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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 September 30, 2017

OR

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

For the transition period from____ to ____

Commission file number **001-32876**

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 **Parsippany, New Jersey**	**07054**
(Address of Principal Executive Offices)	*(Zip Code)*

(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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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:
101,326,244 shares of common stock outstanding as of September 30, 2017.

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PART I — FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Wyndham Worldwide Corporation

We have reviewed the accompanying condensed consolidated balance sheet of Wyndham Worldwide Corporation and subsidiaries (the "Company") as of September 30, 2017, and the related condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended September 30, 2017 and 2016, and the related condensed consolidated statements of cash flows and equity for the nine-month periods ended September 30, 2017 and 2016. 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 condensed 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, 2016, and the related consolidated statements of income, comprehensive income, cash flows and equity for the year then ended (not presented herein); and in our report dated February 17, 2017, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2016 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
October 25, 2017

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

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net revenues				
Service and membership fees	$ 754	$ 735	$ 2,043	$ 2,001
Vacation ownership interest sales	467	441	1,265	1,191
Franchise fees	204	203	522	513
Consumer financing	119	112	343	327
Other	85	82	254	247
Net revenues	1,629	1,573	4,427	4,279
Expenses				
Operating	713	679	1,968	1,915
Cost of vacation ownership interests	41	47	115	115
Consumer financing interest	17	19	54	55
Marketing and reservation	250	242	676	645
General and administrative	173	173	557	545
Separation and related costs	24	—	24	—
Asset impairments	—	—	140	—
Restructuring	8	14	15	14
Depreciation and amortization	69	63	197	187
Total expenses	1,295	1,237	3,746	3,476
Operating income	334	336	681	803
Other income, net	(19)	(3)	(24)	(19)
Interest expense	42	34	115	102
Early extinguishment of debt	—	—	—	11
Interest income	(2)	(2)	(6)	(6)
Income before income taxes	313	307	596	715
Provision for income taxes	110	110	173	267
Net income	203	197	423	448
Net income attributable to noncontrolling interest	—	(1)	(1)	(1)
Net income attributable to Wyndham shareholders	$ 203	$ 196	$ 422	$ 447
Earnings per share				
Basic	$ 1.98	$ 1.79	$ 4.07	$ 4.03
Diluted	1.97	1.78	4.05	4.01
Cash dividends declared per share	$ 0.58	$ 0.50	$ 1.74	$ 1.50

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Net income	$ 203	$ 197	$ 423	$ 448
Other comprehensive income, net of tax				
Foreign currency translation adjustments	31	11	105	19
Unrealized gains/(losses) on cash flow hedges	—	(1)	(1)	—
Defined benefit pension plans	—	—	—	(1)
Other comprehensive income, net of tax	31	10	104	18
Comprehensive income	234	207	527	466
Net income attributable to noncontrolling interest	—	(1)	(1)	(1)
Comprehensive income attributable to Wyndham shareholders	$ 234	$ 206	$ 526	$ 465

See Notes to Condensed Consolidated Financial Statements.

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

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 289	$ 185
Trade receivables, net	586	610
Vacation ownership contract receivables, net	257	262
Inventory	317	315
Prepaid expenses	161	144
Other current assets	429	296
Total current assets	2,039	1,812
Long-term vacation ownership contract receivables, net	2,607	2,515
Non-current inventory	1,016	1,035
Property and equipment, net	1,358	1,340
Goodwill	1,698	1,603
Trademarks, net	747	734
Franchise agreements and other intangibles, net	378	393
Other non-current assets	418	387
Total assets	$ 10,261	$ 9,819
Liabilities and Equity		
Current liabilities:		
Securitized vacation ownership debt	$ 192	$ 195
Current portion of long-term debt	42	34
Accounts payable	432	468
Deferred income	536	500
Accrued expenses and other current liabilities	919	835
Total current liabilities	2,121	2,032
Long-term securitized vacation ownership debt	1,809	1,946
Long-term debt	3,858	3,337
Deferred income taxes	1,285	1,214
Deferred income	187	197
Other non-current liabilities	371	375
Total liabilities	9,631	9,101
Commitments and contingencies (Note 12)		
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, 218,751,241 issued as of 2017 and 218,198,050 shares in 2016	2	2
Treasury stock, at cost – 117,520,075 shares in 2017 and 112,617,112 shares in 2016	(5,568)	(5,118)
Additional paid-in capital	3,980	3,966
Retained earnings	2,219	1,977
Accumulated other comprehensive loss	(9)	(113)
Total stockholders' equity	624	714
Noncontrolling interest	6	4
Total equity	630	718
Total liabilities and equity	$ 10,261	$ 9,819

See Notes to Condensed Consolidated Financial Statements.

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

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Operating Activities		
Net income	$ 423	$ 448
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	197	187
Provision for loan losses	319	256
Deferred income taxes	50	73
Stock-based compensation	48	52
Excess tax benefits from stock-based compensation	—	(8)
Asset impairments	140	—
Loss on early extinguishment of debt	—	11
Non-cash interest	17	17
Net change in assets and liabilities, excluding the impact of acquisitions:		
Trade receivables	60	45
Vacation ownership contract receivables	(387)	(295)
Inventory	(79)	(21)
Prepaid expenses	(14)	(1)
Other current assets	(90)	4
Accounts payable, accrued expenses and other current liabilities	(13)	46
Deferred income	(10)	(18)
Other, net	5	(10)
Net cash provided by operating activities	666	786
Investing Activities		
Property and equipment additions	(125)	(136)
Net assets acquired, net of cash acquired	(43)	(37)
Payments of development advance notes	(6)	(6)
Proceeds from development advance notes	4	2
Equity investments and loans	(23)	(11)
Proceeds from asset sales	11	15
(Decrease)/increase in securitization restricted cash	(5)	4
Increase/(decrease) in escrow deposit restricted cash	4	(2)
Other, net	12	(1)
Net cash used in investing activities	(171)	(172)
Financing Activities		
Proceeds from securitized borrowings	1,087	1,497
Principal payments on securitized borrowings	(1,233)	(1,506)
Proceeds from long-term debt	1,338	75
Principal payments on long-term debt	(943)	(114)
(Repayments of)/proceeds from commercial paper, net	(327)	295
Proceeds from notes issued and term loan	694	325
Repayment/repurchase of notes	(300)	(327)
Proceeds from vacation ownership inventory arrangements	—	20
Repayments of vacation ownership inventory arrangements	(41)	(26)
Dividends to shareholders	(184)	(169)
Repurchase of common stock	(447)	(469)
Excess tax benefits from stock-based compensation	—	8
Debt issuance costs	(7)	(15)
Net share settlement of incentive equity awards	(34)	(34)
Other, net	(7)	(2)
Net cash used in financing activities	(404)	(442)
Effect of changes in exchange rates on cash and cash equivalents	13	(11)
Net increase in cash and cash equivalents	104	161
Cash and cash equivalents, beginning of period	185	171
Cash and cash equivalents, end of period	$ 289	$ 332

See Notes to Condensed Consolidated Financial Statements.

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

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/ Income	Non-controlling Interest	Total Equity
Balance as of December 31, 2016	106	$ 2	$ (5,118)	$ 3,966	$ 1,977	$ (113)	$ 4	$ 718
Net income	—	—	—	—	422	—	1	423
Other comprehensive income	—	—	—	—	—	104	—	104
Net share settlement of incentive equity awards	—	—	—	(34)	—	—	—	(34)
Change in deferred compensation	—	—	—	46	—	—	—	46
Change in deferred compensation for Board of Directors	—	—	—	2	—	—	—	2
Repurchase of common stock	(5)	—	(450)	—	—	—	—	(450)
Dividends	—	—	—	—	(180)	—	—	(180)
Other	—	—	—	—	—	—	1	1
Balance as of September 30, 2017	101	$ 2	$ (5,568)	$ 3,980	$ 2,219	$ (9)	$ 6	$ 630

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	Non-controlling Interest	Total Equity
Balance as of December 31, 2015	114	$ 2	$ (4,493)	$ 3,923	$ 1,592	$ (74)	$ 3	$ 953
Net income	—	—	—	—	447	—	1	448
Other comprehensive income	—	—	—	—	—	18	—	18
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of incentive equity awards	—	—	—	(34)	—	—	—	(34)
Change in deferred compensation	—	—	—	52	—	—	—	52
Change in deferred compensation for Board of Directors	—	—	—	1	—	—	—	1
Repurchase of common stock	(7)	—	(475)	—	—	—	—	(475)
Change in excess tax benefit on equity awards	—	—	—	8	—	—	—	8
Dividends	—	—	—	—	(173)	—	—	(173)
Other	—	—	—	(1)	—	—	—	(1)
Balance as of September 30, 2016	108	$ 2	$ (4,968)	$ 3,949	$ 1,866	$ (56)	$ 4	$ 797

See Notes to Condensed Consolidated Financial Statements.

WYNDHAM WORLDWIDE CORPORATION
NOTES TO CONDENSED 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 Condensed 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 Condensed 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 Condensed Consolidated Financial Statements.

In presenting the Condensed 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 Condensed 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 Condensed Consolidated Financial Statements should be read in conjunction with the Company's 2016 Consolidated Financial Statements included in its Annual Report filed on Form 10-K with the Securities and Exchange Commission on February 17, 2017.

Business Description

The Company operates in the following business segments:

- **Hotel Group**—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.
- **Destination Network**—provides vacation exchange services and products to owners of vacation ownership interests ("VOIs") and manages 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

Revenue from Contracts with Customers. In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance on revenue from contracts with customers. The guidance outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The guidance also requires disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Entities have the option to apply the new guidance under a retrospective approach to each prior reporting period presented or a modified retrospective approach with the cumulative effect of initially applying the new guidance recognized at the date of initial application within the statement of financial position. The Company currently expects to adopt the new guidance utilizing the full retrospective transition method on its effective date of January 1, 2018.

The Company has substantially completed its assessment of the new guidance and is finalizing its quantification of the impact of its loyalty program based on latest available guidance. The Company estimates that its 2016 revenues will increase between $3 million and $6 million and the change in its 2016 net income will be between a $2 million decrease and a $2 million increase. The Company estimates that its 2016 beginning retained earnings will be reduced between $40 million and $60 million as a result of this adoption. Additionally, the Company expects a change in the seasonality of its revenues and net income, primarily reflecting a shift of revenues and net income from the first quarter to the third quarter.

The Company believes the most significant impacts relating to its Hotel Group segment are the accounting for initial fees, upfront costs, loyalty revenues and marketing and reservation expenses. Specifically, under the new guidance, the Company expects initial fees to be recognized ratably over the life of the noncancelable period of the franchise agreement and incremental upfront contract costs to be deferred and expensed over the life of the noncancelable period of the franchise agreement. The Company expects loyalty revenues to be deferred and primarily recognized over the loyalty points redemption pattern. The Company will no longer accrue a liability for future marketing and reservation costs when marketing and reservation revenues earned exceed costs incurred. Marketing and reservation costs incurred in excess of revenues earned will continue to be expensed as incurred.

The Company believes the most significant impacts relating to its Destination Network segment are the accounting for vacation rental revenues and other vacation exchange related product fees. Specifically, under the new guidance, the Company expects (i) approximately thirty percent of its vacation rental revenue will no longer be recognized in the period that the rental reservation is booked and, instead, will be recognized over the term of the guest stay and (ii) other vacation exchange related product fees will no longer be recognized in the period that the product is purchased and, instead, will be deferred and recognized upon the occurrence of a future vacation exchange or other related transaction. The Company expects vacation exchange transaction and membership fees to remain substantially unchanged.

The Company expects the recognition of its Vacation Ownership segment revenues to remain substantially unchanged, with the exception of (i) revenue from certain travel packages utilized to market its VOI products, which will be presented on a gross basis within other revenues and (ii) a reduction of property management revenues by the proportionate share of maintenance fees paid on its unsold inventory.

Leases. In February 2016, the FASB issued guidance which requires companies generally to recognize on the balance sheet operating and financing lease liabilities and corresponding right-of-use assets. This guidance is effective for fiscal years beginning after December 15, 2018 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Financial Instruments - Credit Losses. In June 2016, the FASB issued guidance which amends the guidance on measuring credit losses on financial assets held at amortized cost. The guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Statement of Cash Flows. In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. This guidance requires the retrospective transition method and is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. The Company believes the impact of this new guidance will result in payments of, and proceeds from, development advance notes being recorded within operating activities on its Condensed Consolidated Statement of Cash Flows.

Restricted Cash. In November 2016, the FASB issued guidance which requires amounts generally described as restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the total beginning and ending amounts for the periods shown on the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. The Company will adopt this new guidance on January 1, 2018, using a retrospective transition method. The Company believes the impact of the new restricted cash guidance will result in escrow deposits and restricted cash being included with cash and cash equivalents on the statement of cash flows.

The table below summarizes the effects of the new statement of cash flows and restricted cash guidance on the Company’s Condensed Consolidated Statements of Cash Flows:

	Nine Months Ended September 30,	
Increase/(decrease):	**2017**	**2016**
Operating Activities	$ (2)	$ (4)
Investing Activities	3	2
Cash and cash equivalents, beginning of period	149	152
Cash and cash equivalents, end of period	166	149

Intra-Entity Transfers of Assets Other Than Inventory. In October 2016, the FASB issued guidance which requires companies to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This guidance requires the modified retrospective approach and is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Clarifying the Definition of a Business. In January 2017, the FASB issued guidance clarifying the definition of a business, which assists entities when evaluating whether transactions should be accounted for as acquisitions of businesses or assets. This guidance is effective on a prospective basis for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued guidance which simplifies the current two-step goodwill impairment test by eliminating Step 2 of the test. The guidance requires a one-step impairment test in which an entity compares the fair value of a reporting unit with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, if any. This guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, and should be applied on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Compensation - Stock Compensation. In May 2017, the FASB issued guidance which provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. This guidance does not change the accounting for modifications but clarifies that modification accounting guidance should only be applied if there is a change to the value, vesting conditions, or award classification and would not be required if the changes are considered non-substantive. This guidance is effective for fiscal years beginning after December 15, 2017 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Derivatives and Hedging - Targeted Improvements to Accounting for Hedging Activities. In August 2017, the FASB issued guidance intended to better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The guidance will expand and refine hedge accounting for both nonfinancial and financial risk components and align the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. This guidance is effective for fiscal years beginning after December 15, 2018 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating impact of the adoption of this guidance on its financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

Simplifying the Measurement of Inventory. In July 2015, the FASB issued guidance related to simplifying the measurement of inventory. This guidance requires an entity to measure inventory at the lower of cost or net realizable value, which consists of the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This guidance is effective prospectively for fiscal years beginning after December 15, 2016 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted the guidance on January 1, 2017, as required. There was no material impact on its financial statements and related disclosures.

Compensation - Stock Compensation. In March 2016, the FASB issued guidancewhich is intended to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2016 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted the guidance on January 1, 2017, as required. The Company elected to use the prospective transition method and as such, the excess tax benefits from stock-based compensation were presented as part of operating activities within its current period Condensed Consolidated Statement of Cash Flows. In addition, the excess tax benefit of $6 million has been recognized within the provision for income taxes for the nine months ended September 30, 2017, on the Condensed Consolidated Statement of Income.

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 September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income attributable to Wyndham shareholders	$ 203	$ 196	$ 422	$ 447
Basic weighted average shares outstanding	102.4	109.0	103.7	110.9
Stock-settled appreciation rights ("SSARs"), RSUs [a] and PSUs [b]	0.5	0.6	0.5	0.6
Diluted weighted average shares outstanding	102.9	109.6	104.2	111.5
Earnings per share:				
Basic	$ 1.98	$ 1.79	$ 4.07	$ 4.03
Diluted	1.97	1.78	4.05	4.01
Dividends:				
Aggregate dividends paid to shareholders	$ 59	$ 54	$ 184	$ 169

(a) Excludes 1.1 million and 1.0 million of restricted stock units ("RSUs") for the three and nine months ended September 30, 2016, respectively, that would have been anti-dilutive to EPS. Includes unvested dilutive RSUs which are subject to future forfeiture.

(b) Excludes 0.6 million of performance vested restricted stock units ("PSUs") for the three and nine months ended September 30, 2016, 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 Repurchased	Cost	Average Price Per Share
As of December 31, 2016	88.1	$ 4,337	$ 49.22
During the nine months ended September 30, 2017	4.9	450	91.81
As of September 30, 2017	93.0	$ 4,787	51.47

The Company had $290 million of remaining availability under its program as of September 30, 2017.

3. Acquisitions

Assets acquired and liabilities assumed in business combinations were recorded on the Condensed 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 Condensed 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 Condensed Consolidated Statements of Income as expenses.

Love Home Swap. During the nine months ended September 30, 2017, the Company acquired a controlling interest in Love Home Swap, a United Kingdom home exchange company. The Company had convertible notes which, at the time of acquisition, it converted into a 47% equity ownership interest in Love Home Swap and purchased the remaining 53% of equity for $27 million, net of cash acquired. As a result, the Company recognized a non-cash gain of $13 million (no tax impact associated with this gain) resulting from the remeasurement of the carrying value of the Company's 47% ownership interest to its fair value. The preliminary purchase price allocations resulted primarily in the recognition of (i)$48 million of goodwill, none of which is expected to be deductible for tax purposes, (ii) $5 million of trademarks, (iii) $5 million of definite-lived intangible assets with a weighted average life ofnine years, (iv) $2 million of other assets and (v) $8 million of liabilities. This acquisition was not material to the Company's results of operations, financial position or cash flows.

Other. During the nine months ended September 30, 2017, the Company completedthree other acquisitions at its Destination Network segment for$16 million in cash, net of cash acquired, and $1 million of contingent consideration. The preliminary purchase price allocations resulted primarily in the recognition of (i)$27 million of other assets, (ii) $7 million of goodwill, of which $4 million is expected to be deductible for tax purposes, (iii)$3 million of definite-lived intangible assets with a weighted average life of eight years, (iv) $4 million of trademarks and (v) $24 million of liabilities. These acquisitions were not material to the Company's results of operations, financial position or cash flows.

