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Marriott Signs Definitive Agreements To Acquire Protea Hospitality Holdings

BETHESDA, Md. and CAPE TOWN, South Africa, Jan. 22, 2014 /PRNewswire/ -- Marriott International, Inc. (NASDAQ: MAR) and South Africa's Protea Hospitality Holdings announced today that they have signed definitive agreements for the purchase by Marriott of Protea's three brands and management company.

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Under terms of the agreements Marriott will pay approximately 2.02 billion rand, or approximately US \$186 million at current exchange rates, subject to normal closing adjustments. The purchase price represents approximately 10 times anticipated pro forma 2014 calendar year EBITDA (earnings before interest, taxes, depreciation and amortization) excluding transaction costs.

The transaction is subject to receipt of certain third party and governmental consents, including exchange control approval from the South African Reserve Bank and competition approval from the South African Competition Commission and the Common Market for Eastern and Southern Africa ("COMESA") and satisfaction of other customary conditions for transactions of this kind. Assuming these conditions are met, Marriott and Protea plan to close the transaction on April 1, 2014. Marriott does not expect the transaction will have a material impact on its 2014 results.

Protea has 116 hotels with 10,148 rooms in seven African countries including South Africa. At closing, Marriott will become the largest hotel company in the Middle East & Africa region, nearly doubling its distribution there to more than 23,000 rooms.

As part of the transaction, Protea Hospitality Holdings will create a property ownership company to retain ownership of the hotels it currently owns, entering into long-term management and lease agreements with Marriott for such hotels. The property ownership company will also retain a number of minority interests in other Protea-managed hotels. At closing Marriott will manage approximately 45 percent of the rooms, franchise approximately 39 percent of the rooms, and lease approximately 16 percent of the rooms.

Marriott and Protea [announced on November 7, 2013](#) their intent to enter into this transaction.

Note on forward-looking statements: *This press release contains "forward-looking statements" within the meaning of U.S. federal securities laws, including the parties' plans for closing on the definitive transaction documents; the resulting impact on the size of Marriott's operations in Africa; our expectations for Protea's proforma 2014 EBITDA and EBITDA multiple; and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including the ability of the parties to agree on definitive transaction documents, the receipt of necessary consents, and other risk factors that we identify in our most recent quarterly report on Form 10-Q. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release. We make these forward-looking statements as of the date of this press release. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

About Marriott: [Marriott International, Inc.](http://www.marriott.com) (NASDAQ: MAR) is a leading lodging company based in Bethesda, Maryland, USA, with nearly 3,900 properties in 72 countries and territories and reported revenues of nearly \$12 billion in fiscal year 2012. The company operates and franchises hotels and licenses vacation ownership resorts under 18 brands. For more information or reservations, please visit our website at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com.

About Protea Hotels: Protea Hotels is the largest and leading hotel group in Africa with the most extensive footprint; more than 116 hotels throughout South Africa and six other African countries, including Zambia, Nigeria, Namibia, Malawi, Uganda and Tanzania. The company was founded in 1984 and has grown its portfolio and brands since. The group comprises of two brands, namely the mid-up market Protea Hotels (including the lifestyle brand Protea Hotel Fire & Ice!) brand and the superior deluxe African Pride Hotels, Lodges and Country Houses brand.

Protea Hotels is the winner of 2 World Travel Awards for Best Hotel Group in Africa, winner of 3 Sunday Times Markinor Top Hotel Brand Awards, the winner of 4 Coolest Hotel Group awards in the Sunday Times Generation Next surveys and the winner of the Ask Africa South African Customer Service Award 2013.

For more information or reservations, please visit our website at www.proteahotels.com, and for the latest company news,

visit www.proteahotels.com/pressroom/Pages/pressroom.aspx.

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