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

Form 10-Q

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

For the quarterly period ended March 31, 2014

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 No. **001-32876**

Wyndham Worldwide Corporation

(Exact name of registrant as specified in its charter)

Delaware	**20-0052541**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
22 Sylvan Way	**07054**
Parsippany, New Jersey	*(Zip Code)*
(Address of principal executive offices)	

(973) 753-6000
(Registrant's telephone number, including area code)

None
(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 a smaller reporting company. See the definitions 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 ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date:

127,305,731 shares of common stock outstanding as of March 31, 2014.

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements (Unaudited).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Wyndham Worldwide Corporation
Parsippany, New Jersey 07054

We have reviewed the accompanying consolidated balance sheet of Wyndham Worldwide Corporation and subsidiaries (the "Company") as of March 31, 2014, and the related consolidated statements of income, comprehensive income/(loss), cash flows and equity for the three-month periods ended March 31, 2014 and 2013. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2013, and the related consolidated statements of income, comprehensive income, equity and cash flows for the year then ended (not presented herein); and in our report dated February 14, 2014, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2013 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey
April 24, 2014

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Net revenues		
Service and membership fees	$ 590	$ 569
Vacation ownership interest sales	303	263
Franchise fees	127	122
Consumer financing	105	105
Other	68	74
Net revenues	1,193	1,133
Expenses		
Operating	534	506
Cost of vacation ownership interests	39	32
Consumer financing interest	17	21
Marketing and reservation	181	177
General and administrative	195	164
Depreciation and amortization	56	52
Total expenses	1,022	952
Operating income	171	181
Other income, net	(3)	(1)
Interest expense	27	32
Early extinguishment of debt	—	111
Interest income	(2)	(2)
Income before income taxes	149	41
Provision for income taxes	59	14
Net income	$ 90	$ 27
Earnings per share		
Basic	$ 0.70	$ 0.19
Diluted	0.69	0.19
Cash dividends declared per share	$ 0.35	$ 0.29

See Notes to Consolidated Financial Statements.

Table of Contents

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2014	**2013**
Net income	$ 90	$ 27
Other comprehensive income/(loss), net of tax		
Foreign currency translation adjustments	12	(32)
Unrealized gain on cash flow hedges	—	1
Other comprehensive income/(loss), net of tax	12	(31)
Comprehensive income/(loss)	$ 102	$ (4)

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)
(Unaudited)

	March 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 203	$ 194
Trade receivables, net	742	505
Vacation ownership contract receivables, net	300	305
Inventory	336	346
Prepaid expenses	157	153
Deferred income taxes	102	108
Other current assets	399	329
Total current assets	2,239	1,940
Long-term vacation ownership contract receivables, net	2,408	2,448
Non-current inventory	693	677
Property and equipment, net	1,554	1,555
Goodwill	1,594	1,590
Trademarks, net	723	723
Franchise agreements and other intangibles, net	425	429
Other non-current assets	386	379
Total assets	$ 10,022	$ 9,741
Liabilities and Equity		
Current liabilities:		
Securitized vacation ownership debt	$ 192	$ 184
Current portion of long-term debt	52	49
Accounts payable	602	360
Deferred income	591	451
Due to former Parent and subsidiaries	23	23
Accrued expenses and other current liabilities	675	723
Total current liabilities	2,135	1,790
Long-term securitized vacation ownership debt	1,787	1,726
Long-term debt	2,834	2,882
Deferred income taxes	1,199	1,173
Deferred income	195	192
Due to former Parent and subsidiaries	14	14
Other non-current liabilities	334	339
Total liabilities	8,498	8,116
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $.01 par value, authorized 6,000,000 shares, none issued and outstanding	—	—
Common stock, $.01 par value, authorized 600,000,000 shares, issued 216,460,609 shares in 2014 and 215,578,445 shares in 2013	2	2
Treasury stock, at cost – 89,287,543 shares in 2014 and 87,206,462 shares in 2013	(3,341)	(3,191)
Additional paid-in capital	3,850	3,858
Retained earnings	877	832
Accumulated other comprehensive income	134	122
Total stockholders’ equity	1,522	1,623
Noncontrolling interest	2	2
Total equity	1,524	1,625
Total liabilities and equity	$ 10,022	$ 9,741

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Operating Activities		
Net income	$ 90	$ 27
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56	52
Provision for loan losses	60	84
Deferred income taxes	29	(5)
Stock-based compensation	16	11
Excess tax benefits from stock-based compensation	(19)	(12)
Loss on early extinguishment of debt	—	106
Non-cash interest	6	10
Net change in assets and liabilities, excluding the impact of acquisitions:		
Trade receivables	(228)	(182)
Vacation ownership contract receivables	(6)	(5)
Inventory	22	10
Prepaid expenses	(4)	(24)
Other current assets	(36)	(21)
Accounts payable, accrued expenses and other current liabilities	184	135
Deferred income	137	89
Other, net	8	(1)
Net cash provided by operating activities	315	274
Investing Activities		
Property and equipment additions	(46)	(41)
Net assets acquired, net of cash acquired	(14)	(126)
Development advances	(1)	(49)
Equity investments and loans	—	(2)
Proceeds from asset sales	4	—
Increase in securitization restricted cash	(19)	(20)
Increase in escrow deposit restricted cash	(12)	(16)
Other, net	—	1
Net cash used in investing activities	(88)	(253)
Financing Activities		
Proceeds from securitized borrowings	653	455
Principal payments on securitized borrowings	(584)	(422)
Proceeds from long-term debt	25	202
Principal payments on long-term debt	(55)	(170)
Repayments of commercial paper, net	(27)	(71)
Proceeds from note issuances	—	843
Repurchase of notes	—	(636)
Dividends to shareholders	(48)	(41)
Repurchase of common stock	(152)	(135)
Excess tax benefits from stock-based compensation	19	12
Debt issuance costs	(6)	(5)
Net share settlement of incentive equity awards	(44)	(25)
Net cash provided by/(used in) financing activities	(219)	7
Effect of changes in exchange rates on cash and cash equivalents	1	(6)
Net increase in cash and cash equivalents	9	22
Cash and cash equivalents, beginning of period	194	195
Cash and cash equivalents, end of period	$ 203	$ 217

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
(In millions)
(Unaudited)

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total Equity
Balance as of December 31, 2013	128	$ 2	$ (3,191)	$ 3,858	$ 832	$ 122	$ 2	$ 1,625
Net income	—	—	—	—	90	—	—	90
Other comprehensive income	—	—	—	—	—	12	—	12
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of incentive equity awards	—	—	—	(44)	—	—	—	(44)
Change in deferred compensation	—	—	—	16	—	—	—	16
Repurchase of common stock	(2)	—	(150)	—	—	—	—	(150)
Change in excess tax benefit on equity awards	—	—	—	19	—	—	—	19
Dividends	—	—	—	—	(45)	—	—	(45)
Other	—	—	—	1	—	—	—	1
Balance as of March 31, 2014	127	$ 2	$ (3,341)	$ 3,850	$ 877	$ 134	$ 2	$ 1,524

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total Equity
Balance as of December 31, 2012	137	$ 2	$ (2,601)	$ 3,820	$ 558	$ 151	$ 1	$ 1,931
Net income	—	—	—	—	27	—		27
Other comprehensive loss	—	—	—	—	—	(31)	—	(31)
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of incentive equity awards	—	—	—	(25)	—	—	—	(25)
Change in deferred compensation	—	—	—	11	—	—	—	11
Repurchase of common stock	(2)	—	(140)	—	—	—	—	(140)
Change in excess tax benefit on equity awards	—	—	—	12	—	—	—	12
Dividends	—	—	—	—	(41)	—	—	(41)
Balance as of March 31, 2013	136	$ 2	$ (2,741)	$ 3,818	$ 544	$ 120	$ 1	$ 1,744

See Notes to Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)
(Unaudited)

1. Basis of Presentation

Wyndham Worldwide Corporation ("Wyndham" or the "Company") is a global provider of hospitality services and products. The accompanying Consolidated Financial Statements include the accounts and transactions of Wyndham, as well as the entities in which Wyndham directly or indirectly has a controlling financial interest. The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany balances and transactions have been eliminated in the Consolidated Financial Statements.

In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. In management's opinion, the Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These financial statements should be read in conjunction with the Company's 2013 Consolidated Financial Statements included in its Annual Report filed on Form 10-K with the Securities and Exchange Commission on February 14, 2014.

Business Description

The Company operates in the following business segments:

- **Lodging**—primarily franchises hotels in the upscale, upper midscale, midscale, economy and extended stay segments and provides hotel management services for full-service and select limited-service hotels.
- **Vacation Exchange and Rentals**—provides vacation exchange services and products to owners of intervals of vacation ownership interests ("VOIs") and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—develops, markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

Recently Issued Accounting Pronouncements

Foreign Currency Matters. In March 2013, the Financial Accounting Standards Board issued guidance on a parent's accounting for the cumulative translation adjustment upon derecognition of a subsidiary or group of assets within a foreign entity. The guidance requires that the parent release any related cumulative translation adjustment into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. This guidance is effective prospectively for fiscal years beginning after December 15, 2013, and for interim periods within those fiscal years. The Company adopted the guidance on January 1, 2014, as required. There was no material impact on the Consolidated Financial Statements resulting from the adoption.

2. Earnings Per Share

The computation of basic and diluted earnings per share (“EPS”) is based on net income divided by the basic weighted average number of common shares and diluted weighted average number of common shares, respectively.

The following table sets forth the computation of basic and diluted EPS (in millions, except per share data):

	Three Months Ended March 31,	
	2014	2013
Net income	$ 90	$ 27
Basic weighted average shares outstanding	128	137
SSARs, RSUs and PSUs [(a)] [(b)] [(c)]	2	1
Weighted average diluted shares outstanding	130	138
Earnings per share:		
Basic	$ 0.70	$ 0.19
Diluted	0.69	0.19
Dividends:		
Aggregate dividends paid to shareholders	$ 48	$ 41

(a) Includes unvested dilutive restricted stock units (“RSUs”) which are subject to future forfeitures.

(b) Excludes 11,000 and 103,000 stock-settled stock appreciation rights ("SSARs") for the three months ended March 31, 2014 and 2013, respectively, as their inclusion would have been anti-dilutive to EPS.

(c) Excludes 681,000 and 840,000 performance vested restricted stock units ("PSUs") for the three months ended March 31, 2014 and 2013, respectively, as the Company has not met the required performance metrics.

Stock Repurchase Program

The following table summarizes stock repurchase activity under the current stock repurchase program (in millions, except per share data):

	Shares	Cost	Average Price Per share
As of December 31, 2013	62.7	$ 2,410	$ 38.44
For the three months ended March 31, 2014	2.1	150	72.00
As of March 31, 2014	64.8	$ 2,560	39.52

The Company had $518 million of remaining availability in its program as ofMarch 31, 2014. The total capacity of the program was increased by proceeds received from stock option exercises.

3. Acquisitions

Assets acquired and liabilities assumed in business combinations were recorded on the Consolidated Balance Sheets as of the respective acquisition dates based upon their estimated fair values at such dates. The results of operations of businesses acquired by the Company have been included in the Consolidated Statements of Income since their respective dates of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed was allocated to goodwill. In certain circumstances, the allocations of the excess purchase price are based upon preliminary estimates and assumptions. Accordingly, the allocations may be subject to revision when the Company receives final information, including appraisals and other analyses. Any revisions to the fair values during the allocation period will be recorded by the Company as further adjustments to the purchase price allocations. Although, in certain circumstances, the Company has substantially integrated the operations of its acquired businesses, additional future costs relating to such integration may occur. These costs may result from integrating operating systems, relocating employees, closing facilities, reducing duplicative efforts and exiting and consolidating other activities. These costs will be recorded on the Consolidated Statements of Income as expenses.

During the first quarter of 2014, the Company completed business acquisitions for $13 million in cash, net of cash acquired, and $4 million of contingent consideration. The preliminary purchase price allocations resulted in the recognition of (i) $9 million of inventory, all of which was allocated to the Company's Vacation Ownership segment, and (ii) $2 million of goodwill, none of which is expected to be deductible for tax purposes, and $3 million of definite-lived intangible assets with a weighted average life of 12 years, all of which were assigned to the Company's Vacation Exchange and Rentals segment. These acquisitions were not material to the Company's results of operations, financial position or cash flows.

4. Vacation Ownership Contract Receivables

The Company generates vacation ownership contract receivables by extending financing to the purchasers of its VOIs. Current and long-term vacation ownership contract receivables, net consisted of:

	March 31, 2014	December 31, 2013
Current vacation ownership contract receivables:		
Securitized	$ 223	$ 222
Non-securitized	135	140
	358	362
Less: Allowance for loan losses	58	57
Current vacation ownership contract receivables, net	$ 300	$ 305
Long-term vacation ownership contract receivables:		
Securitized	$ 1,976	$ 1,982
Non-securitized	937	975
	2,913	2,957
Less: Allowance for loan losses	505	509
Long-term vacation ownership contract receivables, net	$ 2,408	$ 2,448

During the three months ended March 31, 2014 and 2013, the Company's securitized vacation ownership contract receivables generated interest income of $70 million and $77 million, respectively. Such interest income is included in consumer financing revenues on the Consolidated Statements of Income.

Principal payments that are contractually due on the Company's vacation ownership contract receivables during the next twelve months are classified as current on the Consolidated Balance Sheets. During the three months ended March 31, 2014 and 2013, the Company originated vacation ownership contract receivables of $210 million and $209 million, respectively. For both the three months ended March 31, 2014 and 2013, the Company received principal collections of $204 million. The weighted average interest rate on outstanding vacation ownership contract receivables was 13.5% as of both March 31, 2014 and December 31, 2013.

The activity in the allowance for loan losses on vacation ownership contract receivables was as follows:

	Amount
Allowance for loan losses as of December 31, 2013	$ 566
Provision for loan losses	60
Contract receivables write-offs, net	(63)
Allowance for loan losses as of March 31, 2014	$ 563

	Amount
Allowance for loan losses as of December 31, 2012	$ 497
Provision for loan losses	84
Contract receivables write-offs, net	(77)
Allowance for loan losses as of March 31, 2013	$ 504

In accordance with the guidance for accounting for real estate timesharing transactions, the Company recorded a provision for loan losses of $60 million and $84 million as a reduction of net revenues during the three months ended March 31, 2014 and 2013, respectively.

Credit Quality for Financed Receivables and the Allowance for Credit Losses

The basis of the differentiation within the identified class of financed VOI contract receivables is the consumer's FICO score. A FICO score is a branded version of a consumer credit score widely used within the U.S. by the largest banks and lending institutions. FICO scores range from 300 – 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer's credit history. The Company updates its records for all active VOI contract receivables with a balance due on a rolling monthly basis to ensure that all VOI contract receivables are scored at least every six months. The Company groups all VOI contract receivables into five different categories: FICO scores ranging from 700 to 850, 600 to 699, Below 600, No Score (primarily comprised of consumers for whom a score is not readily available, including consumers declining access to FICO scores and non U.S. residents) and Asia Pacific (comprised of receivables in the Company's Wyndham Vacation Resort Asia Pacific business for which scores are not readily available).