4. Intangible Assets

Intangible assets consisted of:

	September 30, 2017			December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets:						
Goodwill	$ 1,698			$ 1,603		
Trademarks	$ 735			$ 720		
Amortized Intangible Assets:						
Franchise agreements	$ 594	$ 412	$ 182	$ 594	$ 401	$ 193
Management agreements	171	64	107	168	54	114
Trademarks	20	8	12	20	6	14
Other	164	75	89	148	62	86
	$ 949	$ 559	$ 390	$ 930	$ 523	$ 407

The changes in the carrying amount of goodwill are as follows:

	Balance as of December 31, 2016	Adjustments to Goodwill Acquired During 2016	Goodwill Acquired During 2017	Foreign Exchange	Balance as of September 30, 2017
Hotel Group	$ 377	$ 1	$ —	$ —	$ 378
Destination Network	1,199	1	55	38	1,293
Vacation Ownership	27	—	—	—	27
Total Company	$ 1,603	$ 2	$ 55	$ 38	$ 1,698

Amortization expense relating to amortizable intangible assets was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Franchise agreements	$ 3	$ 3	$ 11	$ 11
Management agreements	3	3	9	8
Other	4	3	10	9
Total (*)	$ 10	$ 9	$ 30	$ 28

(*) Included as a component of depreciation and amortization on the Consolidated Statements of Income.

Based on the Company's amortizable intangible assets as of September 30, 2017, the Company expects related amortization expense as follows:

	Amount
Remainder of 2017	$ 9
2018	34
2019	33
2020	32
2021	30
2022	29

5. 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:

	September 30, 2017	December 31, 2016
Current vacation ownership contract receivables:		
Securitized	$ 226	$ 235
Non-securitized	91	84
Current vacation ownership contract receivables, gross	317	319
Less: Allowance for loan losses	60	57
Current vacation ownership contract receivables, net	$ 257	$ 262
Long-term vacation ownership contract receivables:		
Securitized	$ 2,274	$ 2,254
Non-securitized	957	825
Long-term vacation ownership contract receivables, gross	3,231	3,079
Less: Allowance for loan losses	624	564
Long-term vacation ownership contract receivables, net	$ 2,607	$ 2,515

The Company's securitized vacation ownership contract receivables generated interest income of $85 million and $251 million during the three and nine months ended September 30, 2017, respectively, and $83 million and $247 million during the three and nine months ended September 30, 2016, respectively. Such interest income is included within consumer financing revenue on the Condensed 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 Condensed Consolidated Balance Sheets. During the nine months ended September 30, 2017 and 2016, the Company originated vacation ownership contract receivables of $1,043 million and $908 million, respectively, and received principal collections of $656 million and $613 million, respectively. The weighted average interest rate on outstanding vacation ownership contract receivables was 13.9% for both September 30, 2017 and December 31, 2016.

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, 2016	$ 621
Provision for loan losses	319
Contract receivables write-offs, net	(256)
Allowance for loan losses as of September 30, 2017	$ 684

	Amount
Allowance for loan losses as of December 31, 2015	$ 581
Provision for loan losses	256
Contract receivables write-offs, net	(218)
Allowance for loan losses as of September 30, 2016	$ 619

In accordance with the guidance for accounting for real estate time-sharing transactions, the Company recorded a provision for loan losses of $123 million and $319 million as a reduction of net revenues during the three and nine months ended September 30, 2017, respectively, and $104 million and $256 million for the three and nine months ended September 30, 2016, 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 in the United States by the largest banks and lending institutions. FICO scores range from 300 to 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, ranging from 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 aging analysis of financing receivables using the most recently updated FICO scores (based on the policy described above):

	As of September 30, 2017					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,820	$ 1,032	$ 162	$ 129	$ 259	$ 3,402
31 - 60 days	17	30	18	4	2	71
61 - 90 days	10	16	11	2	1	40
91 - 120 days	8	13	12	2	—	35
Total	$ 1,855	$ 1,091	$ 203	$ 137	$ 262	$ 3,548

	As of December 31, 2016					
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	$ 1,733	$ 1,010	$ 149	$ 120	$ 232	$ 3,244
31 - 60 days	19	32	17	4	2	74
61 - 90 days	11	16	11	3	1	42
91 - 120 days	8	14	13	2	1	38
Total	$ 1,771	$ 1,072	$ 190	$ 129	$ 236	$ 3,398

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.

6. Inventory

Inventory consisted of:

	September 30, 2017	December 31, 2016
Land held for VOI development	$ 4	$ 146
VOI construction in process	18	59
Inventory sold subject to conditional repurchase	92	163
Completed VOI inventory	878	667
Estimated VOI recoveries [(a)]	278	256
Destination Network vacation credits and other	63	59
Total inventory	1,333	1,350
Less: Current portion [(b)]	317	315
Non-current inventory	$ 1,016	$ 1,035

(a) Represents an estimate of VOI inventory that will be recovered upon vacation ownership contract receivable defaults.

(b) Represents inventory that the Company expects to sell within the next 12 months.

During the nine months ended September 30, 2017 and 2016, the Company transferred $36 million and $48 million, respectively, from property and equipment to VOI inventory. In addition to the inventory obligations listed below, the Company had $5 million and $8 million of inventory accruals as of September 30, 2017 and December 31, 2016, respectively, included within accounts payable on the Condensed Consolidated Balance Sheets.

During May 2017, the Company's new leadership at its vacation ownership business performed an in-depth review of its operations, including its current development pipeline and long-term development plan. In connection with this review, the Company made a decision to no longer pursue future development at certain locations and thus performed a fair value assessment on these locations. As a result, the Company recorded a $135 million non-cash impairment charge primarily related to the write-down of land held for VOI development (see Note 17 - Asset Impairments and Other Charges for further details).

Inventory Sale Transactions

During 2015 and 2016, the Company sold real property located in St. Thomas, U.S. Virgin Islands ("St. Thomas") to a third-party developer, consisting of vacation ownership inventory. 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.

The Company recognized no gain or loss on these sales transactions. In accordance with the agreements with the third-party developers, the Company has conditional rights and conditional obligations to repurchase the completed properties from the developers subject to the properties conforming to the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. Under the sale of real estate accounting guidance, the conditional rights and obligations of the Company constitute continuing involvement and thus the Company did not account for these transactions as a sale.

During 2014, the Company acquired the property located in Avon, Colorado from the third-party developer. In connection with this acquisition, the Company had an outstanding obligation of $22 million as of September 30, 2017, of which $11 million was included within accrued expenses and other current liabilities and $11 million was included within other non-current liabilities on the Condensed Consolidated Balance Sheet. During the nine months ended September 30, 2017, the Company paid $11 million to the third-party developer, of which $9 million was for vacation ownership inventory and $2 million was to satisfy a portion of its inventory obligation. As of December 31, 2016, the Company had an outstanding obligation of $32 million, of which $11 million was included within accrued expenses and other current liabilities and $21 million was included within other non-current liabilities on the Condensed Consolidated Balance Sheet.

In connection with the Las Vegas, Nevada and St. Thomas properties, the Company had outstanding obligations of $93 million as of September 30, 2017, of which $39 million was included within accrued expenses and other current liabilities and $54 million was included within other non-current liabilities on the Condensed Consolidated Balance Sheet. During the nine months ended September 30, 2017, the Company paid $106 million to the third-party developer, of which $63 million was for vacation ownership inventory located in Las Vegas, Nevada and St. Thomas, $39 million was for its obligation under the vacation ownership inventory arrangements and $4 million was for accrued interest. As of December 31, 2016, the Company had an outstanding obligation related to the Las Vegas, Nevada and St. Thomas properties of $166 million, of which $74 million was included within accrued expenses and other current liabilities and $92 million was included within other non-current liabilities on the Condensed Consolidated Balance Sheet.

The Company has guaranteed to repurchase the completed properties located in Las Vegas, Nevada and St. Thomas from the third-party developers subject to the properties meeting the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. The maximum potential future payments that the Company could be required to make under these commitments was $205 million as of September 30, 2017.

During the second quarter of 2017, the Company acquired property located in Austin, Texas from a third-party developer for $93 million. During the nine months ended September 30, 2017, the Company paid $31 million to the third-party developer for vacation ownership inventory. In connection with this acquisition, the Company had an outstanding obligation of $62 million as of September 30, 2017, of which $31 million was included within accrued expenses and other current liabilities and $31 million was included within other non-current liabilities on the Condensed Consolidated Balance Sheet.

7. Long-Term Debt and Borrowing Arrangements

The Company's indebtedness consisted of:

	September 30, 2017	December 31, 2016
Securitized vacation ownership debt: [a]		
Term notes [b]	$ 1,419	$ 1,857
Bank conduit facility [c]	582	284
Total securitized vacation ownership debt	2,001	2,141
Less: Current portion of securitized vacation ownership debt	192	195
Long-term securitized vacation ownership debt	$ 1,809	$ 1,946
Long-term debt: [d]		
Revolving credit facility (due July 2020)	$ 455	$ 14
Commercial paper	100	427
Term loan (due March 2021)	324	323
$300 million 2.95% senior unsecured notes (due March 2017)	—	300
$450 million 2.50% senior unsecured notes (due March 2018)	450	449
$40 million 7.375% senior unsecured notes (due March 2020)	40	40
$250 million 5.625% senior unsecured notes (due March 2021)	248	248
$650 million 4.25% senior unsecured notes (due March 2022) [e]	648	648
$400 million 3.90% senior unsecured notes (due March 2023) [f]	406	407
$300 million 4.15% senior unsecured notes (due April 2024)	297	—
$350 million 5.10% senior unsecured notes (due October 2025) [g]	339	338
$400 million 4.50% senior unsecured notes (due April 2027) [h]	400	—
Capital leases	143	143
Other	50	34
Total long-term debt	3,900	3,371
Less: Current portion of long-term debt	42	34
Long-term debt	$ 3,858	$ 3,337

(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 (which legally are not liabilities of the Company) are collateralized by $2,614 million and $2,601 million of underlying gross vacation ownership contract receivables and related assets (which legally are not assets of the Company) as of September 30, 2017 and December 31, 2016, respectively.

(b) The carrying amounts of the term notes are net of debt issuance costs aggregating $18 million and $24 million as of September 30, 2017 and December 31, 2016, respectively.

(c) The Company has borrowing capability under the Bank conduit facility through August 2018. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than September 2019.

(d) The carrying amounts of the senior unsecured notes and term loan are net of unamortized discounts of $14 million and $11 million as of September 30, 2017 and December 31, 2016, respectively. The carrying amounts of the senior unsecured notes and term loan are net of debt issuance costs of $5 million and $4 million as of September 30, 2017 and December 31, 2016, respectively.

(e) Includes $2 million of unamortized gains from the settlement of a derivative as of both September 30, 2017 and December 31, 2016,

(f) Includes $8 million and $9 million of unamortized gains from the settlement of a derivative as of September 30, 2017 and December 31, 2016, respectively.

(g) Includes $8 million and $9 million of unamortized losses from the settlement of a derivative as of September 30, 2017 and December 31, 2016, respectively.

(h) Includes a $4 million increase in the carrying value resulting from a fair value hedge derivative as of September 30, 2017.

Long-Term Debt

The Company's $450 million 2.50% senior unsecured notes due March 2018 are classified as long-term as the Company has the intent to refinance such debt on a long-term basis and the ability to do so with available capacity under its revolving credit facility.

Debt Issuances

Sierra Timeshare 2017-1 Receivables Funding, LLC. During March 2017, the Company closed a series of term notes payable, issued by Sierra Timeshare 2017-1 Receivables Funding, LLC, with an initial principal amount of $350 million, which are secured by vacation ownership contract receivables and bear interest at a weighted average coupon rate of 2.97%. The advance rate for this transaction was 90%. As of September 30, 2017, the Company had outstanding borrowings under these term notes of $247 million, net of debt issuance costs.

4.15% Senior Unsecured Notes. During March 2017, the Company issued senior unsecured notes, with face value of $300 million and bearing interest at a rate of 4.15%, for net proceeds of $297 million. The interest on the senior unsecured notes will be subject to adjustments from time to time if there are downgrades to the credit ratings assigned to the notes. Interest began accruing on March 21, 2017 and is payable semi-annually in arrears on April 1 and October 1 of each year, commencing on October 1, 2017. The notes will mature on April 1, 2024 and are redeemable at the Company's option at a redemption price equal to the greater of (i) the sum of the principal being redeemed and (ii) a "make-whole" price specified in the Indenture and the notes, plus, in each case, accrued and unpaid interest. These notes rank equally in right of payment with all of the Company's other senior unsecured indebtedness.

4.50% Senior Unsecured Notes. During March 2017, the Company issued senior unsecured notes, with face value of $400 million and bearing interest at a rate of 4.50%, for net proceeds of $397 million. The interest on the senior unsecured notes will be subject to adjustments from time to time if there are downgrades to the credit ratings assigned to the notes. Interest began accruing on March 21, 2017 and is payable semi-annually in arrears on April 1 and October 1 of each year, commencing on October 1, 2017. The notes will mature on April 1, 2027 and are redeemable at the Company's option at a redemption price equal to the greater of (i) the sum of the principal being redeemed and (ii) a "make-whole" price specified in the Indenture and the notes, plus, in each case, accrued and unpaid interest. These notes rank equally in right of payment with all of the Company's other senior unsecured indebtedness.

Other. During 2015, the Company entered into an agreement with a third-party partner whereby the partner would develop and construct VOI inventory through an SPE. The SPE financed the development and construction with a four-year bank mortgage note. During the first quarter of 2017, the third-party partner met certain conditions of the agreement, which resulted in the Company committing to purchase $51 million of VOI inventory located in Clearwater, Florida, from the SPE over a two-year period. Such proceeds from the purchase will be used by the SPE to repay the mortgage notes. The Company is considered to be the primary beneficiary for specified assets and liabilities of the SPE and, therefore, the Company consolidated such assets and liabilities within its consolidated financial statements. As of September 30, 2017, the Company's obligation under the notes was $35 million, with principal and interest payable tri-annually (see Note 8 - Variable Interest Entities for further details).

Commercial Paper

The Company maintains U.S. and European commercial paper programs with a total capacity of $750 million and $500 million, respectively. As of September 30, 2017, the Company had outstanding borrowings of $100 million at a weighted average interest rate of 1.97%, all of which were under its U.S. commercial paper program. As of December 31, 2016, the Company had outstanding borrowings of $427 million at a weighted average interest rate of 1.36%, all of which were under its U.S. commercial paper program. 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

During the first quarter of 2017, the Company entered into pay-variable/receive-fixed interest rate swap agreements on its 4.50% senior unsecured notes with notional amounts of $400 million. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. As of September 30, 2017, the variable interest rate on the notional portion of the 4.50% senior unsecured notes was 3.42%. The aggregate fair value of the swap agreements resulted in $4 million of assets as of September 30, 2017, which were included within other non-current assets on the Condensed Consolidated Balance Sheet.

During 2013, the Company entered into pay-variable/receive-fixed interest rate swap agreements on its 3.90% and 4.25% senior unsecured notes with notional amounts of $400 million and $100 million, respectively. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. During May 2015, the Company terminated the swap agreements resulting in a gain of $17 million, which is being amortized over the remaining life of the senior unsecured notes as a reduction to interest expense on the Condensed Consolidated Statements of Income. The Company had $10 million and $11 million of deferred gains as of September 30, 2017 and December 31, 2016, respectively, which are included within long-term debt on the Condensed Consolidated Balance Sheets.

Maturities and Capacity

The Company's outstanding debt as of September 30, 2017 matures as follows:

	Securitized Vacation Ownership Debt	Long-Term Debt	Total
Within 1 year	$ 192	$ 506 (*)	$ 698
Between 1 and 2 years	669	39	708
Between 2 and 3 years	159	638	797
Between 3 and 4 years	170	544	714
Between 4 and 5 years	181	658	839
Thereafter	630	1,515	2,145
	$ 2,001	$ 3,900	$ 5,901

(*) Includes $464 million of senior unsecured notes that are classified as long-term debt as the Company has the intent to refinance such debt on a long-term basis and the ability to do so with available capacity under its revolving credit facility.

Required principal payments on the securitized vacation ownership debt are based on the contractual repayment terms of the underlying vacation ownership contract receivables. Actual maturities may differ as a result of prepayments by the vacation ownership contract receivable obligors.

As of September 30, 2017, 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	582	455
Letters of credit	—	1
Commercial paper borrowings	—	100 (b)
Available Capacity	$ 68	$ 944

(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.

Early Extinguishment of Debt

During the first quarter of 2016, the Company redeemed the remaining portion of its 6.00% senior unsecured notes for a total of $327 million. As a result, the Company incurred an $11 million loss during the nine months ended September 30, 2016, which is included within early extinguishment of debt on the Condensed Consolidated Statement of Income.

Interest Expense

During the three and nine months ended September 30, 2017, the Company incurred non-securitized interest expense of $42 million and $115 million, respectively, which primarily consisted of $43 million and $117 million of interest on long-term debt, partially offset by less than $1 million and $2 million of capitalized interest. Such amounts are included within interest expense on the Condensed Consolidated Statements of Income. Cash paid related to interest on the Company's non-securitized debt was $117 million during the nine months ended September 30, 2017.

During the three and nine months ended September 30, 2016, the Company incurred non-securitized interest expense of $34 million and $102 million, respectfully, which primarily consisted of $35 million and $106 million of interest on long-term debt, partially offset by $1 million and $4 million of capitalized interest. Such amounts are included within interest expense on the Condensed Consolidated Statements of Income. Cash paid related to interest on the Company's non-securitized debt was $118 million during the nine months ended September 30, 2016.

