
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **February 9, 2011 (February 9, 2011)**

Wyndham Worldwide Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware
*(State or Other Jurisdiction
of Incorporation)*

1-32876
(Commission File No.)

20-0052541
*(I.R.S. Employer
Identification Number)*

22 Sylvan Way
Parsippany, NJ
*(Address of Principal
Executive Office)*

07054
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(973) 753-6000**

None
(Former Name or Former Address if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 2.02. Results of Operations and Financial Condition.

Wyndham Worldwide Corporation (the "Company") today issued a press release reporting financial results for the quarter and fiscal year ended December 31, 2010.

A copy of the Company's press release is furnished as Exhibit 99.1 and is incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is furnished with this report:

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press Release of Wyndham Worldwide Corporation, dated February 9, 2011, reporting financial results for the quarter and fiscal year ended December 31, 2010.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WYNDHAM WORLDWIDE CORPORATION

Date: February 9, 2011

By: /s/ Thomas G. Conforti
Thomas G. Conforti
Chief Financial Officer

WYNDHAM WORLDWIDE CORPORATION
CURRENT REPORT ON FORM 8-K
Report dated February 9, 2011
EXHIBIT INDEX

Exhibit No.	Description
Exhibit 99.1	Press Release of Wyndham Worldwide Corporation, dated February 9, 2011, reporting financial results for the quarter and fiscal year ended December 31, 2010.



**Wyndham Worldwide Reports
Strong Fourth Quarter and Full Year 2010 Earnings
Increases Dividend 25%**

PARSIPPANY, N.J. (February 9, 2011)— Wyndham Worldwide Corporation (NYSE:WYN) today announced results for the three months and year ended December 31, 2010.

Highlights:

- Fourth quarter adjusted diluted earnings per share (EPS) was \$0.46, compared with \$0.40 in the fourth quarter of 2009, an increase of 15%. Fourth quarter 2010 reported diluted EPS was \$0.43, an increase of 8% from the same period in 2009.
- Free cash flow increased 11% to \$603 million for the year ended December 31, 2010, compared with \$541 million in 2009. The Company defines free cash flow as net cash provided by operating activities less capital expenditures, equity investments and development advances and excluding a previously announced cash payment related to contingent IRS tax liabilities.
- The Company's Board of Directors authorized an increase of the quarterly cash dividend to \$0.15 from \$0.12 per share, beginning with the dividend that is expected to be declared in the first quarter of 2011.
- During the quarter, the Company repurchased approximately 1.6 million shares of its common stock at an average price of \$29.20. For the full-year 2010, the Company repurchased approximately 9.3 million shares of its common stock at an average price of \$25.52.

"We are pleased to report these results, which are further evidence of the strength of our business models and great execution throughout the company," said Stephen P. Holmes, chairman and CEO, Wyndham Worldwide. "We delivered strong cash flow and look to continue to deploy free cash flow to create more value for our shareholders in 2011 through acquisitions, share repurchases and dividends."

FOURTH QUARTER 2010 OPERATING RESULTS

Fourth quarter revenues increased 3% from the prior year period to \$937 million. Excluding the \$47 million of Vacation Ownership revenue associated with the percentage-of-completion (POC) accounting method in the fourth quarter of 2009, fourth quarter 2010 adjusted revenue growth was 8%. The adjusted revenue growth reflects

continued sales momentum across the Company's three business units and incremental contributions from acquisitions.

For the fourth quarter of 2010, adjusted net income increased by 15% to \$84 million, compared with \$73 million for the same period in 2009. The increase primarily reflects higher RevPAR in the Lodging business, strong operational performance by the Vacation Ownership business and a lower effective tax rate. Adjusted net income for the fourth quarter of 2010 excludes a \$6 million after-tax restructuring charge, a \$2 million after-tax loss incurred for the repurchase of a portion of the Company's 3.50% convertible notes and a \$3 million after-tax net benefit related to the adjustment and resolution of certain contingent liabilities and assets.

Reported net income for the fourth quarter of 2010 was \$78 million, or \$0.43 per diluted share, compared with net income of \$73 million, or \$0.40 per diluted share, for the fourth quarter of 2009.

FULL YEAR 2010 OPERATING RESULTS

Reported revenues for full year 2010 were \$3.9 billion, an increase of 3% over the prior-year period. Excluding the \$187 million of Vacation Ownership revenue associated with the POC accounting method for the full year 2009, full year 2010 adjusted revenue growth was 8%. The adjusted revenue growth reflects continued sales momentum across the Company's three business units and incremental contributions from acquisitions.

Adjusted net income for the full year 2010 increased by 13% to \$368 million, compared with \$327 million for the prior-year period. The increase primarily reflects higher RevPAR in the Lodging business, strong operational performance by the Vacation Ownership business, contributions from acquisitions in the Exchange and Rentals and Lodging businesses and a lower effective tax rate. Adjusted net income for the full year 2010 excludes a \$41 million after-tax net benefit principally related to the resolution of the IRS examination of taxable years 2003 through 2006, an \$18 million after-tax charge for the early extinguishment of debt, a \$6 million after-tax charge for acquisition costs and a \$6 million after-tax restructuring charge.

Reported net income for full year 2010 was \$379 million, or \$2.05 per diluted share, compared with net income of \$293 million, or \$1.61 per diluted share, for the prior-year period.

Free cash flow increased 11% to \$603 million in the twelve-month period ended December 31, 2010 compared with \$541 million in the same period in 2009. The growth of free cash flow reflects higher cash earnings and more efficient working capital utilization. For the twelve months ended December 31, 2010, cash provided by operating activities was \$635 million, or \$780 million excluding a previously announced one-time payment of \$145 million related to a contingent IRS tax liability. Cash provided by operating activities was \$689 million for the prior-year period.

BUSINESS UNIT RESULTS

Lodging (Wyndham Hotel Group)

Revenues were \$163 million in the fourth quarter of 2010, an increase of 9%, compared with the fourth quarter of 2009 reflecting RevPAR improvement of 10% as well as incremental revenue from the recently acquired Tryp hotel brand and higher fees generated from ancillary services provided to franchisees.

EBITDA was \$40 million, an increase of 25%, compared with the fourth quarter of 2009 reflecting the RevPAR improvement and the absence of a \$6 million impairment charge recorded in 2009, partially offset by higher operating costs.

As of December 31, 2010, the Company's hotel system consisted of approximately 7,210 properties and 612,700 rooms. The development pipeline included over 900 hotels and approximately 103,000 rooms, of which 55% were new construction and 51% were international.

Vacation Exchange and Rentals (Wyndham Exchange & Rentals)

Revenues were \$282 million in the fourth quarter of 2010, an increase of 9% compared with the fourth quarter of 2009. In constant currency, revenues increased by 12%.

Exchange revenues were \$153 million, relatively flat compared with the fourth quarter of 2009. Exchange revenue per member and the average number of members were flat.

Vacation rental revenues were \$114 million, a 16% increase compared with the fourth quarter of 2009. In constant currency, vacation rental revenues increased 24% from the fourth quarter of 2009, primarily reflecting the contribution of incremental revenues from acquired businesses.

Excluding restructuring costs of \$9 million and costs related to the acquisition of James Villa Holidays of \$1 million, fourth quarter 2010 adjusted EBITDA decreased 13% compared with the prior-year period, reflecting the seasonality of the acquired rental businesses. Excluding the impact of acquisitions, adjusted EBITDA for the fourth quarter of 2010 was flat compared with the fourth quarter of 2009.

