

October 24, 2014



Wyndham Worldwide Reports Third Quarter 2014 Earnings

Adjusted Diluted EPS Growth of 18%

Additional One Billion Dollar Share Repurchase Authorization

PARSIPPANY, N.J., Oct. 24, 2014 /PRNewswire/ -- Wyndham Worldwide Corporation (NYSE:WYN) today announced results for the three months ended September 30, 2014.

THIRD QUARTER HIGHLIGHTS:

- Adjusted diluted earnings per share (EPS) was \$1.67, an increase of 18% from adjusted diluted EPS of \$1.41 in the third quarter of 2013. Reported diluted EPS was \$1.64, compared with \$1.40 in the third quarter of 2013.
- Revenues increased 6% compared with the third quarter of 2013.
- Adjusted EBITDA increased 11% compared with the third quarter of 2013.
- The Company repurchased 2.0 million shares of its common stock for \$161 million during the quarter.
- The Company announced today that its Board of Directors approved a \$1 billion increase in the share repurchase authorization.

"We delivered strong results in the third quarter, with 11% growth in adjusted EBITDA and 18% growth in adjusted EPS," said Stephen P. Holmes, chairman and chief executive officer.

"Domestic RevPAR growth once again exceeded 8%, our vacation rentals business had a robust summer and our vacation ownership business significantly increased sales to new owners while continuing to benefit from improved lending practices. Based on our confidence in the prospects of our business, the Board of Directors approved a one billion dollar increase in our share repurchase authorization."

THIRD QUARTER 2014 OPERATING RESULTS

Third quarter revenues were \$1.5 billion, an increase of 6% from the prior year period. The increase reflects growth in all of the Company's business segments.

Adjusted net income was \$210 million, or \$1.67 per diluted share, compared with \$187 million, or \$1.41 per diluted share for the same period in 2013. The performance reflects solid operating results across all of the Company's businesses. EPS growth also benefited from the Company's share repurchase activity.

Reported net income for the third quarter of 2014 was \$206 million, or \$1.64 per diluted share, compared with \$187 million, or \$1.40 per diluted share, for the third quarter of 2013. Reported net income included items excluded from adjusted net income. The net result of these items unfavorably impacted third quarter 2014 net income by \$4 million. Full reconciliations of adjusted results to GAAP results appear in Table 8 of this press release.

Free cash flow was \$750 million for the nine months ended September 30, 2014, compared with

\$705 million for the same period in 2013. The growth of free cash flow largely reflects the favorable timing of working capital. The Company defines free cash flow as net cash provided by operating activities less capital expenditures. For the nine months ended September 30, 2014, net cash provided by operating activities was \$899 million, compared with \$858 million in the prior year period.

BUSINESS UNIT RESULTS

Lodging (Wyndham Hotel Group)

Revenues were \$315 million in the third quarter of 2014, a 6% increase over the third quarter of 2013. The increase predominantly reflects higher RevPAR and increased ancillary fees related to our co-branded credit card program. The increase was partially offset by the absence of \$11 million of fees from a global franchisee conference held in the third quarter of 2013, which were fully offset in expenses.

Domestic RevPAR increased 8.4%, partially offset by a 3.5% decline in international RevPAR, resulting in a 4.6% increase in total system-wide RevPAR compared with the third quarter of 2013. International RevPAR declined due to growth in lower RevPAR countries and unfavorable currency effects.

Adjusted EBITDA for the third quarter of 2014 was \$107 million, a 13% increase compared with the third quarter of 2013, primarily reflecting the revenue increases.

As of September 30, 2014, the Company's hotel system consisted of approximately 7,590 properties and 655,300 rooms, a 2.7% room increase compared with the third quarter of 2013. The development pipeline included over 960 hotels and over 116,000 rooms, of which 57% were international and 66% were new construction.

Vacation Exchange and Rentals (Wyndham Exchange & Rentals)

Revenues were \$512 million in the third quarter of 2014, a 9% increase over the third quarter of 2013. In constant currency and excluding the impact of acquisitions, revenues were up 6%.

Exchange revenues were \$162 million, up 3% compared with the third quarter of 2013, as the average number of members increased 1.8% and exchange revenue per member increased 1.1%.

Vacation rental revenues were \$331 million, a 13% increase over the third quarter of 2013. Excluding the impact of foreign currency and acquisitions, vacation rental revenues were up 8%, reflecting a 3.8% increase in the average net price per vacation rental and a 3.6% increase in transaction volume.

EBITDA for the third quarter of 2014 was \$159 million, a 13% increase compared with the third quarter of 2013. Excluding the impact of acquisitions and the net effect of foreign currency, EBITDA increased 6% compared with the prior year period.

Vacation Ownership (Wyndham Vacation Ownership)

Revenues were \$704 million in the third quarter of 2014, a 4% increase over the third quarter of 2013, primarily reflecting 8% higher net VOI revenues, which benefited from a lower loan loss provision. Revenues also increased due to higher resort management fees.

Gross VOI sales were \$513 million in the third quarter of 2014, a decrease of 4% compared with the third quarter of 2013, reflecting a 5.3% decrease in volume per guest. VPG declined primarily

due to an increase in the percentage of new owner tours, which generally have a lower VPG than tours to existing owners. Total tour flow was flat compared with the third quarter of 2013.

EBITDA for the third quarter of 2014 was \$188 million, a 7% increase compared with the third quarter of 2013, primarily reflecting the net revenue increases.

OTHER ITEMS

- The Company repurchased 2.0 million shares of common stock for \$161 million during the third quarter of 2014. From October 1 through October 23, 2014, the Company repurchased an additional 0.6 million shares for \$50 million. The Company's remaining share repurchase authorization, including the \$1 billion authorization increase, totals \$1.1 billion as of October 23, 2014.
- Reported net interest expense in the third quarter of 2014 was \$26 million, compared with \$29 million in the third quarter of 2013, reflecting lower rates associated with fixed-for-floating interest rate swaps and an increase in capitalized interest.

BALANCE SHEET INFORMATION AS OF SEPTEMBER 30, 2014:

- Cash and cash equivalents of \$252 million, compared with \$194 million at December 31, 2013
- Vacation ownership contract receivables, net, of \$2.7 billion, compared with \$2.8 billion at December 31, 2013
- Vacation ownership and other inventory of \$1.0 billion, unchanged from December 31, 2013
- Securitized vacation ownership debt of \$1.9 billion, unchanged from December 31, 2013
- Long-term debt of \$2.9 billion, unchanged from December 31, 2013. The remaining borrowing capacity on the revolving credit facility, net of commercial paper borrowings, was \$1.2 billion as of September 30, 2014, compared with \$1.3 billion as of December 31, 2013

A schedule of debt is included in Table 5 of this press release.

OUTLOOK

Note to Editors: The guidance excludes possible future share repurchases, while analysts' estimates often include share repurchases. This results in discrepancies between Company guidance and database consensus forecasts.