Interest expense incurred in connection with the Company's securitized vacation ownership debt during the three and nine months ended September 30, 2017 was $17 million and $54 million, respectively, and $19 million and $55 million during the three and nine months ended September 30, 2016, respectively, and is recorded within consumer financing interest on the Condensed Consolidated Statements of Income. Cash paid related to such interest was $37 million and $38 million for the nine months ended September 30, 2017 and 2016, respectively.

8. Variable Interest Entities

In accordance with the applicable accounting guidance for the consolidation of a variable interest entity ("VIE"), 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 Company's 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 arm's-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 non-recourse debt that is securitized through the SPEs is legally not a liability of the Company and thus, the creditors have no recourse to the Company for principal and interest.

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

	September 30, 2017	December 31, 2016
Securitized contract receivables, gross [(a)]	$ 2,500	$ 2,489
Securitized restricted cash [(b)]	94	90
Interest receivables on securitized contract receivables [(c)]	20	21
Other assets [(d)]	2	4
Total SPE assets	2,616	2,604
Securitized term notes [(e) (f)]	1,419	1,857
Securitized conduit facilities [(e)]	582	284
Other liabilities [(g)]	1	2
Total SPE liabilities	2,002	2,143
SPE assets in excess of SPE liabilities	$ 614	$ 461

(a) Included in current ($226 million and $235 million as of September 30, 2017 and December 31, 2016, respectively) and non-current ($2,274 million and $2,254 million as of September 30, 2017 and December 31, 2016, respectively) vacation ownership contract receivables on the Condensed Consolidated Balance Sheets.

(b) Included in other current assets ($72 million and $75 million as of September 30, 2017 and December 31, 2016, respectively) and other non-current assets ($22 million and $15 million as of September 30, 2017 and December 31, 2016, respectively) on the Condensed Consolidated Balance Sheets.

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

(d) Primarily includes deferred financing costs for the bank conduit facility and a security investment asset, which are included in other non-current assets on the Condensed Consolidated Balance Sheets.

(e) Included in current ($192 million and $195 million as of September 30, 2017 and December 31, 2016, respectively) and long-term ($1,809 million and $1,946 million as of September 30, 2017 and December 31, 2016, respectively) securitized vacation ownership debt on the Condensed Consolidated Balance Sheets.

(f) Includes deferred financing costs of $18 million and $24 million as of September 30, 2017 and December 31, 2016, respectively, related to securitized debt.

(g) Primarily includes accrued interest on securitized debt, which is included in accrued expenses and other current liabilities on the Condensed 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 $1,048 million and $909 million as of September 30, 2017 and December 31, 2016, respectively.

A summary of total vacation ownership contract receivables and other securitized assets, net of securitized liabilities and the allowance for loan losses, is as follows:

	September 30, 2017	December 31, 2016
SPE assets in excess of SPE liabilities	$ 614	$ 461
Non-securitized contract receivables	1,048	909
Less: Allowance for loan losses	684	621
Total, net	$ 978	$ 749

In addition to restricted cash related to securitizations, the Company had $72 million and $59 million of restricted cash related to escrow deposits as of September 30, 2017 and December 31, 2016, respectively, which are recorded within other current assets on the Condensed Consolidated Balance Sheets.

Midtown 45, NYC Property

During 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 four-year mortgage note and mandatorily redeemable equity provided by related parties of such partner. At the time of the agreement, the Company committed to purchase such VOI inventory from the SPE over a four-year period. Such proceeds from the purchase were used by the SPE to repay the four-year mortgage note and the mandatorily redeemable equity. The Company is considered to be the primary beneficiary of the SPE and therefore, the Company consolidated the SPE within its financial statements. During the first quarter of 2017, the Company made its final purchase of VOI inventory from the SPE.

Clearwater, FL Property

During 2015, the Company entered into an agreement with a third-party partner whereby the partner would develop and construct VOI inventory through an SPE. During the first quarter of 2017, the third-party partner met certain conditions of the agreement, which resulted in the Company committing to purchase $51 million of VOI inventory from the SPE over a two-year period. Such proceeds from the purchase will be used by the SPE to repay its mortgage notes related to the property. The Company is considered to be the primary beneficiary for specified assets and liabilities of the SPE and, therefore, the Company consolidated (non-cash) $51 million of both property and equipment and long-term debt on its Condensed Consolidated Balance Sheet.

The assets and liabilities of the Clearwater, FL Property and the Midtown 45, NYC Property SPEs are as follows:

	September 30, 2017	December 31, 2016
Receivable for leased property and equipment (a)	$ —	$ 16
Property and equipment, net	35	—
Total SPE assets	35	16
Long-term debt (b)	35	17
Total SPE liabilities	35	17
SPE deficit	$ —	$ (1)

(a) Represents a receivable for assets leased to the Company which are reported within property and equipment, net on the Company's Condensed Consolidated Balance Sheet.

(b) As of September 30, 2017, included $35 million relating to a two-year mortgage note, of which $25 million was included in current portion of long-term debt on the Condensed Consolidated Balance Sheet. As of December 31, 2016, included $15 million relating to a four-year mortgage note due in 2017 and $2 million of mandatorily redeemable equity, both of which were included in current portion of long-term debt on the Condensed Consolidated Balance Sheet.

During the nine months ended September 30, 2017 and 2016, the SPE conveyed $30 million and $28 million, respectively, of property and equipment to the Company.

9. Fair Value

The Company measures its financial assets and liabilities at fair value on a recurring basis and utilizes the fair value hierarchy 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.

As of September 30, 2017, the Company had interest rate swap contracts resulting in $4 million of assets which are included within other non-current assets and foreign exchange contracts resulting in $1 million of assets which are included within other current assets and $1 million of liabilities which are included within accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet. As of December 31, 2016, the Company had foreign exchange contracts resulting in $1 million of assets which are included within other current assets and $1 million of liabilities which are included within accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet. On a recurring basis, such assets and liabilities are remeasured at estimated fair value (all of which are Level 2) and thus are equal to the carrying 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:

	September 30, 2017		December 31, 2016	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net	$ 2,864	$ 3,448	$ 2,777	$ 3,344
Debt				
Total debt	5,901	5,977	5,512	5,579

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).

10. Derivative Instruments and Hedging Activities

Foreign Currency Risk

The Company has foreign currency rate exposure to exchange rate fluctuations worldwide with particular exposure to the British pound, the Euro and the Canadian and Australian dollars. The Company uses freestanding foreign currency forward contracts to manage a portion of its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, payables, forecasted earnings of foreign subsidiaries and intercompany borrowings that are denominated in currencies other than the Company's underlying functional currency. During the first quarter of 2017, the Company undertook an internal restructuring to realign the capital structure of certain subsidiaries to reduce its exposure to changes in foreign currency exchange on certain intercompany borrowings.

Additionally, the Company uses foreign currency forward contracts designated as cash flow hedges to manage a portion of its exposure to changes in forecasted foreign currency denominated vendor payments. Gains and losses relating to freestanding foreign currency contracts are included in operating expenses on the Company's Condensed Consolidated Statements of Income and are substantially offset by the earnings effect from the underlying items that were economically hedged. The freestanding foreign currency contracts resulted in $1 million and less than $1 million of losses during the three months ended September 30, 2017 and 2016, respectively. The freestanding foreign currency contracts resulted in $1 million of gains and $11 million of losses during the nine months ended September 30, 2017 and 2016, respectively. The amount of gains or losses relating to contracts designated as cash flow hedges that the Company expects to reclassify from accumulated other comprehensive income ("AOCI") to earnings over the next 12 months is not material.

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 gains or losses that the Company expects to reclassify from AOCI to earnings during the next 12 months is not material.

Gains or losses recognized in AOCI for the three and nine months ended September 30, 2017 and 2016 were not material.

11. Income Taxes

The Company files income tax returns in the U.S. federal and state jurisdictions, as well as in foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2014. In addition, with few exceptions, the Company is no longer subject to state and local, or foreign income tax examinations for years prior to 2009.

The Company's effective tax rates were 35.1% and 35.8% during the three months ended September 30, 2017 and 2016, respectively. The decrease was principally due to a nontaxable $13 million non-cash gain during 2017 resulting from the acquisition of a controlling interest in Love Home Swap at the Company's destination network business, partially offset by certain nondeductible costs related to the planned spin-off of the Company's hotel business and the exploration of strategic alternatives for its European rental brands during 2017.

The Company's effective tax rates were 29.0% and 37.3% during the nine months ended September 30, 2017 and 2016, respectively. The decrease was principally due to (i) a tax benefit on foreign currency losses recognized from an internal restructuring undertaken to realign the organizational and capital structure of certain foreign operations during 2017, (ii) the impact of non-cash impairment charges primarily related to the write-down of undeveloped land during 2017, and (iii) a tax benefit associated with the recently adopted stock-based compensation pronouncement during 2017.

The Company made cash income tax payments, net of refunds, of $217 million and $124 million during the nine months ended September 30, 2017 and 2016, respectively.

12. Commitments and Contingencies

The Company is involved in claims, legal and regulatory proceedings, and governmental inquiries related to its 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 hotel group 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 destination network 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 or acts or occurrences related to 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 or acts or occurrences related to 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 including but not limited to, claims of wrongful termination, 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, fiduciary duty/trust claims, tax claims, environmental claims and landlord/tenant disputes.

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 with reserves of $45 million and $40 million as of September 30, 2017 and December 31, 2016, respectively. Such reserves are exclusive of matters relating to the Company's separation from Cendant (the "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. The Company had receivables of $17 million and $20 million as of September 30, 2017 and December 31, 2016, respectively, for certain matters which are covered by insurance and were included in other current assets on its Condensed Consolidated Balance Sheets. As of September 30, 2017, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to $72 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

Hotel Group

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 term of the guarantee and/or 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 original terms of the Company's existing guarantees range from 8 to 10 years.

As of September 30, 2017, the Company had three guarantees for which the maximum potential amount of future payments that the Company may be required to fund was $118 million with a combined annual cap of $27 million. These guarantees have a remaining life of approximately 5 to 7 years with a weighted average life of approximately 6 years. One of the guarantees has a recapture provision and, as a result, the Company had receivables of $5 million and $4 million as of September 30, 2017 and December 31, 2016, respectively, which were included within other non-current assets on its Condensed Consolidated Balance Sheets. Such receivables were the result of payments made to date that are subject to recapture and which the Company believes will be recoverable from future operating performance.

As of September 30, 2017, the Company has an additional guarantee with a recapture provision under which the Company may be required to fund a maximum of $36 million. Such guarantee terminates in July 2020. The related hotel management agreement, which terminates in July 2038, also provides that the Company may have to fund future operating profitability shortfalls in excess of the maximum guarantee through the term of the management agreement. In the event the Company chooses not to fund any future operating profitability shortfalls, the hotel owner may terminate the hotel management agreement without penalty and the Company would be required to pay liquidated damages. The Company had a $37 million receivable related to this guarantee as of September 30, 2017, of which $1 million was included in other current assets and $36 million was included in other non-current assets on its Condensed Consolidated Balance Sheet. As of December 31, 2016, the Company had a $32 million receivable related to this guarantee which was included in other non-current assets on its Condensed Consolidated Balance Sheet. Such receivables were the result of payments made to date that are subject to recapture and which the Company believes will be recoverable from future operating performance.

In connection with such performance guarantees, as of September 30, 2017, the Company maintained a liability of $21 million, of which $16 million was included in other non-current liabilities and $5 million was included in accrued expenses and other current liabilities on its Condensed Consolidated Balance Sheet. As of September 30, 2017, the Company also had a corresponding $29 million asset related to these guarantees, of which $25 million was included in other non-current assets and $4 million was included in other current assets on its Condensed Consolidated Balance Sheet. As of December 31, 2016, the Company maintained a liability of $24 million, of which $17 million was included in other non-current liabilities and $7 million was included in accrued expenses and other current liabilities on its Condensed Consolidated Balance Sheet. As of December 31, 2016, the Company also had a corresponding $32 million asset related to the guarantees, of which $28 million was included in other non-current assets and $4 million was included in other current assets on its Condensed 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 for both the three months ended September 30, 2017 and 2016 and $3 million for both the nine months ended September 30, 2017 and 2016.

Vacation Ownership

The Company has committed to repurchase completed properties located in Las Vegas, Nevada and St. Thomas from third-party developers subject to such properties meeting the Company's vacation ownership resort standards and provided that the third-party developers have not sold such properties to another party (see Note 6 - Inventory).

Cendant Litigation

Under the Cendant 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 Cendant Separation in 2006, the majority of the lawsuits pending on the date of the Cendant Separation have been settled. See Note 19 - Cendant Separation and Transactions with Former Parent and Subsidiaries regarding contingent litigation liabilities resulting from the Cendant Separation.

13. Accumulated Other Comprehensive (Loss)/Income

The components of Accumulated Other Comprehensive (Loss)/Income are as follows:

Pretax	Foreign Currency Translation Adjustments	Unrealized Gains /(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive (Loss)/Income
Balance, December 31, 2016	$ (225)	$ —	$ (7)	$ (232)
Period change	118	(1)	—	117
Balance, September 30, 2017	$ (107)	$ (1)	$ (7)	$ (115)
Tax				
Balance, December 31, 2016	$ 116	$ 1	$ 2	$ 119
Period change	(13)	—	—	(13)
Balance, September 30, 2017	$ 103	$ 1	$ 2	$ 106
Net of Tax				
Balance, December 31, 2016	$ (109)	$ 1	$ (5)	$ (113)
Period change	105	(1)	—	104
Balance, September 30, 2017	$ (4)	$ —	$ (5)	$ (9)

Pretax	Foreign Currency Translation Adjustments	Unrealized Gains /(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive (Loss)/Income
Balance, December 31, 2015	$ (139)	$ —	$ (9)	$ (148)
Period change	(14)	—	(1)	(15)
Balance, September 30, 2016	$ (153)	$ —	$ (10)	$ (163)
Tax				
Balance, December 31, 2015	$ 70	$ 1	$ 3	$ 74
Period change	33	—	—	33
Balance, September 30, 2016	$ 103	$ 1	$ 3	$ 107
Net of Tax				
Balance, December 31, 2015	$ (69)	$ 1	$ (6)	$ (74)
Period change	19	—	(1)	18
Balance, September 30, 2016	$ (50)	$ 1	$ (7)	$ (56)

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.

14. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant RSUs, PSUs, SSARs and other stock-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 September 30, 2017, 15.4 million shares remained available.

Incentive Equity Awards Granted by the Company

The activity related to incentive equity awards granted by the Company for the nine months ended September 30, 2017 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, 2016	1.7	$ 75.81	0.6	$ 77.84	0.5	$ 68.78
Granted [a]	0.7	85.13	0.3	83.86	—	—
Vested / exercised	(0.7)	73.75	(0.2)	72.97	(0.1)	44.57
Canceled	(0.1)	78.03	—	—	—	—
Balance as of September 30, 2017	1.6 [b] [c]	80.74	0.7 [d]	81.77	0.4 [e] [f]	74.37

(a) Primarily represents awards granted by the Company on February 28, 2017.

(b) Aggregate unrecognized compensation expense related to RSUs was $102 million as of September 30, 2017, which is expected to be recognized over a weighted average period of 2.7 years.

(c) Approximately 1.6 million RSUs outstanding as of September 30, 2017 are expected to vest over time.

(d) Maximum aggregate unrecognized compensation expense was $40 million as of September 30, 2017, which is expected to be recognized over a weighted average period of 1.9 years.

(e) Aggregate unrecognized compensation expense related to SSARs was $2 million as of September 30, 2017, which is expected to be recognized over a weighted average period of 1.9 years.

(f) Approximately 0.2 million SSARs were exercisable as of September 30, 2017. The Company assumes that all unvested SSARs are expected to vest over time. SSARs outstanding as of September 30, 2017 had an intrinsic value of $8 million and have a weighted average remaining contractual life of 2.6 years.

During the nine months ended September 30, 2017, the Company granted incentive equity awards totaling $63 million to key employees and senior officers in the form of RSUs. These awards will vest ratably over a period of four years. In addition, during the nine months ended September 30, 2017, the Company granted incentive equity awards totaling $22 million to key employees and senior officers 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. In August 2017, in conjunction with the proposed spin-off of the hotel franchising business, the Board of Directors approved certain modifications to the incentive equity awards granted by the Company which are contingent upon the completion of the proposed spin-off.

Stock-Based Compensation Expense

The Company adopted the new accounting guidance related to stock-based compensation on January 1, 2017, as required. The Company elected to use the prospective transition method and presented the excess tax benefits from stock-based compensation as part of operating activities within its current-period Condensed Consolidated Statement of Cash Flows. In addition, during the nine months ended September 30, 2017, the Company included a net benefit of $6 million within provision for income taxes on the Condensed Consolidated Statement of Income.

The Company recorded stock-based compensation expense of $15 million and $46 million during the three and nine months ended September 30, 2017, respectively, and $15 million and $51 million during the three and nine months ended September 30, 2016 respectively, related to incentive equity awards granted to key employees and senior officers. The Company also recorded stock-based compensation expense for non-employee directors of $1 million and less than $1 million, respectively, during the three months ended September 30, 2017 and 2016 and $1 million, during both the nine months ended September 30, 2017 and 2016. Additionally, $1 million of stock-based compensation expense was recorded within restructuring expense during the nine months ended September 30, 2017.

The Company paid $34 million of taxes for the net share settlement of incentive equity awards during the nine months ended September 30, 2017 and 2016. Such amounts are included within financing activities on the Condensed Consolidated Statements of Cash Flows.

