

MARRIOTT VACATIONS WORLDWIDE CORPORATION
2018 COMBINED FINANCIAL INFORMATION
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MARRIOTT VACATIONS WORLDWIDE CORPORATION
2018 COMBINED FINANCIAL INFORMATION
BASIS OF PRESENTATION

Marriott Vacations Worldwide Corporation (“MVW”) is providing certain unaudited combined financial information for the quarters ended March 31, June 30, and September 30, 2018 and the full year 2018 (the “Combined Financial Information”).

Throughout this presentation, we refer to the business associated with the brands that existed prior to MVW’s acquisition of ILG, LLC (formerly known as ILG, Inc. (“ILG”)) on September 1, 2018 as “Legacy-MVW” and to ILG’s business and brands that were acquired as “Legacy-ILG.”

The Combined Financial Information presented herein combines Legacy-MVW and Legacy-ILG results of operation for the quarters ended March 31, June 30 and September 30, 2018 and the full year 2018, and is presented to facilitate comparisons with our results following the acquisition of ILG. We evaluate the Combined Financial Information, and believe it provides useful information to investors, because it provides for a more meaningful comparison of our results following the acquisition of ILG with the results of the combined businesses for the prior year comparable period. The Combined Financial Information for the quarter ended March 31, 2018 was derived by combining the Legacy-MVW and Legacy-ILG financial results for such quarter included in the Quarterly Reports on Form 10-Q filed by MVW and ILG, respectively, with the Securities and Exchange Commission (the “SEC”) on May 4, 2018. The Combined Financial Information for the quarter ended June 30, 2018 was derived by combining the Legacy-MVW and Legacy-ILG financial information for such quarter included in the Quarterly Reports on Form 10-Q filed by MVW and ILG, respectively, with the SEC on August 2, 2018 and August 3, 2018, respectively. The Combined Financial Information for the quarter ended September 30, 2018 was derived by combining the MVW financial information for the quarter ended September 30, 2018 included in the Quarterly Report on Form 10-Q filed by MVW with the SEC on November 7, 2018, revised as described in the following sentence, which included results of operations for Legacy-ILG for September 2018, and the Legacy-ILG financial information for July and August 2018 included in ILG internal management records. MVW’s financial information for the quarter ended September 30, 2018 was revised as set forth in the "Quarterly Results" note to MVW’s consolidated financial statements included in MVW’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019. The Combined Financial Information for the full year 2018 was derived by combining MVW’s financial information for the year ended December 31, 2018 included in MVW’s Annual Report on Form 10-K filed with the SEC on March 1, 2019, which included results of operations for Legacy-ILG for September through December 2018, with the Legacy-ILG financial information for the quarters ended March 31 and June 30 and July and August 2018, as described above. Prior to combining the Legacy-ILG financial information, Legacy-ILG’s financial results were reclassified to conform with MVW’s current financial statement presentation for each period presented, referred to as "Legacy-ILG Reclassified" in the financial schedules. No other adjustments have been made to the Legacy-MVW or Legacy-ILG results to derive the Combined Financial Information.

The Combined Financial Information is provided for informational purposes only and is not intended to represent or to be indicative of the actual results of operations that the combined MVW and ILG business would have reported had the ILG acquisition been completed prior to the beginning of fiscal year 2018 and should not be taken as being indicative of future results of operations. The actual results may differ significantly from those reflected in the Combined Financial Information.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
CONSOLIDATED RESULTS

THREE MONTHS ENDED MARCH 31, 2018

(In millions)

(Unaudited)

	Legacy-ILG ⁽²⁾	Reclassifications ⁽¹⁾	Legacy-ILG Reclassified**	Legacy-MVW ⁽³⁾	Combined**
REVENUES					
Sale of vacation ownership products	\$ 123	\$ (1)	\$ 122	\$ 175	\$ 297
Service and membership related	152	(152)	-	-	-
Management and exchange	-	179	179	70	249
Rental and ancillary services	118	(118)	-	-	-
Rental	-	90	90	75	165
Financing	24	1	25	35	60
Cost reimbursements	65	2	67	216	283
TOTAL REVENUES	482	1	483	571	1,054
EXPENSES					
Cost of vacation ownership products	39	4	43	46	89
Marketing and sales	78	(3)	75	105	180
Cost of service and membership related sales	64	(64)	-	-	-
Management and exchange	-	77	77	36	113
Cost of sales of rental and ancillary services	72	(72)	-	-	-
Rental	-	51	51	55	106
Financing	8	-	8	11	19
General and administrative	59	2	61	28	89
Depreciation and amortization	20	(1)	19	6	25
Royalty fee	11	-	11	15	26
Cost reimbursements	65	2	67	216	283
TOTAL EXPENSES	416	(4)	412	518	930
Gains and other income, net	5	(2)	3	1	4
Interest expense	(7)	(1)	(8)	(4)	(12)
ILG acquisition-related costs	-	-	-	(1)	(1)
Equity in earnings from unconsolidated entities	1	(1)	-	-	-
Other	-	(1)	(1)	(2)	(3)
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	65	-	65	47	112
Provision for income taxes	(20)	-	(20)	(11)	(31)
NET INCOME	45	-	45	36	81
Net income attributable to noncontrolling interests	(2)	-	(2)	-	(2)
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 43	\$ -	\$ 43	\$ 36	\$ 79

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per ILG's Quarterly Report on Form 10-Q for the three months ended March 31, 2018 filed with the SEC on May 4, 2018.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended March 31, 2018 filed with the SEC on May 4, 2018.

