# Marriott International Posts EPS of 40 Cents for the 2000 First Quarter Excluding One-Time Charge

**MARRIOTT INTERNATIONAL POSTS EPS OF 40 CENTS FOR THE 2000 FIRST QUARTER EXCLUDING ONE-TIME CHARGE**

WASHINGTON, D.C. – April 13, 2000 – Marriott International, Inc. (NYSE:MAR) today reported that its diluted earnings per share increased five percent to 40 cents in its 2000 first quarter ended March 24, before the impact of a one-time charge in its distribution services business. Net income before the charge rose three percent to $103 million. Sales totaled $2.2 billion, an increase of 14 percent compared to the 1999 first quarter.

The company said that its 2000 first quarter net income was reduced by approximately $9.5 million as a result of the one-time write-off of a contract investment by its distribution services business. Reflecting the impact of this one-time charge, reported net income was $94 million in the 2000 quarter, compared to $100 million in the preceding year, and diluted earnings per share was 37 cents, versus 38 cents in the corresponding 1999 quarter.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said the company's first quarter operating results were in line with expectations.

"The lodging industry worldwide got off to a slow start in 2000, as many travelers stayed home in early January due to Y2K concerns," Mr. Marriott said. "However, demand picked up steadily as the first quarter progressed, which bodes well for our lodging operations for the balance of the year.

"We are on track to meet our new business development goals in 2000," Mr. Marriott continued. "In the next few months, we will be opening our 2,000th hotel and our 150th senior living community. For the year, we expect to add 38,000 hotel rooms and timesharing villas to our worldwide lodging portfolio. In addition, our distribution services business recently has been awarded several major new accounts."

MARRIOTT LODGING reported a nine percent increase in operating profit and 12 percent sales growth in the 2000 first quarter. Results reflected higher room rates at U.S. hotels, strong interval sales for vacation ownership resorts, and contributions from new properties worldwide.

Across Marriott's full-service lodging brands (Marriott Hotels, Renaissance Hotels and Ritz-Carlton), revenue per available room (REVPAR) for comparable company-operated U.S. properties grew by an average of 3.5 percent in the 2000 first quarter. Average room rates for these hotels rose nearly five percent, while occupancy declined one percentage point to 75 percent.

Results for international lodging operations rebounded in the 2000 first quarter, reflecting solid profit growth for properties in Asia, Europe and Egypt.

Marriott Vacation Club International achieved a 14 percent increase in contract sales in the 2000 first quarter, as well as higher income from resort management. Sales activity was brisk at major timeshare resorts in Hawaii, California and Utah. Also in the quarter, The Ritz-Carlton Club began selling fractional ownership interests in its first two private club resorts, located in Aspen, Colo., and
St. Thomas, U.S. Virgin Islands.

The company has added 231 hotels and timeshare resorts (36,000 rooms) to its worldwide lodging portfolio over the past 12 months, while 48 properties (9,500 rooms) exited the system. A net total of
40 hotels and resorts (5,900 rooms) was added in the 2000 first quarter. At quarter-end, the Marriott lodging group encompassed 1,920 hotels and timesharing resorts (361,700 rooms), and approximately 6,200 furnished corporate apartments managed by the company's ExecuStay by Marriott division.

Marriott Lodging plans to add 175,000 rooms across its brands over a five-year period (1999-2003). At quarter-end, nearly two-thirds of the planned rooms had opened or were under development.

MARRIOTT DISTRIBUTION SERVICES (MDS) reported a 22 percent increase in sales in the 2000 first quarter, reflecting the commencement of service to three large restaurant chains since the beginning of the year. The division reported an operating loss in the 2000 quarter due to the write-off of its investment in a contract with Boston Chicken, Inc. (BCI), a major customer currently undergoing reorganization in bankruptcy. MDS has reached an agreement in principle on a new contract providing for continuation of distribution services to the Boston Market stores. The new contract, which would replace MDS's existing distribution contract with BCI, will be subject to confirmation of BCI's plan of reorganization by the Bankruptcy Court allowing McDonald's Corporation to acquire the chain.

MARRIOTT SENIOR LIVING SERVICES posted 24 percent sales growth in the 2000 first quarter. Operating profit for the division was flat, as improved performance for established senior living communities was offset by start-up inefficiencies for new properties. Occupancy for comparable communities rose to 87 percent in the quarter.

The company opened two assisted living communities during the 2000 first quarter, and now operates 146 facilities totaling 25,000 residential units.

CORPORATE EXPENSES decreased 10 percent in the 2000 first quarter, as the impact of Year 2000 costs incurred during 1999 was partially offset by incremental costs associated with new corporate systems. Interest expense was up $12 million as a result of borrowings to finance growth outlays and share repurchases, as well as higher interest rates. Marriott International acquired 8.2 million shares of its common stock during the 2000 first quarter, and has been authorized to repurchase an additional
22.3 million shares.

The company's effective income tax rate decreased to approximately 37.0 percent in 2000, compared to 37.5 percent in the 1999 first quarter.
Note: This press release contains "forward-looking statements" within the meaning of federal securities law, including statements concerning the number of lodging properties expected to be added in future years, business strategies and their intended results, and similar statements concerning anticipated future events and expectations that are not historical facts. The forward-looking statements in this press release are subject to numerous risks and uncertainties including the effects of economic conditions; supply and demand changes for hotel rooms, vacation ownership intervals, corporate housing and senior living accommodations; competitive conditions in the lodging, senior living and food service distribution industries; relationships with clients and property owners; the impact of government regulations; approval of the Boston Chicken, Inc. reorganization plan; and the availability of capital to finance growth, which could cause actual results to differ materially from those expressed in or implied by the statements herein.

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For 2000 First Quarter financial tables, please call Marriott Communications - (301) 380-7770.

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MARRIOTT INTERNATIONAL, INC. (NYSE:MAR) is a leading worldwide hospitality company with over 2,000 operating units in the United States and 58 other countries and territories. Marriott Lodging operates and franchises hotels under the Marriott, Renaissance, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn, SpringHill Suites and Ramada International brand names; develops and operates vacation ownership resorts under the Marriott, Ritz-Carlton and Horizons brands; operates Marriott Executive Apartments; provides furnished corporate housing through its ExecuStay by Marriott division; and operates conference centers. Other Marriott businesses include senior living communities and services, wholesale food distribution, procurement services, and The Ritz-Carlton Hotel Company LLC. The company is headquartered in Washington, D.C., and has approximately 151,000 employees. In fiscal year 1999, Marriott International reported systemwide sales of $17.7 billion. For more information or reservations, please visit us at www.marriott.com.