The following table details an aged analysis of financing receivables using the most recently updated FICO scores (based on the policy described above):

	As of March 31, 2014					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,479	$ 1,036	$ 228	$ 113	$ 294	$ 3,150
31 - 60 days	12	20	16	3	4	55
61 - 90 days	7	13	12	2	2	36
91 - 120 days	5	9	12	2	2	30
Total	$ 1,503	$ 1,078	$ 268	$ 120	$ 302	$ 3,271

	As of December 31, 2013					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,515	$ 1,060	$ 224	$ 108	$ 280	$ 3,187
31 - 60 days	10	24	20	4	4	62
61 - 90 days	7	13	13	2	2	37
91 - 120 days	5	11	13	3	1	33
Total	$ 1,537	$ 1,108	$ 270	$ 117	$ 287	$ 3,319

The Company ceases to accrue interest on VOI contract receivables once the contract has remained delinquent for greater than 90 days. At greater than 120 days, the VOI contract receivable is written off to the allowance for loan losses. In accordance with its policy, the Company assesses the allowance for loan losses using a static pool methodology and thus does not assess individual loans for impairment separate from the pool.

5. Inventory

Inventory consisted of:

	March 31, 2014	December 31, 2013
Completed VOI inventory	$ 413	$ 422
Estimated recoveries	225	227
Inventory sold subject to conditional repurchase [(*)]	123	123
VOI construction in process	103	84
Land held for VOI development	102	102
Exchange and rentals vacation credits and other	63	65
Total inventory	1,029	1,023
Less: Current portion	336	346
Non-current inventory	$ 693	$ 677

(*) Comprised of $85 million of VOI construction in process and $38 million of land held for VOI development.

Inventory that the Company expects to sell within the next twelve months is classified as current on the Consolidated Balance Sheets.

Inventory Sale Transactions

During 2013, the Company sold real property located in Las Vegas, Nevada and Avon, Colorado to a third-party developer, consisting of vacation ownership inventory and property and equipment in exchange for cash consideration and a note receivable. The Company recognized no gain or loss on these transactions.

In connection with such transactions, the Company had outstanding obligations of $131 million as of March 31, 2014, of which $50 million was included within accrued expenses and other current liabilities and $81 million was included within other non-current liabilities on the Consolidated Balance Sheet. As of December 31, 2013, the Company had outstanding obligations of $129 million, of which $47 million was included within accrued expenses and other current liabilities and $82 million was included within other non-current liabilities on the Consolidated Balance Sheet. In addition, the Company had a note receivable of $31 million and $30 million, as of March 31, 2014 and December 31, 2013, respectively, which was included within other current assets on the Consolidated Balance Sheets. Interest on the note receivable accrues at 3% per annum and is expected to be paid with the principal at maturity in December 2014 (see Note 11 - Commitments and Contingencies for more detailed information).

6. Long-Term Debt and Borrowing Arrangements

The Company's indebtedness consisted of:

		March 31, 2014		December 31, 2013
Securitized vacation ownership debt: [(a)]				
Term notes	$	1,823	$	1,648
Bank conduit facility		156		262
Total securitized vacation ownership debt		1,979		1,910
Less: Current portion of securitized vacation ownership debt		192		184
Long-term securitized vacation ownership debt	$	1,787	$	1,726
Long-term debt: [(b)]				
Revolving credit facility (due July 2018)	$	10	$	23
Commercial paper		184		210
$315 million 6.00% senior unsecured notes (due December 2016) [(c)]		318		318
$300 million 2.95% senior unsecured notes (due March 2017)		299		298
$14 million 5.75% senior unsecured notes (due February 2018)		14		14
$450 million 2.50% senior unsecured notes (due March 2018)		447		447
$40 million 7.375% senior unsecured notes (due March 2020)		40		40
$250 million 5.625% senior unsecured notes (due March 2021)		246		246
$650 million 4.25% senior unsecured notes (due March 2022) [(d)]		645		643
$400 million 3.90% senior unsecured notes (due March 2023) [(e)]		395		387
Capital leases		188		191
Other		100		114
Total long-term debt		2,886		2,931
Less: Current portion of long-term debt		52		49
Long-term debt	$	2,834	$	2,882

(a) Represents non-recourse debt that is securitized through bankruptcy-remote special purpose entities ("SPEs"), the creditors of which have no recourse to the Company for principal and interest. These outstanding borrowings are collateralized by $2,328 million and $2,314 million of underlying gross vacation ownership contract receivables and related assets as of March 31, 2014 and December 31, 2013, respectively.

(b) The carrying amounts of the senior unsecured notes are net of unamortized discount of $17 million as of both March 31, 2014 and December 31, 2013.

(c) Includes $3 million of unamortized gains from the settlement of a derivative as of both March 31, 2014 and December 31, 2013.

(d) Includes a $2 million adjustment to the carrying value resulting from a fair value hedge derivative as of December 31, 2013. There is no adjustment to the carrying value as of March 31, 2014.

(e) Includes a $2 million and $10 million adjustment to the carrying value resulting from a fair value hedge derivative as of March 31, 2014 and December 31, 2013, respectively.

Commercial Paper

The Company maintains U.S. and European commercial paper programs with a total capacity of$750 million and $500 million, respectively. As ofMarch 31, 2014, the Company had outstanding borrowings of $156 million and $28 million on its U.S. and European commercial paper programs, respectively. The Company considers outstanding borrowings under its commercial paper programs to be a reduction of available capacity on its revolving credit facility.

Fair Value Hedges

The Company has fixed to variable interest rate swap agreements with notional amounts of$400 million of its 3.90% senior unsecured notes and $100 million of its 4.25% senior unsecured notes. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. As of March 31, 2014, the variable interest rates were 2.39% and 2.30% for the 3.90% and 4.25% senior unsecured notes, respectively. The Company had a $2 million liability recorded as ofMarch 31, 2014, which represented the aggregate fair value of these interest rate swap agreements.

2014 Debt Issuances

Sierra Timeshare 2014-1 Receivables Funding, LLC. During March 2014, the Company closed a series of term notes payable, Sierra Timeshare 2014-1 Receivables Funding, LLC, in the initial principal amount of $425 million at an advance rate of 88%. These borrowings bear interest at a weighted average coupon rate of 2.15% and are secured by vacation ownership contract receivables. As of March 31, 2014, the Company had $425 million of outstanding borrowings under these term notes.

Early Extinguishment of Debt

During the first quarter of 2013, the Company repurchased a portion of its 5.75% and 7.375% senior unsecured notes totaling $446 million through tender offers, repurchased $42 million of its 6.00% senior unsecured notes on the open market and executed a redemption option for the remaining $43 million outstanding on its 9.875% senior unsecured notes. As a result, the Company repurchased a total of $531 million of its outstanding senior unsecured notes and incurred expenses of $111 million during the three months ended March 31, 2013, which is included within early extinguishment of debt on the Consolidated Statement of Income.

Maturities and Capacity

The Company's outstanding debt as of March 31, 2014 matures as follows:

	Securitized Vacation Ownership Debt	Long-Term Debt	Total
Within 1 year	$ 192	$ 52	$ 244
Between 1 and 2 years	231	50	281
Between 2 and 3 years	290	661	951
Between 3 and 4 years	199	476	675
Between 4 and 5 years	198	209	407
Thereafter	869	1,438	2,307
	$ 1,979	$ 2,886	$ 4,865

Debt maturities of the securitized vacation ownership debt are based on the contractual payment terms of the underlying vacation ownership contract receivables. As such, actual maturities may differ as a result of prepayments by the vacation ownership contract receivable obligors.

As of March 31, 2014, available capacity under the Company's borrowing arrangements was as follows:

	Securitized Bank Conduit Facility [(a)]	Revolving Credit Facility
Total Capacity	$ 650	$ 1,500
Less: Outstanding Borrowings	156	10
Letters of credit	—	9
Commercial paper borrowings	—	184 [(b)]
Available Capacity	$ 494	$ 1,297

(a) The capacity of this facility is subject to the Company's ability to provide additional assets to collateralize additional securitized borrowings.

(b) The Company considers outstanding borrowings under its commercial paper programs to be a reduction of the available capacity of its revolving credit facility.

Interest Expense

The Company incurred non-securitized interest expense of $27 million during the three months ended March 31, 2014. Such amount consists primarily of $28 million of interest on long-term debt, partially offset by $1 million of capitalized interest and is included within interest expense on the Consolidated Statement of Income. Cash paid related to interest on the Company's non-securitized debt was $42 million during the three months ended March 31, 2014.

The Company incurred non-securitized interest expense of $32 million during the three months ended March 31, 2013. Such amount consists primarily of $33 million of interest on long-term debt, partially offset by $1 million of capitalized interest and is included within interest expense on the Consolidated Statement of Income. Cash paid related to interest on the Company's non-securitized debt was $49 million during the three months ended March 31, 2013.

Interest expense incurred in connection with the Company's securitized vacation ownership debt during the three months ended March 31, 2014 and 2013 was $17 million and $21 million, respectively, and is recorded within consumer financing interest on the Consolidated Statements of Income. Cash paid related to such interest was $13 million and $16 million during the three months ended March 31, 2014 and 2013, respectively.

7. Variable Interest Entities

In accordance with the applicable accounting guidance for the consolidation of VIEs, the Company analyzes its variable interests, including loans, guarantees, SPEs and equity investments to determine if an entity in which the Company has a variable interest is a VIE. If the entity is considered to be a VIE, the Company determines whether it would be considered the entity's primary beneficiary. The Company consolidates into its financial statements those VIEs for which it has determined that it is the primary beneficiary.

Vacation Ownership Contract Receivables Securitizations

The Company pools qualifying vacation ownership contract receivables and sells them to bankruptcy-remote entities. Vacation ownership contract receivables qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. Vacation ownership contract receivables are securitized through bankruptcy-remote SPEs that are consolidated within the Consolidated Financial Statements. As a result, the Company does not recognize gains or losses resulting from these securitizations at the time of sale to the SPEs. Interest income is recognized when earned over the contractual life of the vacation ownership contract receivables. The Company services the securitized vacation ownership contract receivables pursuant to servicing agreements negotiated on an arms-length basis based on market conditions. The activities of these SPEs are limited to (i) purchasing vacation ownership contract receivables from the Company's vacation ownership subsidiaries; (ii) issuing debt securities and/or borrowing under a conduit facility to fund such purchases; and (iii) entering into derivatives to hedge interest rate exposure. The bankruptcy-remote SPEs are legally separate from the Company. The receivables held by the bankruptcy-remote SPEs are not available to creditors of the Company and legally are not assets of the Company. Additionally, the creditors of these SPEs have no recourse to the Company for principal and interest.

The assets and liabilities of these vacation ownership SPEs are as follows:

	March 31, 2014	December 31, 2013
Securitized contract receivables, gross [(a)]	$ 2,199	$ 2,204
Securitized restricted cash [(b)]	110	92
Interest receivables on securitized contract receivables [(c)]	17	17
Other assets [(d)]	2	1
Total SPE assets [(e)]	2,328	2,314
Securitized term notes [(f)]	1,823	1,648
Securitized conduit facilities [(f)]	156	262
Other liabilities [(g)]	2	2
Total SPE liabilities	1,981	1,912
SPE assets in excess of SPE liabilities	$ 347	$ 402

(a) Included in current ($223 million and $222 million as of March 31, 2014 and December 31, 2013, respectively) and non-current ($1,976 million and $1,982 million as of March 31, 2014 and December 31, 2013, respectively) vacation ownership contract receivables on the Consolidated Balance Sheets.

(b) Included in other current assets ($80 million and $64 million as of March 31, 2014 and December 31, 2013, respectively) and other non-current assets ($30 million and $28 million as of March 31, 2014 and December 31, 2013, respectively) on the Consolidated Balance Sheets.

(c) Included in trade receivables, net on the Consolidated Balance Sheets.

(d) Includes interest rate derivative contracts and related assets; included in other non-current assets on the Consolidated Balance Sheets.

(e) Excludes deferred financing costs of $30 million and $28 million as of March 31, 2014 and December 31, 2013, respectively, related to securitized debt.

(f) Included in current ($192 million and $184 million as of March 31, 2014 and December 31, 2013, respectively) and long-term ($1,787 million and $1,726 million as of March 31, 2014 and December 31, 2013, respectively) securitized vacation ownership debt on the Consolidated Balance Sheets.

(g) Primarily includes accrued interest on securitized debt of $2 million as of both March 31, 2014 and December 31, 2013, which is included in accrued expenses and other current liabilities on the Consolidated Balance Sheets.

In addition, the Company has vacation ownership contract receivables that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were $1,072 million and $1,115 million as of March 31, 2014 and December 31, 2013, respectively. A summary of total vacation ownership receivables and other securitized assets, net of securitized liabilities and the allowance for loan losses, is as follows:

	March 31, 2014	December 31, 2013
SPE assets in excess of SPE liabilities	$ 347	$ 402
Non-securitized contract receivables	1,072	1,115
Less: Allowance for loan losses	563	566
Total, net	$ 856	$ 951

In addition to restricted cash related to securitizations, the Company had $75 million and $57 million of restricted cash related to escrow deposits as of March 31, 2014 and December 31, 2013, respectively, which are recorded within other current assets on the Consolidated Balance Sheets.

Midtown 45, NYC Property

During January 2013, the Company entered into an agreement with a third party partner whereby the partner acquired the Midtown 45 property in New York City through an SPE. The Company is managing and operating the property for rental purposes while the Company converts it into VOI inventory. The SPE financed the acquisition and planned renovations with a $115 million four-year mortgage note and $9 million of mandatorily redeemable equity provided by related parties of such partner. The Company has committed to purchase such VOI inventory from the SPE over a four year period in the amount of $146 million, of which $124 million will be used to repay the four-year mortgage note and the mandatorily redeemable equity of the SPE. The Company is considered to be the primary beneficiary of the SPE and therefore the Company consolidated the SPE within its financial statements.

The assets and liabilities of the SPE are as follows:

	March 31, 2014	December 31, 2013
Cash	$ —	$ 4
Property and equipment, net	111	111
Total SPE assets	111	115
Accrued expenses and other current liabilities	1	2
Long-term debt (*)	95	107
Total SPE liabilities	96	109
SPE assets in excess of SPE liabilities	$ 15	$ 6

(*) As of March 31, 2014, included $88 million for a four-year mortgage note and $7 million of mandatorily redeemable equity, of which $31 million was included in current portion of long-term debt on the Consolidated Balance Sheet. As of December 31, 2013, included $99 million for a four-year mortgage note and $8 million of mandatorily redeemable equity, of which $30 million was included in current portion of long-term debt on the Consolidated Balance Sheet.

8. Fair Value

The following table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable.