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MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
EBITDA, ADJUSTED EBITDA AND ADJUSTED DEVELOPMENT MARGIN
THREE MONTHS ENDED MARCH 31, 2018

(In millions)

(Unaudited)

EBITDA AND ADJUSTED EBITDA

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Net income attributable to common shareholders	\$ 43	\$ 36	\$ 79
Interest expense ⁽²⁾	8	4	12
Tax provision	20	11	31
Depreciation and amortization	19	6	25
EBITDA**	<u>90</u>	<u>57</u>	<u>147</u>
Share-based compensation expense	6	4	10
Certain items before provision for income taxes ⁽³⁾	2	2	4
Adjusted EBITDA**	<u><u>\$ 98</u></u>	<u><u>\$ 63</u></u>	<u><u>\$ 161</u></u>

ADJUSTED VACATION OWNERSHIP DEVELOPMENT MARGIN

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Sale of vacation ownership products	\$ 122	\$ 175	\$ 297
Less:			
Cost of vacation ownership products	43	46	89
Marketing and sales	60	105	165
Development margin	19	24	43
Revenue recognition reportability adjustment	-	8	8
Adjusted development margin**	<u>\$ 19</u>	<u>\$ 32</u>	<u>\$ 51</u>
Development margin percentage ⁽⁴⁾	15.2%	13.9%	14.5%
Adjusted development margin percentage ⁽⁴⁾	15.7%	17.4%	16.8%

COMBINED ADJUSTED EBITDA EXCLUDING VRI EUROPE

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Combined Adjusted EBITDA**	\$ 98	\$ 63	\$ 161
VRI Europe Q1 2018 Adjusted EBITDA ⁽⁵⁾	(4)	-	(4)
Combined Adjusted EBITDA excluding VRI Europe**	<u><u>\$ 94</u></u>	<u><u>\$ 63</u></u>	<u><u>\$ 157</u></u>

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use. Please see "Non-GAAP Financial Measures - Certain Items" for more information about certain items.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Interest expense excludes consumer financing interest expense.

⁽³⁾ Excludes certain items included in depreciation and amortization and share-based compensation.

⁽⁴⁾ Development margin percentage represents Development margin divided by Sale of vacation ownership products. Adjusted development margin percentage represents Adjusted development margin divided by Sale of vacation ownership products revenue after adjusting for revenue reportability and other charges.

⁽⁵⁾ Represents the contribution to Legacy-ILG's Q1 2018 Adjusted EBITDA from VRI Europe, which was disposed of in Q4 2018.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
VACATION OWNERSHIP SEGMENT FINANCIAL RESULTS
THREE MONTHS ENDED MARCH 31, 2018
(In millions)
(Unaudited)

	Legacy-ILG ⁽²⁾	Reclassifications ⁽¹⁾	Legacy-ILG Reclassified**	Legacy-MVW ⁽³⁾	Combined**
REVENUES					
Sale of vacation ownership products	\$ 123	\$ (1)	\$ 122	\$ 175	\$ 297
Resort operations revenue	63	(63)	-	-	-
Management fee and other revenue	57	(57)	-	-	-
Management and exchange	-	50	50	70	120
Rental	-	69	69	75	144
Financing	24	-	24	35	59
Cost reimbursements	44	15	59	216	275
TOTAL REVENUES	311	13	324	571	895
EXPENSES					
Cost of vacation ownership products	39	4	43	46	89
Marketing and sales	66	(6)	60	105	165
Cost of service and membership related sales	45	(45)	-	-	-
Management and exchange	-	27	27	36	63
Cost of sales of rental and ancillary services	43	(43)	-	-	-
Rental	-	46	46	55	101
Financing	8	(1)	7	11	18
General and administrative	26	(26)	-	-	-
Depreciation and amortization	12	(4)	8	5	13
Royalty fee	11	-	11	15	26
Cost reimbursements	44	15	59	216	275
TOTAL EXPENSES	294	(33)	261	489	750
Gains and other income, net	7	(2)	5	1	6
Equity in earnings from unconsolidated entities	1	(1)	-	-	-
Other	-	(1)	(1)	(2)	(3)
SEGMENT FINANCIAL RESULTS BEFORE NONCONTROLLING INTERESTS	25	42	67	81	148
Net income attributable to noncontrolling interests	(2)	2	-	-	-
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 23	\$ 44	\$ 67	\$ 81	\$ 148

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per ILG's Quarterly Report on Form 10-Q for the three months ended March 31, 2018 filed with the SEC on May 4, 2018.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended March 31, 2018 filed with the SEC on May 4, 2018.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
EXCHANGE & THIRD-PARTY MANAGEMENT SEGMENT RESULTS AND CORPORATE AND OTHER FINANCIAL RESULTS
THREE MONTHS ENDED MARCH 31, 2018
(In millions)
(Unaudited)

EXCHANGE & THIRD-PARTY MANAGEMENT

	Legacy-ILG ⁽²⁾	Reclassifications ⁽¹⁾	Legacy-ILG Reclassified**	Legacy-MVW ⁽³⁾	Combined**
TOTAL REVENUES	\$ 171	\$ (16)	\$ 155	\$ -	\$ 155
TOTAL EXPENSES	(122)	38	(84)	-	(84)
Losses and other expense, net	(2)	-	(2)	-	(2)
SEGMENT FINANCIAL RESULTS BEFORE NONCONTROLLING INTERESTS	47	22	69	-	69
Net income attributable to noncontrolling interests	-	(1)	(1)	-	(1)
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ 47</u>	<u>\$ 21</u>	<u>\$ 68</u>	<u>\$ -</u>	<u>\$ 68</u>

