
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 11, 2003

MARRIOTT INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

1-13881
(Commission File No.)

52-2055918
(IRS Employer Identification No.)

10400 Fernwood Road, Bethesda, Maryland 20817
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (301) 380-3000

Item 5. Other Events

Marriott International, Inc. announced on November 11, 2003 that it has received fully-executed private letter rulings from the Internal Revenue Service regarding its synthetic fuel operations confirming, among other things, that the process used by Marriott's synthetic fuel operations produces a "qualified fuel" as required by Section 29 of the Internal Revenue Code. In addition, the rulings confirmed the validity of the ownership structure of the joint venture with the purchaser of a 50 percent interest in Marriott's synthetic fuel business.

In connection with the original sale, the company granted the purchaser a one-time "put option," which potentially allowed the purchaser to return its ownership interest to the company if the company failed to obtain appropriate private letter rulings prior to December 15, 2003. After reviewing the private letter rulings, the purchaser informed the company in writing that it would not be exercising its "put option."

The tax benefits from synthetic fuel credits under Section 29 of the Internal Revenue Code expire at the end of 2007.

Item 9. Regulation FD Disclosure**Item 12. Results of Operations and Financial Condition**

Marriott International, Inc. is furnishing the following pursuant to Item 9, "Regulation FD Disclosure" and Item 12, "Results of Operations and Financial Condition."

Marriott International, Inc. held a Security Analyst Meeting on Tuesday, November 11, 2003, beginning at 9:00 a.m. (ET), at the New York Marriott Marquis hotel. The materials attached hereto as Exhibit 99.1 were presented at the meeting. The materials include certain non-GAAP financial measures. A reconciliation of those measures to the most directly related comparable GAAP measures was also presented at the meeting and is attached hereto as Exhibit 99.2.

The meeting was available via live audio webcast and an audio replay is available at <http://www.marriott.com/investor> (click on "Recent Investor News"). The attached materials and reconciliations are also available at the same site (click on "Reconciliations Required by Sarbanes-Oxley" for the reconciliations).

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Materials issued by Marriott International, Inc. at its Securities Analyst Meeting on November 11, 2003. |
| 99.2 | Reconciliations of non-GAAP financial measures dated November 11, 2003. |
| 99.3 | Press release dated November 11, 2003 relating to all of the foregoing matters. |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARRIOTT INTERNATIONAL, INC.

Date: November 12, 2003

By: /s/ Carl T. Berquist

Carl T. Berquist
Executive Vice President,
Financial Information and
Risk Management



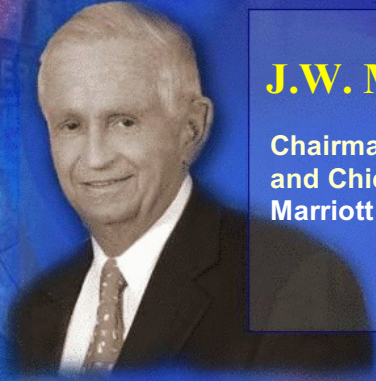
The following presentations contain "forward-looking statements" within the meaning of federal securities laws, including estimates of REVPAR, profit margins, earnings and the number of lodging properties to be added in future years; expected investment spending; anticipated results from synthetic fuel operations; and similar statements concerning 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 whether early indications of an economic recovery will continue; supply and demand changes for hotel rooms, vacation ownership intervals, and corporate housing; competitive conditions in the lodging industry; relationships with clients and property owners; the availability of capital to finance growth and owner refurbishment of existing hotels; the impact of recent privacy initiatives on our marketing of timeshares and other products; and the risk that the Internal Revenue Service may not issue a satisfactory private letter ruling in connection with the sale of the interest in our synthetic fuel business or reject any of the tax credits produced; any of which could cause actual results to differ materially from those expressed in or implied by the following. You can find more detailed information about these and other risks and uncertainties in our periodic filings with the SEC. These statements are made as of November 11, 2003, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

These presentations also include certain non-GAAP financial measures as defined by SEC rules. As required by SEC rules, we have provided a reconciliation of those measures to the most directly comparable GAAP measures at the end of the presentations and which is also available on our investor relations website at www.marriott.com/investor and clicking on "Reconciliations Required by Sarbanes Oxley."



Arne M. Sorenson
Executive Vice President
Chief Financial Officer
and President - Continental
European Lodging
Marriott International, Inc.

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A portrait of J.W. Marriott, Jr., an older man with white hair, wearing a dark suit, white shirt, and a patterned tie. He is smiling slightly. The background of the slide is a blue and red abstract design with a grid pattern.

J.W. Marriott, Jr.
Chairman of the Board
and Chief Executive Officer
Marriott International, Inc.

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Michael E. Jannini

Executive Vice President
Lodging Brand Management
Marriott International, Inc.