Wyndham Exchange & Rentals acquired James Villa Holidays on November 30, 2010, resulting in the addition of approximately 2,300 villas and unique vacation rental properties in over 50 destinations across Mediterranean vacation locations. This acquisition enhances the Company's leading position as the world's largest serviced vacation rentals business, providing access to approximately 97,000 vacation properties worldwide.

Vacation Ownership (Wyndham Vacation Ownership)

Gross Vacation Ownership Interest (VOI) sales were \$373 million in the fourth quarter of 2010, up 9% from the fourth quarter of 2009, reflecting a 13% increase in tour flow. Volume per guest was flat compared with the prior year.

Total segment revenues were \$497 million in the fourth quarter of 2010, compared with \$508 million in the fourth quarter of 2009, which included the recognition of \$47 million of previously deferred POC revenues. The absence of these revenues in the fourth quarter of 2010 was partially offset by an increase in gross VOI sales, a lower provision for loan losses and incremental sales under the Wyndham Asset Affiliation Model (WAAM).

EBITDA for the fourth quarter of 2010 was \$131 million, compared with EBITDA of \$132 million in the fourth quarter of 2009. Excluding an estimated \$22 million impact from the POC method of accounting in the fourth quarter of 2009, fourth quarter 2010 adjusted EBITDA growth was 19%. This growth reflected the lower provision for loan losses and the increase in VOI sales.

Other Items

- The Company repurchased approximately 1.6 million shares of its common stock during the fourth quarter of 2010 at an average price of \$29.20 and an additional 455,000 shares at an average price of \$29.51 through February 8, 2011.
- During the fourth quarter of 2010, the Company repurchased \$22 million face value of its 3.50% convertible notes and retired the proportionate share of the call options and warrants associated with these notes.
- Net interest expense in the fourth quarter of 2010 was \$34 million, an increase of \$1 million from the fourth quarter of 2009, primarily reflecting a \$3 million loss incurred for the repurchase of a portion of the Company's 3.50% convertible notes during the fourth quarter of 2010.

Balance Sheet Information as of December 31, 2010:

- Cash and cash equivalents of approximately \$155 million, unchanged from December 31, 2009
- Vacation ownership contract receivables, net, of \$3.0 billion, compared with \$3.1 billion at December 31, 2009
- Vacation ownership and other inventory of approximately \$1.2 billion, compared with \$1.3 billion at December 31, 2009
- Securitized vacation ownership debt of \$1.7 billion, compared with \$1.5 billion at December 31, 2009
- Other debt of \$2.1 billion, compared with \$2.0 billion at December 31, 2009. The remaining borrowing capacity on the revolving credit facility was \$788 million, compared with \$869 million as of December 31, 2009.

A schedule of debt is included in the financial tables section of this press release.

Outlook

The Company's full-year 2011 guidance is:

- Revenues of approximately \$4.0 — \$4.2 billion
- Adjusted EBITDA of approximately \$925 — \$955 million

The guidance reflects assumptions used for internal planning purposes. All guidance excludes legacy items, restructuring costs, debt extinguishment and acquisition costs, if

any, which may have a positive or negative impact on reported results. If economic conditions change materially from current levels, these assumptions and our guidance may change materially. It is not practicable to provide a reconciliation of forecasted adjusted EBITDA to the most directly comparable GAAP measure because certain items cannot be reasonably estimated or predicted at this time. Any such items could be significant to our financial results.

Conference Call Information

Wyndham Worldwide Corporation will hold a conference call with investors to discuss this news on Wednesday, February 9, 2011 at 8:30 a.m. EST. Listeners may access the webcast live through the Company's website at www.wyndhamworldwide.com/investors/. An archive of this webcast will be available at the website for approximately 90 days beginning at noon EST on February 9, 2011. The conference call may also be accessed by dialing (800) 369-2052 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 EST on February 9, 2011, at (800) 294-7481.

Presentation of Financial Information

Financial information discussed in this press release includes both GAAP and non-GAAP measures, which include or exclude certain items. These non-GAAP measures differ from reported results and are intended to illustrate what management believes are relevant period-over-period comparisons. A complete reconciliation of reported GAAP results to the comparable non-GAAP information appears in the financial tables section of the press release.

About Wyndham Worldwide Corporation

As one of the world's largest hospitality companies, Wyndham Worldwide offers individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through its premier portfolio of world-renowned brands. Wyndham Hotel Group encompasses approximately 7,210 franchised hotels and approximately 612,700 hotel rooms worldwide. Wyndham Exchange & Rentals offers leisure travelers, including its 3.8 million members, access to approximately 97,000 vacation properties located in approximately 100 countries. Wyndham Vacation Ownership develops, markets and sells vacation ownership interests and provides consumer financing to owners through its network of over 160 vacation ownership resorts serving nearly 815,000 owners throughout North America, the Caribbean and the South Pacific. Wyndham Worldwide, headquartered in Parsippany, N.J., employs approximately 26,000 employees globally.

For more information about Wyndham Worldwide, please visit the Company's website at 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, dividends 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 Quarterly Report on Form 10-Q, filed with the SEC on October 28, 2010. 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.

###

Investor and Media contact:

Margo C. Happer
Senior Vice President, Investor Relations
Wyndham Worldwide Corporation
(973) 753-6472
margo.happer@wyn.com

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), interest income (excluding consumer financing interest) and income taxes, each of which is presented on the Company’s Consolidated Statements of Operations. The Company believes that EBITDA is a useful measure of performance for the Company’s industry segments which, when considered with GAAP measures, the Company believes 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 for the three and twelve months ended December 31, 2010 and 2009:

	Three Months Ended December 31,			
	2010		2009	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Lodging	\$ 163	\$ 40	\$ 149	\$ 32(k)
Vacation Exchange and Rentals	282	32(d)	258	48
Vacation Ownership	497	131	508	132(l)
Total Reportable Segments	942	203	915	212
Corporate and Other (a) (b)	(5)	(20)	(2)	(18)
Total Company	<u>\$ 937</u>	<u>\$ 183</u>	<u>\$ 913</u>	<u>\$ 194</u>

Reconciliation of EBITDA to Net Income

EBITDA	\$ 183	\$ 194
Depreciation and amortization	44	44
Interest expense	34(e)	35
Interest income	—	(2)
Income before income taxes	105	117
Provision for income taxes	27	44
Net income	<u>\$ 78</u>	<u>\$ 73</u>

	Twelve Months Ended December 31,			
	2010		2009	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Lodging	\$ 688	\$ 189(f)	\$ 660	\$ 175(k)
Vacation Exchange and Rentals	1,193	293(d) (g)	1,152	287
Vacation Ownership	1,979	440(h)	1,945	387(h)
Total Reportable Segments	3,860	922	3,757	849
Corporate and Other (a) (c)	(9)	(24)	(7)	(71)
Total Company	<u>\$ 3,851</u>	<u>\$ 898</u>	<u>\$ 3,750</u>	<u>\$ 778</u>

Reconciliation of EBITDA to Net Income

EBITDA	\$ 898	\$ 778
Depreciation and amortization	173	178
Interest expense	167(i) (j)	114
Interest income	(5)	(7)
Income before income taxes	563	493
Provision for income taxes	184	200
Net income	<u>\$ 379</u>	<u>\$ 293</u>

(a) Includes the elimination of transactions between segments.

(b) Includes \$3 million (\$3 million, net of tax) of a net benefit during the three months ended December 31, 2010 related to the resolution of and adjustment to certain contingent liabilities and assets.