Level 3: Unobservable inputs used when little or no market data is available.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input (closest to Level 3) that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The following table summarizes information regarding assets and liabilities that are measured at fair value on a recurring basis:

	As of March 31, 2014			As of December 31, 2013		
	Fair Value	Level 2	Level 3	Fair Value	Level 2	Level 3
Assets						
Derivatives: [a]						
Interest rate contracts	$ 2	$ 2	$ —	$ 5	$ 5	$ —
Foreign exchange contracts	1	1	—	2	2	—
Securities available-for-sale [b]	—	—	—	6	—	6
Total assets	$ 3	$ 3	$ —	$ 13	$ 7	$ 6
Liabilities						
Derivatives: [c]						
Interest rate contracts	$ 4	$ 4	$ —	$ 13	$ 13	$ —
Foreign exchange contracts	2	2	—	2	2	—
Total liabilities	$ 6	$ 6	$ —	$ 15	$ 15	$ —

(a) Included in other current assets ($2 million and $6 million as of March 31, 2014 and December 31, 2013, respectively) and other non-current assets ($1 million as of both March 31, 2014 and December 31, 2013) on the Consolidated Balance Sheets; carrying value is equal to estimated fair value.

(b) Included in other non-current assets on the Consolidated Balance Sheets.

(c) Included in accrued expenses and other current liabilities ($2 million as of both March 31, 2014 and December 31, 2013) and other non-current liabilities ($4 million and $13 million as of March 31, 2014 and December 31, 2013, respectively) on the Consolidated Balance Sheets; carrying value is equal to estimated fair value.

The Company's derivative instruments primarily consist of pay-fixed/receive-variable interest rate swaps, pay-variable/receive-fixed interest rate swaps, interest rate caps, foreign exchange forward contracts and foreign exchange average rate forward contracts. For assets and liabilities that are measured using quoted prices in active markets, the fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using other significant observable inputs are valued by reference to similar assets and liabilities. For these items, a significant portion of fair value is derived by reference to quoted prices of similar assets and liabilities in active markets. For assets and liabilities that are measured using significant unobservable inputs, fair value is primarily derived using a fair value model, such as a discounted cash flow model.

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities. The carrying amounts and estimated fair values of all other financial instruments are as follows:

	March 31, 2014		December 31, 2013	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net	$ 2,708	$ 3,289	$ 2,753	$ 3,326
Debt				
Total debt	4,865	4,980	4,841	4,928

The Company estimates the fair value of its vacation ownership contract receivables using a discounted cash flow model which it believes is comparable to the model that an independent third party would use in the current market. The model uses Level 3 inputs consisting of default rates, prepayment rates, coupon rates and loan terms for the contract receivables portfolio as key drivers of risk and relative value that, when applied in combination with pricing parameters, determines the fair value of the underlying contract receivables.

The Company estimates the fair value of its securitized vacation ownership debt by obtaining Level 2 inputs comprised of indicative bids from investment banks that actively issue and facilitate the secondary market for timeshare securities. The Company estimates the fair value of its other long-term debt, excluding capital leases, using Level 2 inputs based on indicative bids from investment banks and determines the fair value of its senior notes using quoted market prices (such senior notes are not actively traded).

9. Derivative Instruments and Hedging Activities

Foreign Currency Risk

The Company uses freestanding foreign currency forward contracts and foreign currency forward contracts designated as cash flow hedges to manage its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, forecasted earnings of foreign subsidiaries and forecasted foreign currency denominated vendor payments. The amount of gains or losses the Company expects to reclassify from accumulated other comprehensive income ("AOCI") to earnings over the next 12 months is not material. The impact of the freestanding foreign currency contracts was not material to the Company’s Consolidated Statements of Income during the three months ended March 31, 2014 and 2013.

Interest Rate Risk

A portion of the debt used to finance the Company’s operations is exposed to interest rate fluctuations. The Company uses various hedging strategies and derivative financial instruments to create a desired mix of fixed and floating rate assets and liabilities. Derivative instruments currently used in these hedging strategies include swaps and interest rate caps. The derivatives used to manage the risk associated with the Company’s floating rate debt include freestanding derivatives and derivatives designated as cash flow hedges. The Company also uses swaps to convert specific fixed-rate debt into variable-rate debt (i.e., fair value hedges) to manage the overall interest cost. For relationships designated as fair value hedges, changes in the fair value of the derivatives are recorded in income with offsetting adjustments to the carrying amount of the hedged debt. The amount of losses that the Company expects to reclassify from AOCI to earnings during the next 12 months is not material. The impact of the freestanding derivatives was not material to the Company’s Consolidated Statements of Income during the three months ended March 31, 2014 and 2013.

Gains or losses recognized in AOCI for both the three months endedMarch 31, 2014 and 2013 were not material.

10. Income Taxes

The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2008. In addition, with few exceptions, the Company is no longer subject to state and local, or non-U.S. income tax examinations for years prior to 2006.

The Company’s effective tax rate increased from34.1% during the three months ended March 31, 2013 to 39.6% during the three months ended March 31, 2014 primarily due to (i) the absence of a tax benefit derived from the loss on the early extinguishment of debt during the first quarter of 2013, and (ii) the lack of a tax benefit on the Venezuelan foreign exchange devaluation loss incurred during the first quarter of 2014.

The Company made cash income tax payments, net of refunds, of$13 million and $22 million during the three months ended March 31, 2014 and 2013, respectively.

11. Commitments and Contingencies

The Company is involved in claims, legal and regulatory proceedings and governmental inquiries related to the Company’s business.

Wyndham Worldwide Corporation Litigation

The Company is involved in claims, legal and regulatory proceedings and governmental inquiries arising in the ordinary course of its business including but not limited to: for its lodging business-breach of contract, fraud and bad faith claims between franchisors and franchisees in connection with franchise agreements and with owners in connection with management contracts, negligence, breach of contract, fraud, employment, consumer protection and other statutory claims asserted in connection with alleged acts or occurrences at owned, franchised or managed properties or in relation to guest reservations and bookings; for its vacation exchange and rentals business-breach of contract, fraud and bad faith claims by affiliates and customers in connection with their respective agreements, negligence, breach of contract, fraud, consumer protection and other statutory claims asserted by members and guests for alleged injuries sustained at affiliated resorts and vacation rental properties and consumer protection and other statutory claims asserted by consumers; for its vacation ownership business-breach of contract, bad faith, conflict of interest, fraud, consumer protection and other statutory claims by property owners' associations, owners and prospective owners in connection with the sale or use of VOIs or land, or the management of vacation ownership resorts, construction defect claims relating to vacation ownership units or resorts, and negligence, breach of contract, fraud, consumer protection and other statutory claims by guests for alleged injuries sustained at vacation ownership units or resorts; and for each of its businesses, bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters which may include claims of retaliation, discrimination, harassment and wage and hour claims, claims of infringement upon third parties' intellectual property rights, claims relating to information security, privacy and consumer protection, tax claims and environmental claims.

On June 26, 2012, the U.S. Federal Trade Commission ("FTC") filed a lawsuit in Federal District Court for the District of Arizona against the Company and its subsidiaries, Wyndham Hotel Group, LLC ("WHG"), Wyndham Hotels & Resorts Inc. ("WHR") and Wyndham Hotel Management Inc. ("WHM"), alleging unfairness and deception-based violations of Section 5 of the FTC Act in connection with three prior data breach incidents involving a group of Wyndham brand hotels. The Company, WHG, WHR and WHM dispute the allegations in the lawsuit and are defending this lawsuit vigorously. The Company does not believe that the data breach incidents were material, nor does it expect that the outcome of the FTC litigation will have a material effect on the Company's results of operations, financial position or cash flows. On March 26, 2013, the Company's, WHG's, WHR's and WHM's motion to transfer venue of the lawsuit from Arizona to the Federal District Court for the District of New Jersey was granted. WHR's motion to dismiss the lawsuit was denied on April 7, 2014. The motion to dismiss filed by the Company, WHG and WHM remains pending. The Company is unable at this time to estimate any loss or range of reasonably possible loss.

The Company records an accrual for legal contingencies when it determines, after consultation with outside counsel, that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, the Company's ability to make a reasonable estimate of loss. The Company reviews these accruals each reporting period and makes revisions based on changes in facts and circumstances including changes to its strategy in dealing with these matters.

The Company believes that it has adequately accrued for such matters wih reserves of $25 million and $22 million as of March 31, 2014 and December 31, 2013, respectively. Such reserves are exclusive of matters relating to the Company’s separation from Cendant ("Separation"). For matters not requiring accrual, the Company believes that such matters will not have a material effect on its results of operations, financial position or cash flows based on information currently available. However, litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings and/or cash flows in any given reporting period. As of March 31, 2014, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to approximately $26 million in excess of recorded accruals. However, the Company does not believe that the impact of such litigation should result in a material liability to the Company in relation to its consolidated financial position or liquidity.

Other Guarantees/Indemnifications

Lodging

From time to time, the Company may enter into a hotel management agreement that provides the hotel owner with a guarantee of a certain level of profitability based upon various metrics. Under such an agreement, the Company would be required to compensate such hotel owner for any profitability shortfall over the life of the management agreement up to a specified aggregate amount. For certain agreements, the Company may be able to recapture all or a portion of the shortfall payments in the event that future operating results exceed targets. The terms of such guarantees generally range from 7 to 10 years and certain agreements may provide for early termination provisions under certain circumstances. As of March 31, 2014, the maximum potential amount of future payments that may be made under these guarantees was $136 million with a combined annual cap of $39 million.

In connection with such performance guarantees, as of March 31, 2014, the Company maintained a liability of $41 million, of which $10 million was included in accrued expenses and other current liabilities and $31 million was included in other non-current liabilities on its Consolidated Balance Sheet. As of March 31, 2014, the Company also had a corresponding $45 million asset related to these guarantees, of which $7 million was included in other current assets and $38 million was included in other non-current assets on its Consolidated Balance Sheet. As of December 31, 2013, the Company maintained a liability of $45 million, of which $8 million was included in accrued expenses and other current liabilities and $37 million was included in other non-current liabilities on its Consolidated Balance Sheet. As of December 31, 2013, the Company also had a corresponding $43 million asset related to the guarantees, of which $4 million was included in other current assets and $39 million was included in other non-current assets on its Consolidated Balance Sheet. Such assets are being amortized on a straight-line basis over the life of the agreements. The amortization expense for the performance guarantees noted above was $1 million and less than $1 million for the three months ended March 31, 2014 and 2013, respectively.

Under such performance guarantees, the Company also had receivables of $25 million and $24 million as of March 31, 2014 and December 31, 2013, respectively, resulting from payments made to date which are subject to recapture and which the Company believes will be recoverable from future operating performance. Such receivables were included in other non-current assets on the Company's Consolidated Balance Sheets.

Vacation Ownership

The Company guarantees its vacation ownership subsidiary's obligations to repurchase completed property in Las Vegas, Nevada and Avon, Colorado from a third party developer subject to the properties meeting the Company's vacation ownership resort standards and provided that the third party developer has not sold the properties to another party. The maximum potential future payments that the Company could be required to make under these commitments were $365 million as of March 31, 2014.

Cendant Litigation

Under the Separation agreement, the Company agreed to be responsible for 37.5% of certain of Cendant’s contingent and other corporate liabilities and associated costs, including certain contingent litigation. Since the Separation, Cendant settled the majority of the lawsuits pending on the date of the Separation. See also Note 16 - Separation Adjustments and Transactions with Former Parent and Subsidiaries regarding contingent litigation liabilities resulting from the Separation.

12. Accumulated Other Comprehensive Income

The components of AOCI are as follows:

Pretax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	AOCI
Balance, December 31, 2013	$ 111	$ (8)	$ (4)	$ 99
Period change	15	—	—	15
Balance, March 31, 2014	$ 126	$ (8)	$ (4)	$ 114

Tax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	AOCI
Balance, December 31, 2013	$ 18	$ 4	$ 1	$ 23
Period change	(3)	—	—	(3)
Balance, March 31, 2014	$ 15	$ 4	$ 1	$ 20

Net of Tax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	AOCI
Balance, December 31, 2013	$ 129	$ (4)	$ (3)	$ 122
Period change	12	—	—	12
Balance, March 31, 2014	$ 141	$ (4)	$ (3)	$ 134

Currency translation adjustments exclude income taxes related to investments in foreign subsidiaries where the Company intends to reinvest the undistributed earnings indefinitely in those foreign operations.

13. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant RSUs, SSARs, PSUs and other stock or cash-based awards to key employees, non-employee directors, advisors and consultants. Under the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended, a maximum of 36.7 million shares of common stock may be awarded. As of March 31, 2014, 16.3 million shares remained available.

Incentive Equity Awards Granted by the Company

The activity related to incentive equity awards granted by the Company for the three months ended March 31, 2014 consisted of the following:

	RSUs		PSUs		SSARs	
	Number of RSUs	**Weighted Average Grant Price**	**Number of PSUs**	**Weighted Average Grant Price**	**Number of SSARs**	**Weighted Average Exercise Price**
Balance as of December 31, 2013	2.6	$ 43.11	0.8	$ 43.36	1.1	$ 21.43
Granted [(a)]	0.7	72.97	0.2	72.97	0.1	72.97
Vested/exercised	(1.2)	36.77	(0.3)	30.61	—	—
Balance as of March 31, 2014	2.1 [(b) (c)]	56.72	0.7 [(d)]	57.98	1.2 [(b) (e)]	25.19

(a) Represents awards granted by the Company on February 27, 2014.

(b) Aggregate unrecognized compensation expense related to RSUs and SSARs was $121 million as of March 31, 2014, which is expected to be recognized over a weighted average period of 3.0 years.

(c) Approximately 2.0 million RSUs outstanding as of March 31, 2014 are expected to vest over time.

(d) Maximum aggregate unrecognized compensation expense was $27 million as of March 31, 2014.

(e) Approximately 1.0 million SSARs are exercisable as of March 31, 2014. The Company assumes that all unvested SSARs are expected to vest over time. SSARs outstanding as of March 31, 2014 had an intrinsic value of $59 million and have a weighted average remaining contractual life of 2.3 years.

On February 27, 2014, the Company granted incentive equity awards totaling $54 million to key employees and senior officers of Wyndham in the form of RSUs and SSARs. These awards will vest ratably over a period of four years. In addition, on February 27, 2014, the Company approved a grant of incentive equity awards totaling $14 million to key employees and senior officers of Wyndham in the form of PSUs. These awards cliff vest on the third anniversary of the grant date, contingent upon the Company achieving certain performance metrics.

The fair value of SSARs granted by the Company on February 27, 2014 was estimated on the date of the grant using the Black-Scholes option-pricing model with the relevant weighted average assumptions outlined in the table below. Expected volatility is based on both historical and implied volatilities of the Company's stock over the estimated expected life of the SSARs. The expected life represents the period of time the SSARs are expected to be outstanding and is based on historical experience given consideration to the contractual terms and vesting periods of the SSARs. The risk free interest rate is based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the SSARs. The projected dividend yield was based on the Company's anticipated annual dividend divided by the price of the Company's stock on the date of the grant.