15. 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 revenues) and income taxes, each of which is presented on the Condensed Consolidated Statements of Income. The Company believes that EBITDA is a useful measure of performance for its industry segments which, when considered with GAAP measures, the Company believes gives a more complete understanding of its operating performance. The Company's presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended September 30,			
	2017		2016	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Hotel Group	$ 368 [b]	$ 121	$ 364 [d]	$ 107
Destination Network	511 [c]	154	486 [c]	138
Vacation Ownership	773	190	744	189
Total Reportable Segments	1,652	465	1,594	434
Corporate and Other [a]	(23)	(43) [e]	(21)	(32)
Total Company	$ 1,629	$ 422	$ 1,573	$ 402

Reconciliation of Net income attributable to Wyndham shareholders to EBITDA

	Three Months Ended September 30,	
	2017	2016
Net income attributable to Wyndham shareholders	$ 203	$ 196
Net income attributable to noncontrolling interest	—	1
Provision for income taxes	110	110
Depreciation and amortization	69	63
Interest expense	42	34
Interest income	(2)	(2)
EBITDA	$ 422	$ 402

(a) Includes the elimination of transactions between segments.

(b) Includes $20 million of intersegment revenues comprised of $16 million of licensing fees for use of the Wyndham trade name and $4 million of other fees primarily associated with the Wyndham Rewards program. Such revenues are offset in expenses at the Company's Vacation Ownership segment.

(c) Includes $3 million and $2 million of intersegment revenues during the three months ended September 30, 2017 and 2016, respectively, primarily comprised of call center operations and support services provided to the Company's Hotel Group segment. Such revenues are offset in expenses primarily at the Company's Hotel Group segment.

(d) Includes $19 million of intersegment revenues comprised of (i) $16 million of licensing fees for use of the Wyndham trade name, (ii) $2 million of room revenues at a Company owned hotel and (iii) $1 million of other fees primarily associated with the Wyndham Rewards program. Such revenues are offset in expenses at the Company's Vacation Ownership segment.

(e) Includes $24 million of costs associated with the Company's planned spin-off of its hotel franchising business and the exploration of strategic alternatives for its European rental brands.

	Nine Months Ended September 30,			
	2017		2016	
	Net Revenues	EBITDA	Net Revenues	EBITDA
Hotel Group	$ 1,011 [b]	$ 312	$ 993 [d]	$ 291
Destination Network	1,308 [c]	345	1,255 [c]	303
Vacation Ownership	2,171	356 [e]	2,089	512
Total Reportable Segments	4,490	1,013	4,337	1,106
Corporate and Other [a]	(63)	(111) [f]	(58)	(97)
Total Company	$ 4,427	$ 902	$ 4,279	$ 1,009

Reconciliation of Net income attributable to Wyndham shareholders to EBITDA

	Nine Months Ended September 30,	
	2017	2016
Net income attributable to Wyndham shareholders	$ 422	$ 447
Net Income attributable to noncontrolling interest	1	1
Provision for income taxes	173	267
Depreciation and amortization	197	187
Interest expense	115	102
Early extinguishment of debt	—	11
Interest income	(6)	(6)
EBITDA	$ 902	$ 1,009

(a) Includes the elimination of transactions between segments.

(b) Includes $54 million of intersegment revenues comprised of $44 million of licensing fees for use of the Wyndham trade name and $10 million of other fees primarily associated with the Wyndham Rewards program. Such revenues are offset in expenses at the Company's Vacation Ownership segment.

(c) Includes $9 million and $6 million of intersegment revenues during the nine months ended September 30, 2017 and 2016, respectively, primarily comprised of call center operations and support services provided to the Company's Hotel Group segment. Such revenues are offset in expenses primarily at the Company's Hotel Group segment.

(d) Includes $52 million of intersegment revenues comprised of (i) $43 million of licensing fees for use of the Wyndham trade name, (ii) $6 million of other fees primarily associated with the Wyndham Rewards program and (iii) $3 million of room revenues at a Company owned hotel. Such revenues are offset in expenses at the Company's Vacation Ownership segment.

(e) Includes $135 million of non-cash impairment charges primarily related to the write-down of undeveloped land resulting from the Company's decision to no longer pursue future development at certain locations and a $5 million non-cash impairment charge related to the write-down of assets resulting from the decision to abandon a new product initiative.

(f) Includes $24 million of costs associated with the Company's planned spin-off of its hotel franchising business and the exploration of strategic alternatives for its European rental brands.

16. Separation and Related Costs

On August 2, 2017, the Company announced plans to spin-off its hotel franchising business, which is expected to result in two separate, publicly traded companies. As a result of the proposed transaction, the Company's Hotel Group business will become a new, publicly traded hotel franchising company. The Company's Vacation Ownership business, the world's largest timeshare company, will be combined with the Destination Network business, home to RCI, the world's largest timeshare exchange company. The transaction, which is expected to be tax-free to Wyndham Worldwide and its shareholders, will be effected through a pro-rata distribution of the new hotel entity's stock to existing Wyndham Worldwide shareholders. The Company expects the transaction to be completed in the first half of 2018. The Company also intends to explore strategic alternatives for its European rental brands.

For the three and nine months ended September 30, 2017, the Company incurred $24 million of expenses associated with the planned spin-off of its hotel franchising business and the exploration of strategic alternatives for its European rental brands. These separation and related costs include legal, consulting and auditing fees, severance and other employee-related costs.

17. Asset Impairments and Other Charges

Asset Impairments

During May 2017, the Company's new leadership at its vacation ownership business performed an in-depth review of its operations, including its current development pipeline and long-term development plan. In connection with such review, the Company updated its current and long-term development plan to focus on (i) selling existing finished inventory and (ii) procuring inventory from efficient sources such as just-in-time inventory in new markets and reclaiming inventory from owners' associations or owners. As a result, the Company's management performed a review of its land held for VOI development. Such review consisted of an assessment on 19 locations to determine its plan for future VOI development at those sites. As a result of this assessment, the Company concluded that no future development would occur at 17 locations, of which 16 were deemed to be impaired.

The Company performed a fair value assessment on the land held for VOI development which resulted in a $121 million non-cash impairment charge during the second quarter of 2017. In addition, the Company also recorded a $14 million non-cash impairment charge relating to the write-off of construction in process costs at six of the 16 impaired locations. As a result, the Company reported a total non-cash impairment charge of $135 million, which is included within asset impairments and other charges on the Condensed Consolidated Statement of Income.

In conjunction with this review and impairment, in May 2017, the Company sold three of the 17 locations, as well as non-core revenue generating assets to a former executive of the Company for $2 million of cash consideration, which resulted in a $7 million loss. The Company also has an agreement with the former executive to sell an additional two of the 17 locations for $2 million, resulting in a $13 million non-cash impairment charge. Such transaction is to be completed no later than December 31, 2017. The $7 million loss and $13 million non-cash impairment charge on the expected sale were included within the total non-cash impairment charge of $135 million.

The Company had $19 million of land classified as assets held for sale as of September 30, 2017 which was included within other current assets on the Company's Consolidated Condensed Balance Sheet. The fair value of the land held for sale was determined by reviewing prices of comparable assets which were recently sold and by actual purchase and sale agreements for the assets to be sold which represents level 3 fair value measurements. The land held for sale locations are currently being actively marketed at estimated fair value and are expected to be sold within a year. The Company has entered into a three-year agreement with the former executive whereby such executive may assist the Company in selling the land held for sale. As part of such agreement, the former executive will be entitled to receive brokerage commissions upon the sale of land classified as assets held for sale.

During the nine months ended September 30, 2017, the Company incurred a $5 million non-cash impairment charge related to the write-down of assets resulting from the decision to abandon a new product initiative at the Company's vacation ownership business. Such charge is recorded within asset impairments on the Condensed Consolidated Statement of Income.

Other Charges

During the nine months ended September 30, 2016, the Company incurred a $24 million foreign exchange loss, primarily impacting cash, resulting from the Venezuelan government's decision to devalue the exchange rate of its currency. Such loss is recorded within operating expenses on the Condensed Consolidated Statement of Income.

During 2016, the Company recorded an additional $7 million charge related to the termination of a management contract at its Hotel Group business. Such loss is recorded within operating expenses on the Condensed Consolidated Statement of Income.

18. Restructuring

2017 Restructuring Plans

During the nine months ended September 30, 2017, the Company recorded $15 million of restructuring charges, all of which were personnel-related and consisted of (i) $8 million at its Destination Network segment which primarily focused on enhancing organizational efficiency and rationalizing its operations, (ii) $6 million at its corporate operations which focused on rationalizing its sourcing function and outsourcing certain information technology functions and (iii) $1 million at its Hotel Group segment which primarily focused on realigning its brand operations. During the nine months ended September 30, 2017, the Company reduced its restructuring-charge liability by $9 million, of which $8 million was in cash payments and $1 million was through the issuance of Wyndham stock. The remaining liability of $6 million, as of September 30, 2017, is expected to be paid by the end of 2018.

2016 Restructuring Plans

During 2016, the Company recorded $15 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing existing facilities, which included the closure of four vacation ownership sales offices. In connection with these initiatives, the Company initially recorded $12 million of personnel-related costs, a $2 million non-cash charge and $2 million of facility-related expenses. In 2016, the Company subsequently reversed $1 million of previously recorded personnel-related costs and reduced its liability with $5 million of cash payments. During the nine months ended September 30, 2017, the Company reduced its liability with $6 million of cash payments. The remaining liability of $2 million, as of September 30, 2017, is primarily related to leased facilities, and is expected to be paid by the end of 2020.

The Company has additional restructuring plans which were implemented prior to 2016. The remaining liability of $1 million as of September 30, 2017, all of which is related to leased facilities, is expected to be paid in 2020.

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

	Liability as of December 31, 2016	Costs Recognized	Cash Payments	Other	Liability as of September 30, 2017
Personnel-related	$ 6	$ 15 [(a)]	$ (13)	$ (1) [(b)]	$ 7
Facility-related	3	—	(1)	—	2
	$ 9	$ 15	$ (14)	$ (1)	$ 9

(a) Represents severance costs resulting from a reduction of 200 employees.

(b) Represents the issuance of Wyndham stock.

19. Cendant Separation 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 certain of its former subsidiaries 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 Cendant's former Realogy subsidiary is responsible for the remaining 62.5%. The remaining amount of liabilities which were assumed by the Company in connection with the Cendant Separation was $16 million and $23 million as of September 30, 2017 and December 31, 2016, respectively. 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 the Cendant Separation, related to unresolved contingent matters and 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 Cendant Separation in accordance with the guidance for guarantees and recorded as liabilities on the Condensed 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 of September 30, 2017, the Cendant Separation-related liabilities of $16 million is comprised of $13 million for tax liabilities, $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, as of September 30, 2017, $3 million was recorded within accrued expenses and other current liabilities and $13 million was recorded within other non-current liabilities on the Condensed Consolidated Balance Sheet. During the nine months ended September 30, 2017, the Company recognized a $7 million benefit from an adjustment to certain contingent liabilities resulting from the Cendant Separation which was recorded in general and administrative expense on the Condensed Consolidated Statement of Income. As of December 31, 2016, the Company had $23 million of Cendant Separation-related liabilities, of which $10 million was recorded within accrued expenses and other current liabilities and $13 million was recorded within other non-current liabilities on the Condensed Consolidated Balance Sheet. The Company will indemnify Cendant (now known as Avis Budget Group, Inc.) for these contingent liabilities and therefore any payments made to the third-party would be through the former Parent. 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 of receivables due from former Parent and subsidiaries primarily relating to income taxes, as of both September 30, 2017 and December 31, 2016, which were included within other current assets on the Condensed Consolidated Balance Sheets.

20. Subsequent Events

AmericInn Acquisition

On October 2, 2017, the Company completed the acquisition of the AmericInn hotel brand and its management company, Three Rivers Hospitality, from Northcott Hospitality for a total purchase price of $142 million, net of cash acquired which included a simultaneous sale of 10 owned hotels to an unrelated third-party for $28 million. AmericInn's portfolio consists of 200 primarily franchised hotels predominantly in the Midwestern United States. This acquisition is consistent with the Company's strategy to expand its franchised portfolio within its hotel franchising business.

DAE Global Pty Ltd

On October 1, 2017, the Company acquired DAE Global Pty, Ltd, an Australian vacation exchange company, and @Work International, a software company, for $21 million, net of cash acquired. These acquisitions complement the Company's existing vacation exchange business.

Sierra Timeshare Conduit Receivables Funding III, LLC (Series 2017-A)

On October 5, 2017, the Company entered into a new fifteen-month securitized timeshare receivable conduit facility which expires in January 2019. The facility has a total capacity of $750 million, bears interest at variable rates based on commercial paper rates plus a spread or LIBOR rates plus a spread and has an advance rate of 85%.

Repurchase Authorization

On October 23, 2017, the Company's Board of Directors increased the authorization for the Company's stock repurchase program by $1.0 billion.

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"). 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," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," "future" or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results of Wyndham Worldwide 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, the performance of the financial and credit markets, the economic environment for the hospitality industry, the impact of war, terrorist activity or political strife, operating risks associated with the hotel, vacation exchange and rentals and vacation ownership businesses, uncertainties that may delay or negatively impact the planned spin-off of our hotel franchising business or cause the spin-off to not occur at all, uncertainties related to the post-spin companies' ability to realize the anticipated benefits of the spin-off, uncertainties related to our ability to successfully complete the spin-off on a tax-free basis within the expected time frame or at all, uncertainties related to our ability to obtain financing for the two companies or the terms of such financing, unanticipated developments related to the impact of the spin-off on our relationships with our customers, suppliers, employees and others with whom we have relationships, unanticipated developments resulting from possible disruption to our operations resulting from the proposed spin-off, the potential impact of the spin-off and related transactions on our credit rating, uncertainties relating to our exploration of strategic alternatives for our European rentals brands and the outcome and timing of that process, the timing and amount of future share repurchases 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:

- **Hotel Group**—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.
- **Destination Network**—provides vacation exchange services and products to owners of vacation ownership interests ("VOIs") and manages 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.

On August 2, 2017, we announced plans to spin-off our hotel franchising business, which is expected to result in two separate, publicly traded companies. As a result of the proposed transaction, our Hotel Group business will become a new, publicly traded hotel franchising company. Our Vacation Ownership business, the largest timeshare company in the world, will be combined with the Destination Network business, home to RCI, the world's largest timeshare exchange company. The transaction, which is expected to be tax-free to Wyndham Worldwide and its shareholders, will be effected through a pro-rata distribution of the new hotel entity's stock to existing Wyndham Worldwide shareholders. We expect the transaction to be completed in the first half of 2018. We also intend to explore strategic alternatives for our European rental brands.

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 and corporate and other 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 revenues) and income taxes, each of which is presented on the Condensed Consolidated Statements of Income. We believe that EBITDA is a useful measure of performance for our industry segments and, when considered with GAAP measures, gives a more complete understanding of our operating performance. 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 endedSeptember 30, 2017 and 2016. These operating statistics are the drivers of our revenues 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 September 30,		
	2017	2016	% Change
Hotel Group[a]			
Number of rooms [b]	708,500	689,800	2.7
RevPAR [c]	$ 44.36	$ 43.04	3.1
Destination Network			
Average number of members (in 000s) [a] [d]	3,792	3,868	(2.0)
Exchange revenue per member [a] [e]	$ 166.35	$ 164.39	1.2
Vacation rental transactions (in 000s) [a] [f]	529	508	4.1
Average net price per vacation rental [a] [g]	$ 618.39	$ 599.59	3.1
Vacation Ownership			
Gross VOI sales (in 000s) [h] [i]	$ 602,000	$ 564,000	6.7
Tours (in 000s) [j]	247	230	7.4
Volume Per Guest ("VPG") [k]	$ 2,299	$ 2,320	(0.9)

(a) Includes the impact from acquisitions from the acquisition dates forward.

(b) Represents the number of rooms at Hotel Group properties at the end of the period which are under franchise and/or management agreements, or are Company-owned.

(c) 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 hotel room for one day.

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

(e) 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.

(f) 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.

(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 program before the effect of 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 September 30 (in millions):

	2017	2016
Gross VOI sales	$ 602	$ 564
Less: WAAM Fee-for-Service sales [1]	(11)	(20)
Gross VOI sales, net of WAAM Fee-for-Service sales [2]	590	544
Less: Loan loss provision	(123)	(104)
Vacation ownership interest sales [2]	$ 467	$ 441

(1) Represents total sales of VOIs through our WAAM Fee-for-Service program 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 were $8 million and $13 million for the three months ended September 30, 2017 and 2016, respectively.

(2) 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 $33 million and $31 million during the three months ended September 30, 2017 and 2016, respectively. We have excluded tele-sales upgrades in the calculation of VPG because tele-sales upgrades 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 SEPTEMBER 30, 2017 VS. THREE MONTHS ENDED SEPTEMBER 30, 2016

Our consolidated results are as follows:

	Three Months Ended September 30,		
	2017	2016	Favorable/(Unfavorable)
Net revenues	$ 1,629	$ 1,573	$ 56
Expenses	1,295	1,237	(58)
Operating income	334	336	(2)
Other income, net	(19)	(3)	16
Interest expense	42	34	(8)
Interest income	(2)	(2)	—
Income before income taxes	313	307	6
Provision for income taxes	110	110	—
Net income	203	197	6
Net income attributable to noncontrolling interest	—	(1)	1
Net income attributable to Wyndham shareholders	$ 203	$ 196	$ 7

Net revenues increased $56 million (3.6%) for the three months ended September 30, 2017 compared with the same period last year. Foreign currency translation favorably impacted net revenues by $11 million. Excluding foreign currency translation, the increase in net revenues was primarily the result of:

- $27 million of higher revenues at our vacation ownership business primarily resulting from an increase in net VOI sales and consumer financing revenues; and
- $18 million of higher revenues (excluding intersegment revenues) primarily at our destination network business, of which $11 million was from acquisitions and $7 million was from an increase in rental transactions.