Marriott Lodging

2600+ Properties

18 Lodging Brands

Distribution Channel Mastery

First Choice Brand Preference

Broadest Portfolio

69 Countries

#1 Web Site

Largest Frequency Program

Deep Hospitality Culture

Premium Market Share

Largest Hotel Management Company

Marriott Leadership

Operational
Excellence

Loyalty

Experience

1995

2000

2005

2010

Operational Excellence

Balanced Scorecard

Quality Assurance

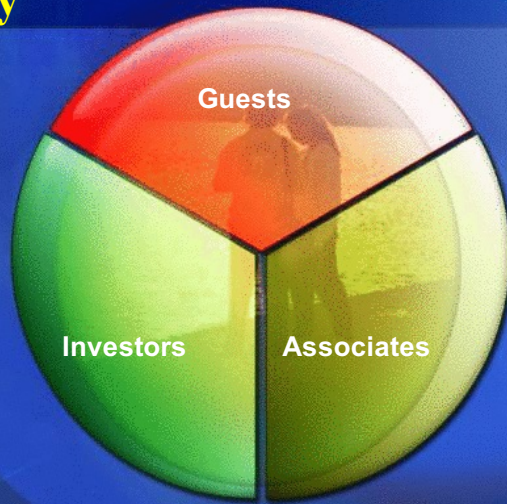
Brand Standards

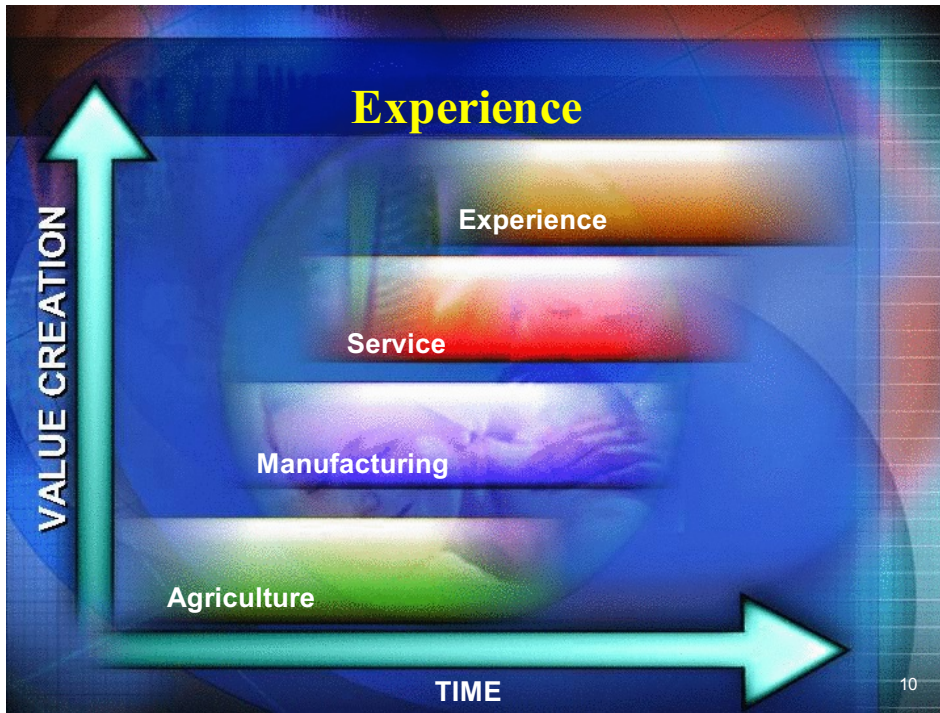
At Your Service

Sleep Well Bed

High Speed Internet Access

Loyalty





FULL Service

- High Room Rates
 - High REVPAR Premiums
- High Value Travelers
- More Complex
 - Defensible
- Competence Requirements
- High Profit Margins
- System Obligations
- Well Differentiated
- Asset Appreciation



A portrait of Simon F. Cooper, a middle-aged man with short grey hair, smiling. He is wearing a dark suit, a white shirt, and a patterned tie. The background of the slide is a blue and red abstract design with a grid pattern.

Simon F. Cooper
President and
Chief Operating Officer
The Ritz-Carlton
Hotel Company, L.L.C.

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The Ritz-Carlton Hotel Company

Security Analyst
Meeting
November, 2003

Best in Class Service

J.D. Power Satisfaction Scores



Source: 2003 J.D. Power

Effects of Stay Elements on Ritz-Carlton Loyalty

Logistic Regression for Resort Hotels

Very Satisfied

Odds Ratio

Feeling Wanted As Guest

18.5

Provided Sense of Well-Being

17.9

Staff Genuinely Cares For You

12.4

Feel As If Guest In RC Home

10.6

Ability of Staff to Anticipate Needs

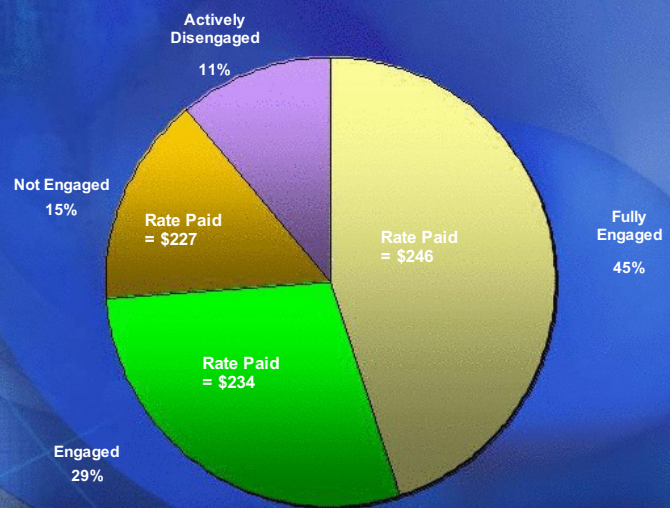
7.8

Cleanliness of Hotel

7.3

Ritz –
Carlton
Loyalty

Customer Engagement Levels



Employee Satisfaction

Recognition

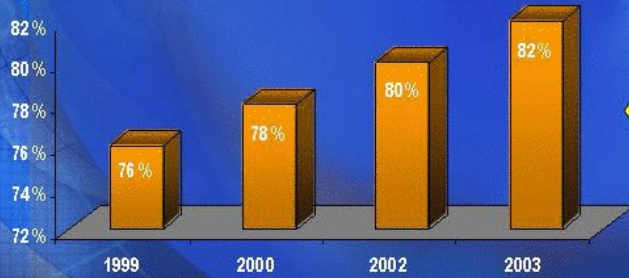


"Best Employer in Asia" (by the Asian Wall Street Journal):

#1 The Portman Ritz-Carlton, Shanghai (#1 in China – second consecutive win)

#3 The Ritz-Carlton Millenia Singapore (#2 in Singapore)

#8 The Ritz-Carlton Hong Kong (#1 in Hong Kong)

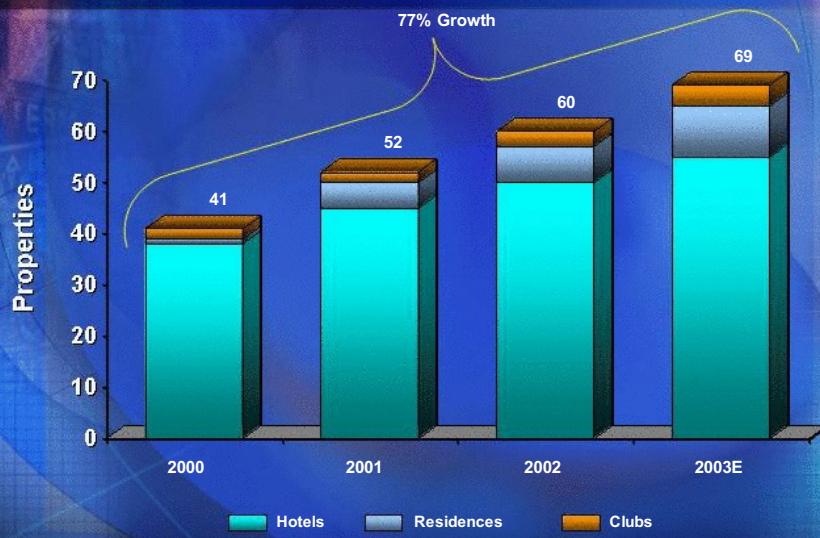


Employee Satisfaction ⁽¹⁾

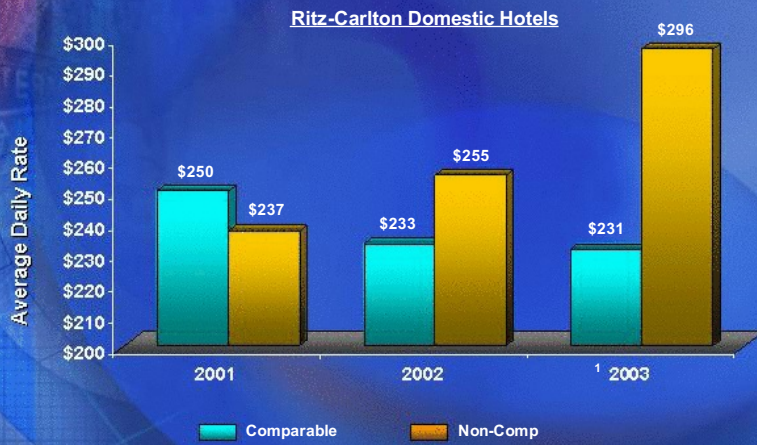


(1) "Satisfaction with Ritz-Carlton Hotel Company" from the Global Employee Satisfaction Survey.

