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Lodging Grows to Over 400,000 Rooms Worldwide

WASHINGTON, April 17 -- Marriott International, Inc. (NYSE: MAR) today reported that its diluted earnings per share increased 27 percent to 47 cents in its 2001 first quarter ended March 23. Net income rose 29 percent to $121 million. Systemwide sales totaled $4.7 billion, an increase of 11 percent compared to the 2000 first quarter. After adjusting for the 2000 first quarter one-time write-off of a contract investment by its distribution services business ($0.03 after-tax), 2001 first quarter earnings per share was up 17.5 percent.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said he was pleased with the company's 2001 first quarter performance, which came in ahead of expectations, especially given the U.S. economic slowdown and the rapid escalation of energy costs across the U.S.

"REVPAR (Revenue Per Available Room) growth rates have clearly slowed in the U.S. during the first quarter as a result of weakness in the U.S. economy. We are taking decisive steps to meet today's more challenging economic environment and are confident that our brands will continue to gain market share.

"We are also on track to meet our new business development goals in 2001," Mr. Marriott continued. "We were pleased to see the strong list of hotel openings this quarter. Conversions from other hotel brands accounted for over 40 percent of the 11,500 room openings during the first quarter, reflecting owners' and franchisees' desire to have the best performing lodging brands in a tough economic environment. For the year, we continue to expect to add over 35,000 hotel rooms and timesharing villas to our worldwide lodging portfolio."

MARRIOTT LODGING reported a ten percent increase in operating profit and 12 percent sales growth in the 2001 first quarter. Results reflected contributions from new properties worldwide, strong performance at the company's international properties, and higher profits in the vacation ownership business, offset by increased energy costs across the company's domestic hotels.

Across Marriott's lodging brands, REVPAR for comparable company-operated U.S. properties grew by an average of 2.5 percent in the 2001 first quarter. Average room rates for these hotels rose over five percent, while occupancy declined two percentage points to 72.9 percent. Marriott's limited service brands (including Courtyard, Fairfield Inn, Residence Inn, TownePlace Suites, and SpringHill Suites) produced strong REVPAR growth of 4.9 percent in the first quarter of 2001, with average room rates increasing nearly seven percent over last year.

Results for international lodging operations continued to be strong in the 2001 first quarter, reflecting solid REVPAR and profit growth for properties in Asia, Europe and the Middle East.

Marriott Vacation Club International achieved a 19 percent increase in contract sales in the quarter. In addition to higher sales, profits also improved due to higher mortgage note sales gains that benefited from lower interest rates. Sales growth was especially robust at timeshare resorts in California, Hawaii, Utah, Florida and Aruba.

The company has added 258 hotels and timeshare resorts (44,200 rooms) to its worldwide lodging portfolio over the past 12 months, while 15 properties (4,500 rooms) exited the system. A net total of 64 hotels and resorts (11,000 rooms) were added in the 2001 first quarter, including eight Marriott Hotels, Resorts and Suites (3,100 rooms) and 15 Ramada International hotels (2,200 rooms). At quarter-end, the Marriott lodging group encompassed 2,163 hotels and timeshare resorts (401,500 rooms), and approximately 7,000 furnished corporate apartments managed by the company's ExecuStay by Marriott division.

MARRIOTT DISTRIBUTION SERVICES (MDS) reported an 18 percent increase in sales in the 2001 first quarter, reflecting the beginning of service to new accounts. The division reported operating profit of $2 million in the 2001 quarter compared to a $12 million loss in the prior year, which included a $15 million (pre-tax) write-off of its investment in a contract with Boston Chicken, Inc.

MARRIOTT SENIOR LIVING SERVICES posted 11 percent sales growth in the quarter. The division produced $1 million in operating profit for the quarter, a substantial improvement from the fourth quarter of 2000, due to improved performance of established communities. Occupancy for comparable communities rose to 85 percent in the quarter. The company operates

152 facilities totaling 25,800 residential units.

CORPORATE EXPENSES increased 15 percent in the 2001 first quarter. Corporate expenses included pre-tax amounts related to the write-off of an investment in a technology partner ($6 million) and charges related to the start-up of Avendra, the company's procurement partner ($3 million), offset by the reversal of an insurance reserve ($10 million). Interest expense was down $1 million and reflected slightly lower average borrowings. Interest income totaled $16 million for the quarter, up substantially from a year ago largely due to income associated with higher loan balances, including the loan made to the Courtyard joint venture in the 2000 fourth quarter.

The company's effective income tax rate decreased to approximately 36.5 percent in 2001, compared to 37.0 percent in the 2000 first quarter.