For the full year 2014, the Company provides the following guidance:

- Revenues of approximately \$5.250 - \$5.350 billion (unchanged)
- Adjusted EBITDA of approximately \$1.230 - \$1.245 billion (unchanged)
- Adjusted EPS of approximately \$4.45 - \$4.48 based on a diluted share count of 127 million up from \$4.34 - \$4.44 based on a diluted share count of 128 million

The Company's preliminary guidance for the full-year 2015 is as follows:

- Revenues of approximately \$5.400 - \$5.500 billion
- EBITDA of approximately \$1.300 - \$1.330 billion
- EPS of approximately \$4.70 - \$4.85 based on a diluted share count of 125 million.

EPS guidance assumes a higher year-over-year tax rate and higher depreciation and amortization.

CONFERENCE CALL INFORMATION

Wyndham Worldwide Corporation will hold a conference call with investors to discuss the Company's results, outlook and guidance on Friday, October 24, 2014 at 8:30 a.m. EDT. Listeners may access the webcast live through the Company's website at www.wyndhamworldwide.com/investors. An archive of this webcast will be available on the website for approximately 90 days beginning at noon EDT on October 24, 2014. The conference call may also be accessed by dialing 800-369-2125 and providing the passcode "WYNDHAM." Listeners are urged to call at least 10 minutes prior to the scheduled start time. A telephone replay will be available for approximately 90 days beginning at noon EDT on October 24, 2014, at 800-841-4360.

The Company will post guidance information on its website following the conference call.

PRESENTATION OF FINANCIAL INFORMATION

Financial information discussed in this press release includes non-GAAP measures, which include or exclude certain items. These non-GAAP measures differ from reported GAAP results and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors as an additional tool for further understanding and assessing the Company's ongoing core operating performance. Exclusion of items in our non-GAAP presentation should not be considered an inference that these items are unusual, infrequent or non-recurring. A complete reconciliation of reported GAAP results to the comparable non-GAAP information appears in the financial tables section of the press release. It is not practicable to provide a reconciliation of forecasted adjusted EBITDA and adjusted EPS to the most directly comparable GAAP measures because certain items cannot be reasonably estimated or predicted at this time. Any such items could be significant to the Company's reported results.

ABOUT WYNDHAM WORLDWIDE CORPORATION

One of the world's largest hospitality companies, Wyndham Worldwide (NYSE: WYN) provides a wide range of hospitality services and products through its global portfolio of world-renowned brands. The world's largest hotel company based on the number of properties, Wyndham Hotel Group is home to many of the world's best-known hotel brands, with approximately 7,600 franchised hotels and over 655,000 hotel rooms worldwide. Wyndham Exchange & Rentals is the worldwide leader in vacation exchange and the world's largest professionally managed vacation rentals business, providing more than 5 million leisure-bound families annually with access to over 107,000 vacation properties in over 100 countries through its prominent exchange and vacation rental brands. The industry and timeshare ownership market leader, Wyndham Vacation Ownership develops, markets, and sells vacation ownership interests and provides consumer financing to owners through its network of over 200 vacation ownership resorts serving approximately 907,000 owners throughout the United States, Canada, Mexico, the Caribbean, and the South Pacific. Based in Parsippany, NJ, Wyndham Worldwide employs approximately 32,800 associates globally. For more information, please visit www.wyndhamworldwide.com.

FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, conveying management's expectations as to the future based on plans, estimates and projections at the time the Company makes the statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this press release include statements related to the Company's revenues, earnings and related financial and operating measures.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Factors that could cause actual results to differ materially from those in the forward-looking statements include general economic conditions, the performance of the financial and credit markets, the economic environment for the hospitality industry, the impact of war, terrorist activity or political strife, operating risks associated with the hotel, vacation exchange and rentals and vacation ownership businesses, as well as those described in the Company's Annual Report on Form 10-K, filed with the SEC on February 14, 2014. Except for the Company's ongoing obligations to disclose material information under the federal securities laws, it undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

Table 1
(1 of 2)

Wyndham Worldwide Corporation
OPERATING RESULTS OF REPORTABLE SEGMENTS
(In millions)

In addition to other measures, management evaluates the operating results of each of its reportable segments based upon net revenues and "EBITDA", which is defined as net income before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing interest) and income taxes, each of which is presented on the Company's Consolidated Statements of Income. The Company believes that EBITDA is a useful measure of performance for the Company's industry segments which when considered with GAAP measures, gives a more complete understanding of its operating performance. The Company's presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

The following tables summarize net revenues and EBITDA for reportable segments, as well as reconcile EBITDA to Net income attributable to Wyndham shareholders for the three months ended September 30, 2014 and 2013:

	Three Months Ended September 30,			
	2014		2013	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Lodging	\$ 315	\$ 100	\$ 297	\$ 95
Vacation Exchange and Rentals	512	159	470	141
Vacation Ownership	704	188	677	176
Total Reportable Segments	1,531	447	1,444	412
Corporate and Other ^(a)	(17)	(36)	(17)	(33)
Total Company	<u>\$ 1,514</u>	<u>\$ 411</u>	<u>\$ 1,427</u>	<u>\$ 379</u>

Reconciliation of EBITDA to Net income attributable to Wyndham shareholders

	Three Months Ended September 30,	
	2014	2013
EBITDA	\$ 411	\$ 379

Depreciation and amortization	60	54
Interest expense	28	31
Interest income	(2)	(2)
Income before income taxes	325	296
Provision for income taxes	119	109
Net income attributable to Wyndham shareholders	<u>\$ 206</u>	<u>\$ 187</u>

(a) Includes the elimination of transactions between segments.

The following tables summarize net revenues and Adjusted EBITDA for reportable segments for the three months ended September 30, 2014 and 2013 (for a description of adjustments by segment, see Table 7):

	Three Months Ended September 30,			
	2014		2013	
	Net Revenues	Adjusted EBITDA	Net Revenues	Adjusted EBITDA
Lodging	\$ 315	\$ 107	\$ 297	\$ 95
Vacation Exchange and Rentals	512	159	470	141
Vacation Ownership	704	188	677	176
Total Reportable Segments	1,531	454	1,444	412
Corporate and Other	(17)	(36)	(17)	(34)
Total Company	<u>\$ 1,514</u>	<u>\$ 418</u>	<u>\$ 1,427</u>	<u>\$ 378</u>

Table 1
(2 of 2)

Wyndham Worldwide Corporation
OPERATING RESULTS OF REPORTABLE SEGMENTS
(In millions)

The following tables summarize net revenues and EBITDA for reportable segments, as well as reconcile EBITDA to Net income attributable to Wyndham shareholders for the nine months ended September 30, 2014 and 2013:

	Nine Months Ended September 30,			
	2014		2013	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Lodging	\$ 835	\$ 250	\$ 782	\$ 232
Vacation Exchange and Rentals	1,293	333	1,220	320
Vacation Ownership	1,970	488	1,856	447
Total Reportable Segments	4,098	1,071	3,858	999
Corporate and Other ^(a)	(48)	(104)	(44)	(89)
Total Company	<u>\$ 4,050</u>	<u>\$ 967</u>	<u>\$ 3,814</u>	<u>\$ 910</u>

Reconciliation of EBITDA to Net income attributable to Wyndham shareholders

Nine Months Ended September 30,	
2014	2013

EBITDA	\$ 967	\$ 910
Depreciation and amortization	175	160
Interest expense	84	97
Early extinguishment of debt	-	111
Interest income	(6)	(6)
Income before income taxes	714	548
Provision for income taxes	265	201
Net income	449	347
Net income attributable to noncontrolling interest	(1)	(1)
Net income attributable to Wyndham shareholders	<u>\$ 448</u>	<u>\$ 346</u>

(a) Includes the elimination of transactions between segments.

The following tables summarize net revenues and Adjusted EBITDA for reportable segments for the nine months ended September 30, 2014 and 2013 (for a description of adjustments by segment, see Table 7):

	Nine Months Ended September 30,			
	2014		2013	
	Net Revenues	Adjusted EBITDA	Net Revenues	Adjusted EBITDA
Lodging	\$ 835	\$ 261	\$ 782	\$ 232
Vacation Exchange and Rentals	1,293	341	1,220	320
Vacation Ownership	1,970	488	1,856	449
Total Reportable Segments	4,098	1,090	3,858	1,001
Corporate and Other	(48)	(103)	(44)	(88)
Total Company	<u>\$ 4,050</u>	<u>\$ 987</u>	<u>\$ 3,814</u>	<u>\$ 913</u>

Table 2

Wyndham Worldwide Corporation
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Net revenues				
Service and membership fees	\$ 717	\$ 680	\$ 1,922	\$ 1,833
Vacation ownership interest sales	415	384	1,101	995
Franchise fees	189	186	482	460
Consumer financing	108	107	319	318
Other	85	70	226	208
Net revenues	<u>1,514</u>	<u>1,427</u>	<u>4,050</u>	<u>3,814</u>
Expenses				
Operating	613	589	1,721	1,645
Cost of vacation ownership interests	49	43	129	107
Consumer financing interest	18	19	52	60

Marketing and reservation	227	213	614	570
General and administrative	188	186	564	528
Asset impairment	8	-	8	-
Depreciation and amortization	60	54	175	160
Total expenses	<u>1,163</u>	<u>1,104</u>	<u>3,263</u>	<u>3,070</u>
Operating income	351	323	787	744
Other income, net	-	(2)	(5)	(6)
Interest expense	28	31	84	97
Early extinguishment of debt	-	-	-	111
Interest income	(2)	(2)	(6)	(6)
Income before income taxes	325	296	714	548
Provision for income taxes	119	109	265	201
Net income	206	187	449	347
Net income attributable to noncontrolling interest	-	-	(1)	(1)
Net income attributable to Wyndham shareholders	<u>\$ 206</u>	<u>\$ 187</u>	<u>\$ 448</u>	<u>\$ 346</u>
Earnings per share				
Basic	\$ 1.65	\$ 1.42	\$ 3.55	\$ 2.58
Diluted	1.64	1.40	3.51	2.55
Weighted average shares outstanding				
Basic	124	131	126	134
Diluted	126	133	128	136

Note: For a description of adjustments to Net Income, see Table 8.

Wyndham Worldwide Corporation OPERATING STATISTICS

The following operating statistics are the drivers of our revenues and therefore provide an enhanced understanding of our businesses:

	Year	Q1	Q2	Q3	Q4
Lodging					
Number of Rooms	2014	646,900	650,200	655,300	N
	2013	631,800	635,100	638,300	645,4
	2012	609,300	608,300	618,100	627,4
	2011	609,600	612,900	611,200	613,1
RevPAR	2014	\$ 32.30	\$ 40.11	\$ 43.71	N
	2013	\$ 31.05	\$ 38.00	\$ 41.78	\$ 33.

2012	\$	29.73	\$	37.23	\$	40.39	\$	31.
2011	\$	27.71	\$	35.38	\$	39.49	\$	30.

Vacation Exchange and Rentals

Average Number of Members (in 000s)	2014	3,727	3,748	3,777	N
	2013	3,668	3,686	3,711	3,7
	2012	3,684	3,670	3,672	3,6
	2011	3,766	3,755	3,744	3,7
Exchange Revenue Per Member	2014	\$ 200.78	\$ 179.17	\$ 171.77	N
	2013	\$ 210.96	\$ 182.42	\$ 169.95	\$ 161.
	2012	\$ 204.56	\$ 177.07	\$ 171.14	\$ 165.
	2011	\$ 205.64	\$ 178.46	\$ 172.38	\$ 161.
Vacation Rental Transactions (in 000s) ^(a)	2014	429	376	455	N
	2013	423	355	433	2
	2012	418	325	390	2
	2011	398	328	370	2
Average Net Price Per Vacation Rental ^(a)	2014	\$ 410.04	\$ 577.13	\$ 727.40	N
	2013	\$ 392.64	\$ 540.38	\$ 677.81	\$ 506.
	2012	\$ 379.40	\$ 524.40	\$ 635.44	\$ 484.
	2011	\$ 377.71	\$ 549.09	\$ 701.81	\$ 497.

Vacation Ownership ^(a)

Gross Vacation Ownership Interest (VOI) Sales (in 000s) ^(b)	2014	\$ 410,000	\$ 496,000	\$ 513,000	N
	2013	\$ 384,000	\$ 481,000	\$ 536,000	\$ 488,0
	2012	\$ 384,000	\$ 460,000	\$ 502,000	\$ 435,0
	2011	\$ 319,000	\$ 412,000	\$ 455,000	\$ 409,0
Tours (in 000s) ^(c)	2014	170	208	225	N
	2013	163	206	225	1
	2012	148	186	207	1
	2011	137	177	197	1
Volume Per Guest (VPG) ^(c)	2014	\$ 2,272	\$ 2,280	\$ 2,158	N
	2013	\$ 2,211	\$ 2,256	\$ 2,278	\$ 2,3
	2012	\$ 2,414	\$ 2,361	\$ 2,315	\$ 2,2
	2011	\$ 2,192	\$ 2,227	\$ 2,197	\$ 2,2

Note: Full year amounts may not add across due to rounding.

- (a) Includes the impact of acquisitions from the acquisition dates forward. Therefore, the operating statistics are not presented on a c
- (b) Includes Gross VOI sales under the Company's Wyndham Asset Affiliate Model (WAAM) Just-in-Time beginning in the second qu Table 9 for a reconciliation of Gross VOI sales to vacation ownership interest sales).
- (c) Includes the impact of WAAM Just-in-Time related tours beginning in the second quarter of 2012.

