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MARRIOTT INTERNATIONAL ANNOUNCES PLAN TO SPIN OFF TIMESHARE BUSINESS AND REPORTS FOURTH QUARTER 2010 RESULTS

FOURTH QUARTER HIGHLIGHTS

- *Fourth quarter adjusted diluted earnings per share (EPS) totaled \$0.39, a 22 percent increase over prior year adjusted results,*
- *Total fee revenue increased 14 percent from the year-ago quarter to \$389 million as a result of strong revenue per available room (REVPAR) and unit growth. Total incentive management fees climbed 27 percent. North American incentive fees increased 50 percent,*
- *Fourth quarter worldwide comparable systemwide REVPAR rose 8.1 percent using constant dollars. Average daily rate rose 2.3 percent using constant dollars,*
- *At year-end, the company's worldwide pipeline of hotels under construction, awaiting conversion or approved for development totaled nearly 105,000 rooms, including nearly 45,000 rooms outside North America. The pipeline includes AC Hotels by Marriott, a new brand with over 9,000 rooms expected at launch in 2011,*
- *Over 8,500 rooms opened during the quarter, including over 1,800 rooms converted from competitor brands and 2,100 rooms in international markets.*

BETHESDA, MD – February 14, 2011 - Marriott International, Inc. (NYSE: MAR), in addition to reporting its fourth quarter and full year 2010 results today, announced a plan to split the company's businesses into two separate, publicly traded companies. Marriott International expects to spin off its timeshare operations and development business as a new independent company through a special tax-free dividend to Marriott International shareholders in late 2011.

DETAILS OF THE TRANSACTION

Under the plan, the new company will focus on the timeshare business as the exclusive developer and operator of timeshare, fractional and related products under the Marriott brand and the

exclusive developer of fractional and related products under the Ritz-Carlton brand. After the split, Marriott International will concentrate on the lodging management and franchise business. Marriott will also receive franchise fees from the timeshare company's use of the Marriott and Ritz-Carlton brands.

Marriott International chairman and chief executive officer, J.W. Marriott, Jr., said, "Marriott took a bold step when we introduced our Marriott brand to the timeshare industry in 1984. In this transaction, we take another innovative step forward as we combine the power of the Marriott and Ritz-Carlton brands with the flexibility and focus of a new independent timeshare company.

"The transaction will permit both companies to tailor their business strategies to best address market opportunities in their respective industries. The new timeshare company will be positioned to expand faster over time while Marriott International will further advance its longstanding strategy of separating real estate from management and franchise operations. With two public companies, shareholders will be able to pursue investment goals in either or both companies rather than one combined organization.

"Marriott Vacation Club owners and guests and The Ritz-Carlton Destination Club members should see no change in the branding or quality of their properties, services, usage options, use of Marriott Rewards points, or access to Marriott International's hotels. The companies will continue to work together to provide outstanding vacation experiences, similar to the relationship between Marriott International and the franchisees of its hotel properties. After the split, both companies will remain dedicated to the highest standards of quality and value and the brand promise for which Marriott and Ritz-Carlton are well known and widely respected.

"Day-to-day operations at both companies should not be affected by this transaction. During the past few years, our company has brought staffing levels and expenses in line with operating conditions across our businesses. While we will continue to improve efficiency where possible, we do not expect this transaction to result in work force reductions. Associates should continue to have attractive career opportunities due to the growth prospects of both companies," added Mr. Marriott.

As two separate public companies, both Marriott International and the new company will have separate boards of directors. J.W. Marriott, Jr. will remain chairman of the board and chief executive officer of Marriott International. Stephen P. Weisz, president of Marriott's timeshare business since 1997 and a 39-year Marriott veteran, will become chief executive officer of the new company. William J. Shaw, who recently announced his retirement as vice chairman of the company at Marriott International and also resigned from its board, will become chairman of the board of the new timeshare company and Deborah Marriott Harrison, senior vice president of government affairs for Marriott International, will serve as a board member.

Mr. Weisz said, "Our new company will be independent and the largest pure-play timeshare firm in the world. We will be publicly-held and financially sound with significant growth opportunities including meaningful upside as the economic recovery proceeds. We believe our outstanding brands, unparalleled operating skill, prime resort locations and world-class sales expertise will continue to provide us with a significant competitive advantage.