	SSARs Issued on February 27, 2014
Grant date fair value	$ 20.36
Grant date strike price	$ 72.97
Expected volatility	35.86%
Expected life	5.1 years
Risk free interest rate	1.54%
Projected dividend yield	1.92%

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense of $16 million and $11 million during the three months ended March 31, 2014 and 2013, respectively, related to the incentive equity awards granted by the Company. The Company recognized a net tax benefit of $6 million and $4 million during the three months ended March 31, 2014 and 2013, respectively, for stock-based compensation arrangements on the Consolidated Statements of Income. During the three months ended March 31, 2014, the Company increased its pool of excess tax benefits available to absorb tax deficiencies ("APIC Pool") by $19 million due to the vesting of RSUs and PSUs. As of March 31, 2014, the Company's APIC Pool balance was $97 million.

The Company paid $44 million and $25 million of taxes for the net share settlement of incentive equity awards during the three months ended March 31, 2014 and 2013, respectively. Such amounts are included within financing activities on the Consolidated Statements of Cash Flows.

14. Segment Information

The reportable segments presented below represent the Company’s operating segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. 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 Consolidated Statements of Income. The Company’s presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended March 31,			
	2014		2013	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Lodging [(a)]	$ 237 [(c)]	$ 64	$ 222	$ 58
Vacation Exchange and Rentals	379	85	374	94
Vacation Ownership	593	115	549	111
Total Reportable Segments	1,209	264	1,145	263
Corporate and Other [(b)]	(16)	(34)	(12)	(29)
Total Company	$ 1,193	$ 230	$ 1,133	$ 234

Reconciliation of EBITDA to Net Income

	Three Months Ended March 31,	
	2014	2013
EBITDA	$ 230	$ 234
Depreciation and amortization	56	52
Interest expense	27	32
Early extinguishment of debt	—	111
Interest income	(2)	(2)
Income before income taxes	149	41
Provision for income taxes	59	14
Net income	$ 90	$ 27

(a) Includes $9 million and $8 million of intersegment trademark fees during the three months ended March 31, 2014 and 2013, respectively, which is offset in expenses primarily at the Company's Vacation Ownership segment and are eliminated in Corporate and Other.

(b) Includes the elimination of transactions between segments.

(c) Includes $2 million of hotel management reimbursable revenues which are charged to the Company's Vacation Ownership segment and are eliminated in Corporate and Other.

15. Restructuring

During the fourth quarter of 2013, the Company committed to an organizational realignment initiative at its lodging business, primarily focused on optimizing its marketing structure. During the three months ended March 31, 2014, the Company reduced its liability with $3 million of cash payments. The remaining liability of $4 million as of March 31, 2014 is expected to be paid in cash primarily by the end of 2014.

In addition to the restructuring plan implemented during 2013, the Company has a remaining liability of $4 million as of March 31, 2014 for prior restructuring plans.

The activity associated with the Company's restructuring plans is summarized by category as follows:

	Liability as of December 31, 2013	Cash Payments	Liability as of March 31, 2014
Personnel-related	$ 6	$ (3)	$ 3
Facility-related	4	—	4
Contract terminations	1	—	1
	$ 11	$ (3)	$ 8

16. Separation Adjustments and Transactions with Former Parent and Subsidiaries

Transfer of Cendant Corporate Liabilities and Issuance of Guarantees to Cendant and Affiliates

Pursuant to the Separation and Distribution Agreement, upon the distribution of the Company's common stock to Cendant shareholders, the Company entered into certain guarantee commitments with Cendant (pursuant to the assumption of certain liabilities and the obligation to indemnify Cendant and Realogy and travel distribution services ("Travelport") for such liabilities) and guarantee commitments related to deferred compensation arrangements with each of Cendant and Realogy. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which the Company assumed and is responsible for 37.5% while Realogy is responsible for the remaining 62.5%. The remaining amount of liabilities which were assumed by the Company in connection with the Separation was $39 million as of both March 31, 2014 and December 31, 2013. These amounts were comprised of certain Cendant corporate liabilities which were recorded on the books of Cendant as well as additional liabilities which were established for guarantees issued at the date of Separation, related to certain unresolved contingent matters and certain others that could arise during the guarantee period. Regarding the guarantees, if any of the companies responsible for all or a portion of such liabilities were to default in its payment of costs or expenses related to any such liability, the Company would be responsible for a portion of the defaulting party or parties' obligation(s). The Company also provided a default guarantee related to certain deferred compensation arrangements related to certain current and former senior officers and directors of Cendant, Realogy and Travelport. These arrangements were valued upon the Separation in accordance with the guidance for guarantees and recorded as liabilities on the Consolidated Balance Sheets. To the extent such recorded liabilities are not adequate to cover the ultimate payment amounts, such excess will be reflected as an expense to the results of operations in future periods.

As a result of the sale of Realogy on April 10, 2007, Realogy was required to post a letter of credit in an amount acceptable to the Company and Avis Budget Group (formerly known as Cendant) to satisfy its obligations for the Cendant legacy contingent liabilities. As of March 31, 2014, the letter of credit was $53 million.

As of March 31, 2014, the $39 million of Separation related liabilities is comprised of $35 million for tax liabilities, $1 million for liabilities of previously sold businesses of Cendant, $1 million for other contingent and corporate liabilities and $2 million of liabilities where the calculated guarantee amount exceeded the contingent liability assumed at the Separation Date. In connection with these liabilities, $23 million is included within current due to former Parent and subsidiaries and $14 million is included within long-term due to former Parent and subsidiaries as of March 31, 2014 on the Consolidated Balance Sheet. The Company will indemnify Cendant for these contingent liabilities and therefore any payments made to the third party would be through the former Parent. The $2 million relating to guarantees is included within other current liabilities as of March 31, 2014 on the Consolidated Balance Sheet. The actual timing of payments relating to these liabilities is dependent on a variety of factors beyond the Company's control. In addition, the Company had $1 million, as of both March 31, 2014 and December 31, 2013, of receivables due from former Parent and subsidiaries primarily relating to income taxes, which is included within other current assets on the Consolidated Balance Sheets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

This report includes "forward-looking" statements, as that term is defined by the Securities and Exchange Commission ("SEC") in its rules, regulations and releases. Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, general economic conditions, our financial and business prospects, our capital requirements, our financing prospects, our relationships with associates, and those disclosed as risks under "Risk Factors" in Part II, Item 1A of this report. We caution readers that any such statements are based on currently available operational, financial and competitive information, and they should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. Except as required by law, we disclaim any obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

BUSINESS AND OVERVIEW

We are a global provider of hospitality services and products and operate our business in the following three segments:

- **Lodging**—primarily franchises hotels in the upscale, upper midscale, midscale, economy and extended stay segments and provides hotel management services for full-service and select limited-service hotels.
- **Vacation Exchange and Rentals**—provides vacation exchange services and products to owners of intervals of vacation ownership interests ("VOIs") and markets vacation rental properties primarily on behalf of independent owners.
- **Vacation Ownership**—develops, markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.

RESULTS OF OPERATIONS

Discussed below are our key operating statistics, consolidated results of operations and the results of operations for each of our reportable segments. The reportable segments presented below represent our operating segments for which discrete financial information is available and which is utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon net revenues and "EBITDA" (a non-GAAP measure), 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. Our presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

OPERATING STATISTICS

The table below presents our operating statistics for the three months endedMarch 31, 2014 and 2013. These operating statistics are the drivers of our revenue and therefore provide an enhanced understanding of our businesses. Refer to the Results of Operations section for a discussion as to how these operating statistics affected our business for the periods presented.

	Three Months Ended March 31,		
	2014	2013	% Change
Lodging			
Number of rooms [(a)]	646,900	631,800	2.4
RevPAR [(b)]	$ 32.30	$ 31.05	4.0
Vacation Exchange and Rentals			
Average number of members (in 000s) [(c)]	3,727	3,668	1.6
Exchange revenue per member [(d)]	$ 200.78	$ 210.96	(4.8)
Vacation rental transactions (in 000s) [(e) (f)]	429	423	1.4
Average net price per vacation rental [(f) (g)]	$ 410.04	$ 392.64	4.4
Vacation Ownership			
Gross VOI sales (in 000s) [(h) (i)]	$ 410,000	$ 384,000	6.8
Tours (in 000s) [(j)]	170	163	4.3
Volume Per Guest (“VPG”) [(k)]	$ 2,272	$ 2,211	2.8

(a) Represents the number of rooms at lodging properties at the end of the period which are under franchise and/or management agreements, or are company owned.

(b) Represents revenue per available room and is calculated by multiplying the percentage of available rooms occupied during the period by the average rate charged for renting a lodging room for one day.

(c) Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or within the allowed grace period.

(d) 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.

(e) Represents the number of transactions that are generated during the period in connection with customers booking their vacation rental stays through us. One rental transaction is recorded for each standard one-week rental.

(f) Includes the impact from acquisitions from the acquisition dates forward. Therefore, such operating statistics for 2014 are not presented on a comparable basis to the 2013 operating statistics.

(g) 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.

(h) Represents total sales of VOIs, including sales under the Wyndham Asset Affiliation Model ("WAAM") Fee-for-Service, before the net effect of percentage-of-completion ("POC") accounting and loan loss provisions. We believe that Gross VOI sales provide 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.

(i) The following table provides a reconciliation of Gross VOI sales to vacation ownership interest sales for the three months ended March 31 (in millions):

	2014	2013
Gross VOI sales	$ 410	$ 384 [(2)]
Less: WAAM Fee-for-Service sales [(1)]	44	36
Gross VOI sales, net of WAAM Fee-for-Service sales	366	347 [(3)]
Less: Loan loss provision	60	84
Less: Impact of POC accounting	3	—
Vacation ownership interest sales	$ 303	$ 263

(1) Represents total sales of VOIs through our WAAM Fee-for-Service sales model designed to offer turn-key solutions for developers or banks in possession of newly developed inventory, which we will sell for a commission fee through our extensive sales and marketing channels. WAAM Fee-for-Service commission revenues amounted to $33 million and $24 million for the three months ended March 31, 2014 and 2013, respectively.

(2) Includes $13 million of Gross VOI sales under our WAAM Just-in-Time inventory acquisition model which enables us to acquire and own completed timeshare units close to the timing of the sales of such units and to offer financing to the purchaser. This significantly reduces the period between the deployment of capital to acquire inventory and the subsequent return on investment which occurs at the time of its sale to a timeshare purchaser.

(3) Amounts may not foot due to rounding.

(j) Represents the number of tours taken by guests in our efforts to sell VOIs.

(k) VPG is calculated by dividing Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) by the number of tours. Tele-sales upgrades were $25 million and $24 million during the three months ended March 31, 2014 and 2013, respectively. We have excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel. 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's tour selling efforts during a given reporting period.

THREE MONTHS ENDED MARCH 31, 2014 VS. THREE MONTHS ENDED MARCH 31, 2013

Our consolidated results are as follows:

	Three Months Ended March 31,		
	2014	2013	Favorable/(Unfavorable)
Net revenues	$ 1,193	$ 1,133	$ 60
Expenses	1,022	952	(70)
Operating income	171	181	(10)
Other income, net	(3)	(1)	2
Interest expense	27	32	5
Early extinguishment of debt	—	111	111
Interest income	(2)	(2)	—
Income before income taxes	149	41	108
Provision for income taxes	59	14	(45)
Net income	$ 90	$ 27	$ 63

Net revenues increased $60 million (5.3%) for the three months ended March 31, 2014 compared with the same period last year primarily resulting from (i) $44 million of higher revenues at our vacation ownership business primarily resulting from higher net VOI sales and WAAM Fee-for-Service commissions and (ii) a $12 million increase at our lodging business (excluding $3 million of intersegment revenues) primarily from higher reimbursable revenues in our hotel management business and higher royalty and marketing and reservation (inclusive of Wyndham Rewards) revenues.

Expenses increased $70 million (7.4%) for the three months ended March 31, 2014 compared with the same period last year principally reflecting:

- $40 million of higher expenses from operations primarily related to the revenue increases (excluding acquisitions);
- a $15 million increase in legal expenses primarily related to the absence of an $11 million favorable impact from the settlement and partial insurance reimbursement of a lawsuit in our vacation ownership business, which occurred during the first quarter of 2013;
- $6 million of expense related to an allowance recorded on an indemnification receivable that was established as a result of the Shell acquisition; and
- a $6 million increase in foreign exchange loss related to the devaluation of the official exchange rate of Venezuela.

Early extinguishment of debt decreased due to the absence of $111 million of expenses incurred for the early repurchase of a portion of our 5.75%, 7.375% and 6.00% senior unsecured notes and the remaining portion of our 9.875% senior unsecured notes during first quarter of 2013.

Our effective tax rate increased from 34.1% during the first quarter of 2013 to 39.6% during the first quarter of 2014 primarily due to (i) the absence of a tax benefit derived from the loss on the early extinguishment of debt during the first quarter of 2013, and (ii) the lack of a tax benefit on the Venezuelan foreign exchange devaluation loss incurred during the first quarter of 2014.

As a result of these items, net income increased $63 million as compared to the first quarter of 2013.

Following is a discussion of the results of each of our segments and Corporate and Other for the three months ended March 31, 2014 compared to March 31, 2013:

	Net Revenues			EBITDA		
	2014	2013	% Change	2014	2013	% Change
Lodging	$ 237	$ 222	6.8	$ 64 (b)	$ 58	10.3
Vacation Exchange and Rentals	379	374	1.3	85 (c)	94	(9.6)
Vacation Ownership	593	549	8.0	115	111 (e)	3.6
Total Reportable Segments	1,209	1,145	5.6	264	263	0.4
Corporate and Other (a)	(16)	(12)	*	(34) (d)	(29) (d)	*
Total Company	$ 1,193	$ 1,133	5.3	$ 230	$ 234	(1.7)

Reconciliation of EBITDA to Net Income

	2014	2013
EBITDA	$ 230	$ 234
Depreciation and amortization	56	52
Interest expense	27	32
Early extinguishment of debt	—	111 (f)
Interest income	(2)	(2)
Income before income taxes	149	41
Provision for income taxes	59	14
Net income	$ 90	$ 27

(*) Not meaningful.

(a) Includes the elimination of transactions between segments.

(b) Includes $4 million of costs associated with an executive's departure.

(c) Includes $10 million of foreign currency loss related to the devaluation of the official exchange rate of Venezuela.

(d) Includes $34 million and $29 million of corporate costs during the three months ended March 31, 2014 and 2013, respectively.

(e) Includes $2 million of costs incurred in connection with the acquisition of the Midtown 45 property in New York City through the consolidation of a special purpose entity ("SPE"), which is being converted to WAAM Just-in-Time inventory.

(f) Represents costs incurred for the early repurchase of a portion of our 5.75%, 7.375% and 6.00% senior unsecured notes and the remaining portion of our 9.875% senior unsecured notes.

Lodging

Net revenues increased $15 million (6.8%) and EBITDA increased $6 million (10.3%) during the three months ended March 31, 2014 compared with the same period during 2013. EBITDA was unfavorably impacted by $4 million of expenses associated with the departure of an executive from the Company during the first quarter of 2014.

