

Marriott Vacations Worldwide Corp  
Form 10-Q  
October 18, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended September 7, 2012**

**OR**

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

**For the transition period from            to**

**Commission file number 001-35219**

**Marriott Vacations Worldwide Corporation**

**(Exact name of registrant as specified in its charter)**

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6649 Westwood Blvd.**

**Orlando, FL**  
(Address of principal executive offices)

**45-2598330**  
(I.R.S. Employer  
Identification No.)

**32821**  
(Zip Code)

**(407) 206-6000**  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the issuer's common stock, par value \$0.01 per share, as of October 12, 2012 was 34,518,238.

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**MARRIOTT VACATIONS WORLDWIDE CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions, except per share amounts)

(Unaudited)

	Twelve Weeks Ended		Thirty-Six Weeks Ended	
	September 7, 2012	September 9, 2011	September 7, 2012	September 9, 2011
<b>REVENUES</b>				
Sale of vacation ownership products	\$ 146	\$ 147	\$ 425	\$ 442
Resort management and other services	60	57	176	165
Financing	35	39	106	119
Rental	57	53	167	148
Other	7	5	21	20
Cost reimbursements	78	77	243	235
<b>TOTAL REVENUES</b>	<b>383</b>	<b>378</b>	<b>1,138</b>	<b>1,129</b>
<b>EXPENSES</b>				
Cost of vacation ownership products	42	61	141	177
Marketing and sales	80	81	232	235
Resort management and other services	48	47	141	138
Financing	5	6	18	19
Rental	58	55	158	149
Other	3	5	8	9
General and administrative	22	18	69	56
Interest	15	10	42	32
Royalty fee	14		41	
Impairment		324		324
Cost reimbursements	78	77	243	235
<b>TOTAL EXPENSES</b>	<b>365</b>	<b>684</b>	<b>1,093</b>	<b>1,374</b>
Impairment reversals on equity investment		4	2	4
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>18</b>	<b>(302)</b>	<b>47</b>	<b>(241)</b>
(Provision) benefit for income taxes	(12)	81	(24)	55
<b>NET INCOME (LOSS)</b>	<b>\$ 6</b>	<b>\$ (221)</b>	<b>\$ 23</b>	<b>\$ (186)</b>
Basic earnings (loss) per share	\$ 0.18	\$ (6.57)	\$ 0.68	\$ (5.52)
Shares used in computing basic earnings (loss) per share	34.4	33.7	34.2	33.7

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Diluted earnings (loss) per share	\$ 0.17	\$ (6.57)	\$ 0.65	\$ (5.52)
Shares used in computing diluted earnings (loss) per share	36.2	33.7	36.0	33.7

**See Notes to Interim Consolidated Financial Statements**

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**MARRIOTT VACATIONS WORLDWIDE CORPORATION**

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(In millions)

(Unaudited)

	Twelve Weeks Ended		Thirty-Six Weeks Ended	
	September 7, 2012	September 9, 2011	September 7, 2012	September 9, 2011
Net income (loss)	\$ 6	\$ (221)	\$ 23	\$ (186)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	1	1	(1)	1
Total other comprehensive income (loss), net of tax	1	1	(1)	1
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ 7</b>	<b>\$ (220)</b>	<b>\$ 22</b>	<b>\$ (185)</b>

**See notes to the Interim Consolidated Financial Statements.**

**Table of Contents****MARRIOTT VACATIONS WORLDWIDE CORPORATION****INTERIM CONSOLIDATED BALANCE SHEETS**

(In millions, except per share amounts)

	(Unaudited) September 7, 2012	December 30, 2011
<b>ASSETS</b>		
Cash and cash equivalents	\$ 212	\$ 110
Restricted cash (including \$47 and \$42 from VIEs, respectively)	72	81
Accounts and contracts receivable (including \$5 and \$0 from VIEs, respectively)	121	105
Notes receivable (including \$834 and \$910 from VIEs, respectively)	1,065	1,149
Inventory	897	959
Property and equipment	272	285
Other (including \$0 and \$6 from VIEs, respectively)	107	157
<b>Total Assets</b>	<b>\$ 2,746</b>	<b>\$ 2,846</b>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 79	\$ 145
Advance deposits	43	46
Accrued liabilities (including \$3 and \$0 from VIEs, respectively)	147	121
Deferred revenue	49	29
Payroll and benefits liability	72	55
Liability for Marriott Rewards loyalty program	179	225
Deferred compensation liability	45	47
Mandatorily redeemable preferred stock of consolidated subsidiary	40	40
Debt (including \$790 and \$847 from VIEs, respectively)	793	850
Other (including \$0 and \$2 from VIEs, respectively)	80	76
Deferred taxes	67	78
<b>Total Liabilities</b>	<b>1,594</b>	<b>1,712</b>
<b>Contingencies and Commitments (Note 7)</b>		
Preferred stock \$.01 par value; 2,000,000 shares authorized; none issued or outstanding		
Common stock \$.01 par value; 100,000,000 shares authorized; 34,415,985 and 33,845,700 shares issued and outstanding, respectively		
Additional paid-in capital	1,113	1,117
Accumulated other comprehensive income	18	19
Retained earnings (deficit)	21	(2)
<b>Total Equity</b>	<b>1,152</b>	<b>1,134</b>
<b>Total Liabilities and Equity</b>	<b>\$ 2,746</b>	<b>\$</b>