amortization from unconsolidated joint ventures	6
EBITDA **	<u><u>\$ 234</u></u>
 Increase over 2010 Adjusted EBITDA	 6%

	<u>Fiscal Year 2010</u>				
	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Total</u>
Net Income	\$ 83	\$ 119	\$ 83	\$ 173	\$ 458
Interest expense	45	44	41	50	180
Tax provision (benefit)	46	65	45	(63)	93
Depreciation and amortization	39	42	40	57	178
Less: Depreciation reimbursed by third-party owners	(3)	(3)	(2)	(3)	(11)
Interest expense from unconsolidated joint ventures	5	5	6	3	19
Depreciation and amortization from unconsolidated joint ventures	6	6	7	8	27
EBITDA **	<u>221</u>	<u>278</u>	<u>220</u>	<u>225</u>	<u>944</u>
 Other charges					
Impairment of investments and other	-	-	-	100	100
Total other charges	-	-	-	100	100
 Adjusted EBITDA **	<u><u>\$ 221</u></u>	<u><u>\$ 278</u></u>	<u><u>\$ 220</u></u>	<u><u>\$ 325</u></u>	<u><u>\$ 1,044</u></u>

** Denotes non-GAAP financial measures. Please see page 4 for additional information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
EBITDA FOR TIMESHARE SEGMENT
FIRST QUARTER 2011 AND 2010
(\$ in millions)

	<u>First Quarter 2011</u>	<u>First Quarter 2010</u>	<u>Increase over 2010 EBITDA</u>
Timeshare Segment Results ¹	\$ 35	\$ 26	
Interest expense	12	14	
Tax provision ²	-	-	
Depreciation and amortization	7	8	
Less: Depreciation reimbursed by third-party owners	-	-	
Interest expense from unconsolidated joint ventures	-	2	
Depreciation and amortization from unconsolidated joint ventures	-	-	
Timeshare Segment EBITDA ^{**}	<u>\$ 54</u>	<u>\$ 50</u>	8%

¹ In 2011, we changed the management reporting structure for lodging properties located in Hawaii. Some base management fees we previously recognized under our International lodging segment we now recognize under our Timeshare segment. For comparability, we have reclassified prior year Timeshare segment results to reflect these changes. These reclassifications only impacted certain segment reporting (including the Timeshare segment) and did not change total consolidated revenue, operating income, or net income.

² Income taxes are not allocated to segment results.

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MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
EBITDA
FORECASTED 2011
(\$ in millions)

	<u>Range</u>	
	<u>Estimated EBITDA</u>	
	<u>Full Year 2011</u>	
Net Income	\$ 502	\$ 541
Interest expense	180	180
Tax provision	258	279
Depreciation and amortization	180	180
Less: Depreciation reimbursed by third-party owners	(15)	(15)
Interest expense from unconsolidated joint ventures	20	20
Depreciation and amortization from unconsolidated joint ventures	30	30
EBITDA **	<u>\$ 1,155</u>	<u>\$ 1,215</u>

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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 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 press release schedules (or other reconciliations identified below) 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, 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.

Adjusted Measures That Exclude Certain Charges. Management evaluates non-GAAP measures that exclude certain charges incurred in the 2010 fourth quarter because those non-GAAP measures allow for period-over-period comparisons of our on-going core operations before the impact of material charges. These non-GAAP measures also facilitate management's comparison of results from our on-going operations before material charges with results from other lodging companies.

Certain Charges - Fourth Quarter 2010. We recorded net charges of \$100 million in the 2010 fourth quarter which included an \$84 million impairment charge associated with an internally developed software asset and a \$27 million impairment charge associated with the anticipated disposition of a land parcel and a golf course. These charges were partially offset by an \$11 million reversal recorded in the 2010 fourth quarter of a funding liability recorded in 2009. Due to the significant impact of the recent recession on hotel owner profitability, we agreed to absorb a portion of the cost of the software asset and recorded an \$84 million impairment charge on the investment in the fourth quarter to reflect the expected unrecovered cost. We consider our core operations to encompass managing and franchising properties, and therefore we also consider the \$27 million impairment charge associated with ancillary assets to be unrelated to our core operations. Except for the impairment charges totaling \$27 million of which \$13 million impacted our Timeshare Segment and \$14 million impacted our North American Limited-Service segment, the rest of the other charges in 2010 were not allocated to any of our segments.

Earnings Before Interest, Taxes, Depreciation and Amortization. Earnings before interest, taxes, depreciation and amortization ("EBITDA") reflects earnings excluding the impact of interest expense, provision for income taxes, depreciation and amortization. Management considers EBITDA to be an indicator of operating performance because we use it to measure our ability to service debt, fund capital expenditures, and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, 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. 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 provision for income taxes can vary considerably among companies. EBITDA also 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.

Both EBITDA and Adjusted EBITDA (described below) exclude certain cash expenses that we are obligated to make.

Adjusted EBITDA. Management also evaluates Adjusted EBITDA as an indicator of operating performance. Adjusted EBITDA excludes the \$100 million of net charges recorded in the 2010 fourth quarter for the reasons noted above under "Adjusted Measures That Exclude Certain Charges, Costs, and Other Expenses."

Timeshare Segment EBITDA. Timeshare segment EBITDA reflects Timeshare segment results excluding the impact of interest expense, tax expense and depreciation and amortization. We do not allocate taxes to our Timeshare or other segments. Management uses this non-GAAP measure for the reasons noted previously under the "EBITDA" caption.

Estimated 2013 Cash Flow Available for Shareholders

See our "Events & Reconciliations" link at www.marriott.com/investor and then the "Presentation Materials PART 4" link under the "Marriott International's 2010 Security Analyst Meeting" caption dated October 27, 2010 for information from our Analyst Conference on this non-GAAP financial measure.