Worldwide Distribution



Average Rates



¹ 2003 estimate as of 10/8/03

Average Cost per Key

Existing Hotels

Investment
per Room

\$276K

Number
of Rooms

408

New Development

Investment
per Room

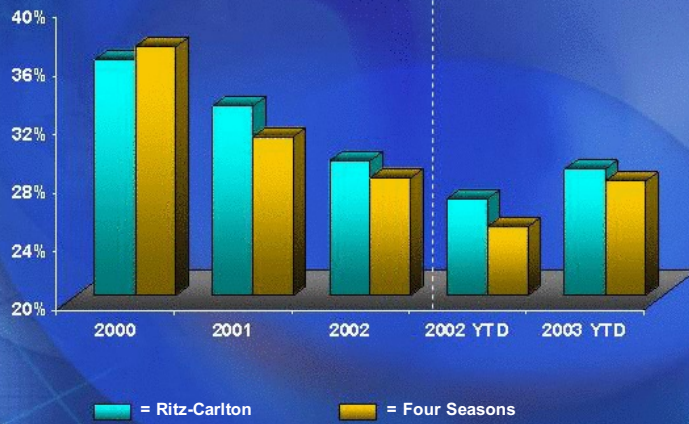
\$391K

Number
of Rooms

302

Comparison to Four Seasons

U.S. Comparable House Profit Margin







A portrait of Sid S. Yu, a man with short dark hair, wearing a dark suit, white shirt, and a patterned tie. He is smiling slightly. The background of the slide is a blue and red abstract design with a grid pattern.

Sid S. Yu
Senior Vice President
Brand Management
Marriott International, Inc.

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New Heights

Marriott
Hotels & Resorts



Renaissance
Hotels & Resorts



Marriott...Culture of Change

"Companies that don't risk anything will inevitably find themselves falling behind."

You can lead change or it can lead you.

The key is to manage risk productively."

J.W. Marriott, Jr.

Takeaways

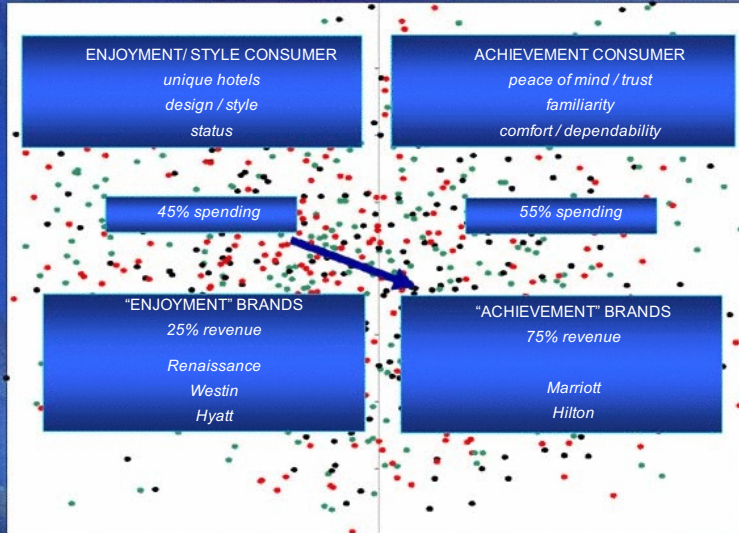
Business Clarity

- ... attract more consumers*
- ... complementary values*

Winning Brands

- ... shining star & getting brighter*
- ... emerging star*

Business Clarity - Consumer Needs



Business Clarity - Complementary Value

Enjoyment Oriented

Achievement Oriented

**RENAISSANCE
Hotels & Resorts**

> 50% did not use Marriott

**MARRIOTT
Hotels & Resorts**

> 70 % did not use RHR

NEW CONSUMERS ... NOT CANNIBALIZATION

CROSS SELL UPSIDE

BUSINESS SYNERGIES

CONSUMER DIFFERENTIATION

Winning Brands



Marriott Hotels & Resorts

Baltimore Waterfront

DEPARTURE POINT

...50 Years of Leadership

...Knowledge Leader

#1 Preference – Consumers

#1 Preference - Meeting
Planners

#1 Preference - Owners

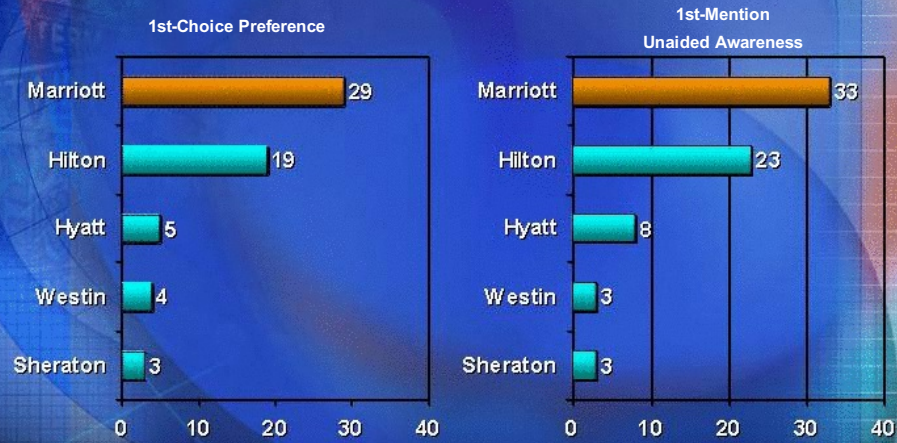
REVPAR Premium

1 Distribution

Source: Global Brand Tracking Study

#1 Preference Leader - Consumers

(2003 Global Brand Tracking Study)



#1 Meeting Planner Preference

(2002 Meeting Planner Satisfaction)

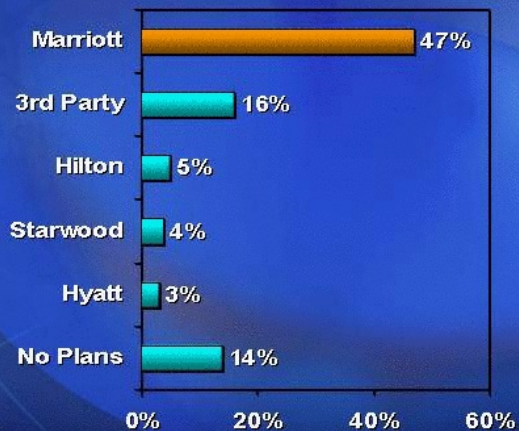
| | MHR | RHR | Hyatt | Hilton | Sheraton |
|---|-----|-----|-------|--------|----------|
| Penetration (U.S.) | #1 | — | — | — | — |
| Penetration (Int'l) | #1 | ↑ | ↓ | — | — |
| 1st Choice Preference | #1 | — | ↓ | — | — |
| Provide Best Value | #1 | ↑ | — | — | — |
| Provide Best Meeting Services | — | ↑ | #1 | ↑ | ↑ |
| Effective Promotion of Meeting Services | #1 | ↑ | — | — | ↑ |

| | |
|-----------------------------|-------------------------|
| Scale: | |
| ↑ = Significant Improvement | ↓ = Significant Decline |
| — = No change since 2001 | |