Expenses increased $58 million (4.7%) for the three months ended September 30, 2017 compared with the same period last year. Foreign currency unfavorably impacted expenses by $9 million. Excluding foreign currency, the increase in expenses was primarily the result of:

- $24 million of expenses associated with our planned spin-off of our hotel franchising business and the exploration of strategic alternatives for our European rental brands;
- $21 million of higher expenses from operations primarily related to the revenue increases;
- $10 million of incremental expenses related to acquisitions primarily at our destination network business; and
- a $6 million increase in depreciation and amortization resulting from the impact of property and equipment additions that were placed in service over the last twelve months.

Such increases were partially offset by a $6 million net benefit resulting from the resolution of and adjustment to certain contingent liabilities associated with the Cendant Separation and $6 million of lower restructuring costs.

Other income, net increased $16 million for the three months ended September 30, 2017 compared with the same period last year, primarily due to a $13 million gain resulting from the acquisition of a controlling interest in Love Home Swap at our destination network business.

Interest expense increased $8 million for the three months ended September 30, 2017 compared with the same period last year due to the impact from our senior unsecured notes issued in March 2017, partially offset by the repayment of our 2.95% senior unsecured notes during March 2017.

Our effective tax rates were 35.1% and 35.8% for the three months ended September 30, 2017 and 2016, respectively. The decrease was primarily due to a nontaxable $13 million non-cash gain during 2017 resulting from the acquisition of a controlling interest in Love Home Swap at our destination network business, partially offset by certain nondeductible costs related to the planned spin-off of our hotel business and the exploration of strategic alternatives for our European rental brands during 2017.

As a result of these items, net income attributable to Wyndham shareholders increased $7 million compared with the three months ended September 30, 2016.

Following is a discussion of the results of each of our segments and Corporate and Other for the three months ended September 30, 2017 compared to September 30, 2016:

	Net Revenues			EBITDA		
	2017	2016	% Change	2017	2016	% Change
Hotel Group	$ 368	$ 364	1.1	$ 121 (b)	$ 107 (e)	13.1
Destination Network	511	486	5.1	154 (c)	138 (f)	11.6
Vacation Ownership	773	744	3.9	190	189 (g)	0.5
Total Reportable Segments	1,652	1,594	3.6	465	434	7.1
Corporate and Other (a)	(23)	(21)	(9.5)	(43) (d)	(32) (h)	(34.4)
Total Company	$ 1,629	$ 1,573	3.6	$ 422	$ 402	5.0

Reconciliation of Net income attributable to Wyndham shareholders to EBITDA

	2017	2016
Net income attributable to Wyndham shareholders	$ 203	$ 196
Net income attributable to noncontrolling interest	—	1
Provision for income taxes	110	110
Depreciation and amortization	69	63
Interest expense	42	34
Interest income	(2)	(2)
EBITDA	$ 422	$ 402

(a) Includes the elimination of transactions between segments.

(b) Includes $1 million of cost incurred in connection with the AmericInn acquisition which closed in October 2017.

(c) Includes a $13 million non-cash gain resulting from the acquisition of a controlling interest in the Love Home Swap business, partially offset by $1 million of acquisition costs and $8 million of restructuring costs incurred in connection with enhancing organizational efficiency and rationalizing our operations.

(d) Includes (i) $26 million of corporate costs, (ii) $24 million of costs associated with our planned spin-off of our hotel franchising business and the exploration of strategic alternatives for its European rental brands and (iii) a $7 million net benefit resulting from the resolution of and adjustment to certain contingent liabilities associated with the Cendant Separation.

(e) Includes $7 million of costs associated with the anticipated termination of a management contract and $3 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

(f) Includes $4 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

(g) Includes $6 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency and rationalizing existing facilities.

(h) Includes (i) $32 million of corporate costs, (ii) $1 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency and (iii) a $1 million net benefit resulting from the resolution of and adjustment to certain contingent liabilities and assets associated with the Cendant Separation.

Hotel Group

Net revenues and EBITDA increased $4 million (1.1%) and $14 million (13.1%), respectively, during the three months ended September 30, 2017 compared with the same period during 2016. Foreign currency translation favorably impacted revenues by $1 million and had a nominal impact on EBITDA.

Royalty revenues increased $5 million and marketing, reservation and Wyndham Rewards revenues increased $7 million primarily due to a 3.1% increase in global RevPAR and a 2.7% increase in global system size. The growth in global RevPAR reflected a 3.0% increase in domestic RevPAR, partially attributable to the unusually disruptive 2017 hurricane season, and a 5.4% increase in international RevPAR. The growth in domestic RevPAR reflected a 2.0% increase in average daily rates and

1.0% increase in occupancy rates. The increase in international RevPAR was principally the result of a 2.7% increase in average daily rates and a 2.6% increase in occupancy rates.

Revenues were unfavorably impacted by the absence of $13 million of fees charged for our global franchisee conference during 2016 which were fully offset by conference expenses. In addition, other franchise fees contributed $4 million of incremental revenues primarily due to higher initial fees from property openings.

Hotel management reimbursable revenues decreased $3 million compared to the prior year due to property terminations. Ancillary services contributed an additional $5 million and $3 million of revenues and expenses, respectively, primarily due to growth in our co-branded credit card program.

In addition to the items discussed above, EBITDA was impacted by $8 million of higher expenses primarily associated with an increase in employee-related and legal costs and a $5 million increase in marketing costs. Such expense increases were partially offset by the absence of a $7 million non-cash impairment charge related to the write-down of terminated in-process technology projects during the third quarter of 2016 and $3 million of lower restructuring costs.

As of September 30, 2017, we had approximately 8,150 properties and approximately 708,500 rooms in our system. Additionally, our hotel development pipeline included approximately 1,190 hotels and approximately 146,900 rooms, of which 57% were international and 68% were new construction.

Destination Network

Net revenues and EBITDA increased $25 million (5.1%) and $16 million (11.6%), respectively, during the three months ended September 30, 2017 compared with the same period during 2016. Foreign currency translation favorably impacted net revenues and EBITDA by $8 million and $2 million, respectively. EBITDA also included (i) a $13 million non-cash gain resulting from the acquisition of a controlling interest in Love Home Swap, a United Kingdom home exchange business, and (ii) $4 million of higher restructuring costs.

Our acquisitions contributed $9 million of incremental revenues (inclusive of $3 million of ancillary revenues) and had no impact on EBITDA during the third quarter of 2017.

Net revenues generated from rental transactions and related services increased $23 million. Excluding $6 million of incremental vacation rental revenues from acquisitions and a favorable foreign currency translation impact of $7 million, net revenues generated from rental transactions and related services increased $10 million, principally due to a 1.7% increase in rental transaction volume and a 1.5% increase in average net price per vacation rental.

Exchange and related service revenues decreased $1 million, as a 2.0% decline in the average number of members was partially offset by a 1.2% increase in exchange revenue per member. Exchange revenue per member was negatively impacted by the unusually disruptive 2017 hurricane season, which significantly affected travel to and from Florida and the Caribbean in September.

EBITDA benefited from the growth in revenue, but was unfavorably impacted by $8 million of higher costs associated with rental transaction volume growth, partially offset by a $4 million decrease in employee-related expenses and the absence of a $2 million non-cash impairment charge related to the write-down of an equity investment in the third quarter of 2016.

Vacation Ownership

Net revenues increased $29 million (3.9%) and EBITDA increased $1 million (0.5%) during the three months ended September 30, 2017 compared with the same period of 2016. Foreign currency translation favorably impacted net revenues by $2 million and had no impact on EBITDA.

Net VOI sales revenues increased $26 million compared to the same period last year. Such increase was primarily due to a $46 million (8.5%) increase in gross VOI sales, net of WAAM Fee-for-Service sales, partially offset by a $19 million increase in our provision for loan losses. The increase in the provision for loan losses was due to higher gross VOI sales and the impact of third parties encouraging customers to default on their timeshare loans. Gross VOI sales increased primarily due to a 7.4% increase in tours partially offset by a 0.9% decrease in VPG. The increase in tours was primarily attributable to our continued focus on new owner generation. The decrease in VPG was primarily the result of product sales mix.

Commission revenues decreased $5 million compared to the prior year resulting from lower WAAM Fee-for-Service VOI sales as we continue to shift our focus to utilizing our WAAM Just-in-Time inventory for VOI sales. Such decrease was offset in EBITDA by lower expenses for such WAAM VOI sales.

Consumer financing revenues increased $7 million compared to the same period last year. Such increases were due to a higher weighted average interest rate earned on a larger average portfolio balance. Consumer financing interest expense decreased $2 million resulting from a decrease in the weighted average interest rate on our securitized debt to 3.4% from 3.7%. As a result, our net interest income margin increased to 85.3% compared with 83.1% during 2016.

Property management revenues increased $3 million compared to the prior year primarily due to higher management fees and reimbursable revenues.

In addition, EBITDA was unfavorably impacted by:
- $18 million of higher expenses primarily associated with higher employee-related costs;
- a $15 million increase in marketing costs due to our continued focus on new owner generation which typically carries a higher cost per tour;
- $8 million of higher sales and commission expenses primarily due to higher gross VOI sales; and
- $7 million of higher maintenance fees on unsold inventory.

Such expense increases were partially offset by a $6 million reduction in the cost of VOIs sold driven by lower average product costs and the absence of $5 million of restructuring charges incurred during 2016.

Corporate and Other

Corporate and Other revenues, which primarily represent the elimination of intersegment revenues charged between our businesses, decreased $2 million during the three months ended September 30, 2017 compared to 2016.

Excluding $24 million of spin-off costs related to the planned spin-off of our hotel business and the exploration of strategic alternatives for our European rental brands, and $6 million of a higher net benefit resulting from the resolution and adjustment of certain liabilities associated with the Cendant Separation, Corporate expenses decreased $7 million primarily due to lower employee-related costs.

NINE MONTHS ENDED SEPTEMBER 30, 2017 VS. NINE MONTHS ENDED SEPTEMBER 30, 2016

Our consolidated results are as follows:

	Nine Months Ended September 30,		
	2017	2016	Favorable/(Unfavorable)
Net revenues	$ 4,427	$ 4,279	$ 148
Expenses	3,746	3,476	(270)
Operating income	681	803	(122)
Other income, net	(24)	(19)	5
Interest expense	115	102	(13)
Early extinguishment of debt	—	11	11
Interest income	(6)	(6)	—
Income before income taxes	596	715	(119)
Provision for income taxes	173	267	94
Net income	423	448	(25)
Net income attributable to noncontrolling interest	(1)	(1)	—
Net income attributable to Wyndham shareholders	$ 422	$ 447	$ (25)

Net revenues increased $148 million (3.5%) for the nine months ended September 30, 2017 compared with the same period last year. Foreign currency translation unfavorably impacted net revenues by $7 million. Excluding foreign currency translation, the increase in net revenues was primarily the result of:

- $78 million of higher revenues at our vacation ownership business primarily resulting from an increase in net VOI sales, property management and consumer financing revenues;
- $65 million of higher revenues (excluding intersegment revenues) primarily at our destination network business, of which $39 million was from acquisitions and $26 million was from an increase in volume on rental transactions; and
- $12 million of higher revenues (excluding intersegment revenues) at our hotel group business primarily due to an increase in ancillary services.

Expenses increased $270 million (7.8%) for the nine months ended September 30, 2017 compared with the same period last year. Foreign currency favorably impacted expenses by $3 million. Excluding foreign currency, the increase in expenses was primarily the result of:

- a $135 million non-cash impairment charge primarily related to the write-down of undeveloped land resulting from our decision to no longer pursue future development of certain locations.
- $94 million of higher expenses from operations primarily related to the revenue increases;
- $35 million of incremental expenses related to acquisitions primarily at our destination network business;
- $24 million of expenses associated with our planned spin-off of our hotel franchising business and the exploration of strategic alternatives for our European rental brands;
- a $10 million increase in depreciation and amortization resulting from the impact of property and equipment additions that were placed in service over the last twelve months; and
- a $5 million non-cash impairment charge related to the write-down of assets resulting from the decision to abandon a new product initiative at our vacation ownership business.

Such increases in expenses were partially offset by the absence of a $24 million foreign exchange loss related to the devaluation of the Venezuela exchange rate during the first quarter of 2016 and a $6 million net benefit resulting from the resolution of and adjustment to certain contingent liabilities associated with the Cendant separation.

Other income, net increased $5 million for the nine months ended September 30, 2017 compared with the same period last year primarily from a $13 million non-cash gain resulting from the acquisition of a controlling interest in Love Home Swap at our destination network business partially offset by a $6 million reduction in business interruption claims received at our vacation ownership business.

Interest expense increased $13 million for the nine months ended September 30, 2017 compared with the same period last year due to the impact from of senior unsecured notes issued in March 2017, partially offset by the repayment of our 2.95% senior unsecured notes during March 2017.

During 2016, we incurred $11 million of debt-extinguishment expenses resulting from the early repurchase of the remaining portion of our 6.00% senior unsecured notes.

Our effective tax rates were 29.0% and 37.3% for the nine months ended September 30, 2017 and 2016, respectively. The decrease was principally due to (i) a tax benefit on foreign currency losses recognized from an internal restructuring undertaken to realign the organizational and capital structure of certain foreign operations during 2017, (ii) the impact of non-cash impairment charges primarily related to the write-down of undeveloped land during 2017, and (iii) a tax benefit associated with the recently adopted stock-based compensation pronouncement during 2017.

As a result of these items, net income attributable to Wyndham shareholders decreased $25 million as compared with nine months ended September 30, 2016.

Following is a discussion of the results of each of our segments and Corporate and Other for the nine months ended September 30, 2017 compared to September 30, 2016:

	Net Revenues			EBITDA		
	2017	2016	% Change	2017	2016	% Change
Hotel Group	$ 1,011	$ 993	1.8	$ 312 (b)	$ 291 (f)	7.2
Destination Network	1,308	1,255	4.2	345 (c)	303 (g)	13.9
Vacation Ownership	2,171	2,089	3.9	356 (d)	512 (h)	(30.5)
Total Reportable Segments	4,490	4,337	3.5	1,013	1,106	(8.4)
Corporate and Other (a)	(63)	(58)	(8.6)	(111) (e)	(97) (i)	(14.4)
Total Company	$ 4,427	$ 4,279	3.5	$ 902	$ 1,009	(10.6)

Reconciliation of Net income attributable to Wyndham shareholders to EBITDA

	2017	2016
Net income attributable to Wyndham shareholders	$ 422	$ 447
Net income attributable to noncontrolling interest	1	1
Provision for income taxes	173	267
Depreciation and amortization	197	187
Interest expense	115	102
Early extinguishment of debt	—	11
Interest income	(6)	(6)
EBITDA	$ 902	$ 1,009

(a) Includes the elimination of transactions between segments.

(b) Includes $1 million of restructuring costs primarily focused on realigning its brand operations and $1 million of cost incurred in connection with the AmericInn acquisition which closed in October 2017.

(c) Includes a $13 million non-cash gain resulting from the acquisition of a controlling interest in the Love Home Swap business, partially offset by $1 million of acquisition costs and $8 million of restructuring costs incurred in connection with enhancing organizational efficiency and rationalizing our operations.

(d) Includes $135 million of non-cash impairment charges primarily related to the write-down of undeveloped land resulting from our decision to no longer pursue future development at certain locations and a $5 million non-cash impairment charge related to the write-down of assets resulting from the decision to abandon a new product initiative.

(e) Includes (i) $87 million of corporate costs, (ii) $24 million of costs associated with our planned spin-off of our hotel franchising business and the exploration of strategic alternatives for its European rental brands, (iii) $6 million of restructuring costs focused on rationalizing its sourcing function and outsourcing certain information technology functions and (iv) a $6 million net benefit resulting from the resolution of and adjustment to certain contingent liabilities associated with the Cendant Separation.

(f) Includes $7 million of costs associated with the anticipated termination of a management contract and $3 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

(g) Includes (i) a $24 million foreign currency loss related to the devaluation of the exchange rate of Venezuela, (ii) $4 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency and (iii) $1 million of acquisition costs.

(h) Includes $6 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency and rationalizing existing facilities.

(i) Includes $96 million of corporate costs and $1 million of restructuring costs incurred as a result of our focus on enhancing organizational efficiency.

Hotel Group

Net revenues and EBITDA increased $18 million (1.8%) and $21 million (7.2%), respectively, during the nine months ended September 30, 2017 compared with the same period during 2016. Foreign currency translation unfavorably impacted revenues and EBITDA by $1 million and $2 million, respectively.

Royalty revenues increased $10 million and marketing and reservation fees (inclusive of Wyndham Rewards) increased $8 million compared to the prior year primarily due to a 2.7% increase in global system size and a 1.7% increase in global RevPAR. The growth in global RevPAR reflected a 2.9% increase in domestic RevPAR and a 1.0% increase in international RevPAR. The increase in international RevPAR was principally the result of a 2.2% increase in occupancy rates partially offset by a 1.2% decline in average daily rates. The growth in domestic RevPAR reflected a 1.9% increase in average daily rates and a 1.1% increase in occupancy rates.

Revenues were unfavorably impacted by the absence of $13 million of fees charged for our global franchise conference during 2016 which were fully offset by conference expenses. Revenues decreased $4 million and expenses declined $1 million, respectively, from our owned hotels compared to the prior year. Such decline in revenues was primarily due to lower RevPAR at our Rio Mar property, which we believe was the result of concerns over the Zika virus which intensified during the second quarter of 2016 and the impact of the recent hurricanes.

Revenues from other franchise fees increased $8 million primarily due to higher initial fees from property openings, partially offset by $2 million of related expenses. Hotel management reimbursable revenues decreased $7 million compared to the prior year due to property terminations. Ancillary services contributed an additional $16 million of revenues and $6 million of expenses due to growth in our co-branded credit card program.

In addition to the items discussed above, EBITDA was impacted by $16 million of higher expenses primarily associated with increases in employee-related and legal costs and $4 million of higher marketing and reservation expenses. Such expense increases were partially offset by the absence of a $7 million non-cash impairment charge related to the write-down of terminated in-process technology projects during the third quarter of 2016 and $3 million of lower restructuring costs.