ADDITIONAL DATA

Year	Q1	Q2	Q3	Q4
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Lodging

Number of Properties	2014	7,500	7,540	7,590	N
	2013	7,380	7,410	7,440	7,4
	2012	7,150	7,170	7,260	7,3
	2011	7,190	7,220	7,190	7,2

Vacation Ownership

Provision for Loan Losses (in 000s) (*)	2014	\$ 60,000	\$ 70,000	\$ 70,000	N
	2013	\$ 84,000	\$ 90,000	\$ 102,000	\$ 73,0
	2012	\$ 96,000	\$ 100,000	\$ 124,000	\$ 89,0
	2011	\$ 79,000	\$ 80,000	\$ 96,000	\$ 83,0

Note: Full year amounts may not add across due to rounding.

(*) Represents provision for estimated losses on vacation ownership contract receivables originated during the period, which is recorded as revenue to vacation ownership interest sales on the Consolidated Statements of Income.

Table 3
(2 of 2)

Wyndham Worldwide Corporation
OPERATING STATISTICS

GLOSSARY OF TERMS

Lodging

Number of Rooms: Represents the number of rooms at lodging properties at the end of the period which are either (i) under franchise and/or management agreements, or company owned, (ii) properties under affiliation agreements for which the Company receives a fee for reservation and/or other services provided and (iii) properties managed under a joint venture.

Average Occupancy Rate: Represents the percentage of available rooms occupied during the period.

Average Daily Rate (ADR): Represents the average rate charged for renting a lodging room for one day.

RevPAR: Represents revenue per available room and is calculated by multiplying average occupancy rate by ADR. Comparable RevPAR represents RevPAR of hotels which are included in both periods.

Vacation Exchange and Rentals

Average Number of Members: Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or who are within the allowed grace period. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with the Company's vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related services and products.

Exchange Revenue Per Member: Represents total annualized revenues generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period.

Vacation Rental Transactions: Represents the number of transactions that are generated during the period in connection with customers booking their vacation rental stays through the Company. One rental transaction is recorded for each standard one-week rental.

Average Net Price Per Vacation Rental: Represents the net rental price generated from renting vacation properties to customers and other related rental servicing fees during the period divided by the number of vacation rental transactions during the period.

Vacation Ownership

Gross Vacation Ownership Interest Sales: Represents sales of vacation ownership interest (VOIs), including WAAM sales, before the net effect of percentage-of-completion accounting and loan loss provisions. See Table 9 for a reconciliation of Gross VOI sales to vacation ownership interest sales.

Tours: Represents the number of tours taken by guests in our efforts to sell VOIs.

Volume per Guest (VPG): Represents Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) divided by the number of tours. The Company has excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel. See Table 9 for a detail of tele-sales upgrades for 2011-2014.

General

Constant Currency: Represents a comparison eliminating the effects of foreign exchange rate fluctuations between periods.

Wyndham Worldwide Corporation
REVENUE DETAIL BY REPORTABLE SEGMENT
(In millions)

	2014				
	Q1	Q2	Q3	Q4	Year
Lodging					
Royalties and Franchise Fees	\$ 68	\$ 88	\$ 100	N/A	N/A
Marketing, Reservation and Wyndham Rewards Revenues ^(a)	76	101	117	N/A	N/A
Hotel Management Reimbursable Revenues ^(b)	37	39	39	N/A	N/A
Intersegment Trademark Fees	9	11	11	N/A	N/A
Owned Hotel Revenues	24	20	18	N/A	N/A
Ancillary Revenues ^(c)	23	24	30	N/A	N/A
Total Lodging	237	283	315	N/A	N/A
Vacation Exchange and Rentals					
Exchange Revenues	187	168	162	N/A	N/A
Rental Revenues	176	217	331	N/A	N/A
Ancillary Revenues ^(d)	16	17	19	N/A	N/A
Total Vacation Exchange and Rentals	379	402	512	N/A	N/A
Vacation Ownership					
Vacation Ownership Interest Sales	303	382	415	N/A	N/A
Consumer Financing	105	106	108	N/A	N/A
Property Management Fees	143	145	150	N/A	N/A
WAAM Fee-for-Service Commissions	33	30	18	N/A	N/A

Ancillary Revenues ^(e)	9	10	13	N/A	N/A
Total Vacation Ownership	593	673	704	N/A	N/A
Total Reportable Segments	\$ 1,209	\$ 1,358	\$ 1,531	N/A	N/A

	2012				
	Q1	Q2	Q3	Q4	Year
Lodging					
Royalties and Franchise Fees	\$ 62	\$ 80	\$ 88	\$ 71	\$ 301
Marketing, Reservation and Wyndham Rewards Revenues ^(a)	68	99	98	80	345
Hotel Management Reimbursable Revenues ^(b)	21	22	25	23	91
Intersegment Trademark Fees ^(f)	8	9	9	8	34
Owned Hotel Revenues	8	8	7	18	41
Ancillary Revenues ^(c)	18	15	22	23	78
Total Lodging	185	233	249	223	890

Vacation Exchange and Rentals					
Exchange Revenues	188	162	157	153	660
Rental Revenues	159	170	248	125	702
Ancillary Revenues ^(d)	14	16	15	15	60
Total Vacation Exchange and Rentals	361	348	420	293	1,422

Vacation Ownership					
Vacation Ownership Interest Sales	271	342	373	337	1,323
Consumer Financing	103	102	106	110	421
Property Management Fees	110	108	117	125	460
WAAM Fee-for-Service Commissions	12	11	4	6	33
Ancillary Revenues ^(e)	5	7	8	12	32
Total Vacation Ownership	501	570	608	590	2,269
Total Reportable Segments	\$ 1,047	\$ 1,151	\$ 1,277	\$ 1,106	\$ 4,581

Note: Full year amounts may not add across due to rounding.

- (a) Marketing and reservation revenues represent fees the Company receives from franchised and managed hotels that are to be expensed through a specific reservation system. These fees are typically based on a percentage of the gross room revenues of each hotel. Wyndham Rewards loyalty program.
- (b) Primarily represents payroll costs in the hotel management business that the Company pays on behalf of property owners and for Q3 2014, reimbursable revenues of \$2 million, respectively, which eliminate in consolidation, were charged to the Company's vacation ownership revenues of \$1 million, \$3 million and \$2 million, respectively.
- (c) Primarily includes additional services provided to franchisees.
- (d) Primarily includes fees generated from programs with affiliated resorts and homeowners.
- (e) Primarily includes revenues associated with bonus points/credits that are provided as purchase incentives on VOI sales and fees.
- (f) During 2011, \$3 million, \$1 million and \$2 million of intersegment trademark fees were recorded as a reduction of expenses in Q1 2011 were \$16 million.