CORPORATE AND OTHER

	Legacy-ILG ⁽²⁾	Reclassifications ⁽¹⁾	Legacy-ILG Reclassified**	Legacy-MVW ⁽³⁾	Combined**
TOTAL REVENUES	\$ -	\$ 4	\$ 4	\$ -	\$ 4
TOTAL EXPENSES	-	(67)	(67)	(29)	(96)
Interest expense	(7)	(1)	(8)	(4)	(12)
ILG acquisition-related costs	-	-	-	(1)	(1)
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	(7)	(64)	(71)	(34)	(105)
Provision for income taxes	(20)	-	(20)	(11)	(31)
Net income attributable to noncontrolling interests	-	(1)	(1)	-	(1)
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (27)</u>	<u>\$ (65)</u>	<u>\$ (92)</u>	<u>\$ (45)</u>	<u>\$ (137)</u>

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per ILG's Quarterly Report on Form 10-Q for the three months ended March 31, 2018 filed with the SEC on May 4, 2018.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended March 31, 2018 filed with the SEC on May 4, 2018.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
SEGMENT ADJUSTED EBITDA

THREE MONTHS ENDED MARCH 31, 2018

(In millions)

(Unaudited)

VACATION OWNERSHIP

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 67	\$ 81	\$ 148
Adjustments:			
Depreciation and amortization	8	5	13
Share-based compensation expense	2	1	3
Certain items	(3)	1	(2)
SEGMENT ADJUSTED EBITDA**	\$ 74	\$ 88	\$ 162

EXCHANGE & THIRD-PARTY MANAGEMENT

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 68	\$ -	\$ 68
Adjustments:			
Depreciation and amortization	8	-	8
Share-based compensation expense	3	-	3
Certain items	2	-	2
SEGMENT ADJUSTED EBITDA**	\$ 81	\$ -	\$ 81

ADJUSTED EBITDA BY SEGMENT

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Vacation Ownership	\$ 74	\$ 88	\$ 162
Exchange & Thirty-Party Management	81	-	81
Segment Adjusted EBITDA**	155	88	243
General and administrative	(57)	(25)	(82)
Consolidated property owners' associations	-	-	-
ADJUSTED EBITDA**	\$ 98	\$ 63	\$ 161

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⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
CONSOLIDATED RESULTS
THREE MONTHS ENDED JUNE 30, 2018
(In millions)
(Unaudited)

	Legacy-ILG ⁽²⁾	Reclassifications ⁽¹⁾	Legacy-ILG Reclassified**	Legacy-MVW ⁽³⁾	Combined**
REVENUES					
Sale of vacation ownership products	\$ 121	\$ -	\$ 121	\$ 205	\$ 326
Service and membership related	148	(148)	-	-	-
Management and exchange	-	176	176	78	254
Rental and ancillary services	104	(104)	-	-	-
Rental	-	77	77	74	151
Financing	23	-	23	36	59
Cost reimbursements	65	(2)	63	202	265
TOTAL REVENUES	461	(1)	460	595	1,055
EXPENSES					
Cost of vacation ownership products	22	6	28	57	85
Marketing and sales	81	(1)	80	106	186
Cost of service and membership related sales	67	(67)	-	-	-
Management and exchange	-	82	82	39	121
Cost of sales of rental and ancillary services	70	(70)	-	-	-
Rental	-	47	47	62	109
Financing	7	-	7	10	17
General and administrative	65	(4)	61	33	94
Depreciation and amortization	21	1	22	5	27
Litigation settlement	-	-	-	16	16
Royalty fee	11	-	11	16	27
Cost reimbursements	65	(2)	63	202	265
TOTAL EXPENSES	409	(8)	401	546	947
Losses and other expense, net	(5)	(1)	(6)	(7)	(13)
Interest expense	(6)	1	(5)	(5)	(10)
ILG acquisition-related costs	-	(9)	(9)	(19)	(28)
Other	-	1	1	(1)	-
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	41	(1)	40	17	57
Provision for income taxes	(13)	-	(13)	(6)	(19)
NET INCOME	28	(1)	27	11	38
Net income attributable to noncontrolling interests	(1)	1	-	-	-
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 27	\$ -	\$ 27	\$ 11	\$ 38

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per ILG's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 filed with the SEC on August 3, 2018.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 filed with the SEC on August 2, 2018.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
EBITDA, ADJUSTED EBITDA AND ADJUSTED DEVELOPMENT MARGIN
THREE MONTHS ENDED JUNE 30, 2018

(In millions)

(Unaudited)

EBITDA AND ADJUSTED EBITDA

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Net income attributable to common shareholders	\$ 27	\$ 11	\$ 38
Interest expense ⁽²⁾	5	5	10
Tax provision	13	6	19
Depreciation and amortization	22	5	27
EBITDA**	67	27	94
Share-based compensation expense	5	6	11
Certain items before provision for income taxes ⁽³⁾	18	43	61
Adjusted EBITDA**	\$ 90	\$ 76	\$ 166

ADJUSTED VACATION OWNERSHIP DEVELOPMENT MARGIN

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Sale of vacation ownership products	\$ 121	\$ 205	\$ 326
Less:			
Cost of vacation ownership products	28	57	85
Marketing and sales	63	106	169
Development margin	30	42	72
Revenue recognition reportability adjustment	-	3	3
Adjusted development margin**	\$ 30	\$ 45	\$ 75
<i>Development margin percentage⁽⁴⁾</i>	25.8%	19.9%	22.1%
<i>Adjusted development margin percentage⁽⁴⁾</i>	25.4%	20.9%	22.5%

COMBINED ADJUSTED EBITDA EXCLUDING VRI EUROPE

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Combined Adjusted EBITDA**	\$ 90	\$ 76	\$ 166
VRI Europe Q2 2018 Adjusted EBITDA ⁽⁵⁾	(4)	-	(4)
Combined Adjusted EBITDA excluding VRI Europe**	\$ 86	\$ 76	\$ 162

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⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Interest expense excludes consumer financing interest expense.

⁽³⁾ Excludes certain items included in depreciation and amortization and share-based compensation.