(c) Includes \$54 million (\$41 million, net of tax) of a net benefit and \$6 million (\$6 million, net of tax) of a net expense during the twelve months ended December 31, 2010 and 2009, respectively, related to the resolution of and adjustment to certain contingent liabilities and assets.

(d) Includes (i) restructuring costs of \$9 million (\$6 million, net of tax) and (ii) \$1 million (\$1 million, net of tax) related to costs incurred in connection with the Company’s acquisition of James Villa Holidays during November 2010.

(e) Includes \$3 million (\$2 million, net of tax) of costs incurred for the early repurchase of a portion of the Company’s 3.50% convertible notes during the fourth quarter of 2010.

(f) Includes \$1 million (\$1 million, net of tax) related to costs incurred in connection with the Company’s acquisition of the Tryp hotel brand during June 2010.

(g) Includes \$5 million (\$4 million, net of tax) related to costs incurred in connection with the Company’s acquisitions of Hoseasons during March 2010 and ResortQuest during September 2010.

(h) Includes a non-cash impairment charge of \$4 million (\$3 million, net of tax) and \$9 million (\$7 million, net of tax) during the twelve months ended December 31, 2010 and 2009, respectively, to reduce the value of certain vacation ownership properties and related assets held for sale that are no longer consistent with the Company’s development plans.

(i) Includes \$14 million (\$8 million, net of tax) of costs incurred for the early repurchase of a portion of the Company’s 3.50% convertible notes during the third and fourth quarters of 2010.

(j) Includes \$16 million of costs incurred for the early extinguishment of the Company’s term loan facility and revolving foreign credit facility during March 2010. The after-tax impact of such costs is \$10 million.

(k) Includes a non-cash impairment charge of \$6 million (\$3 million, net of tax) to reduce the value of an underperforming joint venture in the Company’s hotel management business.

- (l) Includes (i) restructuring costs of \$1 million (\$1 million, net of tax) and (ii) a non-cash impairment charge of \$1 million (\$1 million, net of tax) to reduce the value of assets held for sale related to a vacation ownership property that is no longer consistent with the Company's development plans.
 - (m) Includes restructuring costs of \$3 million, \$6 million, \$37 million and \$1 million for Lodging, Vacation Exchange and Rentals, Vacation Ownership and Corporate and Other, respectively. The after-tax impact of such costs is \$29 million.
-

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Net revenues				
Service fees and membership	\$ 409	\$ 371	\$ 1,706	\$ 1,613
Vacation ownership interest sales	276	287	1,072	1,053
Franchise fees	107	98	461	440
Consumer financing	107	109	425	435
Other	38	48	187	209
Net revenues	937	913	3,851	3,750
Expenses				
Operating (a)	409	356	1,587(b)	1,501
Cost of vacation ownership interests	47	47	184	183
Consumer financing interest	25	37	105	139
Marketing and reservation	121	137	531	560
General and administrative (c)	145	136	540	533
Asset impairment	—	7(d)	4(e)	15(d)
Restructuring costs	9(f)	1(g)	9(f)	47(g)
Depreciation and amortization	44	44	173	178
Total expenses	800	765	3,133	3,156
Operating income	137	148	718	594
Other income, net	(2)	(2)	(7)	(6)
Interest expense	34(h)	35	167(h)	114
Interest income	—	(2)	(5)	(7)
Income before income taxes	105	117	563	493
Provision for income taxes	27	44	184	200
Net income	\$ 78	\$ 73	\$ 379	\$ 293
Earnings per share				
Basic	\$ 0.45	\$ 0.41	\$ 2.13	\$ 1.64
Diluted	0.43	0.40	2.05	1.61
Weighted average shares outstanding				
Basic	174	179	178	179
Diluted	182	184	185	182

- (a) Includes \$1 million (\$1 million, net of tax) during both the three and twelve months ended December 31, 2010 related to the Company's November 2010 acquisition of James Villa Holidays.
- (b) Includes (i) \$4 million (\$3 million, net of tax) of costs incurred in connection with the Company's March 2010 acquisition of Hoseasons; (ii) \$1 million (\$1 million, net of tax) related to costs incurred in connection with the Company's June 2010 acquisition of the Tryp hotel brand; and (iii) \$1 million (\$1 million, net of tax) of costs incurred in connection with the Company's September 2010 acquisition of ResortQuest.
- (c) Includes \$3 million (\$3 million, net of tax) of a net benefit during the three months ended December 31, 2010 and \$54 million (\$41 million, net of tax) of a net benefit and \$6 million (\$6 million, net of tax) of a net expense during the twelve months ended December 31, 2010 and 2009, respectively, related to the resolution of and adjustment to certain contingent liabilities and assets.
- (d) Represents (i) a non-cash impairment charge of \$6 million (\$3 million, net of tax) to reduce the value of an underperforming joint venture in the Company's hotel management business and (ii) a non-cash impairment charge of \$1 million (\$1 million, net of tax) to reduce the value of assets held for sale related to a vacation ownership property that is no longer consistent with the Company's development plans during the three and twelve months ended December 31, 2009. The twelve months ended December 31, 2009 also includes non-cash impairment charges of \$8 million (\$6 million, net of tax) to reduce the value of certain other vacation ownership properties and related assets held for sale that are no longer consistent with the Company's development plans.
- (e) Relates to non-cash impairment charges to reduce the value of certain vacation ownership properties and related assets held for sale that are no longer consistent with the Company's development plans. The after-tax impact of such charges was \$3 million.
- (f) Relates to costs incurred as a result of various strategic initiatives approved by the Company and commenced during 2010. Such amounts, net of tax, were \$6 million during both the three and twelve months ended December 31, 2010.
- (g) Relates to costs incurred as a result of various strategic initiatives approved by the Company and commenced during 2008. Such amounts, net of tax, were \$1 million and \$29 million during the three and twelve months ended December 31, 2009, respectively.
- (h) The three and twelve months ended December 31, 2010 include \$3 million (\$2 million, net of tax) and \$14 million (\$8 million, net of tax), respectively, of costs incurred for the early repurchase of a portion of the Company's 3.50% convertible notes during the third and fourth quarters of 2010. The twelve months ended December 31, 2010 also includes \$16 million (\$10 million, net of tax) of costs incurred for the early extinguishment of the Company's term loan facility and revolving foreign credit facility during March 2010.

