

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Timeshare segment results

(\$ in millions)

Timeshare segment results for 2002 include a \$44 million gain associated with the sale of our investment in Interval International. As this gain is material and non-recurring, we believe that the gain should be excluded from Timeshare segment results to facilitate comparability between the years presented. Our management evaluates Timeshare segment results excluding the gain associated with the sale of our investment in Interval International as that measure allows for period-over-period comparisons relative to on-going core Timeshare segment operations.

Although our management evaluates and presents this non-GAAP measure for the reasons described above, please be aware that this non-GAAP measure is not an alternative to Timeshare segment results, operating income, income from continuing operations, net income or any other comparable operating measure prescribed by GAAP. In addition, this non-GAAP financial measure 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 measure we report may not be comparable to those reported by others.

	<u>Fiscal Year 2002</u>	
Timeshare Segment Results as reported	\$	183
Deduct: gain on sale of interval international loss (income)		(44)
Timeshare segment results excluding gain on sale of interval international**	\$	<u>139</u>

** Denotes non-GAAP financial measures.

March 8, 2007

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Timeshare Segment Return on Invested Capital
(\$ in millions)

Timeshare segment return on invested capital is calculated as earnings before interest expense and income taxes divided by average invested capital. Timeshare segment return on invested capital is a financial measure that is not presented in accordance with United States generally accepted accounting principles. We consider timeshare segment return on invested capital 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 timeshare operations. Timeshare segment results for 2002 include a \$44 million gain associated with the sale of our investment in Interval International. As this gain is material and non-recurring, we believe that the gain should be excluded from timeshare segment results to facilitate comparability between the years presented. Timeshare segment results as adjusted to remove the gain associated with the sale of our investment in Interval International is a financial measure that is not presented in accordance with United States generally accepted accounting principles.

Although management presents and evaluates these non-GAAP measures for the reasons described above, timeshare segment return on invested capital and timeshare segment results as adjusted should not be considered alternatives to timeshare segment results, net income, income from continuing operations or any other operating measure prescribed by United States generally accepted accounting principles. Additionally, our method of calculating return on invested capital may be different from the methods used by other companies and as a result comparability may be limited.

	2000	2001	2002	2003	2004	2005	2006
Timeshare segment results, as reported	\$ 138	\$ 147	\$ 183	\$ 149	\$ 203	\$ 271	\$ 280
Interval International gain	-	-	(44)	-	-	-	-
Timeshare segment results as adjusted **	138	147	139	149	203	271	280
Timeshare interest ¹	8	12	17	21	21	24	21
Earnings before interest expense and income taxes **	<u>\$ 146</u>	<u>\$ 159</u>	<u>\$ 156</u>	<u>\$ 170</u>	<u>\$ 224</u>	<u>\$ 295</u>	<u>\$ 301</u>
Timeshare average capital investment **	<u>\$ 1,183</u>	<u>\$ 1,513</u>	<u>\$ 1,774</u>	<u>\$ 1,890</u>	<u>\$ 1,894</u>	<u>\$ 1,907</u>	<u>\$ 1,981</u>
Timeshare segment return on invested capital **	<u>12%</u>	<u>11%</u>	<u>9%</u>	<u>9%</u>	<u>12%</u>	<u>15%</u>	<u>15%</u>

The reconciliation of Timeshare segment assets to invested capital is as follows:

	1999	2000	2001	2002	2003	2004	2005	2006
Timeshare segment assets, as reported	\$ 1,283	\$ 1,634	\$ 2,109	\$ 2,225	\$ 2,350	\$ 2,321	\$ 2,454	\$ 2,560
Less:								
Timeshare segment current liabilities	(218)	(323)	(370)	(374)	(374)	(467)	(453)	(560)
Timeshare segment capitalized interest	(4)	(7)	(17)	(26)	(22)	(21)	(20)	(19)
Timeshare segment invested capital	<u>\$ 1,061</u>	<u>\$ 1,304</u>	<u>\$ 1,722</u>	<u>\$ 1,825</u>	<u>\$ 1,954</u>	<u>\$ 1,833</u>	<u>\$ 1,981</u>	<u>\$ 1,981</u>
Timeshare segment average invested capital ²	<u>\$ 1,183</u>	<u>\$ 1,513</u>	<u>\$ 1,774</u>	<u>\$ 1,890</u>	<u>\$ 1,894</u>	<u>\$ 1,907</u>	<u>\$ 1,981</u>	<u>\$ 1,981</u>

¹ Timeshare interest represents previously capitalized interest that is a component of product cost.

² Calculated as timeshare segment invested capital for the current year and prior year, divided by two.

** Denotes a non-GAAP financial measure.