

MARRIOTT INTERNATIONAL, INC.
PRESS RELEASE SCHEDULES
QUARTER 1, 2017
TABLE OF CONTENTS

Consolidated Statements of Income - As Reported	A-1
Consolidated Statements of Income - First Quarter Adjusted 2017 Compared to Combined 2016	A-2
Total Lodging Products	A-3
Combined Key Lodging Statistics	A-6
Adjusted EBITDA/ Combined Adjusted EBITDA	A-8
Adjusted EBITDA Forecast - Second Quarter 2017	A-9
Adjusted EBITDA Forecast - Full Year 2017	A-10
Non-GAAP Financial and Performance Measures	A-11

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME - AS REPORTED
FIRST QUARTER 2017 AND 2016
(in millions except per share amounts, unaudited)

	As Reported Three Months Ended March 31, 2017	As Reported Three Months Ended March 31, 2016	Percent Better/(Worse) Reported 2017 vs. 2016
REVENUES			
Base management fees	\$ 264	\$ 172	53
Franchise fees ¹	365	250	46
Incentive management fees	153	101	51
Total Fees	782	523	50
Owned, leased, and other revenue ²	439	204	115
Cost reimbursements ³	4,340	3,045	43
Total Revenues	5,561	3,772	47
OPERATING COSTS AND EXPENSES			
Owned, leased, and other - direct ⁴	358	166	(116)
Reimbursed costs	4,340	3,045	(43)
Depreciation, amortization, and other ⁵	65	31	(110)
Merger-related costs and charges	51	8	(538)
General, administrative, and other ⁶	210	155	(35)
Total Expenses	5,024	3,405	(48)
OPERATING INCOME	537	367	46
Gains and other income, net ⁷	-	-	-
Interest expense	(70)	(47)	(49)
Interest income	7	6	17
Equity in earnings ⁸	11	-	*
INCOME BEFORE INCOME TAXES	485	326	49
Provision for income taxes	(120)	(107)	(12)
NET INCOME	\$ 365	\$ 219	67
EARNINGS PER SHARE			
Earnings per share - basic	\$ 0.95	\$ 0.86	10
Earnings per share - diluted	\$ 0.94	\$ 0.85	11
Basic Shares	384.9	254.4	
Diluted Shares	390.0	258.9	

* Calculated percentage is not meaningful.

¹ *Franchise fees* include fees from our franchise agreements, application and relicensing fees, licensing fees from our timeshare, credit card programs, and residential branding fees. Beginning in the 2017 first quarter, we reclassified branding fees for third-party residential sales and credit card licensing to the "Franchise fees" caption from the "Owned, leased, and other" caption. We adjusted prior amounts to conform to current period presentation.

² *Owned, leased, and other revenue* includes revenue from the properties we own or lease, termination fees, and other revenue.

³ *Cost reimbursements* include reimbursements from properties for company-funded operating expenses.

⁴ *Owned, leased, and other - direct* expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

⁵ *Depreciation, amortization, and other* expenses include depreciation for fixed assets, amortization of capitalized costs incurred to acquire management, franchise, and license agreements, and any related impairments, accelerations, or write-offs.

⁶ *General, administrative, and other* expenses include our corporate and business segments overhead costs and general expenses.

⁷ *Gains and other income, net* includes gains and losses on the sale of real estate, the sale or other-than-temporary impairment of joint ventures and investments, and results from cost method investments.

⁸ *Equity in earnings* include our equity in earnings or losses of unconsolidated equity method investments.

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
FIRST QUARTER ADJUSTED 2017 COMPARED TO COMBINED 2016
(in millions except per share amounts, unaudited)