Net revenues reflected a $5 million increase in royalty and marketing and reservation fees (inclusive of Wyndham Rewards) primarily due to (i) a 4.0% increase in RevPAR resulting from stronger occupancy and average daily rates and (ii) a 2.4% increase in system size. Other franchise fees contributed $2 million of revenues and EBITDA. Net revenues also reflect a $2 million decrease in ancillary revenues primarily due to lower property management system sales.

The increase in net revenues also reflects $12 million of higher reimbursable revenues (inclusive of $2 million of intersegment revenues) in our hotel management business which had no impact on EBITDA. Such increase was primarily the result of new management agreements executed during 2013.

Net revenues and EBITDA decreased $3 million and $2 million, respectively, from our owned hotels compared to same period last year due to the impact of renovations at our Wyndham Grand Hotel in Puerto Rico.

EBITDA was favorably impacted by $4 million of lower expenses resulting from timing of marketing spend and various cost savings.

As of March 31 2014, we had approximately 7,500 properties and 646,900 rooms in our system. Additionally, our hotel development pipeline included over 950 hotels and approximately 116,600 rooms, of which 60% were international and 69% were new construction as of March 31, 2014.

Vacation Exchange and Rentals

Net revenues increased $5 million (1.3%) and EBITDA declined by $9 million (9.6%) during the first quarter of 2014 compared with the first quarter of 2013. Foreign currency translation favorably impacted net revenues by $4 million and unfavorably impacted EBITDA by $1 million. EBITDA also reflects a $10 million foreign exchange loss related to the devaluation of the official exchange rate of Venezuela during the first quarter of 2014 compared to a $4 million Venezuela foreign exchange loss during the first quarter of 2013.

Our acquisition of a vacation rental business had no impact on net revenues and reduced EBITDA by $1 million during the first quarter of 2014 due to seasonality.

Net revenues generated from rental transactions and related services increased $10 million. Excluding a favorable foreign currency translation impact of $6 million, net revenues generated from rental transactions and related services increased $4 million due to (i) a 1.4% increase in rental transaction volume primarily at our Denmark-based business and (ii) a 0.8% increase in average net price per vacation rental driven by strength in higher priced accommodations in our Holland-based business and ski locations in our North American-based business, partially offset by lower yield in our Denmark-based business.

Exchange and related service revenues, which principally consist of fees generated from memberships, exchange transactions, member-related rentals and other member servicing, decreased $6 million. Excluding an unfavorable foreign currency translation impact of $2 million, exchange and related service revenues decreased $4 million primarily due to a 3.7% reduction in exchange revenue per member primarily resulting from a decline in Latin America due largely to the ongoing economic and political environment impacting our Venezuela customer base, as well as the impact from the unusually severe weather in North America. Such decline was partially offset by the benefit of a 1.6% increase in the average number of members principally resulting from an increase in the member base in North America and Latin America.

Vacation Ownership

Net revenues increased $44 million (8.0%) and EBITDA increased $4 million (3.6%), respectively, during the three months ended March 31, 2014 compared with the same period of 2013.

Gross VOI sales increased $26 million (6.8%) compared to the same period last year principally due to a 4.3% increase in tour flow and a 2.8% increase in VPG. The increase in tour flow reflected our continual focus on marketing programs directed toward new owner generation. The increase in VPG was primarily attributable to a higher average transaction size.

Net VOI revenue increased $40 million compared to the same period last year primarily due to (i) a $24 million decrease in our provision for loan losses due to a lower provision rate resulting from favorable default trends and (ii) higher gross VOI sales, net of WAAM Fee-for-Service sales.

Commission revenues and EBITDA generated by WAAM Fee-for-Service grew by $9 million and $6 million, respectively, compared to the prior year, primarily resulting from an $8 million increase in gross VOI sales under WAAM Fee-for-Service and a higher average commission rate earned.

Consumer financing revenues were flat principally due to higher weighted average interest rates earned on contract receivables offset by a lower average portfolio balance. EBITDA increased $3 million reflecting lower interest expense as a result of a reduction in the weighted average interest rate on our securitized debt to 3.9% from 4.5% and lower average borrowings on our securitized debt facilities. As a result, our net interest income margin increased to 83% compared to 80% during 2013.

Property management revenues and EBITDA decreased $4 million and $5 million, respectively, resulting primarily from non-recurring expenses that are not reimbursable from the club. Additionally, EBITDA was unfavorably impacted by higher general and administrative expenses.

In addition, EBITDA was unfavorably impacted by:

- $15 million of higher sales and marketing expenses due to increased VOI sales;
- $15 million of higher legal expenses primarily due to the $11 million favorable impact from a reversal of a litigation reserve and the receipt of an insurance reimbursement related to the settlement of a lawsuit during the first quarter of 2013; and
- a $6 million expense related to an allowance recorded on an indemnification receivable established as a result of the Shell acquisition.

Corporate and Other

Corporate and Other revenues, which primarily represent the elimination of intersegment revenues, charged principally between our vacation ownership and lodging businesses, decreased $4 million during the three months ended March 31, 2014 compared to 2013.

Corporate expenses (excluding intercompany expense eliminations) increased $5 million during the three months ended March 31, 2014 compared with the same period in the prior year primarily due to higher employee costs and professional fees.

RESTRUCTURING PLANS

During the fourth quarter of 2013, we committed to an organizational realignment initiative at our lodging business, primarily focused on optimizing our marketing structure. During the three months ended March 31, 2014, we reduced our liability with $3 million of cash payments. The remaining liability of $4 million as of March 31, 2014 is expected to be paid in cash primarily by the end of 2014.

In addition to the restructuring plan implemented during 2013, we have a remaining liability of $4 million as of March 31, 2014 for prior restructuring plans.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

FINANCIAL CONDITION

	March 31, 2014	December 31, 2013	Change
Total assets	$ 10,022	$ 9,741	$ 281
Total liabilities	8,498	8,116	382
Total equity	1,524	1,625	(101)

Total assets increased $281 million from December 31, 2013 to March 31, 2014 primarily due to:

- a $237 million increase in trade receivables, net, primarily due to seasonality at our vacation rentals businesses; and
- a $70 million increase in other current assets primarily due to (i) increased escrow deposits and deferred costs primarily related to seasonality of advanced bookings received on vacation rental transactions and (ii) restricted cash related to our vacation ownership contract receivables securitizations.

Such increases were partially offset by a $45 million decrease in vacation ownership contract receivables, net primarily due to principal collections and loan loss provisions exceeding net loan originations.

Total liabilities increased $382 million from December 31, 2013 to March 31, 2014 primarily due to:

- a $242 million increase in accounts payable primarily due to higher homeowner liabilities resulting from seasonality at our vacation rentals businesses; and
- a $143 million increase in deferred income primarily resulting from seasonality of advanced arrival-based bookings within our vacation rentals businesses.

Total equity decreased $101 million from December 31, 2013 to March 31, 2014 primarily due to $150 million of stock repurchases and $45 million of dividends, partially offset by $90 million of net income during the first quarter of 2014.

LIQUIDITY AND CAPITAL RESOURCES

Currently, our financing needs are supported by cash generated from operations and borrowings under our revolving credit facility and commercial paper programs as well as issuance of long-term unsecured debt. In addition, certain funding requirements of our vacation ownership business are met through the utilization of our bank conduit facility and the issuance of securitized debt to finance vacation ownership contract receivables. We believe that our net cash from operations, cash and cash equivalents, access to our revolving credit facility, commercial paper programs and continued access to the securitization and debt markets provide us with sufficient liquidity to meet our ongoing needs.

Our five-year revolving credit facility, which expires in July 2018, has a total capacity of $1.5 billion and available capacity of $1.3 billion, net of letters of credit and commercial paper borrowings, as of March 31, 2014. We consider outstanding borrowings under our commercial paper programs to be a reduction of the available capacity on our revolving credit facility.

We maintain U.S. and European commercial paper programs under which we may issue unsecured commercial paper notes up to a maximum amount of $750 million and $500 million, respectively. As of March 31, 2014, we had $156 million and $28 million of outstanding commercial paper borrowings, related to the U.S. and European programs, respectively.

Our two-year securitized vacation ownership bank conduit facility, which expires in August 2015, has a total capacity of $650 million and available capacity of $494 million as of March 31, 2014.

We may, from time to time, depending on market conditions and other factors, repurchase our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other consideration, in each case in open market purchases and/or privately negotiated transactions.

CASH FLOW

During the three months ended March 31, 2014 and 2013, the net change in cash and cash equivalents was $9 million and $22 million, respectively. The following table summarizes such changes:

	Three Months Ended March 31,		
	2014	2013	Change
Cash provided by/(used in)			
Operating activities	$ 315	$ 274	$ 41
Investing activities	(88)	(253)	165
Financing activities	(219)	7	(226)
Effects of changes in exchange rates on cash and cash equivalents	1	(6)	7
Net change in cash and cash equivalents	$ 9	$ 22	$ (13)

Operating Activities

During the three months ended March 31, 2014, net cash provided from operations increased $41 million as compared to the three months ended March 31, 2013, primarily due to favorable working capital utilization.

Investing Activities

During the three months ended March 31, 2014, net cash used in investing activities decreased by $165 million as compared to the three months ended March 31, 2013, which principally reflects lower acquisition payments of $112 million and $48 million of lower development advance payments at our lodging business.

Financing Activities

During the three months ended March 31, 2014, net cash used in financing activities increased by $226 million compared to the three months ended March 31, 2013, which principally reflected $225 million of lower net borrowings of non-securitized debt.

Capital Deployment

We focus on optimizing cash flow and seek to deploy capital for the highest possible returns. Ultimately, our business objective is to grow our business while transforming our cash and earnings profile by managing our cash streams to derive a greater proportion of EBITDA from our fee-for-service businesses. We intend to continue to invest in select capital and technological improvements across our business. We may also seek to acquire additional franchise agreements, hotel/property management contracts and exclusive agreements for vacation rental properties on a strategic and selective basis as well as grow the business through merger and acquisition activities. In addition, we will return cash to shareholders through the repurchase of common stock and payment of dividends.

We expect to generate annual net cash provided by operating activities less property and equipment additions (which we also refer to as capital expenditures) of approximately $750 million in 2014. During 2014, we anticipate net cash provided by operating activities of approximately $1.0 billion and net cash used on capital expenditures of $235 million to $245 million. Net cash provided by operating activities less capital expenditures amounted to $770 million during 2013, which was comprised of net cash provided by operating activities of approximately $1.0 billion less capital expenditures of $238 million. The decrease in the 2014 expected net cash provided by operating activities less capital expenditures of approximately $20 million is related to the higher anticipated spending on cash taxes partially offset by better operating performance and working capital utilization during 2014. We believe net cash provided by operating activities less capital expenditures is 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.

During the three months ended March 31, 2014, we spent $21 million related to vacation ownership development projects (inventory). We believe that our vacation ownership business currently has adequate finished inventory on our balance sheet to support vacation ownership sales for at least the next year. During 2014, we anticipate spending approximately $165 million to $175 million on vacation ownership development projects. The average inventory spend on vacation ownership development projects for the five year period 2013 through 2017 is expected to be approximately $200 million annually. After factoring in the anticipated additional average annual spending, we expect to have adequate inventory to support vacation ownership sales through at least the next 4 to 5 years.

We spent $46 million on capital expenditures during the three months ended March 31, 2014, primarily on information technology enhancement projects and renovations of owned bungalows at our Landal GreenParks business.

In an effort to support growth in our lodging business, we will continue to provide development advances which may include additional agreements with multi-unit owners. We will also continue to provide other forms of financial support.

In connection with our focus on optimizing cash flow, we are expanding our approach to our asset-light efforts in vacation ownership by seeking opportunities with financial partners whereby they make strategic investments to develop assets on our behalf. We refer to this as WAAM Just-in-Time. The partner may invest in new ground-up development projects or purchase from us, for cash, existing in-process inventory which currently resides on our balance sheet. The partner will complete the development of the project and we may purchase finished inventory at a future date as needed or as obligated under the agreement.

We expect that the majority of the expenditures that will be required to pursue our capital spending programs, strategic investments and vacation ownership development projects will be financed with cash flow generated through operations. Additional expenditures are financed with general unsecured corporate borrowings, including through the use of available capacity under our revolving credit facility and commercial paper programs.

Stock Repurchase Program

On August 20, 2007, our Board of Directors (the “Board”) authorized a stock repurchase program that enables us to purchase our common stock. The Board has since authorized five increases to the repurchase program, most recently on July 23, 2013 for $750 million, bringing the total authorization under our current program to $3.0 billion.

Under our current stock repurchase program, we repurchased 2.1 million shares at an average price of $72.00 for a cost of $150 million during the three months ended March 31, 2014. From August 20, 2007 through March 31, 2014 we repurchased 64.8 million shares at an average price of $39.52 for a cost of $2.6 billion and repurchase capacity increased $77 million from proceeds received from stock option exercises.

As of March 31, 2014, we have repurchased under our current and prior stock repurchase plans, a total of 89.9 million shares at an average price of $37.50 for a cost of $3.4 billion since our separation from Cendant ("Separation").

During the period April 1, 2014 through April 23, 2014, we repurchased an additional 0.6 million shares at an average price of $71.98 for a cost of $42 million. We currently have $476 million of remaining availability in our program. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors. Repurchases may be conducted in the open market or in privately negotiated transactions.

Dividend Policy

During the three months ended March 31, 2014 and March 31, 2013, we paid cash dividends of $0.35 and $0.29 per share ($48 million and $41 million in the aggregate), respectively.

Our ongoing dividend policy for the future is to grow our dividend at least at the rate of growth of our earnings. The declaration and payment of future dividends to holders of our common stock are at the discretion of our Board and depend upon many factors, including our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant. There is no assurance that a payment of a dividend will occur in the future.

Financial Obligations

Long-Term Debt Covenants

The revolving credit facility is subject to covenants including the maintenance of specific financial ratios. The financial ratio covenants consist of a minimum consolidated interest coverage ratio of at least 2.5 to 1.0 as of the measurement date and a maximum consolidated leverage ratio not to exceed 4.0 to 1.0 as of the measurement date (provided that the consolidated leverage ratio may be increased for a limited period to 5.0 to 1.0 in connection with a material acquisition). The consolidated interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12 month basis preceding the measurement date. As of March 31, 2014, our consolidated interest coverage ratio was 9.7 times. Consolidated interest expense excludes, among other things, interest expense on any securitization indebtedness (as defined in the credit agreement). The consolidated leverage ratio is calculated by dividing consolidated total indebtedness (as defined in the credit agreement and which excludes, among other things, securitization indebtedness) as of the measurement date by consolidated EBITDA as measured on a trailing 12 month basis preceding the measurement date. As of March 31, 2014, our consolidated leverage ratio was 2.4 times. Covenants in this credit facility also include limitations on indebtedness of material subsidiaries; liens; mergers, consolidations, liquidations and dissolutions; and the sale of all or substantially all of our assets. Events of default in this credit facility include failure to pay interest, principal and fees when due; breach of a covenant or warranty; acceleration of or failure to pay other debt in excess of $50 million (excluding securitization indebtedness); insolvency matters; and a change of control.