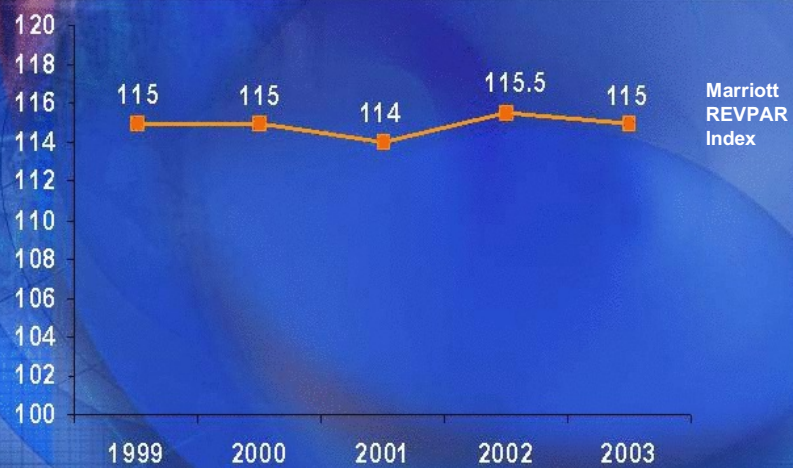
#1 Preference Leader - Owners

Marriott #1 Among Owners As Managers for Future Hotels
(2003 Owner & Franchise Satisfaction Study)

What Manager would Owner Choose Tomorrow for Future Hotels?



Consistent REVPAR Index Leader



REVPAR (Revenue per available room) index is for September 2003 YTD, for total comparable U.S. hotels; data from Smith Travel

Next 50 Years of Leadership

Park Lane, UK

DESTINATION

*Take Industry Leadership to
New Heights*

...Keep Brand Fresh

...Take Knowledge
to New Heights

...Further Expand & Grow

Keep Brand Fresh

*Emphasize
Modern & Classic Sophistication*

range of familiarity

warm & rich

*progressive
residence*

Keep Brand Fresh



MODERN COMFORTS

... amenities

... food & beverage

... consumer technology

Take Knowledge Leadership to New Heights



... expand definition of
service & relationships

... expand definition of
meeting excellence

Expand Marriott - Geography

| | <u>5 YR CAGR</u> | <u>% of Brand</u> | <u>% Pipeline*</u> |
|----------------|------------------|-------------------|--------------------|
| North America | +3% | 72% | 42% |
| International | +14% | 28% | 58% |
| Marriott Brand | +6% | 100% | 100% |

* Rooms as of third quarter 2003, except for Pipeline, which is measured in units

Expand Marriott – Primary Locations

DOWNTOWN

18% of Brand pipeline

CONVENTIONS

26% of Brand pipeline

Seattle Marriott Waterfront



Expand Marriott – Line Extensions

JW MARRIOTT

4% of Brand pipeline

RESORTS

29% of Brand pipeline



Drive Pricing Upside ...

Line Extensions / Primary Locations

2003 Average Daily Rate*

| | |
|-----------------------|-------|
| JW Marriott | \$176 |
| Resorts | \$165 |
| Conventions | \$158 |
| Other Marriott Hotels | \$120 |

*Estimated 2003, United States

Expanding The Leadership

Marriott
Miami South Beach

**"# 1
By Wide Margin"**

*... Business Week
October 2003*

JW Marriott
Orlando Grande Lakes

This Is Renaissance

stay

RENAISSANCE
HOTELS RESORTS SUITES

{ November 21, 2000. The day business and pleasure merged. }

interesting

This Is Renaissance

\$2 billion
systemwide
sales

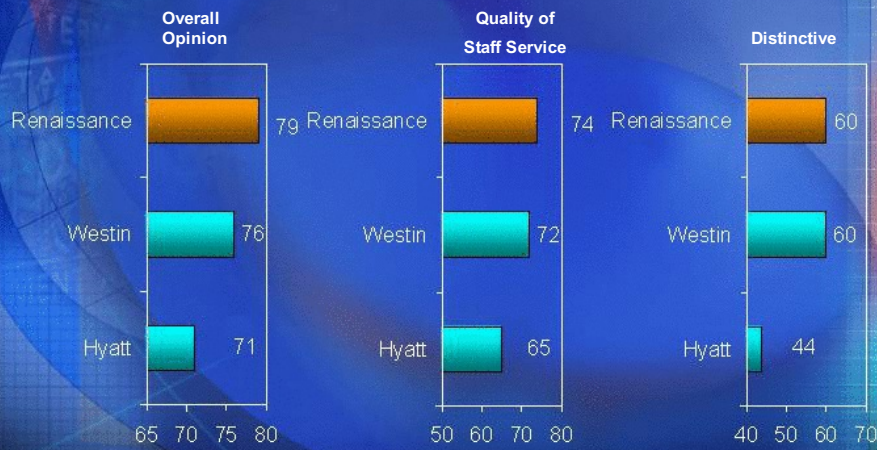
126 hotels

104% REVPAR
index

Strong guest
satisfaction

Strong Guest Satisfaction

Among users, RHR leads over other Enjoyment brands ...
for Overall Opinion of Brands, Quality of Staff Service, and Distinctive.

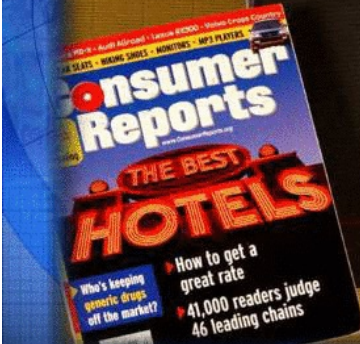


Strong Guest Satisfaction

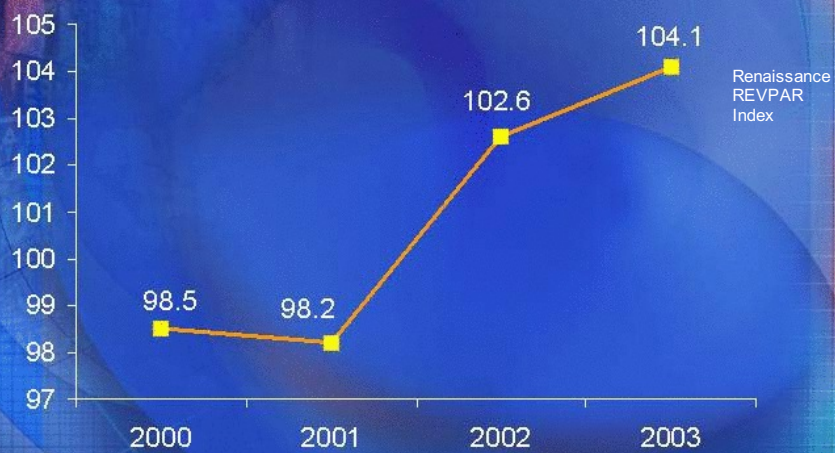
Renaissance
Top Upper Upscale Brand
Consumer Reports

Renaissance
#2 Upper Upscale Brand
JD Power

Top 5 Brands
Zagats



Renaissance REVPAR Index



Note: 2003 REVPAR Index for total comparable U.S. properties through September



Three Pillars

savvy service

expressive design

street f & b

Priorities For 2004 ... Beyond

#2 REVPAR Index Leader

3 Pillars

Quality Growth



Renaissance Arts Hotel



Renaissance Hollywood



London Chancery Court



Renaissance Clubsport



2003 Zagats Survey

Renaissance Hotels & Resorts

*“Rapid expansion, well – liked, high – end
brand from Marriott*

*Pleasantly surprised ... well appointed
room, conference facilities & dependable,
personal services*

This chain gives a lot ...”

