Marriott International Reports EPS of $0.39 for the Third Quarter Ended September 7, 2001, Compared to $0.43 a Year Ago

Decline in Travel following Terrorist Attacks Will Reduce 4th Quarter 2001 Results

WASHINGTON, Oct. 4 -- Marriott International, Inc. (NYSE:MAR - news) today reported diluted earnings per share of $0.39 for the third quarter ended September 7, 2001, down nine percent from the 2000 third quarter. Net income decreased eight percent to $101 million from a year ago. Sales were $2.3 billion for the third quarter, up two percent from the prior year.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said "Our third quarter results reflected the continued U.S. economic slowdown, with our combined revenue per available room (REVPAR) for company-managed U.S. properties down 10 percent from last year. We did a tremendous job of holding onto our house profit margins at the hotels during the quarter, with only a one-percentage-point reduction overall. Our new room additions remained strong, as well. We estimate opening over 49,000 new rooms for the full year 2001, including 11,000 rooms converted to Ramada International hotels.

"The terrorist attacks in New York, Washington, D.C. and Pennsylvania have been tragic events for our country and for the world. First and foremost, our thoughts and prayers go out to all the families and loved ones affected by this horrific event. Two of our hotels in downtown New York City were directly impacted and we mourn the loss of two dedicated associates still counted among the missing. I was very proud of the heroic job our teams at the hotels did in evacuating guests. We are doing everything possible to support our affected associates and guests during this difficult time.

"Since the attacks occurred, in the first week of our fourth quarter, lodging demand declined to unprecedented levels across the U.S. For the two weeks ending September 28, 2001, company-operated hotels in the U.S., all brands combined, reported a 49 percent decline in REVPAR."

Mr. Marriott also said, "Clearly, the business impact of the terrorist attacks has been far reaching. It is too early to predict when travel will return to normal levels, although business has improved since the first week following the tragedy. Our group business is strengthening and new room reservations are rising. In the meantime, we have prepared and implemented comprehensive contingency plans to lower the breakeven profitability levels of our hotels, while also maintaining the standards of quality and service our guests expect and deserve."

Mr. Marriott noted that the company is in excellent financial condition, with current long-term, committed credit capacity and excess cash balances totaling $1.7 billion. The company is also reevaluating its new unit development plans. The pipeline of properties approved for development or under construction at the end of the third quarter was approximately 60,000 rooms.

MARRIOTT LODGING reported a 19 percent decrease in operating profit and sales were flat in the 2001 third quarter. Results generally reflected lower REVPAR for comparable units, somewhat offset by new unit additions worldwide and growth in the timeshare business.

Across all of Marriott's lodging brands, REVPAR for comparable company-operated U.S. properties decreased 10 percent in the 2001 third quarter, largely reflecting the slower economy. Among the company's full-service lodging brands (Marriott, Renaissance, and Ritz-Carlton), domestic REVPAR declined 11.6 percent. Full-service occupancy decreased nearly six percentage points to 73.4 percent, while average room rates for these hotels declined 4.7 percent. REVPAR for limited service properties decreased 6.9 percent, primarily resulting from a 5.3 percentage point occupancy decline.

Marriott Vacation Club International's (MVCI) contract sales increased 57 percent in the third quarter, largely resulting from sales arising from the purchase of the Grand Summit interval ownership resort in Lake Tahoe, California. MVCI continued to experience strong demand, particularly at Marriott Vacation Club resorts in Hawaii and California. Profits from MVCI increased 15 percent to $38 million in the third quarter as a result of higher gains on the sale of notes receivable.

The company added 343 hotels and timeshare resorts (55,000 rooms) to its worldwide lodging portfolio over the past 12 months, while 11 properties (2,600 rooms) exited the system. A net total of 114 hotels and timeshare resorts (13,900 rooms) were added in the 2001 third quarter, of which 59 hotels (6,100 rooms) were Ramada International conversions. At quarter-end, the Marriott lodging group encompassed 2,342 hotels and timeshare resorts (425,900 rooms), and approximately 7,200 furnished corporate apartments managed by the company under its ExecuStay by Marriott brand.