Destination Network

Net revenues and EBITDA increased $53 million (4.2%) and $42 million (13.9%), respectively, during the nine months ended September 30, 2017 compared with the same period during 2016. Foreign currency translation unfavorably impacted net revenues by $10 million and favorably impacted EBITDA by $1 million. EBITDA also reflected (i) the absence of a $24 million foreign exchange loss related to the devaluation of the exchange rate of Venezuela during the first quarter of 2016, (ii) a $13 million non-cash gain resulting from the acquisition of a controlling interest in the Love Home Swap business and (iii) $4 million of higher restructuring costs.

Our acquisitions contributed $35 million of incremental revenues (inclusive of $10 million of ancillary revenues) and $3 million of incremental EBITDA during the nine months ended September 30, 2017.

Net revenues generated from rental transactions and related services increased $42 million. Excluding $24 million of incremental vacation rental revenues from acquisitions and an $11 million unfavorable foreign currency translation impact, net revenues generated from rental transactions and related services increased $29 million principally due to a 3.8% increase in rental transaction volume. Average net price per vacation rental remained unchanged as increases across our brands were offset by higher growth in our more moderate product offerings.

Exchange and related service revenues remained unchanged as a 1.6% increase in exchange revenue per member was partially offset by a 1.4% decline in the average number of members.

In addition, EBITDA was unfavorably impacted by $20 million of higher costs associated with rental transaction volume growth and $6 million of higher property recruitment costs to drive growth in our vacation rental portfolio, partially offset by

$8 million of lower legal fees and the absence of a $2 million non-cash impairment charge related to the write-down of an equity investment during 2016.

Vacation Ownership

Net revenues increased $82 million (3.9%) and EBITDA decreased $156 million (30.5%) during the nine months ended September 30, 2017 compared with the same period of 2016. Foreign currency translation favorably impacted net revenues by $4 million and had no impact on EBITDA. In addition, EBITDA was unfavorably impacted by $140 million of non-cash impairment charges primarily related to the write-down of undeveloped land resulting from our decision to no longer pursue future development at certain locations.

Net VOI revenues increased $74 million compared to the same period last year primarily due to a $137 million (9.5%) increase in gross VOI sales, net of WAAM Fee-for-Service sales, which were partially offset by a $63 million increase in our provision for loan losses. The increase in the provision for loan losses was due to higher gross VOI sales and the impact of third parties encouraging customers to default on their timeshare loans. Gross VOI sales increased primarily due to (i) a 5.8% increase in tours which is primarily attributable to our continued focus on new owner generation and (ii) a 0.6% increase in VPG.

Commission revenues decreased $32 million compared to the prior year resulting from lower WAAM Fee-for-Service VOI sales as we continue to shift our focus to utilizing our WAAM Just-in-Time inventory for VOI sales. Such decrease was partially offset in EBITDA by $25 million of lower expenses for such WAAM VOI sales.

Consumer financing revenues increased $16 million compared to the same period last year. Such increases were due to a higher weighted average interest rate earned on a larger average portfolio balance. Consumer financing interest expense decreased $1 million resulting from a decrease in the weighted average interest rate on our securitized debt to 3.5% from 3.6%. As a result, our net interest income margin increased to 84.2% compared with 83.1% during 2016.

Property management revenues increased $28 million compared to the prior year primarily due to higher reimbursable revenues and management fees. Such increase was partially offset in EBITDA by $20 million of higher expenses primarily due to an increase in reimbursable expenses.

In addition, EBITDA was unfavorably impacted by:
- a $32 million increase in marketing costs due to our continued focus on new owner generation which typically carries a higher cost per tour;
- $25 million of higher expenses primarily due to higher employee-related costs;
- $23 million of higher sales and commission expenses primarily due to higher gross VOI sales;
- $18 million of higher maintenance fees on unsold inventory;
- $9 million of higher legal settlement expenses; and
- $6 million of lower proceeds from business interruption claims.

Such decreases in EBITDA were partially offset by $6 million of lower restructuring charges.

Corporate and Other

Corporate and Other revenues, which primarily represent the elimination of intersegment revenues charged between our businesses, decreased $5 million during the nine months ended September 30, 2017 compared to 2016.

Excluding $24 million of separation costs related to the planned spin-off of our hotel franchising business and the exploration of strategic alternatives for our European rental brands, and $6 million of a net benefit resulting from the resolution and adjustment of certain liabilities associated with the Cendant Separation, Corporate expenses decreased $4 million.

RESTRUCTURING PLANS

During 2017, we recorded $15 million of restructuring charges, all of which were personnel-related and consisted of (i) $8 million at our Destination Network segment which primarily focused on enhancing organizational efficiency and rationalizing its operations, (ii) $6 million at our corporate operations which focused on rationalizing its sourcing function and outsourcing certain information technology functions and (iii) $1 million at our Hotel Group segment which primarily focused on realigning its brand operations. During the nine months ended September 30, 2017, we reduced our restructuring-charge liability by $9 million, of which $8 million was in cash payments and $1 million was through the issuance of Wyndham stock. The remaining liability of $6 million, as of September 30, 2017, is expected to be paid by the end of 2018. We anticipate annual net savings from such initiatives to be approximately $18 million.

During 2016, we recorded $15 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing existing facilities, including the closure of four vacation ownership sales offices. In connection with these initiatives, we initially recorded $12 million of personnel-related costs, a $2 million non-cash charge and $2 million of facility-related expenses. In 2016, we subsequently reversed $1 million of previously recorded personnel-related costs and reduced our liability with $5 million of cash payments. During the nine months ended September 30, 2017, we reduced our liability with $6 million of cash payments. The remaining liability of $2 million, as of September 30, 2017, is primarily related to leased facilities and is expected to be paid by the end of 2020.

We have additional restructuring plans which were implemented prior to 2016. The remaining liability of $1 million as of September 30, 2017, all of which is related to leased facilities, is expected to be paid by 2020.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

FINANCIAL CONDITION

	September 30, 2017	December 31, 2016	Change
Total assets	$ 10,261	$ 9,819	$ 442
Total liabilities	9,631	9,101	530
Total equity	630	718	(88)

Total assets increased $442 million from December 31, 2016 to September 30, 2017 primarily due to:

- a $133 million increase in other current assets primarily due to a higher income tax receivable resulting from a tax benefit on foreign currency losses recognized from an internal restructuring undertaken to realign the organizational and capital structure of certain foreign operations;
- a $104 million increase in cash and cash equivalents primarily due to seasonality in our vacation rentals businesses;
- a $95 million increase in goodwill primarily due to acquisitions at our destination network business and foreign currency translation; and
- an $87 million increase in vacation ownership contract receivables.

Total liabilities increased $530 million from December 31, 2016 to September 30, 2017 primarily due to:

- a $529 million increase in long-term debt primarily due to a decrease in our securitized vacation ownership debt, higher vacation ownership contract receivables and higher VOI inventory spending;
- an $84 million increase in accrued expenses primarily due to higher employee costs across our businesses; and
- a $71 million increase in deferred income taxes related to the impact of the internal restructuring discussed above and the installment sales of VOIs, partially offset by a non-cash impairment charge primarily related to the write-down of undeveloped land.

Such increases in liabilities were partially offset by a $140 million reduction in securitized debt.

Total equity decreased $88 million from December 31, 2016 to September 30, 2017 primarily due to $450 million of stock repurchases and $180 million of dividends, partially offset by $422 million of net income attributable to Wyndham shareholders and $105 million of foreign currency translation adjustments.

LIQUIDITY AND CAPITAL RESOURCES

Currently, our financing needs are supported by cash generated from operations and borrowings under our revolving credit facility 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 to finance vacation ownership contract receivables. We believe that our net cash from operations, cash and cash equivalents, access to our revolving credit facility, our bank conduit facility and continued access to the debt markets provide us with sufficient liquidity to meet our ongoing needs.

Our five-year revolving credit facility, which expires in July 2020, has a total capacity of $1.5 billion. As of September 30, 2017, we had $944 million of available capacity, net of letters of credit and commercial paper borrowings. We consider outstanding borrowings under our commercial paper programs to be a reduction of the available capacity under our revolving credit facility.

During the third quarter of 2017, we maintained U.S. and European commercial paper programs under which we could have issued unsecured commercial paper up to a maximum amount of $750 million and $500 million, respectively. As of September 30, 2017, we had $100 million of outstanding commercial paper borrowings, all under the U.S. program.

Our $450 million 2.50% senior unsecured notes are due in March 2018. Our intent is to refinance such notes with available capacity under our revolving credit facility.

Our current two-year securitized vacation ownership bank conduit facility, with borrowing capability through August 2018, has a total capacity of $650 million and available capacity of $68 million as of September 30, 2017. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but shall be no later than September 2019.

In order to increase vacation ownership bank conduit liquidity, we entered into a second securitized vacation ownership bank conduit facility in October 2017, with a term through January 2019 and a borrowing capacity of $750 million. This facility bears interest at variable rates based on commercial paper plus a spread or LIBOR rates plus a spread and has an advance rate of 85%.

On a long term basis, our financing needs will be supported by cash generated from operations, borrowings under our revolving credit facility as well as issuance of long-term unsecured debt. In addition, certain funding requirements of our vacation ownership business will be met through the utilization of various receivable financing options.

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

The following table summarizes the changes in cash and cash equivalents during the nine months ended September 30, 2017 and 2016:

	Nine Months Ended September 30,		
	2017	2016	Change
Cash provided by/(used in)			
Operating activities	$ 666	$ 786	$ (120)
Investing activities	(171)	(172)	1
Financing activities	(404)	(442)	38
Effects of changes in exchange rates on cash and cash equivalents	13	(11)	24
Net change in cash and cash equivalents	$ 104	$ 161	$ (57)

Operating Activities

Net cash provided by operating activities decreased $120 million compared to 2016. Such decline reflects a $278 million increase in cash utilized for working capital (net change in assets and liabilities) primarily due to (i) the timing of income tax payments, (ii) an increase in vacation ownership contract receivables resulting from higher originations and (iii) increased spending on vacation ownership development projects. Net income adjusted for non-cash items increased cash from operations by $158 million.

Investing Activities

Net cash used in investing activities was essentially unchanged.

Financing Activities

Net cash used in financing activities decreased $38 million primarily due to $208 million of higher net proceeds from non-securitized debt and $22 million of lower share repurchases. Such decreases were partially offset by (i) $137 million of higher net payments on securitized vacation ownership debt, (ii) $35 million of higher net payments in connection with vacation ownership inventory arrangements and (iii) $15 million of higher dividend payments to shareholders.

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 intend to 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 $700 million to $725 million during 2017. We anticipate net cash provided by operating activities of approximately $900 million and net cash used for capital expenditures of $180 million to $200 million during 2017. Net cash provided by operating activities less capital expenditures amounted to $782 million during 2016, which is comprised of net cash provided by operating activities of $973 million less capital expenditures of $191 million. Foreign currency translation unfavorably impacted cash provided by operating activities during 2016. 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 nine months ended September 30, 2017, we spent $191 million on 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 2017, we anticipate spending $230 million to $250 million on vacation ownership development projects. The average inventory spend on vacation ownership development projects for the five-year period 2017 through 2021 is expected to be approximately $250 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 four to five years.

We spent $125 million on capital expenditures during the nine months endedSeptember 30, 2017, primarily on information technology enhancement projects and renovations of central facilities and chalets at our Landal GreenParks business.

In connection with our focus on optimizing cash flow, we are continuing 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 increased the capacity of the program eight times, most recently on October 23, 2017 by $1.0 billion, bringing the total authorization under the current program to $6.0 billion. Proceeds received from stock option exercises have increased repurchase capacity by $78 million since the inception of this program.

Under our current stock repurchase program, we repurchased4.9 million shares at an average price of$91.81 for a cost of $450 million during the nine months ended September 30, 2017. From August 20, 2007 through September 30, 2017, we repurchased 93 million shares at an average price of$51.47 for a cost of $4.8 billion.

As of September 30, 2017, we have repurchased under our current and prior stock repurchase programs, a total of 118 million shares at an average price of $47.39 for a cost of $5.6 billion since our separation from Cendant.

During the period October 1, 2017 through October 24, 2017, we repurchased an additional0.3 million shares at an average price of$108.18 for a cost of $34 million. We currently have $1.3 billion of remaining availability in our current 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 each of the quarterly periods ended March 31, June 30, andSeptember 30, 2017, we paid cash dividends of $0.58 per share ($184 million in aggregate). During each of the quarterly periods ended March 31, June 30, and September 30 2016, we paid cash dividends of $0.50 per share ($169 million in aggregate).

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 and term loan are 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 4.25 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 September 30, 2017, 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 September 30, 2017, our consolidated leverage ratio was 2.7 times. Covenants in the credit facility and term loan 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 September 30, 2017, 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 September 30, 2017, all of our securitized loan pools were in compliance with applicable contractual triggers.

LIQUIDITY

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.

We believe that our bank conduit facility, with a term through August 2018 and a total capacity of $650 million, and our new bank conduit facility entered into in October 2017, with a term through January 2019 and a total capacity of $750 million, combined with our ability to access our revolving credit facility, should provide sufficient liquidity for our expected sales pace of VOIs. As of September 30, 2017, we had $68 million of availability under our asset-backed bank conduit facility and an additional $944 million of availability under our revolving credit facility to support our financing needs.

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 twelve surety providers in the amount of $1.3 billion, of which we had $546 million outstanding as of September 30, 2017. 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.

In connection with our vacation ownership inventory sale transactions which have conditional rights and conditional obligations to repurchase the completed properties, we are required to maintain an investment grade credit rating from at least one rating agency. If at any time we fail to maintain such a rating, we are required to post collateral in favor of the development partner in an amount equal to the remaining obligation under the agreements.

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 "negative watch" by Moody's Investors Service and BBB- with a "negative watch" 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.

Our credit ratings could be affected by the spin-off transaction, our pursuit of strategic alternatives for our European rentals business or other factors.

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 membership fees, 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 due to 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 when many 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 due to increased leisure travel. 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 September 30, 2017, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to$72 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:

	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	Thereafter	Total
Securitized debt [a]	$ 192	$ 669	$ 159	$ 170	$ 181	$ 630	$ 2,001
Long-term debt [b]	506	39	638	544	658	1,515	3,900
Interest on debt [c]	198	183	168	131	99	182	961
Operating leases	84	68	55	43	35	182	467
Purchase commitments [d]	221	108	43	36	28	27	463
Inventory sold subject to conditional repurchase [e]	105	69	38	56	30	—	298
Separation liabilities [f]	3	13	—	—	—	—	16
Total [g] [h]	$ 1,309	$ 1,149	$ 1,101	$ 980	$ 1,031	$ 2,536	$ 8,106

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

(b) Includes $464 million of senior unsecured notes due during the first quarter of 2018, which we intend to refinance on a long-term basis and have the ability to do so with available capacity under our revolving credit facility.

(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) Includes (i) $151 million for information technology activities, (ii) $136 million relating to the development of vacation ownership properties, of which $86 million was included within total liabilities on the Condensed Consolidated Balance Sheet and (iii) $87 million for marketing-related activities.

(e) Represents obligations to repurchase completed vacation ownership properties from third-party developers (See Note 6 – Inventory for further detail) of which $93 million was included within total liabilities on the Condensed Consolidated Balance Sheet.

(f) Represents liabilities which we assumed and are responsible for pursuant to the Cendant Separation (See Note 19 – Cendant Separation and Transactions with Former Parent and Subsidiaries for further details).

(g) Excludes a $45 million liability for unrecognized tax benefits associated with the accounting 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.

(h) Excludes other guarantees at our hotel group business as it is not reasonably estimable to determine the periods in which such commitments would be settled (See Note 12– 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 Condensed 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 17, 2017, 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 September 30, 2017 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 a hypothetical 10% change in foreign currency exchange rates would have resulted in approximately a $4 million increase or decrease to the fair value of our outstanding forward foreign currency exchange contracts, which would generally be offset by an opposite effect on the underlying exposure being economically hedged.

Our variable rate borrowings, which include our commercial paper, term loan, senior unsecured notes synthetically converted to variable rate debt via interest rate swaps, bank conduit facility and revolving credit facility, expose us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable rate borrowings was approximately $1.9 billion at September 30, 2017. A 100 basis point change in the underlying interest rates would result in an approximately $19 million increase or decrease in our annual interest expense.

As such, we believe that a 10% change in interest and foreign currency exchange rates would not have a material effect on our prices, earnings, fair values and cash flows.

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. As of September 30, 2017, we utilized the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

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 12 Commitments and Contingencies to the Condensed 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, 2016, filed with the Securities and Exchange Commission, which describe various risks and uncertainties to which we are or may become subject. The following should be read in conjunction with, and supplements and amends, the risks and uncertainties that have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner.

The planned spin-off of our hotel business that will result in two independent, publicly-traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

On August 2, 2017, we announced our plan to spin-off our hotel business that will result in our business becoming two independent, publicly-traded companies. We expect the spin-off to be completed in the first half of 2018. The spin-off will be subject to final approval by our Board of Directors, effectiveness of a Form 10 Registration Statement filing with the U.S. Securities and Exchange Commission, execution of intercompany agreements, arrangements of financing facilities and other customary conditions. The transaction is intended to be tax-free for us and our shareholders for U.S. federal income tax purposes. We also announced our intention to explore strategic alternatives for our European rental brands.