	As Reported Three Months Ended March 31, 2017	Less: Merger-related Adjustments ⁹	As Adjusted ** Three Months Ended March 31, 2017	Combined ^{10**} Three Months Ended March 31, 2016	Percent Better/(Worse) Adjusted 2017 vs. Combined 2016
REVENUES					
Base management fees	\$ 264	\$ -	\$ 264	\$ 257	3
Franchise fees ¹	365	-	365	333	10
Incentive management fees	153	-	153	150	2
Total Fees	782	-	782	740	6
Owned, leased, and other revenue ²	439	-	439	451	(3)
Cost reimbursements ³	4,340	-	4,340	4,384	(1)
Total Revenues	5,561	-	5,561	5,575	-
OPERATING COSTS AND EXPENSES					
Owned, leased, and other - direct ⁴	358	-	358	365	2
Reimbursed costs	4,340	-	4,340	4,384	1
Depreciation, amortization, and other ⁵	65	(3)	68	82	17
Merger-related costs and charges	51	51	-	-	-
General, administrative, and other ⁶	210	-	210	246	15
Total Expenses	5,024	48	4,976	5,077	2
OPERATING INCOME / (LOSS)	537	(48)	585	498	17
Losses and other income, net ⁷	-	-	-	(7)	100
Interest expense	(70)	-	(70)	(78)	10
Interest income	7	-	7	8	(13)
Equity in earnings ⁸	11	-	11	9	22
INCOME / (LOSS) BEFORE INCOME TAXES	485	(48)	533	430	24
(Provision) benefit for income taxes	(120)	18	(138)	(140)	1
NET INCOME / (LOSS)	\$ 365	\$ (30)	\$ 395	\$ 290	36
EARNINGS PER SHARE					
Earnings per share - basic	<u>\$ 0.95</u>		<u>\$ 1.03</u>	<u>\$ 0.74</u>	39
Earnings per share - diluted	<u>\$ 0.94</u>		<u>\$ 1.01</u>	<u>\$ 0.73</u>	38
Basic Shares	384.9		384.9	390.0	
Diluted Shares	390.0		390.0	395.5	

** Denotes non-GAAP financial measures. See pages A-11 and A-12 for more information about these non-GAAP measures.

¹ Franchise fees include fees from our franchise agreements, application and relicensing fees, licensing fees from our timeshare, credit card programs, and residential branding fees. Beginning in the 2017 first quarter, we reclassified branding fees for third-party residential sales and credit card licensing to the "Franchise fees" caption from the "Owned, leased, and other" caption. We adjusted prior amounts to conform to current period presentation.

² Owned, leased, and other revenue includes revenue from the properties we own or lease, termination fees, and other revenue.

³ Cost reimbursements include reimbursements from properties for company-funded operating expenses.

⁴ Owned, leased, and other - direct expenses include operating expenses related to our owned or leased hotels, including lease payments and pre-opening expenses.

⁵ Depreciation, amortization, and other expenses include depreciation for fixed assets, amortization of capitalized costs incurred to acquire management, franchise, and license agreements, and any related impairments, accelerations, or write-offs.

⁶ General, administrative, and other expenses include our corporate and business segments overhead costs and general expenses.

⁷ Losses and other income, net includes gains and losses on the sale of real estate, the sale or other-than-temporary impairment of joint ventures and investments, and results from cost method investments.

⁸ Equity in earnings include our equity in earnings or losses of unconsolidated equity method investments.

⁹ The adjusted consolidated statements of income are presented before the impact of merger-related adjustments.

¹⁰ For basis of presentation of 2016 combined financial information, see the Form 8-K relating to our unaudited combined financial information that we filed with the U.S. Securities and Exchange Commission on February 15, 2017.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
AS OF MARCH 31, 2017