During the quarter, Marriott completed asset sales of approximately $140 million. Year-to-date, the company has sold 15 hotels, one senior living service community and other properties for an aggregate sales price of approximately $610 million.

MARRIOTT SENIOR LIVING SERVICES posted 8 percent sales growth in the 2001 third quarter, reflecting the continued ramp-up of communities opened in the last three years. The division posted stronger operating profits of $3 million versus a loss of $5 million a year ago, largely as a result of communities maturing and lower development-related costs. Occupancy for comparable communities increased to 85.8 percent in the quarter.

MARRIOTT DISTRIBUTION SERVICES reported an 8 percent increase in sales in the 2001 third quarter and $1 million of operating profit, a decrease of $4 million from the prior year. This was largely a result of the loss of a portion of the Sodexho business and inefficiencies associated with several new accounts.

CORPORATE EXPENSES decreased 55 percent in the 2001 third quarter to $13 million, primarily due to a $4 million gain on sale of tax-related investments and the impact of cost containment actions.

Interest expense was $26 million in the 2001 third quarter, up 18 percent from $22 million a year ago, as a result of higher debt levels. Interest income for the 2001 third quarter was $23 million, up $14 million from a year ago, as a result of the Courtyard joint venture loan and other mezzanine loan investments. The company's effective income tax rate was 37.5 percent in the third quarter of 2001, compared to 37 percent in the 2000 third quarter, largely as a result of modifications related to the company's deferred compensation plan, offset by a higher proportion of non-U.S. income.

Marriott International acquired 2 million shares of its common stock during the 2001 third quarter and is authorized to repurchase an additional 15.7 million shares. Long-term debt at the end of the quarter, net of excess cash reserves, was approximately $1.8 billion.

For the remainder of 2001, the company expects its business environment to remain unusually challenging. For internal planning purposes, the company is assuming that REVPAR for its fourth quarter will decline 25 to 35 percent from last year's fourth quarter. Although the company cannot predict its fourth quarter earnings with confidence, based on these assumptions, fourth quarter earnings could be $0.20 to $0.30 per share.

Similarly, while the level of uncertainty is substantially higher for 2002 than would normally be expected at this time, the company is basing its internal estimates on three to five percent lower REVPAR than 2001, or roughly 15 percent lower REVPAR than 2000 levels. Based on these assumptions, after taking into account $0.12 per share of incremental earnings from the new accounting rules relating to goodwill, Marriott's 2002 earnings per share could be roughly flat with 2001 levels, with quarterly earnings and REVPAR comparisons improving over the course of 2002.

Investment spending for the full year 2001 is expected to be roughly the same as earlier forecasts, totaling $1.3 to $1.4 billion. Investment spending levels in 2002 are expected to decline at least one-third compared to 2001.

As a result of current industry conditions, the company anticipates that fundings under its guarantees and other charges related to its loan portfolio and employee severance could occur in the fourth quarter. The company is not yet able to estimate the extent of any such fundings or charges.

Individual Investors and News Media are invited to listen to the third quarter earnings conference call today at 10:00 a.m. ET by telephone at 913-981-5571 or on the Internet at http://www.marriott.com/investor and click on "recent investor news". Analysts are invited to listen to the call at 913-981-5508. We recommend that participants call 15 minutes ahead of the scheduled start time to ensure proper connection. A recording of the call will also be available by telephone until Thursday, October 11, 2001 by calling 719- 457-0820, reservation number 446247.

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; REVPAR, house profit and earning trends; 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 duration and severity of the current economic slowdown and the impact of the September 11, 2001 terrorist attacks on demand for travel; 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; 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.

MARRIOTT INTERNATIONAL, INC. (NYSE:MAR - news) is a leading worldwide hospitality company with nearly 2,400 operating units in the United States and 63 other countries and territories. Marriott International operates and franchises hotels under the Marriott, JW Marriott, The Ritz-Carlton, Renaissance, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn, SpringHill Suites and Ramada International brand names; develops and operates vacation ownership resorts under the Marriott Vacation

Club, Horizons, The Ritz-Carlton Club and Marriott Grand Residence Club 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, and wholesale food distribution. The company is headquartered in Washington, D.C., and has approximately 154,000 employees. In fiscal year 2000, Marriott International reported systemwide sales of $19.8 billion. For more information or reservations, please visit our web site at www.marriott.com .