"With the launch of the Marriott Vacation Club Destinations timeshare program, our points-based product, in 2010, we are confident in our ability to fulfill the dreams and meet the growing expectations of our customers. We expect to continue to create value for shareholders through a diverse stream of income, including development, management and financing. We dramatically improved our cost structure and efficiency in the last two years and are well-positioned for the upturn. And with over \$1.5 billion in timeshare segment inventory at year-end 2010, our near term investment needs are modest. All in all, we expect to generate meaningful cash from operations in the next few years. I am enormously excited by this new opportunity for our business and our associates."

In 2010, Marriott International's timeshare segment reported revenue of approximately \$1.5 billion (unadjusted for specific terms of the transaction). At year-end 2010, Marriott International's timeshare segment operated 71 timeshare and fractional resorts with more than 400,000 owners and approximately 10,000 employees.

After the special dividend, the Marriott family is expected to hold approximately 21 percent of the outstanding common stock of each company.

Marriott International will continue to be listed on the New York Stock Exchange and expects that the new timeshare company will also be listed on the New York Stock Exchange. The new timeshare company does not expect to pay a quarterly cash dividend or be investment grade in the near term. Marriott International does not expect to change its quarterly cash dividend as a result of this transaction.

Marriott will disclose more details about the respective pro forma balance sheets and pro forma income statements of the two companies when the new timeshare company files a Form 10 registration statement with the Securities and Exchange Commission, which it expects to occur sometime in the second quarter of 2011. The transaction is subject to the receipt of normal and customary regulatory approvals, the execution of inter-company agreements, receipt of a favorable ruling from the Internal Revenue Service (IRS), arrangement of adequate financing facilities, final approval by Marriott International's board of directors, and other related matters. The transaction will not require shareholder approval and will have no impact on Marriott's contractual obligations to the existing securitizations. Subject to the completion of this ongoing work and the receipt of regulatory approvals, the spin-off should be completed before year-end 2011.

FOURTH QUARTER 2010 RESULTS

Fourth quarter 2010 adjusted net income totaled \$150 million, a 27 percent increase compared to fourth quarter 2009 adjusted net income. Adjusted diluted EPS totaled \$0.39, a 22 percent increase from adjusted diluted EPS in the year-ago quarter. On October 6, 2010, the company forecasted fourth quarter diluted EPS of \$0.33 to \$0.36.

Reported net income totaled \$173 million in the fourth quarter of 2010 compared to \$106 million in the year-ago quarter. Reported diluted EPS was \$0.46 in the fourth quarter of 2010 compared to \$0.28 in the fourth quarter of 2009.

Adjusted net income and adjusted diluted EPS for the 2010 fourth quarter exclude \$100 million pretax (\$62 million after-tax and \$0.16 per diluted share) of non-cash impairment and other charges, including an \$84 million impairment charge related to a revenue management software investment (see below) and \$27 million of impairment charges related to the anticipated disposition of a land parcel and a golf course. An \$11 million reversal of a liability recorded as

part of the Timeshare strategy impairment charge in the 2009 third quarter partially offset these charges. Fourth quarter 2010 adjusted results also exclude an \$85 million (\$0.22 per diluted share) non-cash benefit in the provision for income taxes resulting from a settlement with the IRS related to the treatment of funds received from foreign subsidiaries.

The revenue management software investment noted above is designed to manage and price group rooms and catering business at North American full-service hotels and will be a significant competitive advantage. The system rollout began in the fourth quarter of 2010 and the company expects it will be implemented at nearly 500 hotels by mid-2013 with more properties to follow. Marriott funded the nearly \$270 million total system cost as it was developed, expecting to recover the cost from individual hotel properties over time. However, due to the significant impact of the recent recession on hotel owner profitability and the long-term nature of its relationships with its owners and franchisees, in the fourth quarter Marriott agreed to absorb a portion of the cost. As a result, the company recorded the \$84 million impairment charge on the investment in the fourth quarter to reflect the expected levels of cost recovery.

Adjusted results for the 2009 fourth quarter exclude \$19 million pretax (\$12 million after-tax and \$0.03 per diluted share) of restructuring costs and other charges.