⁽⁴⁾ Development margin percentage represents Development margin divided by Sale of vacation ownership products. Adjusted development margin percentage represents Adjusted development margin divided by Sale of vacation ownership products revenue after adjusting for revenue reportability and other charges.

⁽⁵⁾ Represents the contribution to Legacy-ILG's Q2 2018 Adjusted EBITDA from VRI Europe, which was disposed of in Q4 2018.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
VACATION OWNERSHIP SEGMENT FINANCIAL RESULTS
THREE MONTHS ENDED JUNE 30, 2018
(In millions)
(Unaudited)

	<u>Legacy-ILG⁽²⁾</u>	<u>Reclassifications⁽¹⁾</u>	<u>Legacy-ILG Reclassified**</u>	<u>Legacy-MVW⁽³⁾</u>	<u>Combined**</u>
REVENUES					
Sale of vacation ownership products	\$ 121	\$ -	\$ 121	\$ 205	\$ 326
Resort operations revenue	58	(58)	-	-	-
Management fee and other revenue	61	(61)	-	-	-
Management and exchange	-	52	52	78	130
Rental	-	60	60	74	134
Financing	23	(1)	22	36	58
Cost reimbursements	45	18	63	202	265
TOTAL REVENUES	<u>308</u>	<u>10</u>	<u>318</u>	<u>595</u>	<u>913</u>
EXPENSES					
Cost of vacation ownership products	22	6	28	57	85
Marketing and sales	68	(5)	63	106	169
Cost of service and membership related sales	49	(49)	-	-	-
Management and exchange	-	29	29	39	68
Cost of sales of rental and ancillary services	45	(45)	-	-	-
Rental	-	43	43	62	105
Financing	7	-	7	10	17
General and administrative	31	(31)	-	-	-
Depreciation and amortization	13	(2)	11	4	15
Litigation settlement	-	-	-	16	16
Royalty fee	11	-	11	16	27
Cost reimbursements	45	18	63	202	265
TOTAL EXPENSES	<u>291</u>	<u>(36)</u>	<u>255</u>	<u>512</u>	<u>767</u>
Losses and other expense, net	(7)	-	(7)	-	(7)
Other	-	1	1	(1)	-
SEGMENT FINANCIAL RESULTS BEFORE NONCONTROLLING INTERESTS	<u>10</u>	<u>47</u>	<u>57</u>	<u>82</u>	<u>139</u>
Net income attributable to noncontrolling interests	(1)	2	1	-	1
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ 9</u>	<u>\$ 49</u>	<u>\$ 58</u>	<u>\$ 82</u>	<u>\$ 140</u>

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⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per ILG's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 filed with the SEC on August 3, 2018.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 filed with the SEC on August 2, 2018.

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MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
EXCHANGE & THIRD-PARTY MANAGEMENT SEGMENT RESULTS AND CORPORATE AND OTHER FINANCIAL RESULTS
THREE MONTHS ENDED JUNE 30, 2018
(In millions)
(Unaudited)

EXCHANGE & THIRD-PARTY MANAGEMENT

	<u>Legacy-ILG⁽²⁾</u>	<u>Reclassifications⁽¹⁾</u>	<u>Legacy-ILG Reclassified**</u>	<u>Legacy-MVW⁽³⁾</u>	<u>Combined**</u>
TOTAL REVENUES	\$ 153	\$ (13)	\$ 140	\$ -	\$ 140
TOTAL EXPENSES	(118)	36	(82)	-	(82)
Gains and other income, net	2	-	2	-	2
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ 37</u>	<u>\$ 23</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 60</u>

CORPORATE AND OTHER

	<u>Legacy-ILG⁽²⁾</u>	<u>Reclassifications⁽¹⁾</u>	<u>Legacy-ILG Reclassified**</u>	<u>Legacy-MVW⁽³⁾</u>	<u>Combined**</u>
TOTAL REVENUES	\$ -	\$ 2	\$ 2	\$ -	\$ 2
TOTAL EXPENSES	-	(64)	(64)	(34)	(98)
Losses and other expense, net	-	(1)	(1)	(7)	(8)
Interest expense	(6)	1	(5)	(5)	(10)
ILG acquisition-related costs	-	(9)	(9)	(19)	(28)
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	(6)	(71)	(77)	(65)	(142)
Provision for income taxes	(13)	-	(13)	(6)	(19)
Net income attributable to noncontrolling interests	-	(1)	(1)	-	(1)
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (19)</u>	<u>\$ (72)</u>	<u>\$ (91)</u>	<u>\$ (71)</u>	<u>\$ (162)</u>

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per ILG's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 filed with the SEC on August 3, 2018.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended June 30, 2018 filed with the SEC on August 2, 2018.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
SEGMENT ADJUSTED EBITDA
THREE MONTHS ENDED JUNE 30, 2018
(In millions)
(Unaudited)

VACATION OWNERSHIP

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 58	\$ 82	\$ 140
Adjustments:			
Depreciation and amortization	11	4	15
Share-based compensation expense	1	1	2
Certain items	7	17	24
SEGMENT ADJUSTED EBITDA**	\$ 77	\$ 104	\$ 181

EXCHANGE & THIRD-PARTY MANAGEMENT

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 60	\$ -	\$ 60
Adjustments:			
Depreciation and amortization	7	-	7
Share-based compensation expense	-	-	-
Certain items	(2)	-	(2)
SEGMENT ADJUSTED EBITDA**	\$ 65	\$ -	\$ 65

ADJUSTED EBITDA BY SEGMENT

	Legacy-ILG Reclassified**	Legacy-MVW	Combined**
Vacation Ownership	\$ 77	\$ 104	\$ 181
Exchange & Thirty-Party Management	65	-	65
Segment Adjusted EBITDA**	142	104	246
General and administrative	(54)	(28)	(82)
Consolidated property owners' associations	2	-	2
ADJUSTED EBITDA**	\$ 90	\$ 76	\$ 166