	North America		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
Managed	825	250,074	1,002	272,843	1,827	522,917
JW Marriott Hotels	15	9,695	47	18,925	62	28,620
The Ritz-Carlton Hotels	39	11,413	52	14,675	91	26,088
The Ritz-Carlton Residences	34	4,538	8	416	42	4,954
The Ritz-Carlton Serviced Apartments			5	697	5	697
W Hotels	25	7,729	22	4,989	47	12,718
Luxury Collection	5	2,294	47	8,272	52	10,566
St. Regis	9	1,725	28	6,237	37	7,962
EDITION Hotels	2	567	2	699	4	1,266
EDITION Residences	1	25			1	25
Bulgari Hotels & Resorts			2	117	2	117
Bulgari Residences			1	5	1	5
Marriott Hotels	130	68,389	156	45,252	286	113,641
Sheraton	31	23,600	188	64,082	219	87,682
Westin	48	25,288	67	21,532	115	46,820
Renaissance Hotels	26	11,625	49	15,901	75	27,526
Le Meridien	4	720	75	20,952	79	21,672
Autograph Collection Hotels	3	1,065	6	1,456	9	2,521
Delta Hotels and Resorts	25	6,764			25	6,764
Gaylord Hotels	5	8,108			5	8,108
Marriott Executive Apartments			28	4,195	28	4,195
Tribute Portfolio			3	515	3	515
Courtyard	256	40,863	79	16,595	335	57,458
Residence Inn	113	16,996	5	517	118	17,513
Fairfield Inn & Suites	6	1,432	12	1,816	18	3,248
SpringHill Suites	30	4,854			30	4,854
Four Points	1	134	58	14,378	59	14,512
TownePlace Suites	15	1,740			15	1,740
Aloft	1	330	25	6,209	26	6,539
Protea Hotels			36	4,223	36	4,223
Element	1	180	1	188	2	368
Franchised	3,653	532,957	420	91,212	4,073	624,169
JW Marriott Hotels	10	4,469	7	1,742	17	6,211
The Ritz-Carlton Hotels	1	429			1	429
The Ritz-Carlton Residences	1	55			1	55
Luxury Collection	9	1,891	33	6,387	42	8,278
Bulgari Hotels & Resorts			1	85	1	85
Marriott Hotels	207	64,518	42	12,309	249	76,827
Sheraton	162	48,013	58	16,756	220	64,769
Westin	74	24,522	24	7,766	98	32,288
Renaissance Hotels	58	16,548	26	7,168	84	23,716
Le Meridien	16	3,753	12	3,113	28	6,866
Autograph Collection Hotels	65	14,655	40	10,098	105	24,753
Delta Hotels and Resorts	15	3,789			15	3,789
Tribute Portfolio	13	4,568	7	515	20	5,083
Courtyard	697	92,890	57	10,840	754	103,730
Residence Inn	618	72,681	2	200	620	72,881
Fairfield Inn & Suites	836	76,293	2	386	838	76,679
SpringHill Suites	333	38,128			333	38,128
Four Points	131	20,040	39	6,256	170	26,296
TownePlace Suites	297	29,644			297	29,644
Aloft	88	12,873	12	1,925	100	14,798
Protea Hotels			48	3,499	48	3,499
Element	20	2,904	2	293	22	3,197
Moxy Hotels	2	294	8	1,874	10	2,168

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
AS OF MARCH 31, 2017

	North America		Total International		Total Worldwide	
	Units	Rooms	Units	Rooms	Units	Rooms
Owned/Leased	33	10,803	37	10,034	70	20,837
JW Marriott Hotels			1	496	1	496
The Ritz-Carlton Hotels			2	553	2	553
W Hotels	1	509	2	665	3	1,174
Luxury Collection			3	468	3	468
St. Regis	1	238	1	160	2	398
Marriott Hotels	4	2,102	5	1,625	9	3,727
Sheraton	3	2,671	6	2,867	9	5,538
Westin	2	1,832	1	246	3	2,078
Renaissance Hotels	1	310	3	749	4	1,059
Tribute Portfolio	1	135			1	135
Courtyard	19	2,814	3	644	22	3,458
Residence Inn	1	192	1	140	2	332
Protea Hotels			9	1,421	9	1,421
Unconsolidated Joint Ventures	17	2,895	89	11,193	106	14,088
Autograph Collection Hotels			5	348	5	348
AC Hotels by Marriott	17	2,895	84	10,845	101	13,740
Timeshare*	68	17,425	17	3,527	85	20,952
Marriott Vacations Worldwide	50	10,963	14	2,355	64	13,318
Vistana	18	6,462	3	1,172	21	7,634
Grand Total	4,596	814,154	1,565	388,809	6,161	1,202,963