There are numerous risks associated with the proposed spin-off, including, but not limited to, the risk that the proposed spin-off of the hotel business will not be consummated within the anticipated time period or at all, including as a result of regulatory, market or other factors; the risk of significant additional costs being incurred if the spin-off is delayed or does not occur at all; the risk of disruption to our business in connection with the proposed spin-off and that we could lose customers and/or business partners as a result of such disruption; the risk that the proposed spin-off will require significantly more time and attention from our senior management and employees than we currently anticipate, which could distract management and our employees from the operation of our business; the risk that we may find it more difficult to attract, retain and motivate employees during the pendency of the spin-off and following its completion; the risk that the companies resulting from the spin-off do not realize all of the expected benefits of the spin-off; the risk that, as smaller, independent companies, the companies resulting from the spin-off will be less diversified companies with a narrower business focus and may be more vulnerable to changing market conditions as well as the risk of takeover by third parties; the risk that our credit rating will be impacted by the spin-off and related transactions; the risk that the spin-off will not be tax-free for U.S. federal income tax purposes; the risk that the two separate companies will be unable to obtain financing on satisfactory terms or at all; the risk that the combined value of the common stock of the two publicly-traded companies will not be equal to or greater than the value of Wyndham Worldwide common stock had the spin-off not occurred; and the risk that we will not be able to successfully find or implement strategic alternatives for our European rental brands.

The potential negative impact of the events described above could have a material adverse effect on our business, financial condition, results of operations and prospects, whether we are constituted as two independent publicly-traded companies after the proposed spin-off is completed or as one company as currently constituted.

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 September 30, 2017:

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
July 2017	468,784	$ 102.39	468,784	$ 392,482,448
August 2017	394,343	$ 98.80	394,343	$ 353,521,417
September 2017	620,069	$ 101.77	620,069	$ 290,418,241
Total	1,483,196	$ 101.18	1,483,196	$ 290,418,241

(*) Includes 95,078 shares purchased for which the trade date occurred during September 2017 while settlement occurred during October 2017.

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 eight times, most recently on October 23, 2017 for $1.0 billion, bringing the total authorization under the current program to $6.0 billion. Under our current and prior stock repurchase plans, the total authorization is $6.8 billion.

During the period October 1, 2017 through October 24, 2017, we repurchased an additional0.3 million shares at an average price of$108.18. We currently have $1.3 billion of remaining availability in our current 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: October 25, 2017	By:	/s/ David B. Wyshner
		David B. Wyshner
		Chief Financial Officer
Date: October 25, 2017	By:	/s/ Nicola Rossi
		Nicola Rossi
		Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
10.1*	Amendment No. 6 to Employment Agreement with Stephen P. Holmes, dated July 31, 2017
10.2*	Employment Agreement with David B. Wyshner, dated as of August 1, 2017
10.3*	Amendment No. 1 to Employment Agreement with Gail Mandel, dated August 2, 2017
10.4*	Amendment No. 1 to Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, effective August 2, 2017
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. 6
TO
EMPLOYMENT AGREEMENT

AMENDMENT, dated July 31, 2017 (“Amendment”), made to the Employment Agreement dated as of the Effective Date, as amended by Amendment No. 1 thereto effective as of December 31, 2008, Amendment No. 2 thereto effective as of November 19, 2009, Amendment No. 3 thereto effective as of December 31, 2012, Amendment No. 4 thereto effective as of May 16, 2013 and Amendment No. 5 thereto effective as of May 14, 2015 (as amended, the “Employment Agreement”), by and between Wyndham Worldwide Corporation, a Delaware corporation (the “Company”), and Stephen P. Holmes (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 paragraph of Section III of the Employment Agreement is hereby amended and restated in its entirety as follows:

   “The period of the Executive’s employment under this Agreement (the “Period of Employment”), which began on the Effective Date and was extended, pursuant to the terms of the Employment Agreement, to July 31, 2017, shall continue, upon the same terms and conditions as amended from time to time, for a period of two years commencing on August 1, 2017 and ending on July 31, 2019, subject to earlier termination as provided in this Agreement. No later than 180 days prior to the expiration of the Period of Employment, the Company and the Executive will commence a good faith negotiation regarding extending the Period of Employment; provided, that, subject to Section VII(c)(ii) below, neither party hereto shall have any obligation hereunder or otherwise to consummate any such extension or any new agreement relating to the Executive’s employment with the Company.”

2. Section VIII is hereby amended by adding the following new clause (g) at the end thereof:

   “(g) Notwithstanding any provision in this Agreement to the contrary, nothing in this Agreement is intended to or will be used in any way to limit the Executive’s rights to communicate with a government agency, as provided for, protected under or warranted by applicable law.”

Except as provided herein all terms and conditions set forth in the Employment Agreement shall remain in full force and effect. From and after the date hereof, all references to the Employment Agreement shall mean the Employment Agreement as amended hereby.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed this 31st day of July, 2017.

EXECUTIVE

/s/ Stephen P. Holmes
Stephen P. Holmes

WYNDHAM WORLDWIDE CORPORATION

By: /s/ Mary R. Falvey
Mary R. Falvey
Executive Vice President and
Chief Human Resources Officer

Exhibit 10.2

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**"), dated as of August 1, 2017, is hereby made by and between Wyndham Worldwide Corporation, a Delaware corporation (the "**Company**"), and David B. Wyshner (the "**Executive**").

WHEREAS, the Company desires to employ the Executive, and the Executive desires to serve the Company, in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

SECTION I

EFFECTIVENESS

This Agreement is subject to the approval of the Company's Board of Directors' Compensation Committee **("Board Compensation Committee")**, and, provided such approval is given, will be deemed effective and enforceable by the parties hereto as of the Effective Date (as defined below).

SECTION II

EMPLOYMENT; POSITION AND RESPONSIBILITIES

During the Period of Employment (as defined in Section III below) the Company agrees to employ the Executive and the Executive agrees to be employed by the Company in accordance with the terms and conditions set forth in this Agreement.

Effective two days after the commencement of the Period of Employment (August 4, 2017), the Executive will serve as the Executive Vice President and Chief Financial Officer of the Company and will report to, and be subject to the direction of, the Chief Executive Officer of the Company (the "**Supervising Officer**"). The Executive will perform such duties and exercise such supervision with regard to the business of the Company as are associated with his position, as well as such reasonable additional duties as may be prescribed from time to time by the Supervising Officer. The Executive will, during the Period of Employment, devote substantially all of his time and attention during normal business hours to the performance of services for the Company, or as otherwise directed by the Supervising Officer from time to time. The Executive will maintain a primary office and generally conduct his business in Parsippany, New Jersey, except for customary business travel in connection with his duties hereunder. For the first two days of the Period of Employment (August 2 and August 3, 2017), the Executive shall be deemed a non-executive senior advisor of the Company.

The Executive acknowledges and agrees that his employment will be transferred to, and this Agreement will be assigned to, the company spun off from the Company ("Spinco") pursuant to the transaction to be publicly announced on or about August 2, 2017 (the "Transaction"), and that such transfer and assignment will not (i) be treated as a termination of his employment, (ii) constitute grounds for a "Constructive Discharge" (as defined below), or (iii) otherwise constitute a breach of this Agreement. Upon such assignment of this Agreement to Spinco, the Company will be released from all ongoing responsibility and/or liability with respect to this Agreement but only after all accrued obligations of the Company to the Executive prior to the spin-off and/or related to the spin-off have been met or assigned to Spinco, including those set out in Section IV-C below. Effective upon such assignment, the Executive agrees to enter into a new employment agreement with Spinco that is consistent in all material respects with this Agreement, but with such changes as are reasonably necessary to reflect the Executive's employment with Spinco. In the event the Transaction is not completed, the Agreement shall otherwise remain in full force and effect between the Company and the Executive.

SECTION III

PERIOD OF EMPLOYMENT

The period of the Executive's employment under this Agreement (the "**Period of Employment**") will begin on August 2, 2017 (the "**Effective Date**") and will end on August 1, 2020, subject to earlier termination as provided in this Agreement. No later than 180 days prior to the expiration of the Period of Employment, the Company and the Executive will commence a good faith negotiation regarding extending the Period of Employment; provided, that neither party hereto will have any obligation hereunder or otherwise to consummate any such extension or enter into any new agreement relating to the Executive's employment with the Company. Notwithstanding anything to the contrary herein, unless otherwise agreed to in writing by the Company, in the event that the Executive does not begin his employment on or before August 2, 2017, then this Agreement and all of the rights and obligations of the parties here under shall terminate and be void and of no force or effect at the discretion of the Company.

SECTION IV

COMPENSATION AND BENEFITS

For all services rendered by the Executive pursuant to this Agreement during the Period of Employment, including services as an executive officer, director or committee member of the Company or any subsidiary or affiliate of the Company, the Executive will be compensated as follows:

A. Base Salary.

During the Period of Employment, the Company will pay the Executive base salary at an annual rate equal to six hundred fifty thousand dollars ($650,000.00) commencing effective on the Effective Date, subject to such annual increases as the Board Compensation Committee deems appropriate in its sole discretion ("**Base Salary**"). Base Salary will be payable according to the customary payroll practices of the Company.

B. Annual Incentive Awards.

The Executive will be eligible to earn an annual incentive compensation award in respect of each fiscal year of the Company during the Period of Employment, subject to the Committee's discretion to grant such awards, based upon a target award opportunity equal to 100% of Base Salary ("Target Award") earned during each such year, effective August 2, 2017 (with any Annual Incentive Award paid for fiscal year 2017 to be prorated), and subject to the terms and conditions of the annual incentive plan covering employees of the Company, and further subject to attainment by the Company of such performance goals, criteria or targets established and certified by the Committee in its sole discretion in respect of each such fiscal year (each such annual incentive, an "**Incentive Compensation Award**"). Any earned Incentive Compensation Award will be paid to the Executive at such time as will be determined by the Committee, but in no event later than the last day of the calendar year following the calendar year with respect to which the performance targets relate.

C. Long Term Incentive Awards.

The Executive will be eligible for long term incentive awards as determined by the Committee, and the Executive will participate in such grants at a level commensurate with his position as a senior executive officer of the Company. For purposes of this Agreement, awards described in this paragraph are referred to as "**Long Term Incentive Awards" or "LTIPS**." Any Long Term Incentive Awards will vest as determined by the Committee, including with respect to any performance-based conditions applicable to vesting, in its sole and absolute discretion, and will be subject to the terms and conditions of the Company's 2006 Equity and Incentive Plan (restated as of February 27, 2014) and any amended or successor plan thereto (the "**Equity Plan**") and the applicable agreement evidencing such award as determined by the Committee.

On or promptly after August 4, 2017, the Executive will be awarded, subject to Committee approval, time-based restricted stock units ("**2017 RSU Annual Grant**"), with the number of such units determined by dividing a grant value of no less than $3,500,000.00 by the closing market price of the Company's common stock on the date of grant, which shall vest in equal 25% increments annually, subject to the Executive's continued employment with the Company through the respective vesting dates and other terms and conditions as set forth in the Award Agreement – Restricted Stock Units, evidencing the 2017 Annual RSU Grant ("Award Agreement"). Such award will be subject to the terms and conditions of the Equity Plan and the Award Agreement evidencing such award as determined by the Committee. In the event the Transaction is completed, the 2017 RSU Annual Grant will vest in accordance with any vesting terms relating to the Transaction that may be approved by the Board Compensation Committee on August 2, 2017, based upon a recommendation from senior management of the Company.

D. Employee Benefits.

During the Period of Employment, the Company will provide the Executive with employee benefits generally offered to all eligible full-time employees of the Company, and with perquisites generally offered to similarly situated senior executive officers of the Company, subject to the terms of the applicable employee benefit plans or policies of the Company.

E. Expenses.

During the Period of Employment, the Company will reimburse the Executive for reasonable business expenses incurred by the Executive in connection with the performance of his duties and obligations under this Agreement, subject to Executive's compliance with such limitations and reporting requirements with respect to expenses as may be established by the Company from time to time. The Company will reimburse all taxable business expenses to the Executive promptly following submission but in no event later than the last day of the Executive's taxable year following the taxable year in which the expenses are incurred.

SECTION V

DEATH AND DISABILITY

The Period of Employment will end upon the Executive's death. If the Executive becomes Disabled (as defined below) during the Period of Employment, the Period of Employment may be terminated at the option of the Executive upon notice of resignation to the Company, or at the option of the Company upon notice of termination to the Executive. For purposes of this Agreement, "**Disability**" will have the meaning set forth in Section 409A of the Internal Revenue Code ("**Code**"), and the rules and regulations promulgated thereunder ("**Code Section 409A**"). The Company's obligation to make payments to the Executive under this Agreement will cease as of such date of termination due to death or Disability, except for (a) any Base Salary earned but unpaid, (b) any Incentive Compensation Awards earned but unpaid for a prior completed fiscal year, if any, and (c) any LTIPs, including but not limited to the 2017 RSU Annual Grant, earned and vested but unpaid for a prior completed fiscal year, if any, as of the date of such termination, which will be paid in accordance with the terms set forth in Sections IV-A, IV-B and IV-C, respectively, unless otherwise prohibited by law. Notwithstanding the foregoing, the Company will not take any action with respect to the Executive's employment status pursuant to this Section V earlier than the date on which the Executive becomes eligible for long-term disability benefits under the terms of the Company's long-term disability plan in effect from time to time.

SECTION VI

EFFECT OF TERMINATION OF EMPLOYMENT

A . Without Cause Termination and Constructive Discharge. If the Executive's employment terminates during the Period of Employment due to either a Without Cause Termination or a Constructive Discharge (each as defined below), the Company will pay or provide the Executive, as applicable (or his surviving spouse, estate or personal representative, as applicable), subject to Section XIX:

i. a lump sum payment equal to 200% multiplied by the sum of (x) the Executive's then current Base Salary, plus (y) an amount equal to the highest Incentive Compensation Award paid to the Executive (disregarding voluntary deferrals) with respect to the three fiscal years of the Company immediately preceding the fiscal year in which Executive's termination of employment occurs, but in no event will the amount set forth in this subsection (y) exceed 100% of the Executive's then current Base Salary, provided that in the event of the Executive's termination before completion of three fiscal years following the Effective Date such amount in subsection (y) shall be $650,000;

ii. subject to Section VI-D below, (x) all time-based Long Term Incentive Awards (including all stock options and stock appreciation rights and the 2017 RSU Annual Grant) granted on or after the Effective Date which would have otherwise vested within one (1) year following the Executive's termination of employment, will vest upon the Executive's termination of employment; and (y) any performance-based Long Term Incentive Awards (including restricted stock units but excluding stock options and stock appreciation rights) granted on or after the Effective Date, will vest and be paid on a pro rata basis (to the extent that the performance goals applicable to the Long Term Incentive Award are achieved), with such proration to be determined based upon the portion of the full performance period during which the Executive was employed by the Company plus 12 months (or, if less, assuming employment for the entire performance period), with the payment of any such vested performance-based Long Term Incentive Awards to occur at the time that the awards are paid to employees generally. The provisions relating to Long Term Incentive Awards set forth in this Section will not supersede or replace any provision or right of the Executive relating to the acceleration of the vesting of such awards in the event of a Change in Control (as defined in the Equity Plan) of the Company or the Executive's death or Disability, whether pursuant to an applicable stock plan document or award agreement;

iii. a two year post-termination exercise period (but in no event beyond the original expiration date) for all vested and outstanding stock appreciation rights and options held by the Executive on the date of termination;

iv. the Executive shall be eligible to continue to participate in the Company health plans in which he participates (medical, dental and vision) through the end of the month in in which his termination becomes effective. Following such time, the Executive may elect to continue health plan coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") directly, with the reimbursement by the Company of such costs associated with continuing health coverage under COBRA for the period the lesser of which is (x) 18 months or (y) until the Executive becomes eligible for health and medical benefits from a subsequent employer; and

v. any of the following amounts that are earned but unpaid through the date of such termination: (x) Incentive Compensation Award for a prior completed fiscal year and (y) Base Salary. The Executive shall retain any LTIPs (including the 2017 RSU Annual Grant) that have vested and been paid to him as of the date of such termination, unless otherwise prohibited by law.

B. Termination for Cause; Resignation. If the Executive's employment terminates due to a Termination for Cause or a Resignation, Base Salary earned but unpaid as of the date of such termination will be paid to the Executive in accordance with Section VI-D below. Outstanding stock options and other equity awards held by the Executive as of the date of termination will be treated in accordance with their terms. Except as provided in this paragraph, the Company will have no further obligations to the Executive hereunder.

C. For purposes of this Agreement, the following terms have the following meanings:

i. "**Termination for Cause**" means a termination of the Executive's employment by the Company due to (a) the Executive's willful failure to substantially perform his duties as an employee of the Company or any of its subsidiaries (other than any such failure resulting from incapacity due to physical or mental illness) or material breach of the Company's Code of Conduct, (b) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any of its subsidiaries, (c) the Executive's conviction or plea of nolo contendere for a felony (or its state law equivalent) or any crime involving moral turpitude or dishonesty (which conviction, due to the passage of time or otherwise, is not subject to further appeal), (d) the Executive's gross negligence in the performance of his duties, or (e) the Executive purposely or negligently makes a false certification regarding the Company's financial statements. The Company will provide a detailed written notice to the Executive of its intention to terminate the Executive's employment and that such termination is a Termination for Cause, along with a description of the Executive's conduct that the Company believes gives rise to the Termination for Cause, and provide the Executive with a period of fifteen (15) days to cure such conduct (unless the Company reasonably determines in its reasonable discretion that the Executive's conduct is not subject to cure) and/or challenge the Company's determination that such termination was a Termination for Cause; provided, however, that (i) the determination of whether such conduct has been cured and/or gives rise to a Termination for Cause will be made by the Company in its sole discretion and (ii) the Company will be entitled to immediately and unilaterally restrict or suspend the Executive's duties during such fifteen (15) day period pending such determination.

ii. "**Constructive Discharge**" means, without the consent of the Executive, (a) any material breach by the Company of the terms of this Agreement, (b) a material diminution in Base Salary or Target Award, (c) a material diminution in the Executive's authority, duties or responsibilities (including the Executive no longer being the principal financial officer of a publicly traded company), (d) a relocation of the Executive's primary office to a location more than fifty (50) miles from his then current primary business, or (e) the Company not offering to renew the Executive's employment agreement on substantially similar terms prior to the end of the Period of Employment (as may be extended from time to time). The Executive must provide the Company a detailed written notice that describes the circumstances being relied on for such termination with respect to this Agreement within thirty (30) days after the event, circumstance or condition first arose giving rise to the notice. The Company will have thirty (30) days after receipt of such notice to remedy the situation prior to the termination for Constructive Discharge. If no such cure occurs, the Executive's employment will be terminated on the close of business on the 30th day after he provided the required written notice.

iii. "**Without Cause Termination**" or "**Terminated Without Cause**" means termination of the Executive's employment by the Company other than due to death, Disability, or Termination for Cause.

iv. "**Resignation**" means a termination of the Executive's employment by the Executive, other than in connection with a Constructive Discharge.