Speaking of the year's results, Mr. Marriott said, "We clearly turned the corner as 2010 progressed and our company delivered outstanding results for the year. Business travelers headed back on the road, and worldwide systemwide REVPAR increased nearly 6 percent during the year with the fourth quarter up over 8 percent. In North America, we saw growing momentum at our limited-service hotels, as stronger urban markets drove systemwide REVPAR up 8 percent in the quarter. REVPAR at our hotels in China rose 33 percent on a constant dollar basis.

"We were also encouraged by trends in our North American group business. Fourth quarter catering revenue for the Marriott Hotels & Resorts brand increased 4 percent and group room revenue rose 3 percent. Near term group bookings for that brand are also picking up. Revenue for group rooms booked in the 2010 fourth quarter for stays in 2011 increased 21 percent year-over-year, including 11 percent higher room rates.

“In our timeshare business, contract sales in 2010 totaled over \$700 million and the business generated over \$245 million in pretax free cash flow. Our new points-based timeshare product offers customers more price points and greater flexibility of use.

“We opened 157 properties with nearly 29,000 rooms during the year, including our first EDITION hotel in Hawaii, and announced two new brands, Autograph Hotels and AC Hotels by Marriott. By the end of 2010, we had already added 13 Autograph hotels, including The Cosmopolitan of Las Vegas.

“While 2010 was a terrific year for the company, we are even more optimistic and enthusiastic about the future. Demand and pricing continue to strengthen. We expect 2011 worldwide systemwide REVPAR to increase 6 to 8 percent. With nearly 105,000 rooms in our global development pipeline at the end of 2010, we expect to add approximately 35,000 rooms to our system in 2011. With continuing room rate momentum, premier service quality, and global expansion, we expect an outstanding 2011.”

For the 2010 fourth quarter, REVPAR for worldwide comparable systemwide properties increased 8.1 percent (a 7.6 percent increase using actual dollars).

International comparable systemwide REVPAR rose 10.1 percent (a 7.9 percent increase using actual dollars), including a 3.9 percent increase in average daily rate (a 1.8 percent increase using actual dollars) in the fourth quarter of 2010.

In North America, comparable systemwide REVPAR increased 7.5 percent in the fourth quarter of 2010, including a 1.8 percent increase in average daily rate. REVPAR for comparable systemwide North American full-service and luxury hotels (including *Marriott Hotels & Resorts*, *The Ritz-Carlton* and *Renaissance Hotels*) increased 7.0 percent with a 2.6 percent increase in average daily rate. REVPAR for comparable systemwide North American limited-service hotels (including *Courtyard*, *Residence Inn*, *SpringHill Suites*, *TownePlace Suites* and *Fairfield Inn & Suites*) increased 8.0 percent in the fourth quarter with a 1.4 percent increase in average daily rate.

Marriott added 35 new properties (8,571 rooms) to its worldwide lodging portfolio in the 2010 fourth quarter, including The Cosmopolitan of Las Vegas, the Pune Marriott Hotel and Convention Centre in India, the JW Marriott Marquis Miami and the Algonquin Hotel, an Autograph Collection hotel in New York City. Eight properties (1,973 rooms) exited the system during the quarter. At quarter-end, the company's lodging group encompassed 3,545 properties and timeshare resorts for a total of over 618,000 rooms.

The company's worldwide pipeline of hotels under construction, awaiting conversion or approved for development totaled almost 700 properties with nearly 105,000 rooms at year-end. The pipeline includes AC Hotels by Marriott, a new brand with over 9,000 rooms expected at launch in 2011.

MARRIOTT REVENUES totaled over \$3.6 billion in the 2010 fourth quarter compared to approximately \$3.4 billion for the fourth quarter of 2009. Base management and franchise fees rose 11 percent to \$314 million reflecting higher REVPAR and fees from new hotels. Fourth quarter worldwide incentive management fees increased 27 percent to \$75 million. Incentive fees earned on hotels in North America increased 50 percent to \$27 million. In the fourth quarter, 26 percent of company-managed hotels earned incentive management fees compared to 22 percent in the year-ago quarter.

Worldwide comparable company-operated house profit margins increased 100 basis points in the fourth quarter reflecting higher occupancy, rate increases and strong productivity. House profit margins for comparable company-operated properties outside North America increased 130 basis points and North American comparable company-operated house profit margins increased 70 basis points from the year-ago quarter.