Takeaways

Business Clarity

... attract more consumers

... complementary values

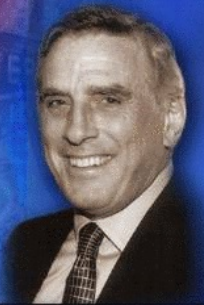
Winning Brands

*... shining star &
getting brighter*

... emerging star



Brand Strategy Q&A



Simon F. Cooper

President and
Chief Operating Officer
The Ritz-Carlton Hotel
Company, L.L.C.



Michael E. Jannini

Executive Vice President
Lodging Brand Management



Sid S. Yu

Senior Vice President
Brand Management

Moderator: **Leeny K. Oberg**
Vice President
Investor Relations



A portrait of Amy C. McPherson, a woman with short brown hair, smiling. She is wearing a dark blazer over a light-colored collared shirt. The background of the slide features a blue and red abstract design with a grid pattern.

Amy C. McPherson
Senior Vice President
Global Revenue Management
Marriott International, Inc.

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**Global Rate
Integrity & Single
Image Inventory**



Why & Why Now...

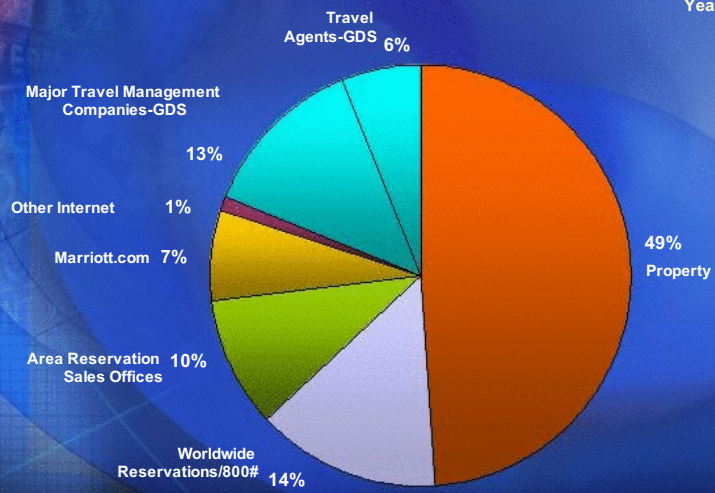
- Changing and Complex Business Environment

Eroding Customer Confidence in Rates

- Inadequate Industry Response

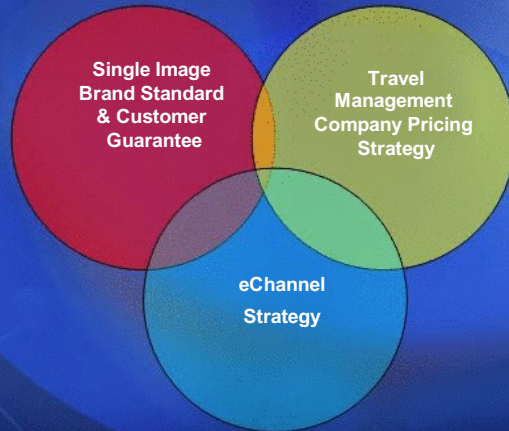
Sources of Roomnights

Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003



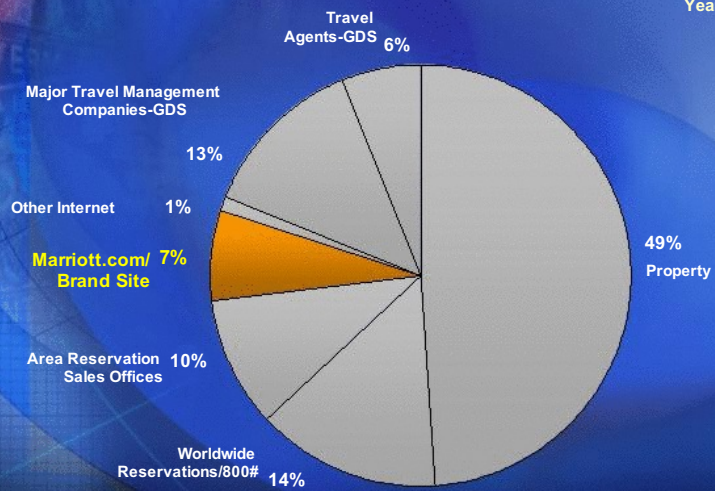
Our Vision...

Global Rate Integrity and Single Image Inventory
Across All Channels



Sources of Roomnights

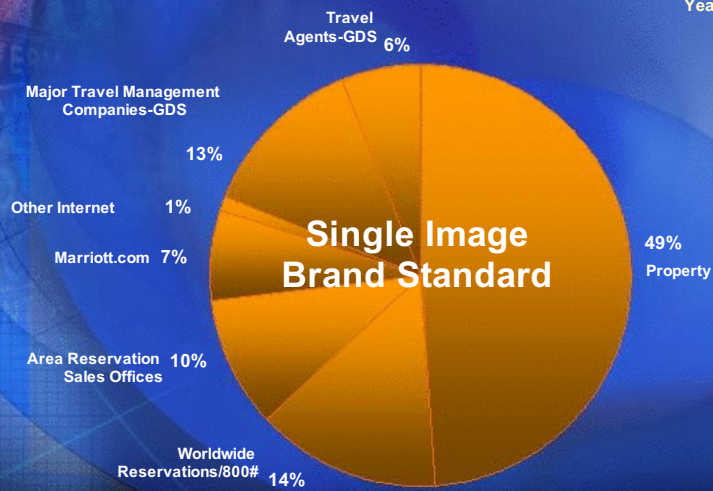
Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003



Sources of Roomnights

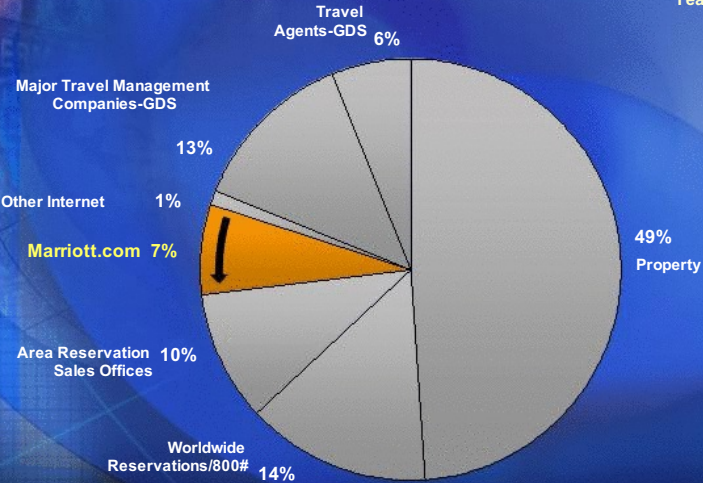
Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003