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use. Please see "Non-GAAP Financial Measures - Certain Items" for more information about certain items.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
CONSOLIDATED RESULTS

THREE MONTHS ENDED SEPTEMBER 30, 2018

(In millions)

(Unaudited)

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
REVENUES			
Sale of vacation ownership products	\$ 88	\$ 252	\$ 340
Management and exchange	118	126	244
Rental	57	90	147
Financing	15	48	63
Cost reimbursements	43	234	277
TOTAL REVENUES	321	750	1,071
EXPENSES			
Cost of vacation ownership products	22	64	86
Marketing and sales	54	135	189
Management and exchange	56	65	121
Rental	34	74	108
Financing	5	19	24
General and administrative	50	53	103
Depreciation and amortization	14	18	32
Litigation settlement	-	17	17
Royalty fee	8	19	27
Cost reimbursements	43	234	277
TOTAL EXPENSES	286	698	984
Gains and other income, net	5	2	7
Interest expense	(6)	(14)	(20)
ILG acquisition-related costs	(32)	(78)	(110)
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	2	(38)	(36)
Benefit for income taxes	-	2	2
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 2	\$ (36)	\$ (34)

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per Legacy-ILG management's internal records.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended September 30, 2018 filed with the SEC on November 7, 2018, revised as set forth in the "Quarterly Results" note to MVW's consolidated financial statements included in MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

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MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
EBITDA, ADJUSTED EBITDA AND ADJUSTED DEVELOPMENT MARGIN
THREE MONTHS ENDED SEPTEMBER 30, 2018

(In millions)

(Unaudited)

EBITDA AND ADJUSTED EBITDA

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
Net income attributable to common shareholders	\$ 2	\$ (36)	\$ (34)
Interest expense ⁽⁴⁾	6	14	20
Tax benefit	-	(2)	(2)
Depreciation and amortization	14	18	32
EBITDA**	22	(6)	16
Share-based compensation expense	5	13	18
Certain items before provision for income taxes ⁽⁵⁾	33	93	126
Adjusted EBITDA**	<u>\$ 60</u>	<u>\$ 100</u>	<u>\$ 160</u>

ADJUSTED VACATION OWNERSHIP DEVELOPMENT MARGIN

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW	Combined**
Sale of vacation ownership products	\$ 88	\$ 252	\$ 340
Less:			
Cost of vacation ownership products	22	64	86
Marketing and sales	42	131	173
Development margin	24	57	81
Revenue recognition reportability adjustment	(2)	1	(1)
Adjusted development margin**	<u>\$ 22</u>	<u>\$ 58</u>	<u>\$ 80</u>
<i>Development margin percentage⁽⁶⁾</i>	27.8%	22.5%	23.9%
<i>Adjusted development margin percentage⁽⁶⁾</i>	26.4%	23.0%	23.9%

COMBINED ADJUSTED EBITDA EXCLUDING VRI EUROPE

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW	Combined**
Combined Adjusted EBITDA**	\$ 60	\$ 100	\$ 160
VRI Europe Q3 2018 Adjusted EBITDA ⁽⁷⁾	(2)	(1)	(3)
Combined Adjusted EBITDA excluding VRI Europe**	<u>\$ 58</u>	<u>\$ 99</u>	<u>\$ 157</u>

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use. Please see "Non-GAAP Financial Measures - Certain Items" for more information about certain items.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per Legacy-ILG management's internal records.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended September 30, 2018 filed with the SEC on November 7, 2018, revised as set forth in the "Quarterly Results" note to MVW's consolidated financial statements included in MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

⁽⁴⁾ Interest expense excludes consumer financing interest expense.

⁽⁵⁾ Excludes certain items included in depreciation and amortization and share-based compensation.

⁽⁶⁾ Development margin percentage represents Development margin divided by Sale of vacation ownership products. Adjusted development margin percentage represents Adjusted development margin divided by Sale of vacation ownership products revenue after adjusting for revenue reportability and other charges.

⁽⁷⁾ Represents the contribution to Legacy-ILG's July and August 2018 Adjusted EBITDA and MVW's September 2018 Adjusted EBITDA from VRI Europe, which was disposed of in Q4 2018.

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MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
VACATION OWNERSHIP SEGMENT FINANCIAL RESULTS
THREE MONTHS ENDED SEPTEMBER 30, 2018

(In millions)
(Unaudited)

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
REVENUES			
Sale of vacation ownership products	\$ 88	\$ 252	\$ 340
Management and exchange	33	91	124
Rental	45	86	131
Financing	14	48	62
Cost reimbursements	45	232	277
TOTAL REVENUES	225	709	934
EXPENSES			
Cost of vacation ownership products	22	64	86
Marketing and sales	42	131	173
Management and exchange	21	48	69
Rental	31	74	105
Financing	5	19	24
Depreciation and amortization	5	10	15
Litigation settlement	-	17	17
Royalty fee	8	19	27
Cost reimbursements	45	232	277
TOTAL EXPENSES	179	614	793
Gains and other income, net	4	1	5
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 50	\$ 96	\$ 146

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per Legacy-ILG management's internal records.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended September 30, 2018 filed with the SEC on November 7, 2018, revised as set forth in the "Quarterly Results" note to MVW's consolidated financial statements included in MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
EXCHANGE & THIRD-PARTY MANAGEMENT SEGMENT RESULTS AND CORPORATE AND OTHER FINANCIAL RESULTS
THREE MONTHS ENDED SEPTEMBER 30, 2018
(In millions)
(Unaudited)