Owned, leased, corporate housing and other revenue, net of direct expenses, increased \$19 million in the 2010 fourth quarter, to \$41 million, largely due to a \$10 million increase in branding fee revenue, the \$4 million reversal of a liability related to a hotel that closed in the quarter, and \$6 million of improved operating results at owned and leased hotels.

In the fourth quarter, Marriott's timeshare business continued to focus its efforts on educating existing customers about the benefits of its new points product. The program allows customers

to purchase timeshare in smaller increments than the traditional one-week product and allows greater flexibility of use. In the fourth quarter alone, over 30,000 existing owners joined the points program, continuing to exceed the company's expectations. Contract sales to existing owners increased 47 percent in the fourth quarter compared to the year-ago quarter. With fewer sales to new customers year-over-year, fourth quarter adjusted Timeshare segment contract sales declined \$2 million to \$201 million (excluding a \$4 million allowance for residential contract cancellations recorded in the quarter). In the prior year's quarter, adjusted Timeshare segment contract sales totaled \$203 million (excluding a \$28 million allowance for fractional and residential contract cancellations).

In the fourth quarter, Timeshare sales and services revenue totaled \$372 million and, net of expenses, totaled \$43 million for the quarter. Adjusting for restructuring and other charges, as well as the impact of consolidating securitized notes had that occurred at the beginning of 2009 rather than 2010, fourth quarter 2009 adjusted Timeshare sales and services revenue would have totaled \$373 million and, net of direct expenses, would have totaled \$64 million. These adjustments and reported results for the 2009 quarter are shown on page A-11.

Fourth quarter 2010 Timeshare sales and services revenue, net of expenses, declined largely due to \$8 million of costs related to the new points-based program, a \$6 million impairment charge related to a few fractional projects, higher carry costs on unsold units, and lower interest income on mortgage notes. These unfavorable variances were partially offset by higher rental income and lower expenses associated with reacquired inventory.

Timeshare segment results include Timeshare sales and services revenue, net of direct expenses, as well as base management fees, equity in earnings (losses), gains and other income, interest expense and general, administrative and other expenses associated with the timeshare business. Adjusted Timeshare segment results for the 2010 fourth quarter totaled \$42 million (as shown with reported results on page A-9) and included \$15 million of interest expense related to the consolidation of securitized Timeshare notes, as well as a \$20 million gain on the sale of real estate, both of which were included in the company's fourth quarter 2010 guidance. In the prior year quarter, adjusted Timeshare segment results would have totaled \$28 million, adjusting for the restructuring costs and other charges, as well as the impact of consolidating securitized notes had that occurred at the beginning of 2009 rather than 2010, as shown with reported results on

page A-11. Adjusted Timeshare segment results for the year-ago quarter included \$26 million of interest expense related to the consolidation of securitized Timeshare notes.

ADJUSTED GENERAL, ADMINISTRATIVE and OTHER expenses for the 2010 fourth quarter increased 16 percent to \$240 million, compared to adjusted expenses of \$207 million in the year-ago quarter as shown with reported results on page A-1. The increase in expenses reflected higher costs in international growth markets, as well as \$12 million of higher incentive compensation costs, a \$5 million increase in legal costs, \$4 million for brand initiatives, a \$2 million increase in foreign exchange losses and the unfavorable impact of the \$3 million reversal of a loan loss reserve in the year-ago quarter. These expense increases were partially offset by \$3 million of lower deferred compensation expenses in the quarter.

GAINS AND OTHER INCOME totaled \$28 million and primarily reflected net gains on the sale of real estate including \$20 million from the sale of a property associated with the timeshare business. The prior year's fourth quarter gains and other income totaled \$4 million and included a \$3 million gain on the sale of investments and \$1 million of net gains on the sale of real estate.

INTEREST EXPENSE increased \$16 million to \$50 million in the fourth quarter, primarily due to \$15 million of interest expense related to the consolidation of debt associated with securitized Timeshare notes, as well as higher interest expense associated with the company's deferred compensation plan, partially offset by the impact of lower debt balances. Adjusting for the impact of consolidating securitized notes had that occurred at the beginning of 2009 rather than 2010, fourth quarter 2009 interest expense would have been \$60 million.