Single Image
Brand Standard



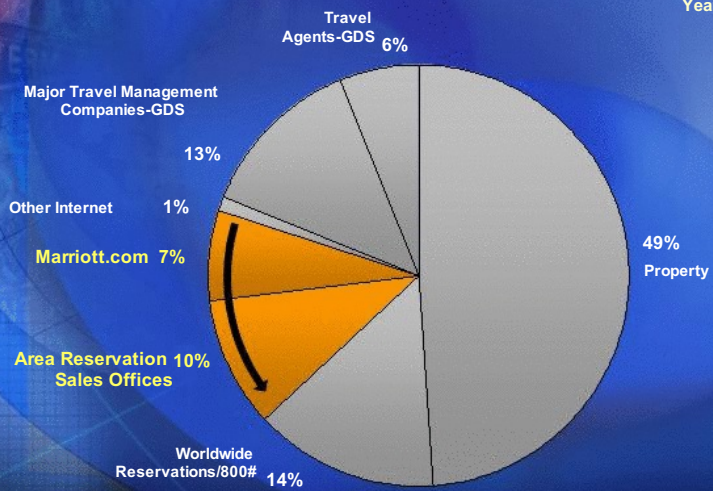
Sources of Roomnights

Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003



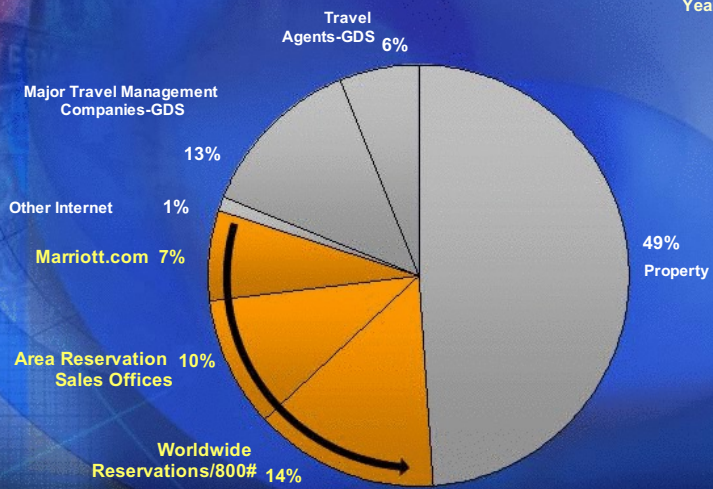
Sources of Roomnights

Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003



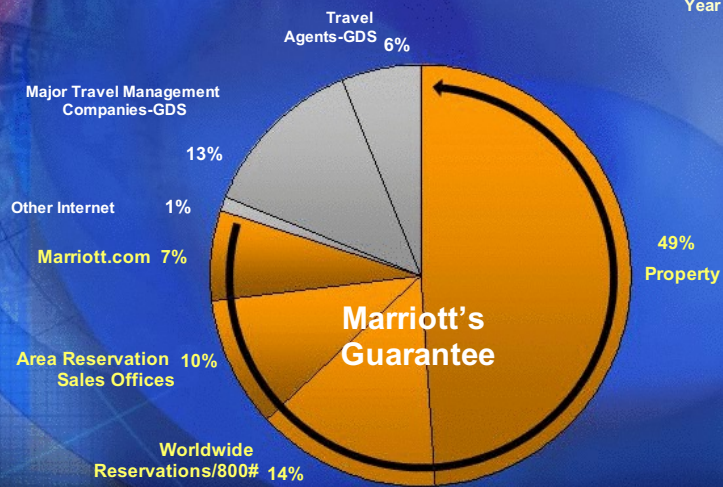
Sources of Roomnights

Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003



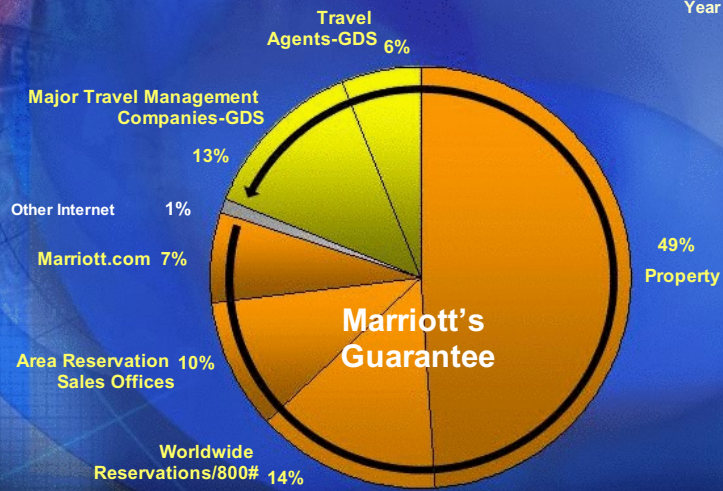
Sources of Roomnights

Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003

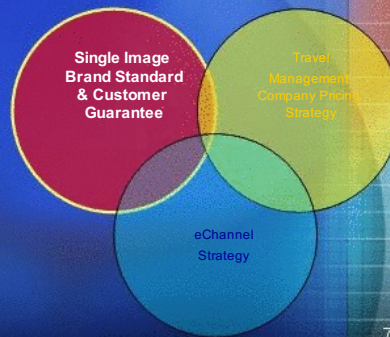


Sources of Roomnights

Roomnights by Channel
All Marriott Brands Worldwide
Year To Date 2003



- Mandates single image inventory standard
- “Sells the way the customer wants to buy”
- Strengthens customer confidence and trust
- Enhances competitive advantage

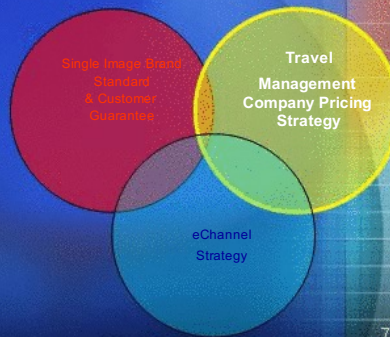


- Enables *Marriott's Look No Further Best Rate Guarantee*

- Strengthens relationship and fosters travel program compliance

- Drives incremental revenue/profit

- Enhances status as a preferred supplier

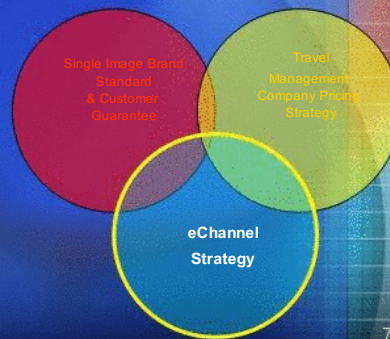


- Enables *Marriott's Look No Further Best Rate Guarantee*

- Drives incremental revenue

- Provides additional distribution of rates


- "Sells the way the customer wants to buy"



**Global Rate Integrity and Single Image Inventory
Across All Channels**







Bruce W. Wolff
Senior Vice President
Distribution Sales and Strategy
Marriott International, Inc.

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Internet/Marriott.com

♦ Opportunities

- Marketer's dream
- Strengthens customer relationships
- Powerful sales channel
- Supports other Marriott International needs

Internet Concerns

- Price transparency
 - Good for consumer

What are we doing?

- Marriott's rational pricing
- *Marriott's Look No Further Best Rate Guarantee*

Internet Concerns

- Commoditization
 - Marriott product is not a commodity
 - Buying patterns demonstrate lodging not commoditized
 - Information supports superior products

What are we doing?