SCHEDULE OF DEBT
(In millions)

	<u>September 30, 2014</u>	<u>June 30, 2014</u>	<u>March 31, 2014</u>	<u>Decem 20</u>
Securitized vacation ownership debt ^(a)				
Term notes	\$ 1,670	\$ 1,600	\$ 1,823	\$
Bank conduit facility ^(b)	271	291	156	
Total securitized vacation ownership debt ^(c)	1,941	1,891	1,979	
Less: Current portion of securitized vacation ownership debt	192	187	192	
Long-term securitized vacation ownership debt	<u>\$ 1,749</u>	<u>\$ 1,704</u>	<u>\$ 1,787</u>	<u>\$</u>
Debt:				
Revolving credit facility (due July 2018) ^(d)	\$ 18	\$ 16	\$ 10	\$
Commercial paper ^(e)	237	107	184	
\$315 million 6.00% senior unsecured notes (due December 2016) ^(f)	317	318	318	
\$300 million 2.95% senior unsecured notes (due March 2017)	299	299	299	
\$14 million 5.75% senior unsecured notes (due February 2018)	14	14	14	
\$450 million 2.50% senior unsecured notes (due March 2018)	448	448	447	
\$40 million 7.375% senior unsecured notes (due March 2020)	40	40	40	
\$250 million 5.625% senior unsecured notes (due March 2021)	247	246	246	
\$650 million 4.25% senior unsecured notes (due March 2022) ^(g)	646	646	645	
\$400 million 3.90% senior unsecured notes (due March 2023) ^(h)	401	403	395	
Capital leases	175	186	188	
Other	80	99	100	
Total long-term debt	2,922	2,822	2,886	
Less: Current portion of long-term debt	49	50	52	
Long-term debt	<u>\$ 2,873</u>	<u>\$ 2,772</u>	<u>\$ 2,834</u>	<u>\$</u>

(a) The Company's vacation ownership contract receivables are securitized through bankruptcy-remote special purpose entities ("SP" our financial statements. These bankruptcy-remote SPEs are legally separate from the Company. The receivables held by the ba available to the Company's creditors and legally are not the Company's assets. Additionally, the creditors of these SPEs have no principal and interest.

(b) Represents a non-recourse vacation ownership bank conduit facility with a term through August 2016 and borrowing capacity of \$ 2014, this facility had a remaining borrowing capacity of \$379 million.

(c) This debt is collateralized by \$2,326 million, \$2,287 million, \$2,328 million, \$2,314 million and \$2,306 million of underlying vacatio receivables and related assets as of September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 3

(d) Represents a \$1.5 billion revolving credit facility that expires in July 2018. As of September 30, 2014, the Company had \$2 millior After considering outstanding commercial paper borrowings of \$237 million, the remaining borrowing capacity was \$1.2 billion as 2014.

(e) Represents commercial paper programs of \$1.25 billion with a remaining borrowing capacity of \$1.0 billion, as of September 30, 2

(f) Includes unamortized gains from the settlement of a derivative in the amount of \$2 million as of September 30, 2014 and \$3 millic 31, 2014, December 31, 2013 and September 30, 2013.

(g) Includes a \$1 million increase and \$2 million decrease in the carrying value resulting from a fair value hedge derivative as of Sept 31, 2013, respectively.

(h) Includes a \$4 million increase and \$10 million decrease in the carrying value resulting from a fair value hedge derivative as of Sep 31, 2013, respectively.

**Wyndham Worldwide Corporation
BRAND SYSTEM DETAILS**

As of and For the Three Months Ended September 30, 2014

Brand	Number of Properties	Number of Rooms	Average Occupancy Rate	Average Daily Rate (ADR)	Average Per Room
Lodging					
Wyndham Hotels and Resorts	182	41,510	67.0%	\$113.52	
TRYP by Wyndham	119	16,910	69.4%	\$93.45	
Wingate by Wyndham	157	14,377	68.2%	\$89.34	
Hawthorn Suites by Wyndham	97	9,685	69.5%	\$77.13	
Ramada	829	114,918	58.5%	\$82.00	
Baymont	359	29,293	59.0%	\$69.16	
Days Inn	1,791	144,405	57.7%	\$70.77	
Super 8	2,476	158,347	63.3%	\$55.36	
Howard Johnson	432	46,303	54.4%	\$65.79	
Travelodge	424	31,117	60.5%	\$75.65	
Microtel Inns & Suites by Wyndham	320	22,862	65.6%	\$71.02	
Knights Inn	394	24,326	50.2%	\$49.53	
Dream	5	989	63.9%	\$221.73	
Night	2	280	76.6%	\$164.40	
Total Lodging	7,587	655,322	60.4%	\$72.34	
Vacation Ownership					
Wyndham Vacation Ownership resorts	202	23,498	N/A	N/A	
Total Wyndham Worldwide	7,789	678,820			

As of and For the Three Months Ended September 30, 2013

Brand	Number of Properties	Number of Rooms	Average Occupancy Rate	Average Daily Rate (ADR)	Average Per Room
Lodging					

Wyndham Hotels and Resorts	144	33,748	60.3%	\$116.22
TRYP by Wyndham	108	15,218	66.2%	\$94.58
Wingate by Wyndham	158	14,491	65.6%	\$86.69
Hawthorn Suites by Wyndham	91	9,126	64.7%	\$73.12
Ramada	829	113,815	58.0%	\$80.70
Baymont	323	26,636	57.9%	\$65.65
Days Inn	1,828	147,891	56.4%	\$67.76
Super 8	2,382	152,534	64.0%	\$56.34
Howard Johnson	445	45,199	53.7%	\$64.43
Travelodge	439	32,773	58.2%	\$73.66
Microtel Inns & Suites by Wyndham	309	22,085	63.7%	\$67.61
Knights Inn	377	23,174	47.1%	\$49.32
Dream	5	990	75.3%	\$226.39
Night	3	630	69.8%	\$143.58
Total Lodging	7,441	638,310	59.2%	\$70.59
Vacation Ownership				
Wyndham Vacation Ownership resorts	191	23,440	N/A	N/A
Total Wyndham Worldwide	7,632	661,750		

NOTE: A glossary of terms is included in Table 3 (2 of 2); RevPAR may not recalculate by multiplying average occupancy rate by ADR

**Wyndham Worldwide Corporation
BRAND SYSTEM DETAILS**

<u>As of and For the Nine Months Ended September 30, 2014</u>					
Brand	Number of Properties	Number of Rooms	Average Occupancy Rate	Average Daily Rate (ADR)	Average RevPAR
Lodging					
Wyndham Hotels and Resorts	182	41,510	63.2%	\$114.72	