*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

MARRIOTT INTERNATIONAL, INC.
TOTAL LODGING PRODUCTS
AS OF MARCH 31, 2017

Total Systemwide	North America		Total International		Total Worldwide	
	<i>Units</i>	<i>Rooms</i>	<i>Units</i>	<i>Rooms</i>	<i>Units</i>	<i>Rooms</i>
Luxury	153	45,577	264	65,588	417	111,165
JW Marriott Hotels	25	14,164	55	21,163	80	35,327
The Ritz-Carlton Hotels	40	11,842	54	15,228	94	27,070
The Ritz-Carlton Residences	35	4,593	8	416	43	5,009
The Ritz-Carlton Serviced Apartments			5	697	5	697
W Hotels	26	8,238	24	5,654	50	13,892
Luxury Collection	14	4,185	83	15,127	97	19,312
St. Regis	10	1,963	29	6,397	39	8,360
EDITION Hotels	2	567	2	699	4	1,266
EDITION Residences	1	25			1	25
Bulgari Hotels & Resorts			3	202	3	202
Bulgari Residences			1	5	1	5
Full Service	893	332,975	801	237,445	1,694	570,420
Marriott Hotels	341	135,009	203	59,186	544	194,195
Sheraton	196	74,284	252	83,705	448	157,989
Westin	124	51,642	92	29,544	216	81,186
Renaissance Hotels	85	28,483	78	23,818	163	52,301
Le Meridien	20	4,473	87	24,065	107	28,538
Autograph Collection Hotels	68	15,720	51	11,902	119	27,622
Delta Hotels and Resorts	40	10,553			40	10,553
Gaylord Hotels	5	8,108			5	8,108
Marriott Executive Apartments			28	4,195	28	4,195
Tribute Portfolio	14	4,703	10	1,030	24	5,733
Limited Service	3,482	418,177	483	82,249	3,965	500,426
Courtyard	972	136,567	139	28,079	1,111	164,646
Residence Inn	732	89,869	8	857	740	90,726
Fairfield Inn & Suites	842	77,725	14	2,202	856	79,927
SpringHill Suites	363	42,982			363	42,982
Four Points	132	20,174	97	20,634	229	40,808
TownePlace Suites	312	31,384			312	31,384
Aloft	89	13,203	37	8,134	126	21,337
AC Hotels by Marriott	17	2,895	84	10,845	101	13,740
Protea Hotels			93	9,143	93	9,143
Element	21	3,084	3	481	24	3,565
Moxy Hotels	2	294	8	1,874	10	2,168
Timeshare*	68	17,425	17	3,527	85	20,952
Marriott Vacations Worldwide	50	10,963	14	2,355	64	13,318
Vistana	18	6,462	3	1,172	21	7,634
Grand Total	4,596	814,154	1,565	388,809	6,161	1,202,963

*Timeshare property and room counts are included on this table in their geographical locations. For external reporting purposes, these counts are captured in the Corporate segment.

MARRIOTT INTERNATIONAL, INC.
COMBINED KEY LODGING STATISTICS
In Constant \$

Comparable Company-Operated International Properties¹

Region	Three Months Ended March 31, 2017 and March 31, 2016						
	REVPAR		Occupancy			Average Daily Rate	
	2017	vs. 2016*	2017	vs. 2016*		2017	vs. 2016*
Greater China	\$82.91	5.0%	65.7%	6.6%	pts.	\$126.24	-5.5%
Rest of Asia Pacific	\$118.88	5.6%	76.2%	4.0%	pts.	\$155.94	0.1%
Asia Pacific	\$95.44	5.3%	69.4%	5.7%	pts.	\$137.62	-3.3%
Caribbean & Latin America	\$161.96	0.2%	69.0%	1.8%	pts.	\$234.75	-2.3%
Europe	\$100.86	6.3%	64.4%	2.3%	pts.	\$156.59	2.4%
Middle East & Africa	\$120.69	-0.7%	68.9%	1.7%	pts.	\$175.12	-3.1%
Other International	\$119.17	2.2%	66.8%	2.0%	pts.	\$178.34	-0.9%
Total International²	\$107.42	3.6%	68.1%	3.8%	pts.	\$157.80	-2.3%
Worldwide³	\$125.81	3.8%	70.6%	2.5%	pts.	\$178.15	0.2%