All of our senior unsecured notes contain various covenants including limitations on liens, limitations on potential sale and leaseback transactions and change of control restrictions. In addition, there are limitations on mergers, consolidations and potential sale of all or substantially all of our assets. Events of default in the notes include failure to pay interest and principal when due, breach of a covenant or warranty, acceleration of other debt in excess of $50 million and insolvency matters.

As of March 31, 2014, we were in compliance with all of the financial covenants described above.

Each of our non-recourse, securitized term notes and the bank conduit facility contain various triggers relating to the performance of the applicable loan pools. If the vacation ownership contract receivables pool that collateralizes one of our securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra collateral for the note holders or applied to accelerate the repayment of outstanding principal to the note holders. As of March 31, 2014, all of our securitized loan pools were in compliance with applicable contractual triggers.

LIQUIDITY RISK

Our vacation ownership business finances certain of its receivables through (i) an asset-backed bank conduit facility and (ii) periodically accessing the capital markets by issuing asset-backed securities. None of the currently outstanding asset-backed securities contain any recourse provisions to us other than interest rate risk related to swap counterparties (solely to the extent that the amount outstanding on our notes differs from the forecasted amortization schedule at the time of issuance).

We believe that our bank conduit facility, with a term through August 2015 and capacity of $650 million, combined with our ability to issue term asset-backed securities, should provide sufficient liquidity for our expected sales pace and we expect to have available liquidity to finance the sale of VOIs.

As of March 31, 2014, we had $494 million of availability under our asset-backed bank conduit facility. Any disruption to the asset-backed market could adversely impact our ability to obtain such financings.

We maintain commercial paper programs under which we may issue unsecured commercial paper notes up to a maximum amount of $1.25 billion. We allocate a portion of our available capacity under our revolving credit facility to repay outstanding commercial paper borrowings in the event that the commercial paper market is not available to us for any reason when outstanding borrowings mature. As of March 31, 2014, we had $184 million of outstanding borrowings and the total available capacity was $1.1 billion under these programs.

We primarily utilize surety bonds at our vacation ownership business for sales and development transactions in order to meet regulatory requirements of certain states. In the ordinary course of our business, we have assembled commitments from thirteen surety providers in the amount of $1.2 billion, of which we had $336 million outstanding as of March 31, 2014. The availability, terms and conditions and pricing of such bonding capacity are dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing the bonding capacity, general availability of such capacity and our corporate credit rating. If bonding capacity is unavailable, or alternatively, if the terms and conditions and pricing of such bonding capacity are unacceptable to us, our vacation ownership business could be negatively impacted.

Our liquidity position may also be negatively affected by unfavorable conditions in the capital markets in which we operate or if our vacation ownership contract receivables portfolios do not meet specified portfolio credit parameters. Our liquidity as it relates to our vacation ownership contract receivables securitization program could be adversely affected if we were to fail to renew or replace our conduit facility on its expiration date, or if a particular receivables pool were to fail to meet certain ratios, which could occur in certain instances if the default rates or other credit metrics of the underlying vacation ownership contract receivables deteriorate. Our ability to sell securities backed by our vacation ownership contract receivables depends on the continued ability and willingness of capital market participants to invest in such securities.

Our senior unsecured debt is rated Baa3 with a “stable outlook” by Moody’s Investors Service and BBB- with a “stable outlook” by both Standard and Poor’s and Fitch Rating Agency. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Reference in this report to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity or any future credit rating.

SEASONALITY

We experience seasonal fluctuations in our net revenues and net income from our franchise and management fees, commission income earned from renting vacation properties, annual subscription fees or annual membership dues, as applicable, exchange and member-related transaction fees and sales of VOIs. Revenues from franchise and management fees are generally higher in the second and third quarters than in the first or fourth quarters because of increased leisure travel during the spring and summer months. Revenues from vacation rentals are generally highest in the third quarter when vacation arrivals are highest, combined with a compressed booking window. Revenues from vacation exchange fees are generally highest in the first quarter which is generally when members of our vacation exchange business plan and book their vacations for the year. Revenues from sales of VOIs are generally higher in the third quarter than in other quarters. The seasonality of our business may cause fluctuations in our quarterly operating results. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

COMMITMENTS AND CONTINGENCIES

We are involved in claims, legal and regulatory proceedings and governmental inquiries related to our businessLitigation is inherently unpredictable and, although we believe that our accruals are adequate and/or that we have valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to us with respect to earnings or cash flows in any given reporting period. As of March 31, 2014, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to approximately $26 million in excess of recorded accruals. However, we do not believe that the impact of such litigation should result in a material liability to us in relation to our consolidated financial position or liquidity.

CONTRACTUAL OBLIGATIONS

The following table summarizes our future contractual obligations for the twelve month periods set forth below:

	4/1/14- 3/31/15	4/1/15- 3/31/16	4/1/16- 3/31/17	4/1/17- 3/31/18	4/1/18- 3/31/19	Thereafter	Total
Securitized debt [a]	$ 192	$ 231	$ 290	$ 199	$ 198	$ 869	$ 1,979
Long-term debt [b]	52	50	661	476	209	1,438	2,886
Interest on debt [c]	162	157	146	122	99	236	922
Operating leases	86	70	55	47	41	221	520
Other purchase commitments	157	84	58	28	10	23	360
Inventory sold subject to conditional repurchase [d]	59	37	40	42	45	142	365
Separation liabilities [e]	25	14	—	—	—	—	39
Total [f] [g]	$ 733	$ 643	$ 1,250	$ 914	$ 602	$ 2,929	$ 7,071

(a) Represents debt that is securitized through bankruptcy-remote SPEs, the creditors to which have no recourse to us for principal and interest.

(b) Includes a $107 million purchase commitment for WAAM Just-in-Time inventory from an SPE, which is consolidated in our financial statements, of which $95 million is included in long-term debt.

(c) Includes interest on both securitized and long-term debt; estimated using the stated interest rates on our long-term debt and the swapped interest rates on our securitized debt.

(d) Represents obligations to repurchase completed vacation ownership property from a third-party developer (See Note 11 – Commitments and Contingencies for further detail).

(e) Represents liabilities which we assumed and are responsible for pursuant to our Separation (See Note 16 – Separation Adjustments and Transactions with Former Parent and Subsidiaries for further details.)

(f) Excludes $37 million of our liability for unrecognized tax benefits associated with the guidance for uncertainty in income taxes since it is not reasonably estimable to determine the periods in which such liability would be settled with the respective tax authorities.

(g) Excludes other guarantees at our lodging business as it is not reasonably estimable to determine the periods in which such commitments would be settled (See Note 11 – Commitments and Contingencies for further details).

CRITICAL ACCOUNTING POLICIES

In presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material impact to our consolidated results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. These Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements included in the Annual Report filed on Form 10-K with the SEC on February 14, 2014, which includes a description of our critical accounting policies that involve subjective and complex judgments that could potentially affect reported results. While there have been no material changes to our critical accounting policies as to the methodologies or assumptions we apply under them, we continue to monitor such methodologies and assumptions.

Item 3. Quantitative and Qualitative Disclosures About Market Risks.

We assess our market risks based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis that measures the potential impact in earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest and foreign currency exchange rates. We used March 31, 2014 market rates to perform a sensitivity analysis separately for each of our market risk exposures. The estimates assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. We have determined, through such analyses, that the impact of a 10% change in interest and foreign currency exchange rates and prices on our earnings, fair values and cash flows would not be material.

Item 4. Controls and Procedures.

(a) *Disclosure Controls and Procedures.* As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive and principal financial officers, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13(a)-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")). Based on such evaluation, our principal executive and principal financial officers concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

(b) *Internal Control Over Financial Reporting.* There have been no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

On May 14, 2013, the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") issued an updated version of its Internal Control - Integrated Framework ("2013 Framework"). Originally issued in 1992 ("1992 Framework"), the framework helps organizations design, implement and evaluate the effectiveness of internal control concepts and simplify their use and application. The 1992 Framework remains available during the transition period, which extends to December 15, 2014, after which time COSO will consider it as superseded by the 2013 Framework. As of March 31, 2014, we continue to utilize the 1992 Framework during our transition to the 2013 Framework by the end of 2014.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are involved in various claims and lawsuits, none of which, in the opinion of management, is expected to have a material adverse effect on our results of operations or financial condition. See Note 11 to the Consolidated Financial Statements for a description of claims and legal actions applicable to our business.

Item 1A. Risk Factors.

The discussion of our business and operations should be read together with the risk factors contained in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the Securities and Exchange Commission, which describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. As of March 31, 2014, there have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Below is a summary of our Wyndham common stock repurchases by month for the quarter ended March 31, 2014:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under Plan	
January 1-31, 2014	286,820	$	72.64	286,820	$	646,682,097
February 1-28, 2014	986,134	$	70.45	986,134	$	577,212,054
March 1-31, 2014	810,300	$	73.66	810,300	$	517,521,982
Total	2,083,254	$	72.00	2,083,254	$	517,521,982

On August 20, 2007, our Board of Directors authorized a stock repurchase program that enables us to purchase our common stock. The Board has since increased the program five times, most recently on July 23, 2013 for $750 million, bringing the total authorization under the program to $3.0 billion as of March 31, 2014.

During the period April 1, 2014 through April 23, 2014, we repurchased an additional 0.6 million shares at an average price of $71.98. We currently have $476 million of remaining availability in our program. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors. Repurchases may be conducted in the open market or in privately negotiated transactions.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibit index appears on the page immediately following the signature page of this report.

Table of Contents

SIGNATURES

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 thereunto duly authorized.

WYNDHAM WORLDWIDE CORPORATION

Date: April 24, 2014	By: /s/ Thomas G. Conforti
	Thomas G. Conforti
	Chief Financial Officer
Date: April 24, 2014	By: /s/ Nicola Rossi
	Nicola Rossi
	Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed May 10, 2012)
3.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.3 to the Registrant's Form 8-K filed May 10, 2012)
10.1*	Amendment No. 3 to Employment Agreement with Franz S. Hanning, dated February 28, 2014
10.2*	Amendment No. 4 to Employment Agreement with Geoff Ballotti, dated March 28, 2014
10.3*	Termination and Release Agreement with Eric Danziger, dated February 28, 2014
12*	Computation of Ratio of Earnings to Fixed Charges
15*	Letter re: Unaudited Interim Financial Information
31.1*	Certification of Chairman and Chief Executive Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
32**	Certification of Chairman and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this report
** Furnished with this report

Exhibit 10.1

AMENDMENT NO. 3

TO

EMPLOYMENT AGREEMENT

AMENDMENT, dated February 28, 2014 ("**Amendment**"), made to the Employment Agreement dated as of November 19, 2009, as amended by Amendment No. 1 thereto effective as of March 1, 2011, and Amendment No. 2 thereto effective as of March 15, 2013 (together, the "**Employment Agreement**"), by and between Wyndham Worldwide Corporation, a Delaware corporation (the "**Company**"), and Franz Hanning (the "**Executive**").

WHEREAS, the Company and the Executive have previously entered into the Employment Agreement and desire to amend the Employment Agreement as set forth below.

NOW, THEREFORE, effective as of the date first written above, the Employment Agreement is hereby amended as follows:

1. The first sentence of Section IV.B. of the Employment Agreement is hereby amended in its entirety and replaced with the following:

> In addition, the Executive will be eligible to receive an annual incentive compensation award in respect of each fiscal year of the Company during the Period of Employment targeted to equal $900,000, effective January 1, 2014, subject to the terms and conditions of the annual incentive plan covering employees of the Company, and further subject to such performance goals, criteria or targets reasonably determined by the Company in its sole discretion in respect of each such fiscal year (each such annual incentive, an "Incentive Compensation Award").

2. From and after the date hereof, all references to the Employment Agreement shall mean the Employment Agreement as amended hereby. Except as expressly amended hereby, the Employment Agreement shall remain in full force and effect, and is hereby ratified and confirmed.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed this 28th day of February 2014.

EXECUTIVE

/s/ Franz Hanning
Franz Hanning

WYNDHAM WORLDWIDE CORPORATION

By: /s/ Mary Falvey
Name: Mary Falvey
Title: Executive Vice President

AMENDMENT NO. 4

TO

EMPLOYMENT AGREEMENT

AMENDMENT, dated March 28, 2014 ("**Amendment**"), made to the Employment Agreement dated as of March 31, 2008, as amended by Amendment No. 1 thereto effective as of December 31, 2008, Amendment No. 2 thereto effective as of December 16, 2009, and Amendment No. 3 thereto effective as of March 1, 2011 (together, the "**Employment Agreement**"), by and between Wyndham Worldwide Corporation, a Delaware corporation (the "**Company**"), and Geoff Ballotti (the "**Executive**").

WHEREAS, the Company and the Executive have previously entered into the Employment Agreement and desire to amend the Employment Agreement as set forth below.

NOW, THEREFORE, effective as of the date first written above, the Employment Agreement is hereby amended as follows:

1. The second sentence of Section I of the Employment Agreement is hereby amended in its entirety and replaced with the following:

> During the Period of Employment, the Executive shall serve as, Chief Executive Officer of Wyndham Hotel Group, LLC (the Company's lodging business).

2. The first sentence of Section II of the Employment Agreement is hereby amended in its entirety and replaced with the following:

> The period of the Executive's employment under this Agreement (the "**Period of Employment**") shall begin on the Effective Date and shall end on March 31, 2017, subject to earlier termination as provided in this Agreement.

3. From and after the date hereof, all references to the Employment Agreement shall mean the Employment Agreement as amended hereby. Except as expressly amended hereby, the Employment Agreement shall remain in full force and effect, and is hereby ratified and confirmed.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed this 3rd day of March 2014.

EXECUTIVE

/s/ Geoff Ballotti
Geoff Ballotti

WYNDHAM WORLDWIDE CORPORATION

By: /s/ Mary Falvey
Name: Mary Falvey
Title: Executive Vice President

Exhibit 10.3

TERMINATION AND RELEASE AGREEMENT

THIS TERMINATION AND RELEASE AGREEMENT (this "Agreement") is made this 28 th day of February, 2014 by Wyndham Worldwide Corporation, a Delaware corporation (the "Company"), and Eric Danziger (the "Executive").

WHEREAS, the Executive is the Chief Executive Officer of Wyndham Hotel Group, LLC, which is the Company's lodging business and a wholly-owned subsidiary of the Company; and

WHEREAS, the Executive is a party to an employment agreement with the Company, dated as of November 17, 2008, as first amended by the letter agreement dated as of December 1, 2008, and further amended by Amendment No. 1 effective as of December 16, 2009, Amendment No. 2 dated March 1, 2011, and Amendment No. 3 dated March 15, 2013 (the "Employment Agreement");

WHEREAS, the Company and the Executive have mutually agreed to terminate their employment relationship and the Executive has agreed to release the Company and its affiliates and other persons from claims arising from or related to his employment relationship with the Company; and

WHEREAS, the Executive's rights, benefits and obligations upon termination of his employment with the Company are set forth in his Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises, representations and warranties set forth herein, and for other good and valuable consideration, the Executive and the Company agree as follows:

Section 1 Cessation of Employment Relationship.