ADJUSTED INCOME TAXES

The adjusted provision for income taxes in the fourth quarter of 2010 reflected a \$12 million benefit primarily associated with revisions to estimates of prior years' foreign income tax expenses.

Adjusted Earnings before Interest Expense, Taxes, Depreciation and Amortization (EBITDA)

Adjusted EBITDA totaled \$325 million in the 2010 fourth quarter. In the 2009 fourth quarter, adjusted EBITDA totaled \$300 million. If the consolidation of securitized Timeshare notes had

occurred at the beginning of 2009, adjusted EBITDA in the 2009 fourth quarter would have totaled \$292 million. Adjusted EBITDA for the fourth quarter of 2010 increased 11 percent over the year-ago quarter adjusted for the consolidation of securitized notes. Adjusted EBITDA for the Timeshare segment totaled \$65 million in the 2010 fourth quarter. If the consolidation of securitized Timeshare notes had occurred at the beginning of 2009, adjusted Timeshare segment EBITDA in the 2009 fourth quarter would have totaled \$70 million. See pages A-14, A-15, and A-17 for the EBITDA and adjusted EBITDA calculations.

FULL YEAR 2010 RESULTS

For the full year 2010, adjusted net income totaled \$435 million, a 27 percent increase compared to full year 2009 adjusted net income. Adjusted diluted EPS totaled \$1.15, an increase of 24 percent from adjusted diluted EPS a year ago.

Reported net income totaled \$458 million for full year 2010 compared to a reported net loss of \$346 million a year ago. Reported diluted EPS was \$1.21 for 2010 compared to reported diluted losses per share of \$0.97 for 2009.

Adjusted net income and adjusted diluted EPS for full year 2010 exclude \$100 million pretax (\$62 million after-tax and \$0.16 per diluted share) of impairment and other charges and an \$85 million (\$0.23 per diluted share) non-cash benefit in the provision for income taxes. Both items are described in more detail earlier in this release under the caption “FOURTH QUARTER 2010 RESULTS”.

Adjusted net income and adjusted diluted EPS for full year 2009 exclude the \$213 million pretax (\$130 million after-tax and \$0.37 per diluted share) restructuring costs and other charges, as well as \$752 million pretax (\$502 million after-tax and \$1.41 per diluted share) of Timeshare strategy impairment charges. Adjusted results for full year 2009 also exclude the \$56 million (\$0.16 per diluted share) impact of non-cash charges in the provision for income taxes.

REVPAR for the company’s worldwide comparable systemwide properties increased 5.8 percent (a 5.9 percent increase using actual dollars) in 2010.

International comparable systemwide REVPAR for 2010 increased 9.2 percent (a 9.3 percent increase using actual dollars), including a 5.9 percent increase in occupancy and a 0.2 percent decline in average daily rate (flat in actual dollars).

In North America, comparable systemwide REVPAR increased 4.9 percent in 2010. REVPAR at the company's comparable systemwide North American full-service and luxury hotels (including *Marriott Hotels & Resorts*, *The Ritz-Carlton* and *Renaissance Hotels & Resorts*) increased 5.5 percent with a 3.7 percent increase in occupancy and an average daily rate decline of 0.3 percent. REVPAR for comparable systemwide North American limited-service hotels (including *Courtyard*, *Residence Inn*, *SpringHill Suites*, *TownePlace Suites* and *Fairfield Inn & Suites*) increased 4.4 percent with a 1.4 percent decline in average daily rate.

MARRIOTT REVENUES totaled \$11.7 billion in 2010 compared to \$10.9 billion in 2009. Total fees in 2010 were \$1,185 million, an increase of 9 percent from the prior year. Stronger base management and franchise fees reflected the increase in worldwide REVPAR and unit growth across the system. Incentive management fees increased 18 percent reflecting higher property-level profit due to worldwide REVPAR increases and continued cost control, as well as international unit growth. For full year 2010, 27 percent of company-operated hotels earned incentive management fees compared to 25 percent in the prior year. Approximately two-thirds of incentive management fees came from hotels outside North America in both 2010 and 2009.