- Focus on brand equity
 - product, pricing, promotion, sales efforts
- Enhance Marriott.com
- Support customer buying patterns
 - reservations, Marriott.com, travel agents

Internet Concerns

- Expensive intermediaries appearing
 - Rate integrity
 - Inventory integrity
 - Cost

What are we doing?

- Enhance all channels, particularly Marriott.com
- Travelweb
- Best Rate Guarantee
- Win-Win deals with e-intermediaries





Rita M. Cuddihy
Senior Vice President
Marketing
Marriott International, Inc.

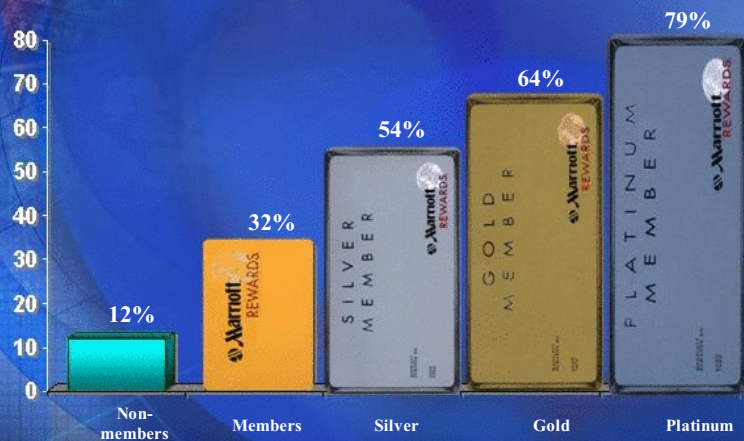
86

Marriott Rewards

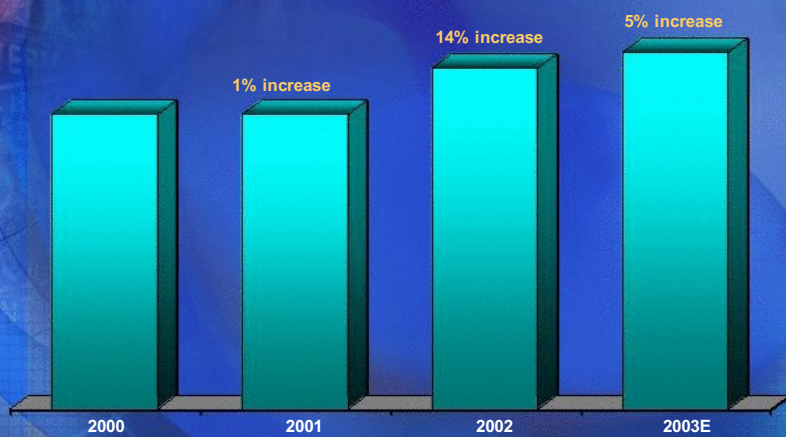
- The world's longest running and most popular loyalty program
- Over 19 million members
- Recent accolades – top hotel loyalty program
 - Business Week
 - Business Travelers Magazine
- 7th consecutive year

Marriott Rewards Members are Loyal to the Brand

% of Trip Share Given to Marriott Brands

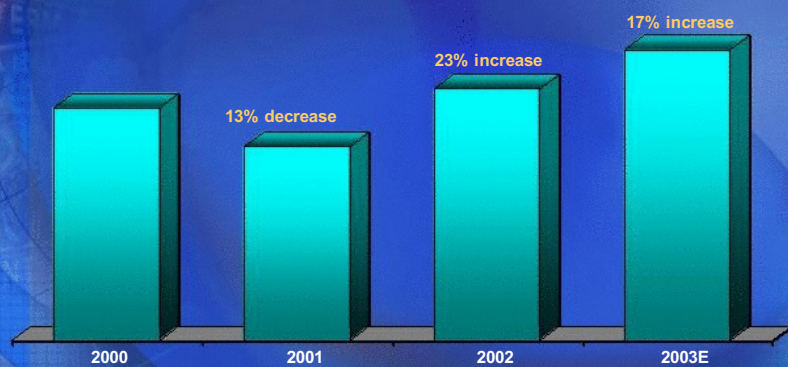


Marriott Rewards Active Members Continue to Grow...



Active members have made a paid stay within the past 12 months.

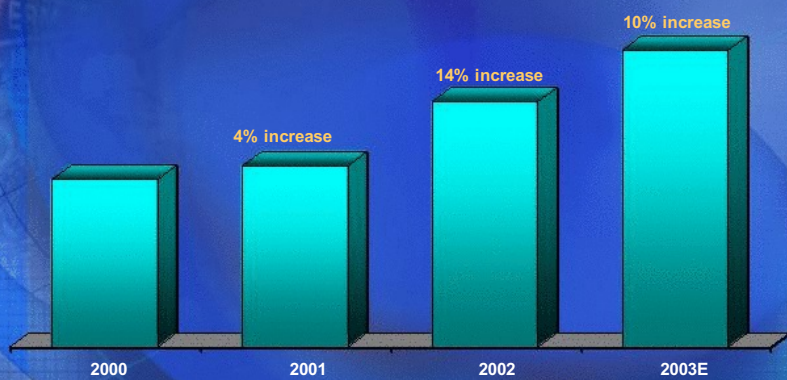
And The Number Of Elite Members Has Grown Even Faster



Elite members have stayed at least 10 paid nights within a calendar year

Results in Strong Growth in Member Activity

Paid Nights



Marriott Rewards Service Enhancements in 2003

- Elite benefits applicable at all brands
- Distinct 800 lines for Silver, Gold and Platinum Elite members
- Easy redemption with electronic certificates
- Faster track to achieve Silver Elite status

Marriott Rewards Offers More...

- Resorts
- Onsite golf
- Spas

... than any other program

The Marriott Rewards logo is positioned in the lower right area of the slide. It features the word "Marriott" in a red, stylized script font, with "REWARDS" in a bold, red, sans-serif font directly below it. The background of the slide is a collage: the left side is a dark blue grid pattern; the right side shows a golfer in mid-swing on a green field with a white building in the background; the bottom center shows the silhouettes of two people dining at a table with a warm light source between them.

Marriott
REWARDS



The Reviva Spa at the JW Marriott Desert Ridge Resort and Spa

30% faster than other leading hotel programs.*
Visit marriottrewards.com for details.



* Based on the number of points earned at participating Marriott Rewards hotels. Points earned at Marriott Rewards hotels are 30% faster than other leading hotel programs. Points earned at Marriott Rewards hotels are 30% faster than other leading hotel programs. Points earned at Marriott Rewards hotels are 30% faster than other leading hotel programs.

Marriott REWARDS®

November 20, 2003
20th Anniversary

Where Do We Go From Here?

- Strengthening relationships
 - Focus on end-to-end customer experience
 - Guest recognition through enhanced segmentation

Strengthening Relationships

Recognize *“Our associates have the right information at the right touchpoint so they can recognize our guest.”*

Differentiate *“We understand our customers and the value of our relationship.”*

Anticipate *“They don’t have to ask.”*

Rewards *“Rewards inspire repurchase and increase share.”*



A portrait of Robert J. McCarthy, a man with short, light-colored hair, wearing a dark suit, white shirt, and a striped tie. He is smiling slightly. The background of the slide is a blue and red abstract design with a globe-like pattern.

