



Marriott International and Hyatt Corporation to Launch E-Based Procurement Network for Hospitality Industry

MARRIOTT INTERNATIONAL AND HYATT CORPORATION TO LAUNCH E-BASED PROCUREMENT NETWORK FOR HOSPITALITY INDUSTRY

CHICAGO AND WASHINGTON, D.C. – May 2, 2000 – Marriott International, Inc. (NYSE:MAR) and Hyatt Corporation today announced they intend to launch an independent company (to be formed) providing the largest, most comprehensive electronic procurement network for the \$50 billion annually spent on procurement by the U.S. hospitality industry.

Expected to set the hospitality industry standard, the new company will link thousands of purchasers and suppliers, and provide hotel owners, operators, and other hospitality industry participants with the industry's leading e-based procurement portal that will ultimately integrate the full vertical supply chain. In the aggregate, Marriott and Hyatt operate or franchise more than 1,800 hotels and 350,000 rooms in North America, including the Caribbean. These hotels currently procure an estimated \$5 billion dollars annually in related goods and services. The two founding companies intend for other hospitality companies to join the new company. The new company will initially focus its efforts on the North American market, but expects to enter other geographic markets over time.

Major advantages of the new network will include:

- Reduced pricing on products and services through volume aggregation, and enhanced value delivered to users through strategic sourcing and leveraging the founders' procurement expertise;
- Immediate and real time access to a marketplace with an established critical mass of suppliers and buyers, with suppliers' offerings captured in a robust electronic catalog covering all products and services required by customers;
- Advanced e-commerce functionality designed to simplify the purchasing process and drive further savings by providing automated order processing and fulfillment tracking, electronic auction capabilities and expansive search tools;
- Full system connectivity to a broad range of IT infrastructure and enterprise resource planning (ERP) systems;
- Customized content and user interface; and
- On-line and off-line help desk and customer service.

GoCo-op, an e-commerce service provider based near Orlando, Florida, will provide the company's core e-commerce engine and will work with the company and other service providers to integrate with other front- and back-office systems and technology. GoCo-op develops and hosts Internet procurement systems and vertically integrated business-to-business trading communities for the hospitality, food service and health care industries.

"Marriott and the industry are embracing the 'new economy' by finding faster, more efficient ways to serve our customers," said J.W. Marriott, Jr., chairman and chief executive officer of Marriott International. "This is a huge step in the right direction for all of us."

"This venture has the potential to provide tremendous value to our hotels, their owners and to the operations of other industry participants," said Scott Miller, president of Hyatt Hotels Corporation. "It is a powerful example of how e-commerce provides opportunities to improve business performance in today's fast-paced environment."

Once definitive agreements are made, Marriott and Hyatt intend to migrate their existing procurement businesses, each with ongoing contracts and customers, to the new company. The Marketplace by Marriott and Rosemont Purchasing, Hyatt's affiliated procurement business, will provide the basis for a fast start-up for the new company. Delivering more than electronic trading capability, the founders will leverage their proven strategic procurement services to the new company and its customers, aligning buyers and sellers and managing the industry supply chain.

Both founders are providing interim management to the new company. Dennis Baker, executive vice president of Marriott International and general manager of The Marketplace by Marriott, will be the chief operating officer of the company. An executive search firm has begun to identify candidates for the chief executive officer position.

The company is expected to be operational later in 2000, subject to appropriate regulatory review and approval. Until then, Marriott and Hyatt will continue to operate their own procurement activities separately. The new company is expected to be located in the Washington, D.C. area.

Merrill Lynch has acted as the financial advisor to Marriott International in the formation of this new venture.

HYATT CORPORATION and HYATT INTERNATIONAL CORPORATION operate over 200 hotels and resorts around the world.

Hyatt Corporation has over 120 hotels in the United States, Canada and the Caribbean under various Hyatt brands. Other Hyatt-related businesses include, among other holdings, the development and operation of vacation ownership resorts under the Hyatt Vacation Club brand, senior living communities and gaming operations. Hyatt International Corporation, through its subsidiaries, operates over 80 hotels and resorts in 34 countries. Both Hyatt Corporation and Hyatt International Corporation are privately held companies owned by entities and trusts primarily for the benefit of the Pritzker family of Chicago.

Note: This press release contains “forward-looking statements” within the meaning of federal securities law, including statements concerning 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.

#

CONTACT: Tom Marder
Marriott International
thomas.marder@marriott.com
(301)380-7770

Lori Armon
Hyatt Corporation
312) 750-8069
larmon@corphqpo.hyatt.com

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.