Comparable Systemwide International Properties¹

Region	Three Months Ended March 31, 2017 and March 31, 2016						
	REVPAR		Occupancy			Average Daily Rate	
	2017	vs. 2016*	2017	vs. 2016*		2017	vs. 2016*
Greater China	\$83.02	5.3%	65.2%	6.6%	pts.	\$127.34	-5.4%
Rest of Asia Pacific	\$116.37	4.3%	75.6%	3.1%	pts.	\$153.99	0.1%
Asia Pacific	\$96.97	4.9%	69.5%	5.2%	pts.	\$139.45	-2.9%
Caribbean & Latin America	\$129.59	-1.6%	64.4%	0.3%	pts.	\$201.33	-2.1%
Europe	\$88.85	7.0%	61.4%	3.1%	pts.	\$144.63	1.7%
Middle East & Africa	\$114.75	-0.3%	68.3%	1.9%	pts.	\$168.05	-3.1%
Other International	\$105.66	2.2%	63.9%	2.1%	pts.	\$165.35	-1.1%
Total International²	\$101.97	3.2%	66.3%	3.4%	pts.	\$153.83	-2.0%
Worldwide³	\$108.81	3.1%	69.3%	1.7%	pts.	\$157.13	0.6%

* The 2016 statistics used to calculate change from the 2016 period to the 2017 period assume Marriott's acquisition of Starwood and Starwood's sale of its timeshare business had been completed on January 1, 2015.

¹ International includes properties located outside the United States and Canada.

² Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, EDITION, Bulgari Hotels & Resorts, Marriott Hotels, Sheraton, Westin, Renaissance Hotels, Autograph Collection Hotels, Protea Hotels, Le Meridien, Tribute Portfolio, Courtyard, Residence Inn, Fairfield Inn & Suites, Four Points, Aloft Hotels, Element Hotels, and AC Hotels by Marriott. Systemwide also includes Moxy Hotels.

³ Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, EDITION, Bulgari Hotels & Resorts, Marriott Hotels, Sheraton, Westin, Renaissance Hotels, Autograph Collection Hotels, Delta Hotels & Resorts, Protea Hotels, Gaylord Hotels, Le Meridien, Tribute Portfolio, Courtyard, Residence Inn, Fairfield Inn & Suites, SpringHill Suites, TownePlace Suites, Four Points, Aloft Hotels, Element Hotels and AC Hotels by Marriott. Systemwide also includes Moxy Hotels.

MARRIOTT INTERNATIONAL, INC.
COMBINED KEY LODGING STATISTICS
In Constant \$

Comparable Company-Operated North American Properties¹

Brand	Three Months Ended March 31, 2017 and March 31, 2016					
	REVPAR		Occupancy		Average Daily Rate	
	2017	vs. 2016*	2017	vs. 2016*	2017	vs. 2016*
JW Marriott Hotels	\$195.46	5.1%	77.8%	1.5% pts.	\$251.33	3.0%
The Ritz-Carlton	\$297.26	3.0%	75.3%	2.4% pts.	\$394.67	-0.3%
W Hotels	\$214.14	0.1%	76.6%	0.1% pts.	\$279.56	0.0%
Composite North American Luxury²	\$258.91	3.4%	77.2%	1.7% pts.	\$335.57	1.1%
Marriott Hotels	\$139.39	3.9%	72.9%	1.3% pts.	\$191.27	2.0%
Sheraton Hotels	\$134.71	5.4%	74.5%	1.6% pts.	\$180.92	3.2%
Westin Hotels	\$159.07	3.9%	73.5%	0.6% pts.	\$216.48	3.0%
Composite North American Upper Upscale³	\$140.72	5.0%	73.1%	1.5% pts.	\$192.57	2.9%
North American Full-Service⁴	\$161.91	4.5%	73.8%	1.5% pts.	\$219.37	2.4%
Courtyard	\$97.05	0.8%	69.1%	-0.2% pts.	\$140.39	1.1%
Residence Inn	\$116.34	5.1%	76.3%	1.7% pts.	\$152.46	2.7%
Composite North American Limited-Service⁵	\$101.61	2.2%	71.3%	0.4% pts.	\$142.42	1.7%
North American - All	\$143.30	4.0%	73.0%	1.2% pts.	\$196.17	2.4%