Marriott International, Inc. 2001
Financial Highlights

12 Weeks Ended September 7, 2001

(in millions, except per share amounts)

Sales	Lodging	Senior Living Services	Distribution Services	Total
Management and franchise fees	$ 179	$ 8	$ -	$ 187
Other	429	74	385	888
	608	82	385	1,075
Other revenues from managed properties	1,187	83	-	1,270
	1,795	165	385	2,345
Operating costs and expenses				
Operating costs	434	79	384	897
Other costs from managed properties	1,187	83	-	1,270
	1,621	162	384	2,167
Operating profit before corporate expenses and interest	$ 174	$ 3	$ 1	$ 178
Corporate expenses				(13)
Interest expense				(26)
Interest income				23
Income before income taxes				162
Provision for income taxes				61
Net income				$ 101
Basic Earnings Per Share				$ 0.41
Diluted Earnings Per Share				$ 0.39
Diluted Shares				264.8

12 Weeks Ended September 8, 2000

(in millions, except per share amounts)

Sales	Lodging	Senior Living Services	Distribution Services	Total	Total Change
Management and franchise fees	$207	$8	$-	$215	
Other	409	64	356	829	
	616	72	356	1,044	
Other revenues from managed properties	1,178	81	-	1,259	
	1,794	153	356	2,303	2%
Operating costs and expenses					
Operating costs	400	77	351	828	
Other costs from managed properties	1,178	81	-	1,259	
	1,578	158	351	2,087	4%
Operating profit before corporate expenses and interest	216	$(5)	$5	$216	-18%
Corporate expenses				(29)	
Interest expense				(22)	
Interest income				9	
Income before income taxes				174	-7%
Provision for income taxes				64	
Net income				$110	-8%
Basic Earnings Per Share				$0.46	-11%
Diluted Earnings Per Share				$0.43	-9%
Diluted Shares				254.2	

Marriott International, Inc.
Financial Highlights

36 Weeks Ended September 7, 2001

(in millions, except per share amounts)

Senior
Living Distribution

Sales	Lodging	Services	Services	Total
Management and franchise fees	$ 594	$ 24	$ -	$ 618
Other	1,253	225	1,143	2,621
	1,847	249	1,143	3,239
Other revenues from managed properties	3,735	245	-	3,980
	5,582	494	1,143	7,219
Operating costs and expenses				
Operating costs	1,219	240	1,137	2,596
Other costs from managed properties	3,735	245	-	3,980
	4,954	485	1,137	6,576
Operating profit before corporate expenses and interest	$ 628	$ 9	$ 6	$ 643
Corporate expenses				(72)
Interest expense				(75)
Interest income				59
Income before income taxes				555
Provision for income taxes				203
Net income				$ 352
Basic Earnings Per Share				$ 1.44
Diluted Earnings Per Share				$ 1.36
Diluted Shares				261.1

36 Weeks Ended September 8, 2000

(in millions, except per share amounts)

Sales	Lodging	Senior Living Services	Distribution Services	Total	Total Change
Management and franchise fees	$ 612	$ 21	$ -	$ 633	
Other	1,164	206	1,044	2,414	
	1,776	227	1,044	3,047	
Other revenues from managed properties	3,589	225	-	3,814	
	5,365	452	1,044	6,861	5%

Operating costs and expenses					
Operating costs	1,113	233	1,045	2,391	
Other costs from managed properties	3,589	225	-	3,814	
	4,702	458	1,045	6,205	6%
Operating profit before corporate expenses and interest	$ 663	$ (6)	$ (1)	$ 656	-2%
Corporate expenses				(80)	
Interest expense				(72)	
Interest income				19	
Income before income taxes				523	6%
Provision for income taxes				193	
Net income				$ 330	7%
Basic Earnings Per Share				$ 1.37	5%
Diluted Earnings Per Share				$ 1.30	5%
Diluted Shares				254.1	