TRYP by Wyndham	119	16,910	62.7%	\$92.33
Wingate by Wyndham	157	14,377	65.3%	\$87.14
Hawthorn Suites by Wyndham	97	9,685	66.4%	\$76.90
Ramada	829	114,918	55.3%	\$80.22
Baymont	359	29,293	54.4%	\$66.09
Days Inn	1,791	144,405	52.7%	\$66.20
Super 8	2,476	158,347	58.4%	\$51.75
Howard Johnson	432	46,303	49.5%	\$63.66
Travelodge	424	31,117	53.1%	\$68.87
Microtel Inns & Suites by Wyndham	320	22,862	61.1%	\$67.25
Knights Inn	394	24,326	45.9%	\$47.01
Dream	5	989	70.2%	\$219.10
Night	2	280	69.4%	\$147.35
Total Lodging	7,587	655,322	55.8%	\$69.45
Vacation Ownership				
Wyndham Vacation Ownership resorts	202	23,498	N/A	N/A
Total Wyndham Worldwide	7,789	678,820		

Brand	Number of Properties	Number of Rooms	As of and For the Nine Months Ended September 30, 2013		Average P Rc
			Average Occupancy Rate	Average Daily Rate (ADR)	
Lodging					
Wyndham Hotels and Resorts	144	33,748	60.2%	\$116.07	
TRYP by Wyndham	108	15,218	61.7%	\$95.72	
Wingate by Wyndham	158	14,491	62.6%	\$85.63	
Hawthorn Suites by Wyndham	91	9,126	63.7%	\$72.10	
Ramada	829	113,815	53.7%	\$79.99	
Baymont	323	26,636	53.1%	\$63.44	
Days Inn	1,828	147,891	50.4%	\$64.97	
Super 8	2,382	152,534	57.7%	\$53.25	

Howard Johnson	445	45,199	48.3%	\$62.76
Travelodge	439	32,773	51.3%	\$68.24
Microtel Inns & Suites by Wyndham	309	22,085	58.9%	\$64.70
Knights Inn	377	23,174	42.7%	\$45.56
Dream	5	990	70.8%	\$222.79
Night	3	630	62.0%	\$145.14
Total Lodging	7,441	638,310	54.0%	\$68.56
Vacation Ownership				
Wyndham Vacation Ownership resorts	191	23,440	N/A	N/A
Total Wyndham Worldwide	7,632	661,750		

NOTE: A glossary of terms is included in Table 3 (2 of 2); RevPAR may not recalculate by multiplying average occupancy rate by ADR

Wyndham Worldwide Corporation
NON-GAAP RECONCILIATION
(In millions)

	Net Revenues	Reported EBITDA	Executive Departure Costs	Venezuela Currency Devaluation ^(b)	VA ⁺ Adjustr
Three months ended March 31, 2014					
Lodging	\$ 237	\$ 64	\$ 4	\$ -	\$
Vacation Exchange and Rentals	379	85	-	10	
Vacation Ownership	593	115	-	-	
Total Reportable Segments	1,209	264	4	10	
Corporate and Other ^(a)	(16)	(34)	-	-	
Total Company	\$ 1,193	\$ 230	\$ 4	\$ 10	\$
Three months ended June 30, 2014					
Lodging	\$ 283	\$ 87	\$ -	\$ -	\$
Vacation Exchange and Rentals	402	89	-	-	
Vacation Ownership	673	185	-	-	
Total Reportable Segments	1,358	361	-	-	
Corporate and Other ^(a)	(15)	(35)	-	-	
Total Company	\$ 1,343	\$ 326	\$ -	\$ -	\$

Three months ended September 30, 2014

Lodging	\$ 315	\$ 100	\$ -	\$ -	\$ -
Vacation Exchange and Rentals	512	159	-	-	-
Vacation Ownership	704	188	-	-	-
Total Reportable Segments	1,531	447	-	-	-
Corporate and Other ^(a)	(17)	(36)	-	-	-
Total Company	\$ 1,514	\$ 411	\$ -	\$ -	\$ -

(a) Includes the elimination of transactions between segments.

(b) Represents the devaluation of the official exchange rate of Venezuela.

(c) Reversal of a reserve for value-added taxes.

(d) Relates to the reversal of a portion of a restructuring reserve established during the fourth quarter of 2013.

(e) Relates to a write-down of an investment in a joint venture.

Wyndham Worldwide Corporation
NON-GAAP RECONCILIATION
(In millions)

	Net Revenues	Reported EBITDA	Legacy Adjustments ^(b)	Acquisition Costs ^(c)	Restructuring Costs ^(d)	Ir
Three months ended March 31, 2013						
Lodging	\$ 222	\$ 58	\$ -	\$ -	\$ -	
Vacation Exchange and Rentals	374	94	-	-	-	
Vacation Ownership	549	111	-	2	-	
Total Reportable Segments	1,145	263	-	2	-	
Corporate and Other ^(a)	(12)	(29)	-	-	-	
Total Company	\$ 1,133	\$ 234	\$ -	\$ 2	\$ -	
Three months ended June 30, 2013						
Lodging	\$ 262	\$ 78	\$ -	\$ -	\$ -	
Vacation Exchange and Rentals	376	85	-	-	-	
Vacation Ownership	630	161	-	-	-	
Total Reportable Segments	1,268	324	-	-	-	
Corporate and Other ^(a)	(15)	(27)	-	-	-	
Total Company	\$ 1,253	\$ 297	\$ -	\$ -	\$ -	
Three months ended September 30, 2013						
Lodging	\$ 297	\$ 95	\$ -	\$ -	\$ -	
Vacation Exchange and Rentals	470	141	-	-	-	
Vacation Ownership	677	176	-	-	-	
Total Reportable Segments	1,444	412	-	-	-	
Corporate and Other ^(a)	(17)	(33)	(1)	-	-	
Total Company	\$ 1,427	\$ 379	\$ (1)	\$ -	\$ -	

Three months ended December 31, 2013					
Lodging	\$ 245	\$ 47	\$ -	\$ -	\$ 9
Vacation Exchange and Rentals	305	36	-	-	-
Vacation Ownership	658	172	-	-	-
Total Reportable Segments	1,208	255	-	-	9
Corporate and Other ^(a)	(13)	(33)	-	-	-
Total Company	\$ 1,195	\$ 222	\$ -	\$ -	\$ 9
Twelve months ended December 31, 2013					
Lodging	\$ 1,027	\$ 279	\$ -	\$ -	\$ 9
Vacation Exchange and Rentals	1,526	356	-	-	-
Vacation Ownership	2,515	619	-	2	-
Total Reportable Segments	5,068	1,254	-	2	9
Corporate and Other ^(a)	(59)	(122)	1	-	-
Total Company	\$ 5,009	\$ 1,132	\$ 1	\$ 2	\$ 9

Note: The sum of the quarters may not agree to the twelve months ended December 31, 2013 due to rounding.