Owned, leased, corporate housing and other revenue, net of direct expenses, totaled \$91 million in 2010 compared to \$68 million in 2009. Results were primarily impacted by a \$12 million increase in termination fees net of property closing costs, an \$8 million increase in branding fee revenue, and the \$4 million reversal of a liability related to a hotel that closed in the 2010 fourth quarter, partially offset by the impact of a \$6 million cancellation fee earned in 2009.

Adjusted Timeshare segment contract sales in 2010 declined \$43 million to \$705 million (excluding a \$20 million allowance for fractional and residential contract cancellations recorded in the year) largely due to tough comparisons as a result of the 25th anniversary promotion in the second quarter of 2009. Contract sales were also affected by fewer sales to new customers in the third and fourth quarters of 2010 as the sales force continued to focus on efforts to educate existing owners about the benefits of the new product. In the prior year, adjusted Timeshare

segment contract sales totaled \$748 million (excluding an \$83 million allowance for fractional and residential contract cancellations).

Timeshare sales and services revenue totaled \$1,221 million in 2010 and, net of direct expenses, totaled \$199 million in 2010. Adjusting for the timeshare strategy impairment, restructuring and other charges, as well as the impact of consolidating securitized notes had that occurred at the beginning of 2009 rather than 2010, 2009 adjusted Timeshare sales and services revenue would have totaled \$1,248 million and, net of direct expenses, would have totaled \$182 million. These adjustments for full year 2009 and reported results are shown on page A-12.

Full year 2010 Timeshare sales and services revenue, net of direct expenses, benefitted from lower marketing and sales costs, higher closing efficiency, year-over-year price increases, and a \$15 million favorable adjustment to the Marriott Rewards liability resulting from lower than projected cost of Marriott Rewards redemptions, as well as higher rental income. Results were reduced by a \$6 million impairment charge related to a few fractional projects, higher carry costs on unsold units, and lower interest income on mortgage notes, as well as \$20 million of costs related to the new points-based program.

Timeshare segment results includes Timeshare sales and services revenue, net of direct expenses, as well as base management fees, equity in earnings (losses), gains and other income, noncontrolling interest, interest expense and general, administrative and other expenses associated with the timeshare business. Excluding other charges, adjusted Timeshare segment results for 2010 totaled \$134 million as shown with reported results on page A-10. Adjusted Timeshare segment results for 2010 included \$55 million of interest expense related to the consolidation of securitized Timeshare notes and a \$20 million gain on the sale of real estate. In 2009, adjusted timeshare results would have totaled \$86 million, adjusting for the timeshare strategy impairment, restructuring and other charges, as well as the impact of consolidating securitized notes had that occurred at the beginning of 2009 rather than 2010, as shown with reported results on page A-12. Adjusted Timeshare segment results for 2009 included \$77 million of interest expense related to the consolidation of securitized Timeshare notes.

ADJUSTED GENERAL, ADMINISTRATIVE and OTHER expenses increased \$47 million to \$669 million, an 8 percent increase compared to adjusted expenses in 2009, largely due to higher incentive compensation costs. These adjustments and reported results are shown on page A-2.

GAINS AND OTHER INCOME totaled \$35 million in 2010 and included \$34 million of net gains on the sale of real estate and \$1 million of returns from joint venture investments. Gains and other income of \$31 million in 2009 included a \$21 million gain on the extinguishment of debt, net gains of \$10 million from the sale of real estate, a \$3 million gain on the sale of investments and \$2 million of preferred returns from joint venture investments, partially offset by a \$5 million impairment charge on an investment.

INTEREST EXPENSE increased \$62 million to \$180 million in 2010 primarily due to \$55 million of interest expense related to the consolidation of debt associated with securitized Timeshare notes, lower capitalized interest and higher interest expense associated with the company's deferred compensation plan, partially offset by the impact of lower debt balances. Adjusting for the impact of consolidating securitized notes had that occurred at the beginning of 2009 rather than 2010, 2009 interest expense would have totaled \$195 million.

ADJUSTED INCOME TAXES

The adjusted provision for income taxes for 2010 reflected a \$12 million benefit primarily associated with revisions to estimates of prior years' foreign income tax expenses.

