

**Wyndham Worldwide Corporation**  
**2017 Free Cash Flow Representative Model - As of February 15, 2017**  
(In millions)

The following table demonstrates one approach to modeling Free Cash Flow

<u>Item</u>	<u>Amount</u>	<u>Assumptions / Descriptions</u>
Net income	\$ 647	Mid point of guidance range (\$637 million to \$658 million).
Depreciation and amortization	266	Mid point of guidance range (\$268 million to \$263 million).
Provision for loan losses	412	Assumes loan loss provision of 18% - 20% of \$2.15 - \$2.19B gross VOI sales (excluding WAAM 1.0). For comparative purposes, 2016 loan loss provision was 17.5%.
Deferred income taxes	123	Cash tax rate of 23% - 26% of mid point of pretax income guidance range versus P&L provision for income tax rate of 36.60%.
Stock-based compensation	60	
Vacation ownership inventory	(69)	Assumes 13% - 17% cost of sales based on \$2.15 - \$2.19B gross VOI sales (excluding WAAM 1.0) partially offset by inventory recoveries (36% - 39% of provision for loan losses), less inventory development spend of \$230 million to \$250 million.
Vacation ownership contract receivables	(505)	Gross VOI Sales of \$2.15 - \$2.19B (excluding WAAM 1.0) * 60% - 65% financed (excl. addenda cash) = (\$1,288m) - (\$1,421m) originations, plus \$3.40B beginning of year contract receivables on Balance Sheet * 24% - 26% (or divided by 4.1 years average life) collected in 2017 = \$816m - \$884m cash collected.
Working capital and other	56	
<b>Net cash provided by operating activities</b>	<b>\$ 990</b>	
Property and equipment additions (capital expenditures)	\$ (190)	Mid point of guidance range (-\$180 million to -\$200 million).
<b>Free Cash Flow</b>	<b>\$ 800</b>	Net cash provided by operating activities less property and equipment additions

**Footnotes:**

(a) Addenda cash represents cash received for full payment of loan within 15-60 days after purchase.

**Forward-Looking Statements:**

Presentation contains "forward-looking statements" as defined under U.S. securities laws, conveying management's expectations as to future results. Forward-looking statements involve risks and uncertainties that may cause the Company's actual results to be materially different from the future results expressed or implied by the statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this information. Factors that could cause actual results to differ materially from those in the forward-looking statements include the risk factors described in the Company's SEC filings. Except for the Company's obligations to disclose material information under 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.

**Note that Free Cash Flow is a non-GAAP Measure. See Table 4 of the Company's Form 8-K filed with the SEC February 15, 2017 for the Company's definition of Free Cash Flow.**