- (a) Includes the elimination of transactions between segments.
- (b) Relates to a net (benefit)/expense from the resolution of and adjustment to certain contingent liabilities and assets resulting from 1
- (c) Relates to costs incurred in connection with the acquisition of Midtown 45, a NYC property (January 2013).
- (d) Relates to costs incurred as a result of an organizational realignment initiative.
- (e) Relates primarily to a non-cash impairment charge from a partial write-down of the Hawthorn trademark.

Table 1
(1 of 4)

Wyndham Worldwide Corporation
NON-GAAP FINANCIAL INFORMATION
(In millions, except per share data)

Three Months Ended September 30, 2014				
	As Reported	Restructuring Reversal^(a)	Asset Impairment^(b)	As Adjusted non-GAAP
Net revenues				
Service and membership fees	\$ 717	\$	\$	\$ 717
Vacation ownership interest sales	415			415
Franchise fees	189			189
Consumer financing	108			108
Other	85			85
Net revenues	<u>1,514</u>	<u>-</u>	<u>-</u>	<u>1,514</u>
Expenses				

Operating	613			613
Cost of vacation ownership interests	49			49
Consumer financing interest	18			18
Marketing and reservation	227			227
General and administrative	188	1		189
Asset impairment	8		(8)	
Depreciation and amortization	60			60
Total expenses	<u>1,163</u>	<u>1</u>	<u>(8)</u>	<u>1,156</u>
Operating income	351	(1)	8	358
Interest expense	28			28
Interest income	<u>(2)</u>			<u>(2)</u>
Income before income taxes	325	(1)	8	332
Provision for income taxes	<u>119</u>	<u>-</u>	<u>3</u>	<u>122</u>
			(c)	
Net income attributable to Wyndham shareholders	<u>\$ 206</u>	<u>\$ (1)</u>	<u>\$ 5</u>	<u>\$ 210</u>
Earnings per share				
Basic	\$ 1.65	\$ (0.01)	\$ 0.04	\$ 1.68
Diluted	1.64	(0.01)	0.04	1.67
Weighted average shares outstanding				
Basic	124	124	124	124
Diluted	126	126	126	126

The above table reconciles certain non-GAAP financial measures. The presentation of these adjustments is intended to permit the comparison of the Company's performance to that of its peers on a consistent basis. The particular adjustments as they appear in the line items of the income statement in order to assist investors' understanding of the overall performance of the Company. This non-GAAP reconciliation table should not be considered a substitute for, nor superior to, financial results and are not determined or calculated in accordance with GAAP.

Note: EPS amounts may not add due to rounding.

- (a) Relates to the reversal of a portion of a restructuring reserve established during the fourth quarter of 2013 at the Company's lodging business.
- (b) Relates to a write-down of an investment in a joint venture at the Company's lodging business.
- (c) Relates to the tax effect of the adjustment.

Wyndham Worldwide Corporation
NON-GAAP FINANCIAL INFORMATION
(In millions, except per share data)

	<u>As Reported</u>	<u>Executive Departure Costs (a)</u>	<u>Venezuela Currency Devaluation(c)</u>	<u>Legal Adjustm</u>
Net revenues				
Service and membership fees	\$ 1,922	\$	\$	\$
Vacation ownership interest sales	1,101			
Franchise fees	482			
Consumer financing	319			
Other	226			
Net revenues	<u>4,050</u>	<u>-</u>	<u>-</u>	
Expenses				
Operating	1,721		(10)	
Cost of vacation ownership interests	129			
Consumer financing interest	52			
Marketing and reservation	614			
General and administrative	564	(4)		
Asset impairment	8			
Depreciation and amortization	175			
Total expenses	<u>3,263</u>	<u>(4)</u>	<u>(10)</u>	
Operating income	787	4	10	
Other income, net	(5)			
Interest expense	84			
Interest income	(6)			
Income before income taxes	714	4	10	
Provision for income taxes	265	1 (b)	1 (b)	
Net income	449	3	9	
Net income attributable to noncontrolling interest	(1)	-	-	
Net income attributable to Wyndham shareholders	<u>\$ 448</u>	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$</u>
Earnings per share				
Basic	\$ 3.55	\$ 0.02	\$ 0.07	\$
Diluted	3.51	0.02	0.07	
Weighted average shares outstanding				
Basic	126	126	126	
Diluted	128	128	128	

The above table reconciles certain non-GAAP financial measures. The presentation of these adjustments is intended to permit the company to appear in the line items of the income statement in order to assist investors' understanding of the overall impact of such adjustments. This table should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP.

Note: EPS amounts may not add due to rounding.

(a) Related to costs associated with an executive's departure at the Company's lodging business.

(b) Relates to the tax effect of the adjustment.

(c) Represents the devaluation of the official exchange rate of Venezuela at the Company's vacation exchange and rental business.

- (d) Relates to the net expense from the resolution of and adjustment to certain contingent liabilities and assets resulting from our sep
- (e) Relates to the reversal of a state tax accrual.
- (f) Relates to the reversal of a reserve for value-added taxes at the Company's vacation exchange and rentals business.
- (g) Relates to the reversal of a portion of a restructuring reserve established during the fourth quarter of 2013 at the Company's lodgi
- (h) Relates to a write-down of an investment in a joint venture at the Company's lodging business.

Table 8
(3 of 4)

Wyndham Worldwide Corporation
NON-GAAP FINANCIAL INFORMATION
(In millions, except per share data)

	Three Months Ended September 30, 2013		
	As Reported	Legacy Adjustments^(a)	As Adjusted non-GAAP
Net revenues			
Service fees and membership	\$ 680	\$	\$ 680
Vacation ownership interest sales	384		384
Franchise fees	186		186
Consumer financing	107		107
Other	70		70
Net revenues	1,427	-	1,427
Expenses			
Operating	589		589
Cost of vacation ownership interests	43		43
Consumer financing interest	19		19
Marketing and reservation	213		213
General and administrative	186	1	187
Depreciation and amortization	54		54
Total expenses	1,104	1	1,105
Operating income	323	(1)	322
Other income, net	(2)		(2)
Interest expense	31		31
Interest income	(2)		(2)
Income before income taxes	296	(1)	295
Provision for income taxes	109	(1) ^(b)	108
Net income attributable to Wyndham shareholders	\$ 187	\$ -	\$ 187

Earnings per share

Basic	\$	1.42	\$	-	\$	1.42
Diluted		1.40		-		1.41

Weighted average shares outstanding

Basic	131	131	131
Diluted	133	133	133

The above table reconciles certain non-GAAP financial measures. The presentation of these adjustments is intended to permit the comparison of particular adjustments as they appear in the line items of the income statement in order to assist investors' understanding of the overall impact of such adjustments. This non-GAAP reconciliation table should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP.

Note: EPS amounts may not add due to rounding.

- (a) Relates to a net benefit from the resolution of and adjustment to certain contingent liabilities and assets resulting from our separation from Cendant.
- (b) Relates to a state tax accrual for legacy tax matters.