EXCHANGE & THIRD-PARTY MANAGEMENT

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
TOTAL REVENUES	\$ 95	\$ 40	\$ 135
TOTAL EXPENSES	(54)	(28)	(82)
SEGMENT FINANCIAL RESULTS BEFORE NONCONTROLLING INTERESTS	41	12	53
Net income attributable to noncontrolling interests	(1)	-	(1)
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ 40</u>	<u>\$ 12</u>	<u>\$ 52</u>

CORPORATE AND OTHER

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
TOTAL REVENUES	\$ 1	\$ 1	\$ 2
TOTAL EXPENSES	(53)	(56)	(109)
Gains and other income, net	1	1	2
Interest expense	(6)	(14)	(20)
ILG acquisition-related costs	(32)	(78)	(110)
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	(89)	(146)	(235)
Benefit for income taxes	-	2	2
Net loss attributable to noncontrolling interests	1	-	1
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (88)</u>	<u>\$ (144)</u>	<u>\$ (232)</u>

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per Legacy-ILG management's internal records.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended September 30, 2018 filed with the SEC on November 7, 2018, revised as set forth in the "Quarterly Results" note to MVW's consolidated financial statements included in MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
SEGMENT ADJUSTED EBITDA
THREE MONTHS ENDED SEPTEMBER 30, 2018

(In millions)
(Unaudited)

VACATION OWNERSHIP

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 50	\$ 96	\$ 146
Adjustments:			
Depreciation and amortization	5	10	15
Share-based compensation expense	(1)	2	1
Certain items	(3)	15	12
SEGMENT ADJUSTED EBITDA**	\$ 51	\$ 123	\$ 174

EXCHANGE & THIRD-PARTY MANAGEMENT

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 40	\$ 12	\$ 52
Adjustments:			
Depreciation and amortization	6	6	12
Share-based compensation expense	1	-	1
Certain items	-	1	1
SEGMENT ADJUSTED EBITDA**	\$ 47	\$ 19	\$ 66

ADJUSTED EBITDA BY SEGMENT

	Legacy-ILG Reclassified** (July/August)⁽²⁾	MVW⁽³⁾	Combined**
Vacation Ownership	\$ 51	\$ 123	\$ 174
Exchange & Thirty-Party Management	47	19	66
Segment Adjusted EBITDA**	98	142	240
General and administrative	(38)	(42)	(80)
Consolidated property owners' associations	-	-	-
ADJUSTED EBITDA**	\$ 60	\$ 100	\$ 160

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use. Please see "Non-GAAP Financial Measures - Certain Items" for more information about certain items.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Per Legacy-ILG management's internal records.

⁽³⁾ Per MVW's Quarterly Report on Form 10-Q for the three months ended September 30, 2018 filed with the SEC on November 7, 2018, revised as set forth in the "Quarterly Results" note to MVW's consolidated financial statements included in MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

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MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
CONSOLIDATED RESULTS
FISCAL YEAR ENDED DECEMBER 31, 2018
(In millions)
(Unaudited)

	Legacy-ILG Reclassified**⁽²⁾	MVW⁽³⁾	Combined**
REVENUES			
Sale of vacation ownership products	\$ 331	\$ 990	\$ 1,321
Management and exchange	473	499	972
Rental	224	371	595
Financing	63	183	246
Cost reimbursements	173	925	1,098
TOTAL REVENUES	1,264	2,968	4,232
EXPENSES			
Cost of vacation ownership products	93	260	353
Marketing and sales	209	527	736
Management and exchange	215	259	474
Rental	132	281	413
Financing	20	65	85
General and administrative	172	198	370
Depreciation and amortization	55	62	117
Litigation settlement	-	46	46
Royalty fee	30	78	108
Cost reimbursements	173	925	1,098
TOTAL EXPENSES	1,099	2,701	3,800
Gains and other income, net	2	21	23
Interest expense	(19)	(54)	(73)
ILG acquisition-related costs	(41)	(127)	(168)
Other	-	(4)	(4)
INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	107	103	210
Provision for income taxes	(33)	(51)	(84)
NET INCOME	74	52	126
Net (income) loss attributable to noncontrolling interests	(2)	3	1
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 72	\$ 55	\$ 127

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Derived by adding the eight months of Legacy-ILG reclassified results of operations for the first quarter, second quarter, July and August 2018 included on previous schedules herein.

⁽³⁾ Per MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

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MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
EBITDA, ADJUSTED EBITDA AND ADJUSTED DEVELOPMENT MARGIN
FISCAL YEAR ENDED DECEMBER 31, 2018

(In millions)

(Unaudited)

EBITDA AND ADJUSTED EBITDA

	Legacy-ILG		
	Reclassified**⁽²⁾	MVW⁽³⁾	Combined**
Net income attributable to common shareholders	\$ 72	\$ 55	\$ 127
Interest expense ⁽⁴⁾	19	54	73
Tax provision	33	51	84
Depreciation and amortization	55	62	117
EBITDA**	179	222	401
Share-based compensation expense	16	35	51
Certain items before provision for income taxes ⁽⁵⁾	53	162	215
Adjusted EBITDA**	<u>\$ 248</u>	<u>\$ 419</u>	<u>\$ 667</u>

ADJUSTED VACATION OWNERSHIP DEVELOPMENT MARGIN

	Legacy-ILG		
	Reclassified**⁽²⁾	MVW	Combined**
Sale of vacation ownership products	\$ 331	\$ 990	\$ 1,321
Less:			
Cost of vacation ownership products	93	260	353
Marketing and sales	165	513	678
Development margin	73	217	290
Revenue recognition reportability adjustment	(1)	(8)	(9)
Purchase price adjustments	-	3	3
Adjusted development margin**	<u>\$ 72</u>	<u>\$ 212</u>	<u>\$ 284</u>
Development margin percentage ⁽⁶⁾	22.4%	21.9%	22.0%
Adjusted development margin percentage ⁽⁶⁾	22.1%	21.6%	21.7%