Comparable Systemwide North American Properties¹

Brand	Three Months Ended March 31, 2017 and March 31, 2016					
	REVPAR		Occupancy		Average Daily Rate	
	2017	vs. 2016*	2017	vs. 2016*	2017	vs. 2016*
JW Marriott Hotels	\$192.58	4.7%	77.7%	1.7% pts.	\$248.00	2.4%
The Ritz-Carlton	\$297.26	3.0%	75.3%	2.4% pts.	\$394.67	-0.3%
W Hotels	\$214.14	0.1%	76.6%	0.1% pts.	\$279.56	0.0%
Composite North American Luxury²	\$244.32	3.6%	76.4%	1.8% pts.	\$319.63	1.1%
Marriott Hotels	\$122.25	2.5%	69.9%	1.0% pts.	\$175.01	1.1%
Sheraton Hotels	\$103.66	3.5%	68.7%	1.2% pts.	\$150.79	1.8%
Westin Hotels	\$153.44	4.6%	74.0%	0.9% pts.	\$207.21	3.4%
Composite North American Upper Upscale³	\$125.61	3.9%	70.7%	1.3% pts.	\$177.79	2.0%
North American Full-Service⁴	\$138.28	3.9%	71.3%	1.3% pts.	\$194.02	1.9%
Courtyard	\$94.72	1.2%	68.9%	0.4% pts.	\$137.45	0.6%
Residence Inn	\$106.61	2.6%	75.0%	0.5% pts.	\$142.18	1.9%
Fairfield Inn	\$70.99	3.1%	65.3%	1.3% pts.	\$108.64	1.1%
Composite North American Limited-Service⁵	\$89.96	2.2%	69.8%	0.7% pts.	\$128.86	1.2%
North American - All	\$111.62	3.1%	70.5%	1.0% pts.	\$158.40	1.7%

* The 2016 statistics used to calculate change from the 2016 period to the 2017 period assume Marriott's acquisition of Starwood and Starwood's sale of its timeshare business had been completed on January 1, 2015.

¹ Includes properties located in the United States and Canada.

² Includes JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis, and EDITION.

³ Includes Marriott Hotels, Sheraton, Westin, Renaissance Hotels, Autograph Collection Hotels, Delta Hotels & Resorts, Gaylord Hotels, Le Meridien, and Tribute Portfolio.

⁴ Includes Composite North American Luxury and Composite North American Upper Upscale.

⁵ Includes Courtyard, Residence Inn, Fairfield Inn & Suites, SpringHill Suites, Four Points, and TownePlace Suites. Systemwide also includes Aloft Hotels and Element Hotels.

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

	<u>Fiscal Year 2017</u>	
	<u>First</u>	
	<u>Quarter</u>	
Net income, as reported	\$	365
Interest expense		70
Tax provision		120
Depreciation and amortization		65
Depreciation classified in reimbursed costs		32
Interest expense from unconsolidated joint ventures		1
Depreciation and amortization from unconsolidated joint ventures		11
EBITDA **		664
Merger-related costs		51
Share-based compensation (including share-based compensation reimbursed by third-party owners)		35
Adjusted EBITDA **	\$	750
Increase over 2016 Adjusted EBITDA **		64%
Increase over 2016 Combined Adjusted EBITDA **		10%

	<u>Fiscal Year 2016</u>				
	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Total</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	
Net income, as reported	\$ 219	\$ 247	\$ 70	\$ 244	\$ 780
Interest expense	47	57	55	75	234
Tax provision	107	97	61	139	404
Depreciation and amortization	31	30	36	71	168
Depreciation classified in reimbursed costs	14	14	15	33	76
Interest expense from unconsolidated joint ventures	1	1	1	4	7
Depreciation and amortization from unconsolidated joint ventures	3	3	4	10	20
EBITDA **	422	449	242	576	1,689
Merger-related costs	8	14	228	136	386
Share-based compensation (including share-based compensation reimbursed by third-party owners)	28	31	36	44	139
Adjusted EBITDA **	\$ 458	\$ 494	\$ 506	\$ 756	\$ 2,214
Starwood pre-acquisition and other adjustments	225	279	269	-	773
Combined Adjusted EBITDA **	\$ 683	\$ 773	\$ 775	\$ 756	\$ 2,987