Wyndham Worldwide Corporation
NON-GAAP FINANCIAL INFORMATION
(In millions, except per share data)

Nine Months Ended September 30, 2013

	<u>As Reported</u>	<u>Legacy Adjustments^(a)</u>	<u>Acquisition Costs^(c)</u>	<u>Ear Extingui of D</u>
Net revenues				
Service fees and membership	\$ 1,833	\$	\$	\$
Vacation ownership interest sales	995			
Franchise fees	460			
Consumer financing	318			
Other	208			
Net revenues	<u>3,814</u>	<u>-</u>	<u>-</u>	<u></u>
Expenses				
Operating	1,645		(2)	
Cost of vacation ownership interests	107			
Consumer financing interest	60			
Marketing and reservation	570			
General and administrative	528	(1)		
Depreciation and amortization	160			
Total expenses	<u>3,070</u>	<u>(1)</u>	<u>(2)</u>	<u></u>

Operating income	744	1	2	
Other income, net	(6)			
Interest expense	97			
Early extinguishment of debt	111			
Interest income	(6)			
Income before income taxes	548	1	2	
Provision for income taxes	201	(2) ^(b)	1 ^(d)	
Net income	347	3	1	
Net loss attributable to noncontrolling interest	(1)	-	-	
Net income attributable to Wyndham shareholders	<u>\$ 346</u>	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$</u>
Earnings per share				
Basic	\$ 2.58	\$ 0.02	\$ 0.01	\$
Diluted	2.55	0.02	0.01	
Weighted average shares outstanding				
Basic	134	134	134	
Diluted	136	136	136	

The above table reconciles certain non-GAAP financial measures. The presentation of these adjustments is intended to permit the company to appear in the line items of the income statement in order to assist investors' understanding of the overall impact of such adjustments. These adjustments should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP.

Note: EPS amounts may not add due to rounding.

- (a) Relates to a net expense from the resolution of and adjustment to certain contingent liabilities and assets resulting from our separation from Wyndham.
- (b) Relates to a state tax accrual for legacy tax matters.
- (c) Relates to the costs incurred in connection with the acquisition of Midtown 45, a NYC property (January 2013) at the Company's request.
- (d) Relates to the tax effect of the adjustment.
- (e) Represents costs incurred for the early repurchase of a portion of the Company's 7.375%, 5.75% and 6.00% senior unsecured notes and 9.875% senior unsecured notes.

Table 9

Wyndham Worldwide Corporation
NON-GAAP RECONCILIATIONS AND FINANCIAL INFORMATION
(In millions)

FREE CASH FLOW

We define free cash flow to be net cash provided by operating activities less property and equipment additions which we also refer to as capital expenditures.

We believe free cash flow to be a useful operating performance measure to evaluate the ability of our operations to generate cash for uses other than capital expenditures and, after debt service and other obligations, our ability to grow our business through acquisitions, development advances and equity investments, as well as our ability to return cash to shareholders through dividends and share repurchases. A limitation of using free cash flow versus the GAAP measure of net cash provided by operating activities, net cash used in investing activities and net cash used in financing activities as a means for evaluating Wyndham Worldwide is that free cash flow does not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.

The following table provides more details on the GAAP financial measure that is most directly comparable to the non-GAAP financial measure and the related reconciliation between these financial measures:

	Nine Months Ended September 30,	
	2014	2013
Net cash provided by operating activities	\$ 899	\$ 858
Less: Property and equipment additions	(149)	(153)
Free cash flow	<u>\$ 750</u>	<u>\$ 705</u>

GROSS VOI SALES

The following table provides a reconciliation of Gross VOI sales (see Table 3) to vacation ownership interest sales (see Table 4):

<u>Year</u>					
2014	Q1	Q2	Q3	Q4	Full Year
Gross VOI sales ^(a)	\$ 410	\$ 496	\$ 513	N/A	N/A
Less: Sales under WAAM Fee-for-Service	(44)	(40)	(27)	N/A	N/A
Gross VOI sales, net of WAAM Fee-for-Service sales	366	456	486	N/A	N/A
Less: Loan loss provision	(60)	(70)	(70)	N/A	N/A
Less: Impact of percentage-of-completion accounting	(3)	(4)	(1)	N/A	N/A
Vacation ownership interest sales ^(a)	<u>\$ 303</u>	<u>\$ 382</u>	<u>\$ 415</u>	N/A	N/A
2013					
Gross VOI sales ^(a)	\$ 384	\$ 481	\$ 536	\$ 488	\$ 1,889
Less: Sales under WAAM Fee-for-Service	(36)	(44)	(51)	(29)	(160)
Gross VOI sales, net of WAAM Fee-for-Service sales	347	437	486	459	1,729
Less: Loan loss provision	(84)	(90)	(102)	(73)	(349)
Less: Impact of percentage of completion accounting	-	-	-	(1)	(1)
Vacation ownership interest sales ^(a)	<u>\$ 263</u>	<u>\$ 347</u>	<u>\$ 384</u>	<u>\$ 384</u>	<u>\$ 1,379</u>
2012					
Gross VOI sales ^(a)	\$ 384	\$ 460	\$ 502	\$ 435	\$ 1,781
Less: Sales under WAAM Fee-for-Service	(17)	(18)	(5)	(10)	(49)
Gross VOI sales, net of WAAM Fee-for-Service sales	367	442	497	426	1,732
Less: Loan loss provision	(96)	(100)	(124)	(89)	(409)
Vacation ownership interest sales ^(a)	<u>\$ 271</u>	<u>\$ 342</u>	<u>\$ 373</u>	<u>\$ 337</u>	<u>\$ 1,323</u>
2011					

Gross VOI sales	\$	319	\$	412	\$	455	\$	409	\$	1,595
Less: Sales under WAAM Fee-for-Service		(18)		(19)		(38)		(31)		(106)
Gross VOI sales, net of WAAM Fee-for-Service sales		302		393		417		378		1,489
Less: Loan loss provision		(79)		(80)		(96)		(83)		(339)
Vacation ownership interest sales	\$	222	\$	313	\$	320	\$	295	\$	1,150

Note: Amounts may not add due to rounding.

^(a) Includes VOI sales under WAAM Just-in-Time beginning in the second quarter of 2012.

The following includes primarily tele-sales upgrades and other non-tour revenues, which are excluded from Gross VOI sales in the Company's VPG calculation (see Table 3):

	Q1	Q2	Q3	Q4	Full Year
2014	\$ 25	\$ 21	\$ 27	N/A	N/A
2013	\$ 24	\$ 18	\$ 22	\$ 25	\$ 89
2012	\$ 27	\$ 20	\$ 22	\$ 28	\$ 97
2011	\$ 18	\$ 18	\$ 21	\$ 11	\$ 68

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