COMBINED ADJUSTED EBITDA EXCLUDING VRI EUROPE

	Legacy-ILG		
	Reclassified**⁽²⁾	MVW	Combined**
Combined Adjusted EBITDA**	\$ 248	\$ 419	\$ 667
VRI Europe Q4 2018 Adjusted EBITDA ⁽⁷⁾	(10)	(3)	(13)
Combined Adjusted EBITDA excluding VRI Europe**	<u>\$ 238</u>	<u>\$ 416</u>	<u>\$ 654</u>

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use. Please see "Non-GAAP Financial Measures - Certain Items" for more information about certain items.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Derived by adding the eight months of Legacy-ILG reclassified results of operations for the first quarter, second quarter, July and August 2018 included on previous schedules herein.

⁽³⁾ Per MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

⁽⁴⁾ Interest expense excludes consumer financing interest expense.

⁽⁵⁾ Excludes certain items included in depreciation and amortization and share-based compensation.

⁽⁶⁾ Development margin percentage represents Development margin divided by Sale of vacation ownership products. Adjusted development margin percentage represents Adjusted development margin divided by Sale of vacation ownership products revenue after adjusting for revenue reportability and other charges.

⁽⁷⁾ Represents the contribution to Legacy-ILG's January through August 2018 Adjusted EBITDA and MVW's September through December 2018 Adjusted EBITDA from VRI Europe, which was disposed of in Q4 2018.

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MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
VACATION OWNERSHIP SEGMENT FINANCIAL RESULTS
FISCAL YEAR ENDED DECEMBER 31, 2018

(In millions)
(Unaudited)

	Legacy-ILG Reclassified**⁽²⁾	MVW⁽³⁾	Combined**
REVENUES			
Sale of vacation ownership products	\$ 331	\$ 990	\$ 1,321
Management and exchange	135	359	494
Rental	174	352	526
Financing	60	182	242
Cost reimbursements	167	920	1,087
TOTAL REVENUES	867	2,803	3,670
EXPENSES			
Cost of vacation ownership products	93	260	353
Marketing and sales	165	513	678
Management and exchange	77	190	267
Rental	120	277	397
Financing	19	64	83
Depreciation and amortization	24	37	61
Litigation settlement	-	46	46
Royalty fee	30	78	108
Cost reimbursements	167	920	1,087
TOTAL EXPENSES	695	2,385	3,080
Gains and other income, net	2	28	30
Other	-	(4)	(4)
SEGMENT FINANCIAL RESULTS BEFORE NONCONTROLLING INTERESTS	174	442	616
Net loss attributable to noncontrolling interests	1	1	2
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 175	\$ 443	\$ 618

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Derived by adding the eight months of Legacy-ILG reclassified results of operations for the first quarter, second quarter, July and August 2018 included on previous schedules herein.

⁽³⁾ Per MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION

EXCHANGE & THIRD-PARTY MANAGEMENT SEGMENT RESULTS AND CORPORATE AND OTHER FINANCIAL RESULTS
FISCAL YEAR ENDED DECEMBER 31, 2018

(In millions)
(Unaudited)

EXCHANGE & THIRD-PARTY MANAGEMENT

	Legacy-ILG Reclassified**⁽²⁾	MVW⁽³⁾	Combined**
TOTAL REVENUES	\$ 390	\$ 161	\$ 551
TOTAL EXPENSES	(220)	(104)	(324)
Gains and other income, net	-	1	1
SEGMENT FINANCIAL RESULTS BEFORE NONCONTROLLING INTERESTS	170	58	228
Net income attributable to noncontrolling interests	(2)	(1)	(3)
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ 168</u>	<u>\$ 57</u>	<u>\$ 225</u>

CORPORATE AND OTHER

	Legacy-ILG Reclassified**⁽²⁾	MVW⁽³⁾	Combined**
TOTAL REVENUES	\$ 7	\$ 4	\$ 11
TOTAL EXPENSES	(184)	(212)	(396)
Losses and other expense, net	-	(8)	(8)
Interest expense	(19)	(54)	(73)
ILG acquisition-related costs	(41)	(127)	(168)
FINANCIAL RESULTS BEFORE INCOME TAXES AND NONCONTROLLING INTERESTS	(237)	(397)	(634)
Provision for income taxes	(33)	(51)	(84)
Net (income) loss attributable to noncontrolling interests	(1)	3	2
FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (271)</u>	<u>\$ (445)</u>	<u>\$ (716)</u>

** Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Derived by adding the eight months of Legacy-ILG reclassified results of operations for the first quarter, second quarter, July and August 2018 included on previous schedules herein.

⁽³⁾ Per MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

MARRIOTT VACATIONS WORLDWIDE CORPORATION
RECONCILIATION OF COMBINED⁽¹⁾ FINANCIAL INFORMATION
SEGMENT ADJUSTED EBITDA
FISCAL YEAR ENDED DECEMBER 31, 2018
(In millions)
(Unaudited)

VACATION OWNERSHIP

	Legacy-ILG Reclassified^{**}(2)	MVW⁽³⁾	Combined^{**}
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 175	\$ 443	\$ 618
Adjustments:			
Depreciation and amortization	24	37	61
Share-based compensation expense	2	7	9
Certain items	1	24	25
SEGMENT ADJUSTED EBITDA^{**}	\$ 202	\$ 511	\$ 713