** Denotes non-GAAP financial measures. Please see pages A-11 and A-12 for information about our reasons for providing these alternative financial measures and the limitations on their use.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA FORECAST
SECOND QUARTER 2017
(\$ in millions)

	Range		Combined Second Quarter 2016 ^{2**}
	Estimated Second Quarter 2017	Estimated Second Quarter 2017	
Net income ¹	\$ 379	\$ 393	
Interest expense	75	75	
Tax provision	186	192	
Depreciation and amortization	65	65	
Depreciation classified in Reimbursed costs	35	35	
Interest expense from unconsolidated joint ventures	5	5	
Depreciation and amortization from unconsolidated joint ventures	10	10	
EBITDA ^{**}	755	775	
Loss on asset dispositions and impairments, net	-	-	
Share-based compensation (including share-based compensation reimbursed by third-party owners)	40	40	
Adjusted EBITDA ^{**}	\$ 795	\$ 815	\$ 773
Increase over Q2 2016 Combined Adjusted EBITDA^{**}	3%	5%	

^{**} Denotes non-GAAP financial measures. See pages A-11 and A-12 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ Estimated 2017 net income excludes merger-related costs, which the company cannot accurately forecast, but expects will be significant on a full-year basis.

² See page A-8 for a reconciliation of Combined Adjusted EBITDA.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA FORECAST
FULL YEAR 2017
(\$ in millions)

	<u>Range</u>		<u>Combined</u> <u>Fiscal Year 2016</u> ^{2**}
	<u>Estimated</u> <u>Fiscal Year 2017</u>		
Net income ¹	\$ 1,504	\$ 1,568	
Interest expense	295	295	
Tax provision	681	712	
Depreciation and amortization	270	270	
Depreciation classified in Reimbursed costs	140	140	
Interest expense from unconsolidated joint ventures	15	15	
Depreciation and amortization from unconsolidated joint ventures	40	40	
EBITDA ^{**}	<u>2,945</u>	<u>3,040</u>	
Loss on asset dispositions and impairments, net	-	-	
Share-based compensation (including share-based compensation reimbursed by third-party owners) ³	155	155	
Adjusted EBITDA^{**}	<u>\$ 3,100</u>	<u>\$ 3,195</u>	<u>\$ 2,987</u>
Increase over 2016 Combined Adjusted EBITDA^{**}	4%	7%	

** Denotes non-GAAP financial measures. See pages A-11 and A-12 for information about our reasons for providing these alternative financial measures and the limitations on their use.

¹ Estimated 2017 net income excludes merger-related costs, which the company cannot accurately forecast, but expects will be significant on a full-year basis.

² See page A-8 for a reconciliation of Combined Adjusted EBITDA.

³ Estimated 2017 share-based compensation reflects a \$27 million reduction compared to our February 15, 2017 estimate as a result of a correction.

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL AND PERFORMANCE MEASURES

In our press release and schedules, and on the related conference call, we report certain financial measures that are not required by, or presented in accordance with, United States generally accepted accounting principles (“GAAP”). We discuss management’s reasons for reporting these non-GAAP measures below, and the press release schedules reconcile the most directly comparable GAAP measure to each non-GAAP measure that we refer to. 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, we may calculate and/or present these non-GAAP financial measures differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

Adjusted Measures That Exclude Merger-Related Adjustments. Management evaluates certain non-GAAP measures that exclude transaction and transition costs and purchase accounting adjustments associated with the Starwood merger because those non-GAAP measures allow for period-over period comparisons of our ongoing operations before the impact of these items. These non-GAAP measures, which are reconciled to the comparable GAAP measures on page A-2, include adjusted net income, adjusted depreciation, amortization, and other expenses, adjusted provision for income taxes, and adjusted EPS. Non-GAAP adjusted net income and its components and adjusted EPS are not, and should not be viewed as, substitutes for net income and EPS as reported under GAAP.