During the 2001 first quarter the company sold eight hotels and one senior living community for a total of $272 million. Since year-end, Marriott International has acquired 1.5 million shares of its common stock for $60 million (through April 6, 2001), and has been authorized to repurchase an additional 18.1 million shares. Long-term debt at the end of the quarter was $2.0 billion, unchanged from year-end 2000 levels.

The company believes that the consensus estimate of $2.12 per share is achievable in 2001. On average, this assumes REVPAR growth of two to three percent and house profit margins approximately one percentage point lower than 2000 levels. In light of the slower economic environment, as well as continuing cost pressures in the areas of labor and energy, the company believes there is a greater chance of reporting earnings lower than $2.12 than there is of exceeding $2.12 per share.

Investment spending in 2001 is expected to include approximately $50 million for maintenance spending and approximately $500 million for new company-developed hotels. Timeshare spending is expected to total approximately $200 to $300 million. In addition, roughly $500 million may be invested in equity slivers, mezzanine financing and mortgage loans. Lodging unit expansion is expected to remain strong in 2001 and 2002 with at least 35,000 rooms (gross) opening each year. At the end of the first quarter, the company's pipeline of properties either under construction or approved for development remained over 70,000 rooms.

MARRIOTT INTERNATIONAL, INC. (NYSE: MAR) is a leading worldwide hospitality company with over 2,300 operating units in the United States and 59 other countries and territories. Marriott Lodging operates and franchises hotels under the Marriott, JW 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 and The Ritz-Carlton Hotel Company, L.L.C. 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 the web site at http://www.marriott.com .

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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; 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.

Tables follow.

MARRIOTT INTERNATIONAL, INC.
FINANCIAL HIGHLIGHTS

12 weeks ended	March 23, 2001	March 24, 2000	Change
	(in millions, except per share amounts)		
Sales			

Lodging	$1,915	$1,711	
Distribution services	361	307	
Senior living services	165	149	
Total sales	2,441	2,167	+ 13%
Operating Profit (Loss)			
Lodging	223	203	
Distribution services	2	(12)(a)	
Senior living services	1	2	
Total operating profit before corporate expenses and interest	226	193	+ 17%
Corporate Expenses	(30)	(26)	
Interest Expense	(22)	(23)	
Interest Income	16	5	
Income before Income Taxes	190	149	+ 28%
Provision for Income Taxes	69	55	
Net Income	$ 121	$ 94	+ 29%
Earnings Per Share			
Basic	$ .50	$ .39	+ 28%
Diluted	$ .47	$ .37	+ 27%
Diluted Shares	257.6	255.3	

(a) Includes a $15 million pretax charge taken in connection with the write-off of a contract investment.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS

Brand	First Quarter				
	2001 REVPAR vs. 2000	Occupancy		Average Daily Rate	
		2001	vs. 2000	2001	vs. 2000
Marriott Hotels, Resorts and Suites	+1.5%	73.2%	- 2.6% pts.	$ 155.47	+ 5.2%
Ritz-Carlton	+1.6%	71.2%	- 6.6% pts.	$ 289.25	+11.0%
Renaissance Hotels, Resorts and Suites	+1.6%	70.5%	- 2.0% pts.	$ 150.23	+ 4.5%
Residence Inn	+4.7%	79.5%	- 1.0% pts.	$ 110.42	+ 6.1%
Courtyard	+4.9%	73.5%	- 1.1% pts.	$ 102.60	+ 6.5%
Fairfield Inn	+1.6%	62.7%	- 2.0% pts.	$ 62.76	+ 4.9%

Note: Statistics for each lodging brand are based on comparable company- operated U.S. properties only, except for Fairfield Inn data, which also includes franchised units.

Brand	Number of Properties		Number of Rooms/Suites	
	March 2001	vs. March 2000	March 2001	vs. March 2000
Marriott Hotels, Resorts and Suites	401	+ 30	152,300	+ 10,300

Ritz-Carlton	39	+ 4	13,200	+ 1,700
Renaissance Hotels, Resorts and Suites	113	+ 14	41,500	+ 2,800
Ramada International	62	+ 36	11,400	+ 5,800
Residence Inn	362	+ 29	42,300	+ 2,700
Courtyard	529	+ 51	75,000	+ 7,200
Fairfield Inn	447	+ 30	42,400	+ 3,100
TownePlace Suites	89	+ 21	9,100	+ 2,300
SpringHill Suites	65	+ 24	7,000	+ 2,800
Marriott Vacation Club International*	47	+ 2	5,600	+ 800
Other**	9	+ 2	1,700	+ 200
Total	2,163	+ 243	401,500	+ 39,700

* Also includes The Ritz-Carlton Club and Horizons by Marriott Vacation Club.
** Includes Marriott Executive Residences.

Source: Marriott International, Inc.

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