EXCHANGE & THIRD-PARTY MANAGEMENT

	Legacy-ILG Reclassified^{**}(2)	MVW⁽³⁾	Combined^{**}
SEGMENT FINANCIAL RESULTS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 168	\$ 57	\$ 225
Adjustments:			
Depreciation and amortization	21	16	37
Share-based compensation expense	4	1	5
Certain items	-	3	3
SEGMENT ADJUSTED EBITDA^{**}	\$ 193	\$ 77	\$ 270

ADJUSTED EBITDA BY SEGMENT

	Legacy-ILG Reclassified^{**}(2)	MVW⁽³⁾	Combined^{**}
Vacation Ownership	\$ 202	\$ 511	\$ 713
Exchange & Thirty-Party Management	193	77	270
Segment Adjusted EBITDA ^{**}	395	588	983
General and administrative	(149)	(169)	(318)
Consolidated property owners' associations	2	-	2
ADJUSTED EBITDA^{**}	\$ 248	\$ 419	\$ 667

^{**} Denotes non-GAAP financial measures. Please see "Non-GAAP Financial Measures" for additional information about our reasons for providing these alternative financial measures and limitations on their use. Please see "Non-GAAP Financial Measures - Certain Items" for more information about certain items.

⁽¹⁾ See "Combined Financial Information - Basis of Presentation" on A-1.

⁽²⁾ Derived by adding the eight months of Legacy-ILG reclassified results of operations for the first quarter, second quarter, July and August 2018 included on previous schedules herein.

⁽³⁾ Per MVW's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 1, 2019.

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NON-GAAP FINANCIAL MEASURES

We are providing certain financial measures that are not prescribed by GAAP (identified by a double asterisk (“**”) on the preceding pages), and we discuss our reasons for reporting these non-GAAP financial measures below. Although we evaluate and present these non-GAAP financial measures for the reasons described below, please be aware that these non-GAAP financial measures have limitations and should not be considered in isolation or as a substitute for net income attributable to common shareholders 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 financial measures we report may not be comparable to those reported by others.

Certain Items Excluded from Adjusted EBITDA and Adjusted Development Margin. We evaluate non-GAAP financial measures, including Adjusted EBITDA and Adjusted Development Margin, that exclude certain items in the periods presented, because these non-GAAP financial measures allow for period-over-period comparisons of our on-going core operations before the impact of these items. These non-GAAP financial measures also facilitate our comparison of results from our on-going core operations before these items with results from other vacation ownership companies.

The following table itemizes certain items excluded from Combined Adjusted EBITDA for the First, Second and Third Quarter of 2018 and the full year 2018.

Certain Items	First Quarter	Second Quarter	Third Quarter	Fiscal Year
Legacy-MVW				
Litigation settlement	\$ -	\$ 16	\$ 17	\$ 46
ILG acquisition-related costs	1	19	78	127
Other transaction costs	2	1	-	4
Purchase price adjustments	-	-	-	6
(Gains) losses and other (income) expense, net	(1)	7	(2)	(21)
Total Legacy-MVW	2	43	93	162
Legacy-ILG				
ILG acquisition-related costs	-	9	32	41
Other transaction costs	2	-	1	3
(Gains) losses and other (income) expense, net	(3)	6	(5)	(2)
Other	3	3	5	11
Total Legacy-ILG	2	18	33	53
Combined				
Litigation settlement	-	16	17	46
ILG acquisition-related costs	1	28	110	168
Other transaction costs	4	1	1	7
Purchase price adjustments	-	-	-	6
(Gains) losses and other (income) expense, net	(4)	13	(7)	(23)
Other	3	3	5	11
Total Combined	\$ 4	\$ 61	\$ 126	\$ 215

Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA. EBITDA is defined as earnings, or net income attributable to common shareholders, before interest expense (excluding consumer financing interest expense), provision for income taxes, depreciation and amortization. For purposes of our EBITDA and Adjusted EBITDA calculations, we do not adjust for consumer financing interest expense because we consider it to be an operating expense of our business. We consider EBITDA and Adjusted EBITDA to be indicators of operating performance, which we use to measure our ability to service debt, fund capital expenditures and expand our business. We also use EBITDA and Adjusted EBITDA, as do analysts, lenders, investors and others, because these measures 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 provision for income taxes can vary considerably among companies. EBITDA and Adjusted EBITDA also exclude 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 reflects additional adjustments for certain items, as itemized above, and excludes non-cash share-based compensation expense 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. We evaluate Adjusted EBITDA as an indicator of operating performance because it allows for period-over-period comparisons of our on-going core operations before the impact of the excluded items. Together, EBITDA and Adjusted EBITDA facilitate our comparison of results from our on-going core operations before the impact of these items with results from other vacation ownership companies.

Adjusted Development Margin (Adjusted Sale of Vacation Ownership Products Net of Expenses). We evaluate Adjusted Development Margin (Adjusted Sale of Vacation Ownership Products Net of Expenses) as an indicator of operating performance. Adjusted Development Margin adjusts Sale of vacation ownership products revenues for the impact of revenue reportability, includes corresponding adjustments to Cost of vacation ownership products expense and Marketing and sales expense associated with the change in revenues from the Sale of vacation ownership products, and may include adjustments for certain items as itemized above. We evaluate Adjusted Development Margin because it allows for period-over-period comparisons of our on-going core operations before the impact of revenue reportability and certain items to our Development Margin.

Combined Financial Information. See “Combined Financial Information - Basis of Presentation” on page A-1 for information about how the Combined Financial Information was derived. As described therein, prior to combining the Legacy-ILG 2018 financial information, Legacy-ILG’s financial results were reclassified to conform with MVW’s current year financial statement presentation for each period presented, referred to as “Legacy-ILG Reclassified” in the financial schedules. We evaluate the Combined Financial Information, and believe it provides useful information to investors, because it provides for a more meaningful comparison of our results following the acquisition of ILG with the results of the combined businesses for the prior year comparable period.