D. Conditions to Payment and Acceleration. In the event of a termination under this Section VI, any earned but unpaid Base Salary as of the date of such termination will be paid in accordance with Section IV-A, and in the event of a Termination Without Cause or a Constructive Discharge, any earned but unpaid Incentive Compensation Award for a prior completed fiscal year as of the date of such termination will be paid in accordance with Section IV-B, and for the avoidance of doubt, the Executive shall retain any LTIPs (including the 2017 RSU Annual Grant) that have vested and been paid to him as of the date of such termination, unless otherwise prohibited by law. All payments due to the Executive under Sections VI-A(i) will be made to the Executive in a lump sum no later than the 60th day following the date of termination; provided however, that (i) all payments and benefits under Sections VI-A(i) - (iii) will be subject to, and contingent upon, the execution by the Executive (or his beneficiary or estate) of a release of claims against the Company and its affiliates in such reasonable form determined by the Company in its reasonable discretion and (ii) in the event that the period during which the Executive is entitled to consider the general release (and to revoke the release, if applicable) spans two calendar years, then any payment that otherwise would have been payable during the first calendar year will be made on the later of (A) the end of the revocation period (assuming that the Executive does not revoke), or (B) the first business day of the second calendar year (regardless of whether the Executive used the full time period allowed for consideration), all as required for purposes of Code Section 409A. The payments due to the Executive under Section VI-A will be in lieu of any other severance benefits otherwise payable to the Executive under any severance plan of the Company or its affiliates. The Company will provide the general release to the Executive within 10 business days following his last day of employment.

SECTION VII

OTHER DUTIES OF THE EXECUTIVE
DURING AND AFTER THE PERIOD OF EMPLOYMENT

A. The Executive will, with reasonable notice during or after the Period of Employment, furnish information as may be in his possession and fully cooperate with the Company and its affiliates as may be requested in connection with any claims or legal action in which the Company or any of its affiliates is or may become a party. After the Period of Employment, the Executive will cooperate as reasonably requested with the Company and its affiliates in connection with any claims or legal actions in which the Company or any of its affiliates is or may become a party. The Company agrees to reimburse the Executive for any reasonable out-of-pocket expenses incurred by Executive by reason of such cooperation, including any loss of salary due, and the Company will make reasonable efforts to minimize interruption of the Executive's life in connection with his cooperation in such matters as provided for in this Section VII-A.

B. The Executive recognizes and acknowledges that all information pertaining to this Agreement or to the affairs; business; results of operations; accounting methods, practices and procedures; members; acquisition candidates; financial condition; clients; customers or other relationships of the Company or any of its affiliates ("**Information**") is confidential and is a unique and valuable asset of the Company or any of its affiliates. Access to and knowledge of certain of the Information is essential to the performance of the Executive's duties under this Agreement. The Executive will not during the Period of Employment or thereafter, except to the extent reasonably necessary in performance of his duties under this Agreement, give to any person, firm, association, corporation, or governmental agency any Information, except as may be required by law. The Executive will not make use of the Information for his own purposes or for the benefit of any person or organization other than the Company or any of its affiliates. The Executive will also use his best efforts to prevent the disclosure of this Information by others. All records, memoranda, etc. relating to the business of the Company or its affiliates, whether made by the Executive or otherwise coming into his possession, are confidential and will remain the property of the Company or its affiliates.

C.

i. During the Period of Employment (as may be extended from time to time) and the Post Employment Period (as defined below and, together with the Period of Employment, the "**Restricted Period**"), irrespective of the cause, manner or time of any termination, the Executive will not use his status with the Company or any of its affiliates to obtain loans, goods or services from another organization on terms that would not be available to him in the absence of his relationship to the Company or any of its affiliates. Notwithstanding the provisions set forth herein, the Executive may disclose his employment relationship with the Company in connection with a personal loan application.

ii. During the Restricted Period, the Executive will not make any statements or perform any acts intended to advance or which reasonably could have the effect of advancing the interest of any competitors of the Company or any of its affiliates or in any way injuring or intending to injure the interests of the Company or any of its affiliates. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company's sole and absolute discretion, engage in, or directly or indirectly (whether for compensation or otherwise), own or hold any proprietary interest in, manage, operate, or control, or join or participate in the ownership, management, operation or control of, or furnish any capital to or be connected in any manner with, any party or business which competes with the business of the Company or any of its affiliates, as such business or businesses 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 affiliates' businesses are conducted nationally and internationally and agrees that the provisions in the foregoing sentence will operate throughout the United States and the world.

iii. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company's sole and absolute discretion, directly or indirectly, request or advise any then current client, customer or supplier of the Company to withdraw, curtail or cancel its business with the Company or any of its affiliates, or solicit or contact any such client, customer or supplier with a view to inducing or encouraging such client, customer or supplier to discontinue or curtail any business relationship with the Company or any of its affiliates. The Executive will not have discussions with any employee of the Company or any of its affiliates regarding information or plans for any business intended to compete with the Company or any of its affiliates.

iv. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company's sole and absolute discretion, directly or indirectly cause, solicit, entice or induce (or endeavor to cause, solicit, entice or induce) any present or future employee or independent contractor of the Company or any of its affiliates to leave the employ of, or otherwise terminate its relationship with, the Company or any of its affiliates or to accept employment with, provide services to or receive compensation from the Executive or any person, firm, company, association or other entity with which the Executive is now or may hereafter become associated. The Executive hereby represents and warrants that the Executive has not entered into any agreement, understanding or arrangement with any employee of the Company or any of its subsidiaries or affiliates pertaining to any business in which the Executive has participated or plans to participate, or to the employment, engagement or compensation of any such employee.

v. For the purposes of this Agreement, the term "**proprietary interest**" means legal or equitable ownership, whether through stock holding or otherwise, of an equity interest in a business, firm or entity, or ownership of any class of equity interest in a publicly-held company (unless such ownership of a publicly-held company is 5% or less); the term "**affiliate**" includes without limitation all subsidiaries and licensees of the Company; and the term, "**Post Employment Period**" means either (1) if the Executive's employment terminates for any reason at such time following the expiration of the Period of Employment hereunder, a period of one year following the Executive's termination of employment; or (2) if the Executive's employment terminates during the Period of Employment hereunder, a period of two years following the Executive's termination of employment.

D. The Executive hereby acknowledges that damages at law may be an insufficient remedy to the Company if the Executive violates the terms of this Agreement and that the Company will be entitled, upon making the requisite showing, to preliminary and/or permanent injunctive relief in any court of competent jurisdiction to restrain the breach of or otherwise to specifically enforce any of the covenants contained in this Section VII without the necessity of posting any bond or showing any actual damage or that monetary damages would not provide an adequate remedy. Such right to an injunction will be in addition to, and not in limitation of, any other rights or remedies the Company may have. Without limiting the generality of the foregoing, neither party will oppose any motion the other party may make for any expedited discovery or hearing in connection with any alleged breach of this Section VII.

E. The period of time during which the provisions of this Section VII will be in effect will be extended by the length of time during which the Executive is in breach of the terms hereof as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

F. The Executive agrees that the restrictions contained in this Section VII are an essential element of the compensation the Executive is granted hereunder and but for the Executive's agreement to comply with such restrictions, the Company would not have entered into this Agreement.

G. Notwithstanding any provision in this Agreement to the contrary, nothing contained in this Agreement is intended to nor shall it limit or prohibit Executive, or waive any right on his part, to initiate or engage in communication with, respond to any inquiry from, or otherwise provide information to, any federal or state regulatory, self-regulatory, or enforcement agency or authority, as provided for, protected under or warranted by applicable law, in all events without notice to or consent of the Company.

SECTION VIII

INDEMNIFICATION

The Company will indemnify the Executive to the fullest extent permitted by the laws of the state of the Company's incorporation in effect at that time, or the certificate of incorporation and by-laws of the Company, whichever affords the greater protection to the Executive (including payment of expenses in advance of final disposition of a proceeding as permitted by such laws, certificate of incorporation or by-laws).

SECTION IX

MITIGATION

The Executive will not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor will the amount of any such payment be reduced by any compensation earned by the Executive as the result of employment by another employer after the date the Executive's employment hereunder terminates.

SECTION X

WITHHOLDING TAXES

The Executive acknowledges and agrees that the Company may withhold from applicable payments under this Agreement all federal, state, city or other taxes that will be required pursuant to any law or governmental regulation.

SECTION XI

EFFECT OF PRIOR AGREEMENTS

Upon the Effective Date, this Agreement will be deemed to have superseded and replaced each of any prior employment or consultant agreement between the Company (and/or its affiliates, including without limitation, its respective predecessors) and the Executive.

SECTION XII

CONSOLIDATION, MERGER OR SALE OF ASSETS; ASSIGNMENT

Nothing in this Agreement will preclude the Company from consolidating or merging into or with, or transferring all or a portion of its business and/or assets to, another corporation. The Company may assign this Agreement to any successor to all or a portion of the business and/or assets of the Company, provided, in the event of such an assignment, that the Company shall require such successor to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, the failure of which shall constitute a Constructive Discharge pursuant to Section VI-C(ii) herein.

SECTION XIII

MODIFICATION

This Agreement may not be modified or amended except in writing signed by the parties. No term or condition of this Agreement will be deemed to have been waived except in writing by the party charged with waiver. A waiver will operate only as to the specific term or condition waived and will not constitute a waiver for the future or act as a waiver of anything other than that which is specifically waived.

SECTION XIV

GOVERNING LAW

This Agreement has been executed and delivered in the State of New Jersey and its validity, interpretation, performance and enforcement will be governed by the internal laws of that state.

SECTION XV

ARBITRATION

A. Any controversy, dispute or claim arising out of or relating to this Agreement or the breach hereof (other than with respect to the matters covered by Section VII for which the Company may, but will not be required to, seek injunctive relief) will 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 who is aggrieved will deliver a notice to the other party 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 arbitration rules of the American Arbitration Association, modified only as herein expressly provided. After the aforesaid twenty (20) days, either party, 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 will be final 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 will be authorized to apportion its 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 will be borne equally by each party, and each party will bear the fees and expenses of its own attorney.

D. The parties agree that this Section XV has been included to rapidly and inexpensively resolve any disputes between them with respect to this Agreement, and that this Section XV will be grounds for dismissal of any court action commenced by either party with respect to this Agreement, except as otherwise provided in Section XV-A herein, other than post-arbitration 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 will keep confidential, and will not disclose to any person, except to counsel for either of the parties and/or as may be required by law, the existence of any controversy hereunder, the referral of any such controversy to arbitration or the status or resolution thereof.

SECTION XVI

SURVIVAL

Sections VII, VIII, IX, XI, XII, XIII, XIV, XV, and XVI will continue in full force in accordance with their respective terms notwithstanding any termination of the Period of Employment.

SECTION XVII

SEVERABILITY

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 will 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 will be deemed modified so that it will be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court may limit this Agreement to render it reasonable in the light of the circumstances in which it was entered into and specifically enforce this Agreement as limited.

SECTION XVIII

NO CONFLICTS

The Executive represents and warrants to the Company that, other than the non-compete provisions in his separation agreement with his previous employer, he is not a party to or otherwise bound by any agreement or arrangement (including, without limitation, any license, covenant, or commitment of any nature), or subject to any judgment, decree, or order of any court or administrative agency, that would conflict with or will be in conflict with or in any way preclude, limit or inhibit the Executive's ability to execute this Agreement or to carry out his duties and responsibilities hereunder. The Executive represents that the non-compete provisions to which he agreed with his previous employer do not impact his ability to be employed by the Company.

SECTION XIX

SECTION 409A OF THE CODE

A. Section 409A. Although the Company does not guarantee to the Executive any particular tax treatment relating to the payments and benefits under this Agreement, it is intended that such payments and benefits be exempt from, or comply with, Code Section 409A and this Agreement will be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A.

B. Separation From Service. A termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits subject to Code Section 409A upon or following a termination of employment unless such termination is also a "Separation from Service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "resignation," "termination," "termination of employment" or like terms will mean Separation from Service.

C. Reimbursement. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit and (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and such reimbursement will be made no later than the end of the calendar year following the calendar year in which the expense is incurred, provided, that the foregoing clause will not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

D. Specified Employee. If the Executive is deemed on the date of termination of employment to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code and using the identification methodology selected by the Company from time to time, or if none, the default methodology, then:

i. With regard to any payment, the providing of any benefit or any distribution of equity that constitutes "deferred compensation" subject to Code Section 409A, payable upon separation from service, such payment, benefit or distribution will not be made or provided prior to the earlier of (x) the expiration of the six-month period measured from the date of the Executive's Separation from Service or (y) the date of the Executive's death, to the extent required to comply with Code Section 409A; and

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

E. Company Discretion. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment will be made within 60 days following the date of termination"), the actual date of payment within the specified period will be within the sole discretion of the Company and the number of days referenced will refer to the number of calendar days.

F. Compliance. Notwithstanding anything herein to the contrary, in no event whatsoever will the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Executive by Code Section 409A or any damages for failing to comply with Code Section 409A.

[Signature Page Follows]

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

WYNDHAM WORLDWIDE CORPORATION

By: /s/ Mary R. Falvey
Name: Mary R. Falvey
Title: Executive Vice President and Chief Human Resources Officer

/s/ David B. Wyshner
David B. Wyshner

Exhibit 10.3

AMENDMENT NO. 1
TO
EMPLOYMENT AGREEMENT

AMENDMENT, dated August 2, 2017 (“Amendment”), made to the Employment Agreement dated as of November 13, 2014 (the “Employment Agreement”), by and between Wyndham Worldwide Corporation, a Delaware corporation (the “Company”), and Gail Mandel (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 III 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**”) will begin on November 13, 2014 (the “**Effective Date**”) and will end on November 13, 2020, subject to earlier termination as provided in this Agreement.”

2. Section VII-F of the Employment Agreement is hereby amended by adding the following sentence to the end thereof:

   “Nothing in this Agreement is intended to or will be used in any way to limit the Executive’s rights to communicate with a government agency, as provided for, protected under or warranted by applicable law.”

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 2nd day of August, 2017.

EXECUTIVE

/s/ Gail Mandel
Gail Mandel

WYNDHAM WORLDWIDE CORPORATION

By:/s/ Mary R. Falvey
Mary R. Falvey
Executive Vice President and
Chief Human Resources Officer

Exhibit 10.4

AMENDMENT NO. 1 TO

WYNDHAM WORLDWIDE CORPORATION

2006 EQUITY AND INCENTIVE PLAN

The Board of Directors (Board) of Wyndham Worldwide Corporation, a Delaware corporation (Company), previously adopted the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (as amended and restated from time to time, the Plan). The Company hereby amends the Plan effective as of the date on which the Board approves the amendment (the Amendment Effective Date).

RECITALS

WHEREAS, Section 8(d)(ii) of the Plan provides that the Board may amend or modify the Plan without stockholder approval in certain circumstances.

WHEREAS, the Company now desires to amend the Plan to allow the Committee to accelerate vesting of performance-based awards subject to Section 162(m) of the Code.

WHEREAS, capitalized terms used but not defined herein shall have the same meaning as set forth in the Plan.

AMENDMENTS

1. The following sentence is added immediately before the last sentence of Section 6(b)(vi) of the Plan:

   "The Committee shall have the authority to accelerate vesting of Awards subject to Section 162(m) of the Code at such time and under such circumstances as it, in its sole discretion, deems appropriate."

2. Except as specifically amended above, the Plan will remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused the execution of this Amendment by its duly authorized officer, effective as of the Amendment Effective Date.

WYNDHAM WORLDWIDE CORPORATION

By: /s/ Mary R. Falvey
Mary R. Falvey
Executive Vice President and Chief Human Resources Officer

Exhibit 12

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

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Earnings available to cover fixed charges:		
Income before income taxes	$ 596	$ 715
Less: Income from equity investees	1	1
	595	714
Plus: Fixed charges	192	177
Amortization of capitalized interest	5	4
Less: Capitalized interest	2	4
Earnings available to cover fixed charges	$ 790	$ 891
Fixed charges (*):		
Interest	$ 169	$ 157
Capitalized interest	2	4
Interest portion of rental expense	21	16
Total fixed charges	$ 192	$ 177
Ratio of earnings to fixed charges	4.11x	5.03x

(*) 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

October 25, 2017

Wyndham Worldwide Corporation
22 Sylvan Way
Parsippany, New Jersey 07054

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim condensed consolidated financial information of Wyndham Worldwide Corporation and subsidiaries for the three and nine month periods ended September 30, 2017, and 2016, as indicated in our report dated October 25, 2017; 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 September 30, 2017, is incorporated by reference in Registration Statement No. 333-136090 on Form S-8 and Registration Statement No. 333-206104 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: October 25, 2017

/S/ STEPHEN P. HOLMES

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, David B. Wyshner, 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: October 25, 2017

/S/ DAVID B. WYSHNER

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 September 30, 2017, 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 David B. Wyshner, 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
OCTOBER 25, 2017

/S/ DAVID B. WYSHNER
DAVID B. WYSHNER

CHIEF FINANCIAL OFFICER
OCTOBER 25, 2017