Adjusted EBITDA

Adjusted EBITDA totaled \$1,044 million in 2010 compared to 2009 adjusted EBITDA of \$898 million. If the consolidation of securitized Timeshare notes had occurred at the beginning of 2009, adjusted EBITDA for 2009 would have totaled \$974 million. Adjusted EBITDA for 2010 increased 7 percent over the prior year adjusted for the consolidation of securitized notes. Adjusted EBITDA for the Timeshare segment totaled \$227 million in 2010. If the consolidation of securitized Timeshare notes had occurred at the beginning of 2009, adjusted Timeshare segment EBITDA would have totaled \$208 million in 2009. See pages A-14, A-16, and A-18 for the EBITDA and adjusted EBITDA calculations.

BALANCE SHEET

At year-end 2010, total debt was \$2,829 million and cash balances totaled \$505 million, compared to \$2,298 million in debt and \$115 million of cash at year-end 2009. Adjusting for the debt associated with securitized Timeshare mortgage notes now required to be consolidated under new accounting rules, adjusted total debt, net of cash, totaled \$1,308 million, a decline of \$875 million since year-end 2009. The applicable adjustments are shown on page A-21.

At year-end 2010, Marriott had no borrowings outstanding under its \$2.4 billion revolving bank credit facility.

COMMON STOCK

Weighted average fully diluted shares outstanding used to calculate adjusted diluted EPS totaled 382.0 million in the 2010 fourth quarter compared to 372.2 million in the year-ago quarter.

The company repurchased 1.5 million shares of common stock in 2010 at a cost of \$57 million. The remaining share repurchase authorization, as of December 31, 2010, totaled 23.8 million shares.

FIRST QUARTER 2011 OUTLOOK

For the first quarter, the company assumes comparable systemwide REVPAR on a constant dollar basis will increase 6 to 8 percent in North America, 9 to 11 percent outside North America and 7 to 9 percent worldwide.

The company assumes first quarter 2011 Timeshare contract sales will total \$140 million to \$150 million and Timeshare sales and services revenue, net of direct expenses, will total approximately \$35 million to \$40 million. With these assumptions, Timeshare segment results for the first quarter, including interest expense associated with securitized notes, are expected to total \$20 million to \$25 million.

2011 OUTLOOK

The company's 2011 full year guidance assumes that the spin-off of the Timeshare segment does not occur in the current year and does not include pro forma adjustments or transaction expenses.

For the full year 2011, the company expects a strong pricing environment. The company assumes full year 2011 systemwide REVPAR on a constant dollar basis will increase 6 to 8 percent in North America, outside North America and on a worldwide basis.

The company expects to open approximately 35,000 rooms in 2011 as most hotels expected to open are already under construction or undergoing conversion from other brands. Given these assumptions, full year 2011 fee revenue could total \$1,310 million to \$1,340 million and owned, leased, corporate housing and other revenue, net of direct expense, could total \$115 million to \$125 million.

The company estimates that, on a full year basis, one point of worldwide systemwide REVPAR impacts total fees by approximately \$15 million pretax and owned, leased, corporate housing and other revenue, net of direct expense, by approximately \$5 million pretax.

The company expects 2011 Timeshare contract sales to be in line with 2010 adjusted levels.

The company expects its 2011 general and administrative costs to increase 3 to 5 percent over 2010 adjusted levels reflecting increased spending for brand initiatives and higher costs in international growth markets.

	<u>First Quarter 2011</u>	<u>Full Year 2011</u>
Total fee revenue	\$280 million to \$290 million	\$1,310 million to \$1,340 million
Owned, leased, corporate housing and other revenue, net of direct expenses	\$20 million to \$25 million	\$115 million to \$125 million
Timeshare sales and services revenue, net of direct expenses	\$35 million to \$40 million	\$200 million to \$210 million
General, administrative and other expenses	\$155 million to \$160 million	\$690 million to \$700 million
Operating income	\$175 million to \$200 million	\$925 million to \$985 million
Gains and other income	Approx \$5 million	Approx \$10 million
Net interest expense ¹	Approx \$35 million	Approx \$150 million
Equity in earnings (losses)	Approx (\$5) million	Approx (\$10) million
Earnings per share	\$0.24 to \$0.28	\$1.35 to \$1.45
Tax rate		34.0 percent

¹ Net of interest income

The company expects investment spending in 2011 will total approximately \$500 million to \$700 million, including \$50 million to \$100 million for maintenance capital spending. Investment spending will also include other capital expenditures (including property acquisitions), new mezzanine financing and mortgage notes, contract acquisition costs, and equity and other investments.