The employment of the Executive with the Company will terminate effective on March 28, 2014 (the "Termination Date"). Effective as of the Termination Date, the Executive hereby resigns from all positions, offices and directorships with the Company and any affiliate of the Company.

Section 2 Payment Obligations.

2.1 Payment for Accrued Salary, Benefits, Etc. From the date hereof until the Termination Date, the Executive shall be compensated in accordance with Sections III (a) and (e) of the Employment Agreement. Following the Termination Date, the Executive shall be entitled to receive from the Company a cash payment equal to any accrued and unpaid base salary for his period of employment up to and including through the Termination Date.

The Executive will also be entitled to receive payment of any unreimbursed business expenses in accordance with Section IV of the Employment Agreement, provided that the Executive submits within 10 days after the Termination Date all appropriate supporting documentation necessary for the reimbursement of any business expenses.

2.2 Severance. The parties understand that the Executive's termination of employment with the Company will be treated as a "Without Cause Termination" under Section VI (a) of the Employment Agreement. Accordingly,

(a) the Company shall pay the Executive an aggregate cash severance amount equal to $2.3 million, payable in a lump sum within 60 days after the Termination Date, subject to Sections 2.5 and 4.6 below;

(b) effective as of the Termination Date,

(i) all of Executive's outstanding time-based restricted stock units ("RSUs") which would have otherwise vested within one year following the Termination Date (that is, on or before March 28, 2015) will become vested as of the Termination Date and be settled in shares of Company common stock, to be provided to the Executive within 60 days after the Termination Date, subject to Sections 2.5 and 4.6 below;

(ii) with respect to the Executive's outstanding performance-based RSUs ("PVRSUs") for the performance period from January 1, 2012 through December 31, 2014 (being 22,436 outstanding PVRSUs) and for the performance period from January 1, 2013 through December 31, 2015 (being 16,600 outstanding PVRSUs), to the extent that the performance goals applicable to such PVRSUs are achieved, in each case as certified by the Compensation Committee of the Company's Board of Directors following the completion of each such performance period, the Executive shall be entitled to vest in and be paid a pro-rata portion of such achieved PVRSUs, if any, in accordance with the terms of such PVRSUs, such pro-rata portion to be determined based upon the portion of the full performance period applicable to each particular PVRSU award during which the Executive was employed by the Company up to the Termination Date plus 12 months (or, if less, assuming employment for the entire performance period); any such vested PVRSUs shall be paid to the Executive at the time that such PVRSU awards vest and are paid to employees generally, subject to Sections 2.5 and 4.6 below. Except as set forth above in this subsection (b)(ii) the Executive's outstanding PVRSUs shall not otherwise vest or accelerate and to the extent not so vested pursuant to this subsection (b)(ii), such PVRSUs shall terminate and be forfeited.

The Executive has no other outstanding Company incentive awards, equity awards or equity rights except as set forth above in subsections (b)(i) or (b)(ii).

(c) The Executive shall continue to be eligible to participate in the Company's Officer Deferred Compensation Plan and 401(k) Plan up through and including the Termination Date in accordance with the terms thereof.

(d) The Executive shall continue to participate in the Company health plan in which he currently participates through the end of the month in which the Termination Date occurs. Following the Termination Date, the Executive may elect to continue health plan coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act (“COBRA”).

(e) The Executive shall be eligible to continue to use the vehicle provided to him through the Company’s executive car lease program in which he currently participates upon the same terms as currently are in effect for him, through and until March 28, 2014. At that time, the Executive shall have the option to purchase the vehicle in accordance with the terms of such program for use. If the Executive chooses not to purchase the vehicle, the Executive shall relinquish the vehicle to Human Resources on or before March 28, 2014.

(f) Provided that the Executive surrenders to the Corporate Information Security department the company mobile device and company laptop computer (hereinafter, the “Business Equipment”) that the Executive is currently using, for removal and cleansing of all proprietary software and proprietary and confidential information and/or Company property, the Company will assign to the Executive all ownership interest in the Business Equipment; the Company and the Executive agree that the Business Equipment is of nominal value.

Notwithstanding any other provision of this Agreement or the Employment Agreement, all payments to, vesting, benefits, and other rights of the Executive under this Section 2.2 shall be subject to, and contingent on, the other provisions of this Agreement including without limitation Sections 2.4, 2.5 and 4.6 of this Agreement.

The payments to, vesting, benefits, and rights of the Executive under this Section 2.2 shall be in lieu of any other severance benefits otherwise payable to the Executive under any other severance plan, arrangement, agreement or program of the Company or its affiliates.

2.3 Other Benefits. Following the Termination Date, the Executive will be paid any vested and owing but not yet paid amounts due under the terms and conditions of any other welfare and pension benefit plan of the Company in accordance with the terms of each such plan and applicable law.

2.4 Code Section 409A. On the Termination Date, the Executive is deemed to be a “specified employee” within the meaning of that term under Section 409A(a)(2)(B) of the Internal Revenue Code (“Code”); as a result, and notwithstanding any other provision of this Agreement or the Employment Agreement,

(i) with regard to any payment, the providing of any benefit or any distribution of equity under this Agreement or the Employment Agreement that constitutes “deferred compensation” subject to Code Section 409A, payable upon separation from service, such payment, benefit or distribution shall not be made or provided prior to the earlier of (x) the expiration of the six-month period measured from the date of the Termination Date (or, if later, his "separation from service" as referred to in Code Section 409A) ("Separation Date") or (y) the date of the Executive's death; and

(ii) on the first day of the seventh month following the date of the Separation Date or, if earlier, on the date of death, (x) all payments delayed pursuant to Section 2.4(i) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal dates specified for them herein and (y) all distributions of equity delayed pursuant to Section 2.4(i) shall be made to the Executive;

provided that, the lump sum cash severance payment payable to the Executive under Section 2.2(a) above and the vesting of the time-based RSUs under Section 2.2(b)(i) above are each intended to qualify as a short-term deferral under Treasury Regulation Section 1.409A-1(b)(4) and will be provided within the time periods provided in Section 2.2.

2.5 Waiver and Release. In accordance with Section VI(d) of the Employment Agreement and notwithstanding any other provision of this Agreement or the Employment Agreement, the payments, benefits, vesting and other rights provided under this Agreement to the Executive are subject to, and contingent upon, the execution by Executive within the time period provided therein, and the non-revocation by the Executive, of the Executive General Release ("Executive Release") attached as Exhibit A hereto and made a part hereof (provided that, the Executive shall not date, execute or deliver such General Release prior to the date of the Termination Date). If such Executive Release is not executed, valid and irrevocable as of the expiration of the revocation period set forth therein, then any payments, benefits, vesting or other rights provided pursuant to Section 2.2 hereof shall terminate and be forfeited.

Section 3 Covenants.

3.1 Non-Competition, Confidentiality, Cooperation, Other Covenants. Executive hereby acknowledges, agrees to, and shall satisfy in full each of the Executive's covenants, restrictions, obligations and agreements set forth in subsections (a) through and including (f) of Section VII ("Other Duties of the Executive During and Following the Period of Employment") of the Employment Agreement, which subsections (a) through (f) are hereby incorporated into this Agreement by reference as if fully set forth in this Agreement; provided that, at the request of the Executive, the second and third sentences of subsection (c)(ii) of Section VII of the Employment Agreement is amended to state as follows: "During the Restricted Period, and as set forth in the Side Letter dated February 28, 2014, the Executive, without the prior written approval by the Chairman and CEO, shall not engage in, directly or indirectly (whether for compensation or otherwise) own or hold any proprietary interest in, manage, operate, or control, or join in or participate in the ownership, management operation or control of, or furnish any capital to or be connected in any matter with any business or venture which competes in any way or manner with the Company's (including its subsidiaries', divisions' and affiliates') franchised or managed hotel brands, as such franchised or managed hotel brands may be conducted from time to time, either as a general or limited partner, proprietor, common or preferred shareholder, officer, director, agent, employee, consultant, trustee, affiliate, or otherwise. The Executive acknowledges that the Company's (and its subsidiaries', divisions', and affiliates') franchised and managed hotel brands businesses are conducted nationally and internationally and agrees that the provisions in the foregoing sentence shall operate throughout the United States and the world. Executive agrees that such covenants, restrictions, obligations and agreements of the Executive therein and herein are fair and reasonable and are an essential element of the payments, rights and benefits provided to the Executive pursuant this Agreement and the Employment Agreement and but for the Executive's agreement to comply therewith and herewith, the Company would not have entered into the Employment Agreement or this Agreement.

Section 4 Miscellaneous.

4.1 Modifications. This Agreement may not be modified or amended except in writing signed by each of the parties hereto (or as otherwise set forth in Section 3.1). No term or condition of this Agreement shall be deemed to have been waived except in writing by the party charged with such waiver. A waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver for the future or act as a waiver of anything other than that specifically waived.

4.2 Governing Law. This Agreement has been executed and delivered in the State of New Jersey and its validity, interpretation, performance and enforcement shall be governed by the internal laws of the State of New Jersey (without reference to its conflict of laws rules).

4.3 Arbitration.

(a) Any controversy, dispute or claim arising out of or relating to this Agreement or the breach hereof which cannot be settled by mutual agreement of the parties hereto (other than with respect to the matters covered by Section 3 of this Agreement or Section VII of the Employment Agreement, for which the Company may, but shall not be required to, seek injunctive relief in a judicial proceeding) shall be finally settled by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state arbitration law) as follows: Any party hereto who is aggrieved shall deliver a notice to the other party hereto setting forth the specific points in dispute. Any points remaining in dispute twenty (20) days after the giving of such notice may be submitted to arbitration in New Jersey, to the American Arbitration Association, before a single arbitrator appointed in accordance with the Employment Arbitration Rules of the American Arbitration Association, modified only as herein expressly provided. After the aforesaid twenty (20) days, either party hereto, upon ten (10) days' notice to the other, may so submit the points in dispute to arbitration. The arbitrator may enter a default decision against any party who fails to participate in the arbitration proceedings.

(b) The decision of the arbitrator on the points in dispute shall be final, unappealable and binding, and judgment on the award may be entered in any court having jurisdiction thereof.

(c) Except as otherwise provided in this Agreement, the arbitrator shall be authorized to apportion his or her fees and expenses and the reasonable attorneys' fees and expenses of any such party as the arbitrator deems appropriate. In the absence of any such apportionment, the fees and expenses of the arbitrator shall be borne equally by each party, and each party shall bear the fees and expenses of its own attorney.

(d) The parties hereto agree that this Section 4.3 has been included to rapidly and inexpensively resolve any disputes between them with respect to this Agreement, and that this Section 4.3 shall be grounds for dismissal of any court action commenced by either party hereto with respect to this Agreement, other than court actions commenced by the Company with respect to any matter covered by Section 3 of this Agreement or Section VII of the Employment Agreement and other than post-arbitration court actions seeking to enforce an arbitration award. In the event that any court determines that this arbitration procedure is not binding, or otherwise allows any litigation regarding a dispute, claim, or controversy covered by this Agreement to proceed, the parties hereto hereby waive any and all right to a trial by jury in or with respect to such litigation.

(e) The parties shall keep confidential, and shall not disclose to any person, except as may be required by law, the existence of the controversy hereunder, the referral of any such controversy to arbitration, or the status of resolution thereof.

4.4 Survival. Section VII through and including Section XIX of the Employment Agreement shall continue in full force and effect in accordance with their respective terms (except as modified by Section 3.1 of this Agreement), notwithstanding the execution and delivery by the parties of this Agreement. In additional, all of the Executive's obligations, covenants and restrictions under any confidentiality agreement, non-disclosure agreement, proprietary rights agreement or invention agreement in favor of Company or any of its subsidiaries or affiliates shall survive and continue in full force and effect.

4.5 Enforceability; Severability. It is the intention of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under applicable law. All provisions of this Agreement are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding shall in no way affect the validity or enforceability of any other provision of this Agreement. The parties hereto further agree that any such invalid or unenforceable provision shall be deemed modified so that it shall be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction determines any restrictions herein to be unenforceable in any respect, such court may limit this Agreement to render it enforceable in the light of the circumstances in which it was entered into and specifically enforce his Agreement to the fullest extent permissible.

4.6 Withholding. All payments and benefits payable pursuant to this Agreement shall be subject to reduction by all applicable withholding, social security and other federal, state and local taxes and deductions.

4.7 Code Section 409A Compliance.

(a) It is intended that this Agreement comply with the provisions of Code Section 409A and all regulations, guidance and other interpretive authority issued thereunder (“Code Section 409A”), and this Agreement shall be construed and applied in a manner consistent with this intent. Notwithstanding any other provision herein to the contrary, to the extent that the reimbursement of any expenses or the provision of any in-kind benefits under this Agreement is subject to Code Section 409A, reimbursement of any such expense shall be made by no later than December 31 of the year following the calendar year in which such expense is incurred. Each and every payment under this Agreement shall be treated as a right to receive a series of separate payments under Treasury Regulation Section 1.409A-2(b)(2)(iii).

(b) Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates be liable for any tax, additional tax, interest or penalty that may be imposed on the Executive pursuant to Code Section 409A or for any damages for failing to comply with Code Section 409A.

4.8 Notices. All notices or other communications hereunder shall not be binding on either party hereto unless in writing, and delivered to the other party thereto at the following address:

If to the Company:

Wyndham Worldwide Corporation
22 Sylvan Way
Parsippany, NJ 07054
Attn: EVP & General Counsel

If to the Executive:

Eric Danziger
[INTENTIONALLY DELETED]

Notices shall be deemed duly delivered upon hand delivery at the above address, or one day after deposit with a nationally recognized overnight delivery company, or three days after deposit thereof in the United States mails, postage prepaid, certified or registered mail. Any party may change its address for notice by delivery of written notice thereof in the manner provided.

4.9 Assignment. This Agreement is personal in nature to the Company and the rights and obligations of the Executive under this Agreement shall not be assigned or transferred by the Executive. This Agreement and all of the provisions hereof shall be binding upon, and inure to the benefit of, the parties hereto and their successors (including successors by merger, consolidation, sale or similar transaction, permitted assigns, executors, administrators, personal representatives, heirs and distributees).

4.10 Jurisdiction. Subject to Section 4.3(a) of this Agreement, in any suit, action or proceeding seeking to enforce any provision of this Agreement, the Executive hereby (a) irrevocably consents to the exclusive jurisdiction of any federal court located in the State of New Jersey or any of the state courts of the State of New Jersey; (b) waives, to the fullest extent permitted by applicable law, any objection which he may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; and (c) agrees that process in any such suit, action or proceeding may be served on him anywhere in the world, whether within or without the jurisdiction of such court, and, without limiting the foregoing, irrevocably agrees that service of process on such party, in the same manner as provided for notices in Section 4.8 of this Agreement, shall be deemed effective service of process on such party in any such suit, action or proceeding.