Combined Financial Information. The 2016 unaudited combined financial information presented on page A-2 gives effect to Marriott’s acquisition of Starwood, and Starwood’s sale of its timeshare business, as if these two transactions (the “Transactions”) had occurred on January 1, 2015, and is presented to facilitate comparisons with our results following the acquisition of Starwood. The unaudited combined financial information also uses the estimated fair value of assets and liabilities on September 23, 2016, the closing date of the acquisition, and makes the following assumptions: (1) removes merger-related costs and charges; (2) adjusts income taxes to reflect the Company’s combined 2016 effective tax rate of 32.5%; (3) adjusts weighted-average shares outstanding to include shares issued to Starwood shareholders; and (4) adjusts debt to reflect borrowing on the Credit Facility and issuance of Series Q and R Notes on January 1, 2015.

Marriott presents the combined financial information for informational purposes only and the combined financial information is not necessarily indicative of what the combined company’s results of operations would actually have been had the Transactions been completed on the date indicated. In addition, the combined financial information does not purport to project the future operating results of the combined company.

Combined net income includes adjustments that are not prescribed by Article 11 of Regulation S-X. The following table presents a reconciliation of pro forma net income in accordance with Article 11 to combined net income presented on the previous pages.

<i>(in millions)</i>	2016	
	First Quarter	
Pro forma net income under Article 11	\$	291
Merger-related costs and charges		3
Income taxes ¹		(4)
Loss on cumulative translation adjustment		-
Combined net income	\$	290

¹ Combined net income applies an effective income tax rate of 32.5%. For pro forma net income under Article 11, we applied the historical effective tax rates for Marriott and Starwood.

Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”), Adjusted EBITDA, and Combined Adjusted EBITDA. EBITDA reflects net income, excluding the impact of interest expense, depreciation, amortization, and provision for income taxes. Our non-GAAP measure of Adjusted EBITDA further adjusts EBITDA to exclude the pre-tax transaction and transition costs associated with the Starwood merger, which we recorded in the “Merger-related costs” caption of our Consolidated Statements of Income (our “Income Statements”) and share-based compensation expense for all periods presented.

Our 2016 non-GAAP measure of Combined Adjusted EBITDA also includes Starwood pre-acquisition and other adjustments, which assume Marriott’s acquisition of Starwood and Starwood’s sale of its timeshare business had been completed on January 1, 2015. These adjustments reflect Starwood’s EBITDA, adjusted for merger-related costs, net loss on asset dispositions, loss on cumulative translation adjustment, share-based compensation, and an assumed effective income tax rate for the combined company of 32.5% for the periods prior to the merger closing date of September 23, 2016 (“Merger Date”).

MARRIOTT INTERNATIONAL, INC.
NON-GAAP FINANCIAL AND PERFORMANCE MEASURES

We believe that Adjusted EBITDA and Combined Adjusted EBITDA are meaningful indicators of our operating performance because they permit period-over-period comparisons of our ongoing core operations before these items and facilitate our comparison of results before these items with results from other lodging companies. We use such measures to evaluate companies because they exclude 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 provisions for income taxes can vary considerably among companies. Our Adjusted EBITDA and Combined Adjusted EBITDA also exclude depreciation and amortization expense which we report under "Depreciation, amortization, and other" as well as depreciation included under "Reimbursed costs" in our Combined Consolidated Statements of Income, 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. We also excluded share-based compensation expense in all periods presented in order to address considerable variability among companies in recording compensation expense because companies use share-based payment awards differently, both in the type and quantity of awards granted.

RevPAR. In addition to the foregoing non-GAAP financial measures, we present Revenue per Available Room ("RevPAR") as a performance measure. We believe RevPAR is a meaningful indicator of our performance because it measures the period-over-period change in room revenues for comparable properties. RevPAR may not be comparable to similarly titled measures, such as revenues. We calculate RevPAR by dividing room sales (recorded in local currency) for comparable properties by room nights available for the period. We present growth in both comparative Legacy-Marriott RevPAR and comparative pro forma combined company RevPAR on a constant dollar basis, which we calculate by applying exchange rates for the current period to each period presented. We believe constant dollar analysis provides valuable information regarding our properties' performance as it removes currency fluctuations from the presentation of such results.