Based upon the assumptions above, full year 2011 EBITDA is expected to total \$1,170 million to \$1,230 million, a 12 to 18 percent increase over the prior year's adjusted EBITDA. Adjusted EBITDA for full year 2010 totaled \$1,044 million and is shown on page A-14.

Marriott International, Inc. (NYSE:MAR) will conduct its quarterly earnings review for the investment community and news media on Tuesday, February 15, 2011 at 10 a.m. Eastern Time (ET). The conference call will be webcast simultaneously via Marriott's investor relations website at <http://www.marriott.com/investor>, click the "Recent and Upcoming Events" tab and click on the quarterly conference call link. A replay will be available at that same website until February 15, 2012.

The telephone dial-in number for the conference call is 706-679-3455 and the conference ID is 30673010. A telephone replay of the conference call will be available from 1 p.m. ET, Tuesday, February 15, 2011 until 8 p.m. ET, Tuesday, February 22, 2011. To access the replay, call 706-645-9291. The reservation number for the recording is 30673010.

Definitions

All references to net income or net loss reflect net income or net loss attributable to Marriott. All references to EPS or diluted losses per share, unless otherwise noted, reflect EPS or diluted losses per share attributable to Marriott shareholders.

Deutsche Bank Securities Inc. is acting as financial advisor to the company regarding the plan to spin off its timeshare business.

Note on forward-looking statements: This press release and accompanying schedules contain "forward-looking statements" within the meaning of federal securities laws, including statements concerning the proposed spin-off of our timeshare operations and development business;

REVPAR, profit margin and earnings trends, estimates and assumptions; the number of lodging properties we expect to add in the future; our expectations about investment spending and share repurchases; the expected launch, timing and initial number of rooms in the AC Hotels by Marriott joint venture; and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those we identify below and other risk factors that we identify in our most recent annual report on Form 10-K or quarterly report on Form 10-Q.

Risks particular to the proposed spin-off include unanticipated developments that delay or otherwise negatively affect the transaction; our ability to obtain financing for the new timeshare company; our ability to obtain regulatory approvals; our receipt of a favorable letter ruling from the Internal Revenue Service; final approval by our board of directors; the impact of the transaction on our relationships with our customers and employees; the ability of the separated businesses to operate independently; and disruption to our operations resulting from the proposed spin-off. Other risks that could affect forward-looking statements in this press release include changes in market conditions; the continuation and pace of the economic recovery; supply and demand changes for hotel rooms, corporate housing and our timeshare products; competitive conditions in the lodging industry; relationships with clients and property owners; the availability of capital to finance hotel growth and refurbishment; and any delay in or failure to obtain any necessary consent for the AC Hotels by Marriott joint venture. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release.

We make these forward-looking statements as of February 14, 2011. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

MARRIOTT INTERNATIONAL, INC. (NYSE:MAR) is a leading lodging company with more than 3,500 lodging properties in 70 countries and territories. Marriott International operates and franchises hotels under the *Marriott*, *JW Marriott*, *The Ritz-Carlton*, *EDITION*, *The Autograph Collection*, *Renaissance*, *Residence Inn*, *Courtyard*, *TownePlace Suites*, *Fairfield Inn*, *SpringHill Suites* and *Bulgari* brand names; develops and operates vacation ownership resorts under the *Marriott Vacation Club*, *The Ritz-Carlton Destination Club*, and *Grand Residences by Marriott* brands; licenses and manages whole-ownership residential brands, including *The Ritz-Carlton Residences*, *JW Marriott Residences* and *Marriott Residences*; operates *Marriott Executive Apartments*; provides furnished corporate housing through its *Marriott ExecuStay* division; and operates conference centers. The company is headquartered in Bethesda, Maryland, USA, and had approximately 129,000 employees at 2010 year-end. It is recognized as one of the best companies to work for by FORTUNE®. In fiscal year 2010, Marriott International reported sales from continuing operations of nearly \$12 billion. For more information or reservations, please visit our web site at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com.

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