Wyndham Worldwide Corporation
OPERATING STATISTICS

	Year	Q1	Q2	Q3	Q4	Full Year
Lodging (a)						
Number of Rooms	2010	593,300	606,800	605,700	612,700	N/A
	2009	588,500	590,200	590,900	597,700	N/A
	2008	551,100	551,500	583,400	592,900	N/A
	2007	539,300	541,700	540,900	550,600	N/A
RevPAR	2010	\$ 25.81	\$ 32.25	\$ 37.14	\$ 29.18	\$ 31.14
	2009	\$ 27.69	\$ 32.38	\$ 34.81	\$ 26.47	\$ 30.34
	2008	\$ 32.21	\$ 38.87	\$ 41.93	\$ 30.03	\$ 35.74
	2007	\$ 31.35	\$ 38.35	\$ 43.10	\$ 33.09	\$ 36.48
Vacation Exchange and Rentals (b)						
Average Number of Members (in 000s)	2010	3,746	3,741	3,766	3,759	3,753
	2009	3,789	3,795	3,781	3,765	3,782
	2008	3,632	3,682	3,673	3,693	3,670
	2007	3,474	3,506	3,538	3,588	3,526
Exchange Revenue Per Member	2010	\$ 201.93	\$ 172.20	\$ 173.44	\$ 162.59	\$ 177.53
	2009	\$ 194.83	\$ 174.22	\$ 173.90	\$ 163.89	\$ 176.73
	2008	\$ 234.05	\$ 201.04	\$ 193.39	\$ 165.99	\$ 198.48
	2007	\$ 236.71	\$ 203.84	\$ 203.44	\$ 195.86	\$ 209.80
Vacation Rental Transactions (in 000s)(c)	2010	291	297	322	253	1,163
	2009	273	231	264	196	964
	2008	269	220	255	191	936
	2007	272	223	254	192	942
Average Net Price Per Vacation Rental (c)	2010	\$ 361.17	\$ 387.01	\$ 500.31	\$ 449.12	\$ 425.38
	2009	\$ 353.15	\$ 471.74	\$ 594.34	\$ 499.66	\$ 477.38
	2008	\$ 442.50	\$ 541.69	\$ 659.93	\$ 460.86	\$ 528.95
	2007	\$ 365.20	\$ 465.60	\$ 598.26	\$ 504.47	\$ 480.32
Vacation Ownership						
Gross Vacation Ownership Interest (VOI) Sales (in 000s)(d)	2010	\$ 308,000	\$ 371,000	\$ 412,000	\$ 373,000	\$ 1,464,000
	2009	\$ 280,000	\$ 327,000	\$ 366,000	\$ 343,000	\$ 1,315,000
	2008	\$ 458,000	\$ 532,000	\$ 566,000	\$ 432,000	\$ 1,987,000
	2007	\$ 430,000	\$ 523,000	\$ 552,000	\$ 488,000	\$ 1,993,000
Tours	2010	123,000	163,000	187,000	160,000	634,000
	2009	137,000	164,000	173,000	142,000	617,000
	2008	255,000	314,000	334,000	240,000	1,143,000
	2007	240,000	304,000	332,000	268,000	1,144,000
Volume Per Guest (VPG)	2010	\$ 2,334	\$ 2,156	\$ 2,081	\$ 2,214	\$ 2,183
	2009	\$ 1,866	\$ 1,854	\$ 1,944	\$ 2,210	\$ 1,964
	2008	\$ 1,668	\$ 1,583	\$ 1,550	\$ 1,630	\$ 1,602
	2007	\$ 1,607	\$ 1,596	\$ 1,545	\$ 1,690	\$ 1,606

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

- (a) Includes the impact of the acquisitions of Microtel Inns & Suites and Hawthorn Suites (July 2008) and the Tryp hotel brand (June 2010) from the acquisition dates forward. Therefore, the operating statistics are not presented on a comparable basis.
- (b) Vacation Exchange and Rentals statistics were revised during the first quarter of 2010 to capture member-related rentals and other servicing fees as components of the exchange statistics. Prior to the first quarter of 2010, such amounts were included within the Company's vacation rental statistics and other ancillary revenues.
- (c) Includes the impact of the acquisitions of Hoseasons (March 2010), ResortQuest (September 2010) and James Villa Holidays (November 2010) from the acquisition dates forward. Therefore, the operating statistics are not presented on a comparable basis.
- (d) Includes gross VOI sales under the Company's Wyndham Asset Affiliate Model (WAAM) beginning in the first quarter of 2010 (see Table 9 for a reconciliation of gross VOI sales to vacation ownership interest sales).

Wyndham Worldwide Corporation
ADDITIONAL DATA

	Year	Q1	Q2	Q3	Q4	Full Year
Lodging (a)						
Number of Properties	2010	7,090	7,160	7,150	7,210	N/A
	2009	6,990	7,020	7,040	7,110	N/A
	2008	6,550	6,560	6,970	7,040	N/A
	2007	6,450	6,460	6,460	6,540	N/A
Vacation Ownership						
Deferred Revenues (in 000s)(b)	2010	\$ —	\$ —	\$ —	\$ —	\$ —
	2009	\$ 67,000	\$ 37,000	\$ 36,000	\$ 47,000	\$ 187,000
	2008	\$ (82,000)	\$ (5,000)	\$ (2,000)	\$ 14,000	\$ (75,000)
	2007	\$ 4,000	\$ (5,000)	\$ 1,000	\$ (21,000)	\$ (22,000)
Provision for Loan Losses (in 000s)(c)	2010	\$ 86,000	\$ 87,000	\$ 85,000	\$ 82,000	\$ 340,000
	2009	\$ 107,000	\$ 122,000	\$ 117,000	\$ 103,000	\$ 449,000
	2008	\$ 82,000	\$ 113,000	\$ 119,000	\$ 136,000	\$ 450,000
	2007	\$ 61,000	\$ 75,000	\$ 86,000	\$ 84,000	\$ 305,000
Sales under WAAM (in 000s)(d)	2010	\$ 5,000	\$ 13,000	\$ 20,000	\$ 14,000	\$ 51,000
WAAM Commission Revenues (in 000s)	2010	\$ 3,000	\$ 8,000	\$ 12,000	\$ 9,000	\$ 31,000

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

- (a) Includes the impact of the acquisition of Microtel Inns & Suites and Hawthorn Suites (July 2008) and the Tryp hotel brand (June 2010) from the acquisition dates forward. Therefore, the data is not presented on a comparable basis.
- (b) Represents the revenue that is deferred under the percentage of completion method of accounting. Under the percentage of completion method of accounting, a portion of the total revenue from a vacation ownership contract sale is not recognized if the construction of the vacation resort has not yet been fully completed. This revenue will be recognized in future periods in proportion to the costs incurred as compared to the total expected costs for completion of construction of the vacation resort. Positive amounts represent the recognition of previously deferred revenues.
- (c) Represents provision for estimated losses on vacation ownership contract receivables originated during the period, which is recorded as a contra revenue to vacation ownership interest sales on the Consolidated Statements of Income.
- (d) Represents gross VOI sales under the Company's WAAM for which the Company earns commission revenue (WAAM Commission Revenues). The commission revenue earned on these sales is included in service fees and membership revenues on the Consolidated Statement of Income. The Company implemented this sales model during the first quarter of 2010 and, as such, there is no historical data prior to 2010.

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, (ii) properties under affiliation agreements for which we receive a fee for reservation and/or other services provided or (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 pay annual membership dues. For additional fees, such participants are entitled to exchange intervals for intervals at other properties affiliated with our vacation exchange business. In addition, certain participants may exchange intervals for other leisure-related products and services.

Exchange Revenue Per Member: Represents total revenue 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 in connection with customers booking their vacation rental stays through us. One rental transaction is recorded each time a standard one-week rental is booked.

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

Vacation Ownership

Gross Vacation Ownership Interest Sales: Represents sales of vacation ownership interest (VOIs), including Wyndham Asset Affiliation Model 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. We believe that Gross VOI sales provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the sales volume of this business during a given reporting period.

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

Volume per Guest (VPG): Represents gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) divided by the number of tours. We have 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 2007-2010. We believe that VPG provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the efficiency of this business' tour selling efforts during a given reporting period.