4.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same document.

4.12 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

4.13 Entire Agreement. This Agreement (including the Executive Release to be executed and delivered by the Executive pursuant to Section 2.5 above) is entered into between the Executive and the Company as of the date hereof and constitutes the entire understanding and agreement between the parties hereto and, other than as set forth in Section 4.4 of this Agreement, supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, concerning the subject matter hereof, including, without limitation, the Employment Agreement. All negotiations by the parties concerning the subject matter hereof are merged into this Agreement, and there are no representations, warranties, covenants, understandings or agreements, oral or otherwise, in relation thereto by the parties hereto other than those incorporated herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first written above.

WYNDHAM WORLDWIDE CORPORATION

By:	/s/ Mary Falvey
Name:	Mary Falvey
Title:	EVP & CHRO
	/s/ Eric Danziger
Executive:	Eric Danziger

EXHIBIT A

EXECUTIVE GENERAL RELEASE

I, Eric Danziger ("Executive"), on behalf of myself and my heirs, executors, administrators and assigns, in consideration of my Termination and Release Agreement with Wyndham Worldwide Corporation, a Delaware corporation (the "Company") dated February 28, 2014 (the "Agreement") to which this Executive General Release (the "Executive Release") is attached, do hereby knowingly and voluntarily release and forever discharge the Company and its subsidiaries, and each of its and their subsidiaries, affiliates, divisions, directors, members, officers, executives, employees, agents, and stockholders, and any and all employee benefit plans maintained by any of the above entities and their respective plan administrators, committees, trustees and fiduciaries individually and in their representative capacities, and its and their respective successors and assigns (both individually and in their representative capacities) (collectively, the "Released Parties"), from any and all actions, causes of action, covenants, contracts, claims, charges, demands, suits, and liabilities whatsoever, which I or my heirs, executors, administrators, successors or assigns ever had, now have or may have arising prior to or on the effective date of this Executive Release ("Claims"), including any Claims arising out of or relating in any way to my employment with or severance of my employment from the Company and its affiliates.

1. By signing this Executive Release, I am providing a complete waiver of all Claims that may have arisen, whether known or unknown, up until and including the effective date of this Executive Release. This includes, but is not limited to Claims under or with respect to:

i. any and all matters arising out of my employment by the Company or any of the Released Parties and the cessation of said employment, and including, but not limited to, any alleged violation of the National Labor Relations Act ("NLRA"), any claims for discrimination of any kind under the Age Discrimination in Employment Act of 1967 ("ADEA") as amended by the Older Workers Benefit Protection Act ("OWBPA"), Title VII of the Civil Rights Act of 1964 ("Title VII"), Sections 1981 through 1988 of Title 42 of the United States Code, the Executive Retirement Income Security Act of 1974 ("ERISA")(except for vested benefits which are not affected by this agreement), the Americans With Disabilities Act of 1990, as amended ("ADA"), the Fair Labor Standards Act ("FLSA"), the Occupational Safety and Health Act ("OSHA"), the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Federal Family and Medical Leave Act ("FMLA"), the Federal Worker Adjustment Retraining Notification Act ("WARN"), the Uniformed Services Employment and Reemployment Rights Act ("USERRA");

ii. The Genetic Information Nondiscrimination Act of 2008; Family Rights Act; Fair Employment and Housing Act; Unruh Civil Rights Act; Statutory Provisions Regarding the Confidentiality of AIDS; Confidentiality of Medical Information Act; Parental Leave Law; Apprenticeship Program Bias Law; Equal Pay Law; Whistleblower Protection Law; Military Personnel Bias Law; Statutory Provisions Regarding Family and Medical Leave; Statutory Provisions Regarding Electronic Monitoring of Executives; The Occupational Safety and Health Act, as amended; Obligations of Investigative Consumer Reporting Agencies Law; Political Activities of Executives Law; Domestic Violence Victim Employment Leave Law; Court Leave; the United States or New Jersey Constitutions; any Executive Order or other order derived from or based upon any federal regulations;

iii. The New Jersey Law Against Discrimination; The New Jersey Civil Rights Act; The New Jersey Family Leave Act; The New Jersey State Wage and Hour Law; The Millville Dallas Airmotive Plant Job Loss Notification Act; The New Jersey Conscientious Executive Protection Act; The New Jersey Equal Pay Law; The New Jersey Occupational Safety and Health Law; The New Jersey Smokers' Rights Law; The New Jersey Genetic Privacy Act; The New Jersey Fair Credit Reporting Act; The New Jersey Statutory Provision Regarding Retaliation/Discrimination for Filing a Workers' Compensation Claim; New Jersey laws regarding Political Activities of Executives, Lie Detector Tests, Jury Duty, Employment Protection, and Discrimination; and

iv. any other federal, state or local civil or human rights law, or any other alleged violation of any local, state or federal law, regulation or ordinance, and/or public policy, implied or expressed contract, fraud, negligence, estoppel, defamation, infliction of emotional distress or other tort or common-law claim having any bearing whatsoever on the terms and conditions and/or cessation of my employment with the Company, including, but not limited to, all claims for any compensation including salary, back wages, front pay, bonuses or awards, incentive compensation, performance-based grants or awards, severance pay, vacation pay, stock grants, stock unit grants, stock options, or any other form of equity award, fringe benefits, disability benefits, severance benefits, reinstatement, retroactive seniority, pension benefits, contributions to 401(k) plans, or any other form of economic loss; all claims for personal injury, including physical injury, mental anguish, emotional distress, pain and suffering, embarrassment, humiliation, damage to name or reputation, interest, liquidated damages, and punitive damages; and all claims for costs, expenses, and attorneys' fees.

Executive further acknowledges that Executive later may discover facts different from or in addition to those Executive now knows or believes to be true regarding the matters released or described in this Executive Release, and even so Executive agrees that the releases and agreements contained in this Executive Release shall remain effective in all respects notwithstanding any later discovery of any different or additional facts.

This Executive Release shall not, however, apply to any obligations of the Company under the terms and subject to the conditions expressly set forth in the Agreement (claims with respect thereto, collectively, "Excluded Claims"). Executive acknowledges and agrees that, except with respect to Excluded Claims, the Company and the Released Parties have fully satisfied any and all obligations whatsoever owed to Executive arising out of his employment with and the termination of his employment with the Company or any of the Released Parties and that no further payments or benefits are owed to Executive by the Company or any of the Released Parties.

2. Executive understands and agrees that he would not receive the payments and benefits specified in the Agreement, except for his execution of this Executive Release and his satisfaction of his obligations contained in the Agreement and this Executive Release, and that such consideration is greater than any amount to which he would otherwise be entitled.

3. Executive acknowledges that he does not have any current charge, complaint, grievance or other proceeding against any of the Released Parties pending before any local, state or federal agency regarding his employment or separation from employment.

4. Executive shall not seek or be entitled to any personal recovery or personal injunctive relief in any action or proceeding that may be commenced on Executive's behalf in any way arising out of or relating to the matters released under this Executive Release (except Excluded Claims).

5. Executive affirms that he has not provided, either directly or indirectly, any information or assistance to any party who may be considering or is taking legal action against any of the Released Parties. Executive understands that if this Agreement were not signed, he would have the right to voluntarily provide information or assistance to any party who may be considering or is taking legal action against any of the Released Parties. Executive hereby waives that right and agrees that he will not provide any such assistance other than the assistance in an investigation or proceeding conducted by the United States Equal Employment Opportunity Commission or other federal, state or local agency, or pursuant to a valid subpoena or court order. Executive agrees that if such a request for assistance is made by any agency of the federal, state or local government, or pursuant to a subpoena or court order, he shall advise the Company in writing of such a request no later than three (3) days after receipt of such request.

6. Executive represents that he has not and agrees that he will not in any way disparage the Company or any Released Party, their current and former officers, directors and employees, or make or solicit any comments, statements, or the like to the media or to others that may be considered to be derogatory or detrimental to the good name or business reputation of any of the aforementioned parties or entities.

7. Executive agrees to cooperate with and make himself readily available to the Company or any of its successors, Released Parties, or its or their General Counsel, as the Company may reasonably request, to assist in any matter, including giving truthful testimony in any litigation or potential litigation, over which Executive may have knowledge, information or expertise. Executive acknowledges that his agreement to this provision is a material inducement to the Company to enter into the Agreement and to pay the consideration described herein.

8. Executive acknowledges and confirms that he has returned all Company property to the Company including, but not limited to, all Company confidential and proprietary information in his possession, regardless of the format and no matter where maintained. Executive also certifies that all electronic files residing or maintained on any personal computer devices (thumb drives, tablets, personal computers or otherwise) will be returned and no copies retained. Executive also has returned his identification card, and computer hardware and software, all paper or computer based files, business documents, and/or other Business Records or Office Documents as defined in the Company Document Management Program, as well as all copies thereof, credit and procurement cards, keys and any other Company supplies or equipment in his possession. In addition, Executive confirms that any business related expenses for which he seeks or will seek reimbursement have been documented and submitted to the Company. Finally, any amounts owed to the Company have been paid.

9. Executive acknowledges and agrees that in the event Executive has been reimbursed for business expenses, but has failed to pay his American Express bill or other Company-issued charge card or credit card bill related to such reimbursed expenses, Executive shall promptly pay any such amounts within 7 days after any request by the Company [and, in addition, the Company has the right and is hereby authorized to deduct the amount of any unpaid charge card or credit card bill from the severance payments or otherwise suspend payments or other benefits in an amount equal to the unpaid business expenses without being in breach of the Agreement.]

10. Executive agrees that neither the Agreement nor this Executive Release nor the furnishing of the consideration for this Executive Release shall be deemed or construed at any time for any purpose as an admission by the Company of any liability or unlawful conduct of any kind, which the Company denies.

11. Executive understands that he has 21 calendar days within which to consider this Executive Release before signing it. The 21 calendar day period shall begin on March 1, 2014, the day after it is presented to Executive. After signing this Executive Release, Executive may revoke his signature within 7 calendar days ("Revocation Period"). In order to revoke his signature, Executive must deliver written notification of that revocation marked "personal and confidential" to Scott McLester, EVP & General Counsel, Wyndham Worldwide Corporation, 22 Sylvan Way, Parsippany, NJ 07054. Executive understands that neither this Executive Release nor the Agreement will become effective or enforceable until this Revocation Period has expired and there has been no revocation by Executive, and the other terms and conditions of this Executive Release and the Agreement have been met by Employee to the Company's satisfaction.

EXECUTIVE HAS READ AND FULLY CONSIDERED THIS EXECUTIVE RELEASE, HE UNDERSTANDS IT AND KNOWS HE IS GIVING UP IMPORTANT RIGHTS, AND IS DESIROUS OF EXECUTING AND DELIVERING THIS EXECUTIVE RELEASE. EXECUTIVE UNDERSTANDS THAT THIS DOCUMENT SETTLES, BARS AND WAIVES ANY AND ALL CLAIMS HE HAD OR MIGHT HAVE AGAINST THE COMPANY AND ITS AFFILIATES; AND HE ACKNOWLEDGES THAT HE IS NOT RELYING ON ANY OTHER REPRESENTATIONS, WRITTEN OR ORAL, NOT SET FORTH IN THIS EXECUTIVE RELEASE OR THE AGREEMENT. HAVING ELECTED TO EXECUTE THIS EXECUTIVE RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN AND IN THE AGREEMENT, AND TO RECEIVE THEREBY THE SUMS AND BENEFITS SET FORTH IN THE AGREEMENT, EXECUTIVE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, EXECUTES AND DELIVERS THIS EXECUTIVE RELEASE.

EXECUTIVE HAS BEEN ADVISED TO CONSULT WITH HIS LEGAL COUNSEL PRIOR TO EXECUTING THIS EXECUTIVE RELEASE AND THE AGREEMENT.

IF THIS DOCUMENT IS RETURNED EARLIER THAN 21 DAYS, THEN EXECUTIVE ADDITIONALLY ACKNOWLEDGES AND WARRANTS THAT HE HAS VOLUNTARILY AND KNOWINGLY WAIVED THE 21 DAY REVIEW PERIOD, AND THIS DECISION TO ACCEPT A SHORTENED PERIOD OF TIME IS NOT INDUCED BY THE COMPANY THROUGH FRAUD, MISREPRESENTATION, A THREAT TO WITHDRAW OR ALTER THE OFFER PRIOR TO THE EXPIRATION OF THE 21 DAYS, OR BY PROVIDING DIFFERENT TERMS TO EXECUTIVE IF HE SIGNS THIS EXECUTIVE RELEASE PRIOR TO THE EXPIRATION OF SUCH TIME PERIOD.

THEREFORE, the Executive now voluntarily and knowingly executes this Executive Release.

	/s/ Eric Danziger
Print Name:	Eric Danziger
Date Signed:	March 3, 2014

Exhibit 12

WYNDHAM WORLDWIDE CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Earnings available to cover fixed charges:		
Income before income taxes	$ 149	$ 41
Less: Income from equity investees	1	—
	148	41
Plus: Fixed charges	52	60
Amortization of capitalized interest	1	1
Less: Capitalized interest	1	1
Earnings available to cover fixed charges	$ 200	$ 101
Fixed charges [(a)]:		
Interest	$ 44	$ 53
Capitalized interest	1	1
Interest portion of rental expense	7	6
Total fixed charges	$ 52	$ 60
Ratio of earnings to fixed charges	3.85x	1.68x

(a) Consists of interest expense on all indebtedness (including costs related to the amortization of deferred financing costs), capitalized interest and the portion of operating lease rental expense that is representative of the interest factor.

* * *

Exhibit 15

April 24, 2014

Wyndham Worldwide Corporation
22 Sylvan Way
Parsippany, New Jersey

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited consolidated interim financial information of Wyndham Worldwide Corporation and subsidiaries for the three month periods ended March 31, 2014, and 2013, as indicated in our report dated April 24, 2014; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, is incorporated by reference in Registration Statement No. 333-136090 on Form S-8 and Registration Statement No. 333-179710 on Form S-3.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP
Parsippany, New Jersey

* * *

Exhibit 31.1

CERTIFICATION

I, Stephen P. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wyndham Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2014

/S/ STEPHEN P. HOLMES

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Thomas G. Conforti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wyndham Worldwide Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2014

/S/ THOMAS G. CONFORTI

CHIEF FINANCIAL OFFICER

Exhibit 32

**CERTIFICATION OF CHAIRMAN AND CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Wyndham Worldwide Corporation (the "Company") on Form 10-Q for the period ended March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Stephen P. Holmes, as Chairman and Chief Executive Officer of the Company, and Thomas G. Conforti, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1.) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ STEPHEN P. HOLMES

STEPHEN P. HOLMES
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
APRIL 24, 2014

/S/ THOMAS G. CONFORTI

THOMAS G. CONFORTI
CHIEF FINANCIAL OFFICER
APRIL 24, 2014