Marriott International, Inc.
Business Segment Results

($ in millions)	Twelve weeks ended September 7, 2001	Twelve weeks ended September 8, 2000	Thirty-six weeks ended September 7, 2001	Thirty-six weeks ended September 8, 2000
Sales				
Full Service	$ 1,163	$ 1,216	$ 3,761	$ 3,745
Select Service	207	214	641	619
Timeshare	268	191	723	547
Extended Stay	157	173	457	454
Total Lodging	1,795	1,794	5,582	5,365
Senior Living Services	165	153	494	452
Distribution Services	385	356	1,143	1,044
	$ 2,345	$ 2,303	$ 7,219	$ 6,861
Operating profit (loss) before corporate expenses and interest				
Full Service	$ 70	$ 104	$ 314	$ 354
Select Service	45	47	133	139
Timeshare	38	33	120	103
Extended Stay	21	32	61	67

Total Lodging	174	216	628	663
Senior Living Services	3	(5)	9	(6)
Distribution Services	1	5	6	(1)
	$ 178	$ 216	$ 643	$ 656

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS

Brand	Third Quarter				
	2001 REVPAR vs. 2000	Occupancy 2001	vs. 2000	Average Daily Rate 2001	vs. 2000
Marriott Hotels, Resorts and Suites	- 11.6%	74.8%	- 5.2% pts.	$133.05	- 5.4%
Ritz-Carlton	- 9.7%	70.0%	- 8.5% pts.	$220.24	+ 1.2%
Renaissance Hotels, Resorts and Suites	- 13.3%	68.2%	- 7.1% pts.	$125.01	- 4.2%
Residence Inn	- 7.1%	81.7%	- 4.6% pts.	$105.77	- 1.8%
Courtyard	- 7.0%	75.5%	- 6.0% pts.	$97.81	+ 0.4%
Fairfield Inn	- 3.2%	72.9%	- 3.4% pts.	$65.07	+ 1.3%

Brand	Third Quarter Year-to-Date				
	2001 REVPAR vs. 2000	Occupancy 2001	vs. 2000	Average Daily Rate 2001	vs. 2000
Marriott Hotels, Resorts and Suites	- 5.3%	74.6%	- 4.5% pts.	$146.55	+ 0.5%
Ritz-Carlton	- 3.0%	72.1%	- 7.6% pts.	$260.60	+ 7.2%
Renaissance Hotels, Resorts and Suites	- 6.0%	70.4%	- 4.7% pts.	$140.12	+ 0.2%
Residence Inn	- 2.7%	80.4%	- 3.7% pts.	$108.47	+ 1.8%
Courtyard	- 1.6%	75.2%	- 4.1% pts.	$101.29	+ 3.8%
Fairfield Inn	- 1.5%	68.3%	- 3.2% pts.	$ 63.94	+ 3.2%

Note: Statistics for above tables are based on comparable company-operated U.S. properties, except for Fairfield Inn, which data also include franchised units.

Brand	Number of Properties September 2001	vs. September 2000	Number of Rooms/Suites September 2001	vs. September 2000
Marriott Hotels, Resorts and Suites	422	+ 37	157,800	+ 12,200
Ritz-Carlton	43	+ 6	14,100	+ 1,700
Renaissance Hotels, Resorts and Suites	118	+ 17	42,600	+ 3,900
Ramada International	129	+ 103	18,500	+ 13,100
Residence Inn	380	+ 36	44,600	+ 4,300
Courtyard	543	+ 40	76,900	+ 5,800
Fairfield Inn	471	+ 41	44,900	+ 4,500
TownePlace Suites	96	+ 19	9,900	+ 2,200
SpringHill Suites	77	+ 24	8,500	+ 3,200
Marriott Vacation Club International*	53	+ 8	6,300	+ 1,400
Other**	10	+ 1	1,800	+ 100

Total	2,342	+ 332	425,900	+ 52,400

* Includes The Ritz-Carlton Club, Horizons and Grand Residences by Marriott Vacation Club International.

** Includes Marriott Executive Apartments. Excludes ExecuStay by Marriott.