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)

	2010					2009					
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	
Lodging											
Royalties and Franchise Fees	\$ 52	\$ 69	\$ 82	\$ 62	\$ 265	\$ 57	\$ 68	\$ 72	\$ 57	\$ 254	
Marketing, Reservation and Wyndham Rewards Revenues (a)	50	65	76	60	251	54	66	73	53	246	
Hotel Management Reimbursable Revenues (b)	21	20	18	18	77	22	23	21	19	85	
Ancillary Revenues (c)	21	24	27	23	95	21	17	17	20	75	
Total Lodging	144	178	203	163	688	154	174	183	149	660	
Vacation Exchange and Rentals											
Exchange Revenues	189	161	163	153	666	185	165	164	154	668	
Rental Revenues	105	115	161	114	495	96	109	157	98	460	
Ancillary Revenues (d)	6	5	6	15	32	6	6	6	6	24	
Total Vacation Exchange and Rentals	300	281	330	282	1,193	287	280	327	258	1,152	
Vacation Ownership											
Vacation Ownership Interest Sales	217	271	308	276	1,072	239	242	285	287	1,053	
Consumer Financing	105	106	107	107	425	109	109	108	109	435	
Property Management Fees	100	100	104	101	405	91	94	96	95	376	
Sales under the WAAM	3	8	12	8	31	—	—	—	—	—	
Ancillary Revenues (e)	19	20	2	5	46	23	22	19	17	81	
Total Vacation Ownership	444	505	533	497	1,979	462	467	508	508	1,945	
Total Reportable Segments	\$ 888	\$ 964	\$ 1,066	\$ 942	\$ 3,860	\$ 903	\$ 921	\$ 1,018	\$ 915	\$ 3,757	
2008											
	Q1	Q2	Q3	Q4	Year		Q1	Q2	Q3	Q4	Year
Lodging											
Royalties and Franchise Fees	\$ 64	\$ 78	\$ 88	\$ 66	\$ 297	\$ 63	\$ 78	\$ 89	\$ 67	\$ 296	
Marketing, Reservation and Wyndham Rewards Revenues (a)	60	75	84	61	280	60	73	84	64	281	
Hotel Management Reimbursable Revenues (b)	27	26	25	21	100	16	22	26	28	92	
Ancillary Revenues (c)	19	21	16	22	76	13	13	12	17	56	
Total Lodging	170	200	213	170	753	152	186	211	176	725	
Vacation Exchange and Rentals											
Exchange Revenues	213	185	178	152	728	206	179	180	175	740	
Rental Revenues	119	119	169	88	495	99	104	152	97	452	
Ancillary Revenues (d)	9	10	7	10	36	9	5	4	8	26	
Total Vacation Exchange and Rentals	341	314	354	250	1,259	314	288	336	280	1,218	
Vacation Ownership											
Vacation Ownership Interest Sales	294	414	446	309	1,463	373	443	467	383	1,666	
Consumer Financing	99	104	111	112	426	81	88	93	96	358	
Property Management Fees	85	84	89	89	346	74	78	79	78	310	
Ancillary Revenues (e)	26	19	15	(18)	43	21	20	32	19	91	
Total Vacation Ownership	504	621	661	492	2,278	549	629	671	576	2,425	
Total Reportable Segments	\$ 1,015	\$ 1,135	\$ 1,228	\$ 912	\$ 4,290	\$ 1,015	\$ 1,103	\$ 1,218	\$ 1,032	\$ 4,368	

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

- (a) Marketing and reservation revenues represent fees we receive from franchised and managed hotels that are to be expended for marketing purposes or the operation of a centralized, brand-specific reservation system. These fees are typically based on a percentage of the gross room revenues of each hotel. Wyndham Rewards revenues represent fees we receive relating to our loyalty program.
- (b) Primarily represents payroll costs in our hotel management business that we pay on behalf of property owners and for which we are reimbursed by the property owners.
- (c) Primarily includes additional services provided to franchisees.
- (d) Primarily includes fees generated from programs with affiliated resorts.
- (e) Primarily includes revenues associated with bonus points/credits that are provided as purchase incentives on VOI sales and fees generated from other non-core businesses.

Wyndham Worldwide Corporation
SCHEDULE OF DEBT
(In millions)

	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Securitized vacation ownership debt (a)					
Term notes	\$ 1,498	\$ 1,400	\$ 1,255	\$ 1,258	\$ 1,112
Bank conduit facility (b)	152	215	291	240	395
Securitized vacation ownership debt (c)	1,650	1,615	1,546	1,498	1,507
Less: Current portion of securitized vacation ownership debt	223	187	248	220	209
Long-term securitized vacation ownership debt	<u>\$ 1,427</u>	<u>\$ 1,428</u>	<u>\$ 1,298</u>	<u>\$ 1,278</u>	<u>\$ 1,298</u>
Debt:					
6.00% senior unsecured notes (due December 2016) (d)	\$ 798	\$ 798	\$ 798	\$ 798	\$ 797
Term loan (e)	—	—	—	—	300
Revolving credit facility (due October 2013) (f)	154	26	—	199	—
9.875% senior unsecured notes (due May 2014) (g)	241	240	239	239	238
3.50% convertible notes (due May 2012) (h)	266	289	362	448	367
7.375% senior unsecured notes (due March 2020) (i)	247	247	247	247	—
5.75% senior unsecured notes (due February 2018) (j)	247	247	—	—	—
Vacation ownership bank borrowings (k)	—	—	—	—	153
Vacation rentals capital leases	115	120	110	123	133
Other	26	34	36	28	27
Total debt	2,094	2,001	1,792	2,082	2,015
Less: Current portion of debt	11	32	29	23	175
Long-term debt	<u>\$ 2,083</u>	<u>\$ 1,969</u>	<u>\$ 1,763</u>	<u>\$ 2,059</u>	<u>\$ 1,840</u>

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

(b) Represents a 364-day, non-recourse vacation ownership bank conduit facility with a term through September 2011 and borrowing capacity of \$600 million. As of December 31, 2010, our 364-day facility has remaining borrowing capacity of \$448 million.

(c) This debt is collateralized by \$2,865 million, \$2,874 million, \$2,862 million, \$2,712 million and \$2,755 million of underlying vacation ownership contract receivables and related assets as of December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.

(d) The balance as of December 31, 2010 represents \$800 million aggregate principal less \$2 million of unamortized discount.

(e) The Company's term loan facility was fully repaid during March 2010.

(f) During March 2010, the Company replaced its five-year \$900 million revolving credit facility with a \$950 million revolving credit facility that expires on October 1, 2013. During the fourth quarter of 2010, the total capacity of this facility was increased to \$970 million. As of December 31, 2010, the Company has \$28 million of outstanding letters of credit and a remaining borrowing capacity of \$788 million.

(g) Represents senior unsecured notes issued by the Company during May 2009. The balance as of December 31, 2010 represents \$250 million aggregate principal less \$9 million of unamortized discount.

(h) Represents convertible notes issued by the Company during May 2009, which includes debt principal, less unamortized discount, and a liability related to a bifurcated conversion feature. During the third and fourth quarters of 2010, the Company repurchased a portion of its 3.50% convertible notes, which resulted in a corresponding reduction of the unamortized discount. The following table details the components of the convertible notes:

	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Debt principal	\$ 116	\$ 138	\$ 230	\$ 230	\$ 230
Unamortized discount	(12)	(17)	(31)	(35)	(39)
Debt less discount	104	121	199	195	191
Fair value of conversion feature (*)	162	168	163	253	176
Convertible notes	<u>\$ 266</u>	<u>\$ 289</u>	<u>\$ 362</u>	<u>\$ 448</u>	<u>\$ 367</u>

(*) The Company also has an asset with a fair value equal to the conversion feature, which represents cash-settled call options that the Company purchased concurrent with the issuance of the convertible notes.

(i) Represents senior unsecured notes issued by the Company during February 2010. The balance as of December 31, 2010 represents \$250 million aggregate principal less \$3 million of unamortized discount.

(j) Represents senior unsecured notes issued by the Company during September 2010. The balance as of December 31, 2010 represents \$250 million aggregate principal less \$3 million of unamortized discount.

(k) Represents a 364-day, AUD 213 million, secured, revolving foreign credit facility, which was paid down and terminated during March 2010.

Wyndham Worldwide Corporation
HOTEL BRAND SYSTEMS DETAILS

As of and For the Three Months Ended December 31, 2010						
Brand	Number of Properties	Number of Rooms	Average Occupancy Rate	Average Daily Rate (ADR)	Average Revenue Per Available Room (RevPAR)	
Wyndham Hotels and Resorts	101	28,311	52.0%	\$ 108.89	\$ 56.62	
Tryp by Wyndham	94	13,692	62.0%	\$ 101.09	\$ 62.64	
Wingate by Wyndham	165	15,066	54.0%	\$ 77.24	\$ 41.73	
Hawthorn Suites by Wyndham	76	7,100	53.3%	\$ 71.94	\$ 38.34	
Ramada	896	119,042	48.8%	\$ 75.61	\$ 36.93	
Baymont	261	21,933	41.9%	\$ 59.18	\$ 24.78	
Days Inn	1,877	149,980	41.4%	\$ 58.09	\$ 24.05	
Super 8	2,174	136,267	46.1%	\$ 52.53	\$ 24.21	
Howard Johnson	474	46,362	42.5%	\$ 57.45	\$ 24.42	
Travelodge	436	31,908	40.8%	\$ 60.54	\$ 24.72	
Microtel Inns & Suites	316	22,539	45.9%	\$ 56.57	\$ 25.97	
Knights Inn	336	20,335	35.0%	\$ 40.98	\$ 14.35	
Other (*)	1	200	N/A	N/A	N/A	
Total	<u>7,207</u>	<u>612,735</u>	45.3%	\$ 64.44	\$ 29.18	

As of and For the Three Months Ended December 31, 2009						
Brand	Number of Properties	Number of Rooms	Average Occupancy Rate	Average Daily Rate (ADR)	Average Revenue Per Available Room (RevPAR)	
Wyndham Hotels and Resorts	94	24,517	50.5%	\$ 108.64	\$ 54.83	
Wingate by Wyndham	166	15,239	49.3%	\$ 78.41	\$ 38.65	
Hawthorn Suites by Wyndham	89	8,238	46.7%	\$ 76.24	\$ 35.62	
Ramada	910	118,880	43.8%	\$ 75.97	\$ 33.28	
Baymont	240	20,459	40.2%	\$ 58.50	\$ 23.50	
Days Inn	1,858	149,633	39.0%	\$ 58.96	\$ 23.01	
Super 8	2,137	132,876	42.9%	\$ 53.87	\$ 23.11	
Howard Johnson	492	46,748	38.9%	\$ 58.18	\$ 22.65	
Travelodge	460	34,098	38.4%	\$ 59.37	\$ 22.77	
Microtel Inns & Suites	314	22,376	43.5%	\$ 55.15	\$ 23.97	
Knights Inn	343	21,061	33.7%	\$ 40.24	\$ 13.57	
Other (*)	11	3,549	N/A	N/A	N/A	
Total	<u>7,114</u>	<u>597,674</u>	41.6%	\$ 63.62	\$ 26.47	

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

(*) Represents properties we manage under a joint venture and, as of December 31, 2009, also includes properties for which we received a fee for reservation services provided. As these properties are not branded under a Wyndham Hotel Group brand, operating statistics (such as average occupancy rate, ADR and RevPAR) are not relevant.

**Table 6
(2 of 2)**

**Wyndham Worldwide Corporation
HOTEL BRAND SYSTEMS DETAILS**

Brand	As of and For the Twelve Months Ended December 31, 2010					Average Revenue Per Available Room (RevPAR)
	Number of Properties	Number of Rooms	Average Occupancy Rate	Average Daily Rate (ADR)		
Wyndham Hotels and Resorts	101	28,311	55.0%	\$ 109.23	\$	60.10
Tryp by Wyndham	94	13,692	62.6%	\$ 92.47	\$	57.86
Wingate by Wyndham	165	15,066	57.6%	\$ 79.09	\$	45.56
Hawthorn Suites by Wyndham	76	7,100	55.4%	\$ 75.78	\$	41.98
Ramada	896	119,042	49.6%	\$ 73.45	\$	36.43
Baymont	261	21,933	46.5%	\$ 60.60	\$	28.19
Days Inn	1,877	149,980	45.5%	\$ 60.46	\$	27.52
Super 8	2,174	136,267	49.3%	\$ 55.54	\$	27.41
Howard Johnson	474	46,362	45.2%	\$ 60.05	\$	27.13
Travelodge	436	31,908	44.7%	\$ 63.51	\$	28.39
Microtel Inns & Suites	316	22,539	49.8%	\$ 57.35	\$	28.54
Knights Inn	336	20,335	37.3%	\$ 42.28	\$	15.76
Other (*)	1	200	N/A	N/A		N/A
Total	<u>7,207</u>	<u>612,735</u>	48.0%	\$ 64.85	\$	31.14

Brand	As of and For the Twelve Months Ended December 31, 2009					Average Revenue Per Available Room (RevPAR)
	Number of Properties	Number of Rooms	Average Occupancy Rate	Average Daily Rate (ADR)		
Wyndham Hotels and Resorts	94	24,517	52.6%	\$ 114.56	\$	60.21
Wingate by Wyndham	166	15,239	53.6%	\$ 83.16	\$	44.54
Hawthorn Suites by Wyndham	89	8,238	51.6%	\$ 83.55	\$	43.10
Ramada	910	118,880	47.0%	\$ 74.55	\$	35.04
Baymont	240	20,459	45.2%	\$ 62.46	\$	28.25
Days Inn	1,858	149,633	44.9%	\$ 62.24	\$	27.95
Super 8	2,137	132,876	48.5%	\$ 56.67	\$	27.48
Howard Johnson	492	46,748	42.2%	\$ 61.22	\$	25.86
Travelodge	460	34,098	43.4%	\$ 61.87	\$	26.85
Microtel Inns & Suites	314	22,376	49.0%	\$ 56.72	\$	27.79
Knights Inn	343	21,061	37.2%	\$ 42.46	\$	15.79
Other (*)	11	3,549	N/A	N/A		N/A
Total	<u>7,114</u>	<u>597,674</u>	46.3%	\$ 65.52	\$	30.34

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

(*) Represents properties we manage under a joint venture and, as of December 31, 2009, also includes properties for which we received a fee for reservation services provided. As these properties are not branded under a Wyndham Hotel Group brand, operating statistics (such as average occupancy rate, ADR and RevPAR) are not relevant.

Wyndham Worldwide
NON-GAAP RECONCILIATIONS
(In millions)

	Net Revenues	Reported EBITDA	Acquisition Costs(b)	Legacy Adjustments(c)	Restructuring Costs(d)	Adjusted EBITDA
Three months ended March 31, 2010						
Lodging	\$ 144	\$ 33	\$ —	\$ —	\$ —	\$ 33
Vacation Exchange and Rentals	300	80	4	—	—	84
Vacation Ownership	444	82	—	—	—	82
Total Reportable Segments	888	195	4	—	—	199
Corporate and Other (a)	(2)	(20)	—	2	—	(18)
Total Company	\$ 886	\$ 175	\$ 4	\$ 2	\$ —	\$ 181
Three months ended June 30, 2010						
Lodging	\$ 178	\$ 49	\$ 1	\$ —	\$ —	\$ 50
Vacation Exchange and Rentals	281	78	—	—	—	78
Vacation Ownership	505	104	—	—	—	104
Total Reportable Segments	964	231	1	—	—	232
Corporate and Other (a)	(1)	(14)	—	—	—	(14)
Total Company	\$ 963	\$ 217	\$ 1	\$ —	\$ —	\$ 218
Three months ended September 30, 2010						
Lodging	\$ 203	\$ 67	\$ —	\$ —	\$ —	\$ 67
Vacation Exchange and Rentals	330	103	1	—	—	104
Vacation Ownership	533	123	—	—	—	123
Total Reportable Segments	1,066	293	1	—	—	294
Corporate and Other (a)	(1)	30	—	(52)	—	(22)
Total Company	\$ 1,065	\$ 323	\$ 1	\$ (52)	\$ —	\$ 272
Three months ended December 31, 2010						
Lodging	\$ 163	\$ 40	\$ —	\$ —	\$ —	\$ 40
Vacation Exchange and Rentals	282	32	1	—	9	42
Vacation Ownership	497	131	—	—	—	131
Total Reportable Segments	942	203	1	—	9	213
Corporate and Other (a)	(5)	(20)	—	(3)	—	(23)
Total Company	\$ 937	\$ 183	\$ 1	\$ (3)	\$ 9	\$ 190
Twelve months ended December 31, 2010						
Lodging	\$ 688	\$ 189	\$ 1	\$ —	\$ —	\$ 190
Vacation Exchange and Rentals	1,193	293	6	—	9	308
Vacation Ownership	1,979	440	—	—	—	440
Total Reportable Segments	3,860	922	7	—	9	938
Corporate and Other (a)	(9)	(24)	—	(54)	—	(78)
Total Company	\$ 3,851	\$ 898	\$ 7	\$ (54)	\$ 9	\$ 860

Note: Amounts may not foot across due to rounding.

- (a) Includes the elimination of transactions between segments.
- (b) Relates to costs incurred in connection with the Company's acquisitions of Hoseasons during March 2010, the Tryp hotel brand during June 2010, ResortQuest during September 2010 and James Villa Holidays during November 2010.
- (c) Relates to the net expense/(benefit) from the resolution of and adjustment to certain contingent liabilities and assets.
- (d) Relates to costs incurred as a result of various strategic initiatives commenced by the Company during 2010.

Wyndham Worldwide
NON-GAAP RECONCILIATIONS
(In millions)

	Net Revenues	Reported EBITDA	Restructuring Related Costs(b)	Legacy Adjustments(c)	Adjusted EBITDA
Three months ended March 31, 2009					
Lodging	\$ 154	\$ 35	\$ 3	\$ —	\$ 38
Vacation Exchange and Rentals	287	76	4	—	80
Vacation Ownership	462	44	35	—	79
Total Reportable Segments	903	155	42	—	197
Corporate and Other (a)	(2)	(21)	1	4	(16)
Total Company	<u>\$ 901</u>	<u>\$ 134</u>	<u>\$ 43</u>	<u>\$ 4</u>	<u>\$ 181</u>
Three months ended June 30, 2009					
Lodging	\$ 174	\$ 50	\$ —	\$ —	\$ 50
Vacation Exchange and Rentals	280	56	2	—	58
Vacation Ownership	467	107	1	—	108
Total Reportable Segments	921	213	3	—	216
Corporate and Other (a)	(1)	(17)	—	—	(17)
Total Company	<u>\$ 920</u>	<u>\$ 196</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ 199</u>
Three months ended September 30, 2009					
Lodging	\$ 183	\$ 58	\$ —	\$ —	\$ 58
Vacation Exchange and Rentals	327	107	—	—	107
Vacation Ownership	508	104	—	—	104
Total Reportable Segments	1,018	269	—	—	269
Corporate and Other (a)	(2)	(15)	—	2	(13)
Total Company	<u>\$ 1,016</u>	<u>\$ 254</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ 256</u>
Three months ended December 31, 2009					
Lodging	\$ 149	\$ 32	\$ —	\$ —	\$ 32
Vacation Exchange and Rentals	258	48	—	—	48
Vacation Ownership	508	132	—	—	132
Total Reportable Segments	915	212	—	—	212
Corporate and Other (a)	(2)	(18)	—	—	(18)
Total Company	<u>\$ 913</u>	<u>\$ 194</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 194</u>
Twelve months ended December 31, 2009					
Lodging	\$ 660	\$ 175	\$ 3	\$ —	\$ 178
Vacation Exchange and Rentals	1,152	287	6	—	293
Vacation Ownership	1,945	387	36	—	423
Total Reportable Segments	3,757	849	45	—	894
Corporate and Other (a)	(7)	(71)	1	6	(64)
Total Company	<u>\$ 3,750</u>	<u>\$ 778</u>	<u>\$ 46</u>	<u>\$ 6</u>	<u>\$ 830</u>

Note: Amounts may not foot across due to rounding.

- (a) Includes the elimination of transactions between segments.
(b) Relates to costs incurred as a result of various strategic initiatives commenced by the Company during 2008.
(c) Relates to the net expense from the resolution of and adjustment to certain contingent liabilities and assets.

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

	Three Months Ended December 31, 2010					
	As Reported	Early Extinguishment of Debt	Acquisition Costs	Legacy Adjustments	Restructuring Costs	As Adjusted
Net revenues						
Service fees and membership	\$ 409					\$ 409
Vacation ownership interest sales	276					276
Franchise fees	107					107
Consumer financing	107					107
Other	38					38
Net revenues	<u>937</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>937</u>
Expenses						
Operating	409		(1)(b)			408
Cost of vacation ownership interests	47					47
Consumer financing interest	25					25
Marketing and reservation	121					121
General and administrative	145			3(c)		148
Restructuring costs	9				(9)(d)	—
Depreciation and amortization	44					44
Total expenses	<u>800</u>	<u>—</u>	<u>(1)</u>	<u>3</u>	<u>(9)</u>	<u>793</u>
Operating income	137	—	1	(3)	9	144
Other income, net	(2)					(2)
Interest expense	34	(3)(a)				31
Income before income taxes	105	3	1	(3)	9	115
Provision for income taxes	27	1(e)	—(e)	—(e)	3(e)	31
Net income	<u>\$ 78</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ (3)</u>	<u>\$ 6</u>	<u>\$ 84</u>
Earnings per share						
Basic	\$ 0.45	\$ 0.01	\$ 0.01	\$ (0.02)	\$ 0.04	\$ 0.48
Diluted	0.43	0.01	—	(0.02)	0.03	0.46
Weighted average shares outstanding						
Basic	174	174	174	174	174	174
Diluted	182	182	182	182	182	182

Note: EPS amounts may not foot due to rounding.

- (a) Relates to costs incurred for the early repurchase of a portion of the Company's 3.50% convertible notes during the fourth quarter of 2010.
- (b) Relates to costs incurred in connection with the Company's acquisition of James Villa Holidays during November 2010.
- (c) Relates to the net benefit from the resolution of and adjustment to certain contingent liabilities and assets.
- (d) Relates to costs incurred as a result of various strategic initiatives commenced by the Company during 2010.
- (e) Relates to the tax effect of the adjustments.

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

	Twelve Months Ended December 31, 2010					
	As Reported	Early Extinguishment of Debt	Acquisition Costs	Legacy Adjustments	Restructuring Costs	As Adjusted
Net revenues						
Service fees and membership	\$ 1,706					\$ 1,706
Vacation ownership interest sales	1,072					1,072
Franchise fees	461					461
Consumer financing	425					425
Other	187					187
Net revenues	3,851	—	—	—	—	3,851
Expenses						
Operating	1,587		(7)(b)			1,580
Cost of vacation ownership interests	184					184
Consumer financing interest	105					105
Marketing and reservation	531					531
General and administrative	540			54(c)		594
Asset impairment	4					4
Restructuring costs	9				(9)(d)	—
Depreciation and amortization	173					173
Total expenses	3,133	—	(7)	54	(9)	3,171
Operating income	718	—	7	(54)	9	680
Other income, net	(7)					(7)
Interest expense	167	(30)(a)				137
Interest income	(5)					(5)
Income before income taxes	563	30	7	(54)	9	555
Provision for income taxes	184	12(e)	1(e)	(13)(e)	3(e)	187
Net income	\$ 379	\$ 18	\$ 6	\$ (41)	\$ 6	\$ 368
Earnings per share						
Basic	\$ 2.13	\$ 0.10	\$ 0.04	\$ (0.23)	\$ 0.03	\$ 2.08
Diluted	2.05	0.10	0.03	(0.22)	0.03	2.00
Weighted average shares outstanding						
Basic	178	178	178	178	178	178
Diluted	185	185	185	185	185	185

Note: EPS amounts may not foot due to rounding.

- (a) Relates to costs incurred for the early extinguishment of the Company's term loan facility and revolving foreign credit facility during March 2010 and the early repurchase of a portion of the Company's 3.50% convertible notes during the third and fourth quarters of 2010.
- (b) Relates to costs incurred in connection with the Company's acquisitions of Hoseasons during March 2010, the Tryp hotel brand during June 2010, ResortQuest during September 2010 and James Villa Holidays during November 2010.
- (c) Relates to the net benefit from the resolution of and adjustment to certain contingent liabilities and assets primarily related to the accrual that was no longer needed for outstanding Cendant contingent tax liabilities since Cendant and the IRS agreed to settle the IRS examination of Cendant's taxable years 2003 through 2006 on July 15, 2010.
- (d) Relates to costs incurred as a result of various strategic initiatives commenced by the Company during 2010.
- (e) Relates to the tax effect of the adjustments.

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

	Twelve Months Ended December 31, 2009			
	As Reported	Legacy Adjustments	Restructuring Costs	As Adjusted
Net revenues				
Service fees and membership	\$ 1,613			\$ 1,613
Vacation ownership interest sales	1,053			1,053
Franchise fees	440			440
Consumer financing	435			435
Other	209			209
Net revenues	3,750	—	—	3,750
Expenses				
Operating	1,501			1,501
Cost of vacation ownership interests	183			183
Consumer financing interest	139			139
Marketing and reservation	560			560
General and administrative	533	(6) (a)		527
Goodwill and other impairments	15			15
Restructuring costs	47		(46)(b)	1
Depreciation and amortization	178			178
Total expenses	3,156	(6)	(46)	3,104
Operating income	594	6	46	646
Other income, net	(6)			(6)
Interest expense	114			114
Interest income	(7)			(7)
Income before income taxes	493	6	46	545
Provision for income taxes	200	—(c)	18(c)	218
Net income	\$ 293	\$ 6	\$ 28	\$ 327
Earnings per share				
Basic	\$ 1.64	\$ 0.03	\$ 0.16	\$ 1.83
Diluted	1.61	0.03	0.16	1.80
Weighted average shares outstanding				
Basic	179	179	179	179
Diluted	182	182	182	182

- (a) Relates to the net expense from the resolution of and adjustment to certain contingent liabilities and assets.
(b) Relates to costs incurred as a result of various strategic initiatives commenced by the Company during 2008.
(c) Relates to the tax effect of the adjustments.

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

FREE CASH FLOW

The Company defines free cash flow as net cash provided by operating activities minus capital expenditures, equity investments and development advances, excluding cash payments related to the Company's contingent tax liabilities that it assumed and is responsible for pursuant to its separation from Cendant. The Company considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after the acquisition of property and equipment, equity investments and hotel development advances, can be used for strategic opportunities, including making acquisitions, paying dividends, repurchasing the Company's common stock and strengthening the balance sheet. Analysis of free cash flow also facilitates management's comparisons of the Company's operating results to its competitors' operating results. A limitation of using free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Wyndham Worldwide is that free cash flow does not represent the total increase or decrease in the cash balance from operations for the period.

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:

	Twelve Months Ended December 31,	
	2010	2009
Net cash provided by operating activities	\$ 635	\$ 689
Less: Property and equipment additions	(167)	(135)
Less: Equity investments and development advances	(10)	(13)
Plus: Cash payments related to contingent tax liabilities	145	—
Free cash flow	<u>\$ 603</u>	<u>\$ 541</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):

Year					
2010	Q1	Q2	Q3	Q4	Full Year
Gross VOI sales	\$ 308	\$ 371	\$ 412	\$ 373	\$ 1,464
Less: Sales under the WAAM	(5)	(13)	(20)	(14)	(51)
Gross VOI sales, net of WAAM sales	303	358	392	359	1,413
Less: Loan loss provision	(86)	(87)	(85)	(82)	(340)
Vacation ownership interest sales	<u>\$ 217</u>	<u>\$ 271</u>	<u>\$ 308</u>	<u>\$ 276</u>	<u>\$ 1,072</u>
2009					
Gross VOI sales	\$ 280	\$ 327	\$ 366	\$ 343	\$ 1,315
Plus: Net effect of percentage-of-completion accounting	67	37	36	47	187
Less: Loan loss provision	(107)	(122)	(117)	(103)	(449)
Vacation ownership interest sales	<u>\$ 239</u>	<u>\$ 242</u>	<u>\$ 285</u>	<u>\$ 287</u>	<u>\$ 1,053</u>
2008					
Gross VOI sales	\$ 458	\$ 532	\$ 566	\$ 432	\$ 1,987
Plus/(less): Net effect of percentage-of-completion accounting	(82)	(5)	(2)	14	(75)
Less: Loan loss provision	(82)	(113)	(119)	(136)	(450)
Vacation ownership interest sales	<u>\$ 294</u>	<u>\$ 414</u>	<u>\$ 446</u>	<u>\$ 309</u>	<u>\$ 1,463</u>
2007					
Gross VOI sales	\$ 430	\$ 523	\$ 552	\$ 488	\$ 1,993
Plus/(less): Net effect of percentage-of-completion accounting	4	(5)	1	(21)	(22)
Less: Loan loss provision	(61)	(75)	(86)	(84)	(305)
Vacation ownership interest sales	<u>\$ 373</u>	<u>\$ 443</u>	<u>\$ 467</u>	<u>\$ 383</u>	<u>\$ 1,666</u>

Note: Amounts may not foot due to rounding.

The following represents tele-sales upgrades, which are excluded from Gross VOI sales in the Company's VPG calculation (see Table 3):

	Q1	Q2	Q3	Q4	Full Year
2010	\$ 15	\$ 7	\$ 3	\$ 3	\$ 29
2009	\$ 24	\$ 23	\$ 29	\$ 28	\$ 104
2008	\$ 33	\$ 35	\$ 49	\$ 40	\$ 156
2007	\$ 44	\$ 37	\$ 39	\$ 36	\$ 157

Note: Amounts may not foot across due to rounding.