Robert J. McCarthy
Executive Vice President
North American
Lodging Operations
Marriott International, Inc.

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Operational Excellence

Our Associates...

...Are Our Most

VALUED ASSET!



Quality Assurance Program

- Audits Performed by Certified Third Party
- Hotels Audited Twice a Year
- Enforce Standards Compliance at Every Hotel

Guest Satisfaction Survey

- Reinforces Quality and Consistency
- Respond Quickly to Guest Concerns
- High Performers are Recognized and Rewarded
- Survey for Event Customers



Innovation in Products and Services

Wired for Business Survey Results:

- 83% would purchase Wired for Business on additional stays
- 49% have purchased Wired for Business on 5 or more stays
- Wired for Business buyers would give Marriott 16% more of their trips

Piloting Check-in Check-out Kiosks

Daily Basics Meetings

- Global Communication Platform
- Guests Feel Welcomed and Appreciated
- Associates are Recognized and Acknowledged for Contributions



At Your Service



Guest



At Your Service
Agent



At Your Service

- **Facilitates Guest Recognition**
- **Identifies Guest Issues/Trends**
- **Enables Issue Resolution**
- **Creates Repeat Guest Profile**

At Your Service

Guest Satisfaction Survey Questions

Compared to Brand Average

Intent to Return

5.1% Better

Overall Satisfaction

4.5% Better

Satisfaction with
Problem Resolution

2.5% Better

Hallmarks of Consistency

- Setting High Brand Standards
- Rigorous Quality Assurance Program
- Timely Guest Feedback
- Innovation in Products and Services
- Respect for the Individual



Sales, Marketing & Operations Q&A

Moderator: **Leeny K. Oberg**
Vice President Investor Relations



Rita M. Cuddihy
Senior Vice President
Marketing



Robert J. McCarthy
Executive Vice President
North American
Lodging Operations

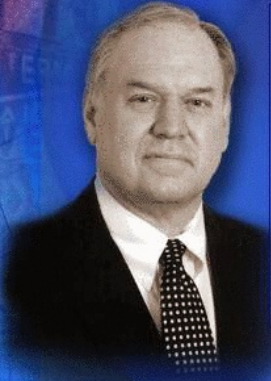


Amy C. McPherson
Senior Vice President
Global Revenue Management



Bruce W. Wolff
Senior Vice President
Distribution Sales
and Strategy



A portrait of Stephen P. Weisz, a middle-aged man with light hair, wearing a dark suit, white shirt, and a patterned tie. He is looking directly at the camera with a neutral expression. The background of the slide is a vibrant blue with abstract, swirling patterns and a grid-like texture. A semi-transparent blue rectangular box is positioned to the right of the portrait, containing his name and title in white text.

Stephen P. Weisz

President
Marriott Vacation Club International
Marriott International, Inc.



Vacation Ownership The Marriott Way

Vacation Ownership Industry

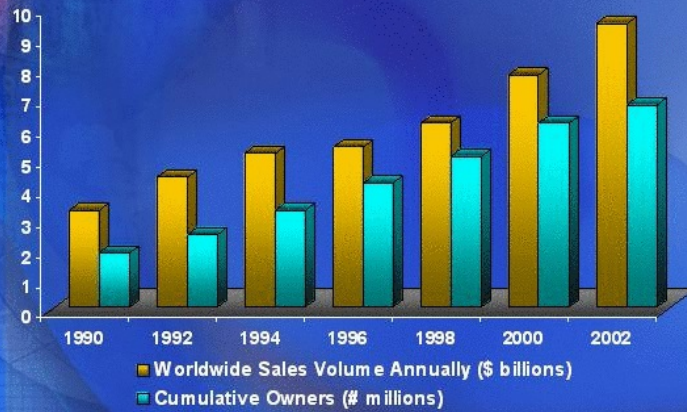
- Began 40 years ago in Europe¹
- 5,400 Vacation Ownership resorts in over 100 countries¹
- Vacation Ownership is the purchase of an interval of time in a resort or points in a resort system.
- Product ownership typically based on –
 - Deeded Real Estate (forever)
 - Right-to-use (specified number of years)
 - Points in a trust (trust owns real estate)
- Typically sold in 1 week intervals (“timeshare”)
- May be multiple weeks (“fractional” up to “quartershare”)



Ritz Carlton Aspen Member Lounge

¹Source: American Resort Development Association

Vacation Ownership Industry



- In 2002 \$9.4 billion annual sales, 6.7 million cumulative owners
- Since 1990, vacation ownership sales CAGR of 9.3%.

¹ Source: ARDA - *The Vacation Ownership Industry: Selected Characteristics 2003*

Industry Trends

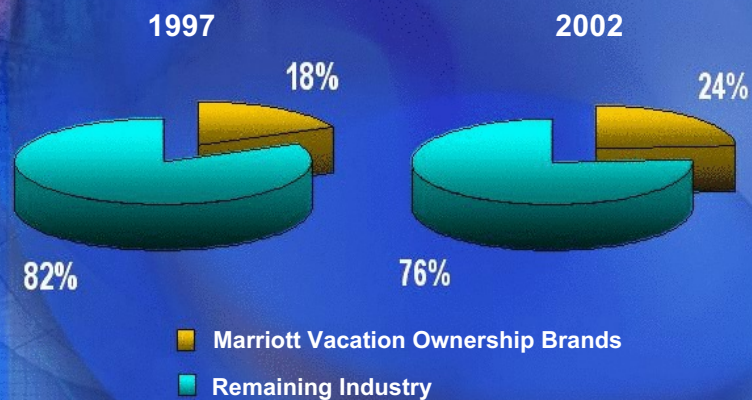
- Brands affiliated with Lodging companies taking market share from other pure Vacation Ownership brands
- Improving consumer acceptance driving industry growth
- Continued market segmentation
- More flexibility to use options and more “club” benefits
- Relationship marketing replacing telemarketing

Portfolio of Brands

| | <u>% of Total 2002 Contract Sales</u> | <u>Average Price</u> | <u>Typical Customer</u> |
|--|---|--|---|
|  | 80% | \$10K - \$60K/ Week | \$75K - \$200K+ household income |
|  | 4% | \$10K - \$15K/ Week | \$50K - \$90K household income; value conscious |
|  THE RITZ-CARLTON CLUB® | 11% | \$100K - \$400K/ 3 - 4 week membership | \$200K+ household income; \$3M+ net worth |
|  Marriott GRAND RESIDENCE CLUB | 5% | \$100K - \$300K/ Fraction | \$125K+ household income; \$1M+ net worth |

Marriott Vacation Ownership Sales

Market Share of US Based Companies¹



Source: Vacation Ownership World Magazine

(1) U. S. headquartered companies with Sales of \$20 million or more in timeshares and/or fractional ownership interests

What Does Marriott Vacation Ownership Do for Marriott Lodging?

- Increases MI brand loyalty as measured in average roomnights per year from MVCI owners
- Improves overall value of Marriott Rewards system by providing highly-desirable redemption locations
- Drives improved results at hotels co-located with Marriott Vacation Ownership projects, (ex. Aruba, Kauai, Palm Springs, Orlando, Phuket)
- Provides flexibility in deal negotiations

Marriott Vacation Ownership Priorities

- Customer relationship management
- Profitability and margins
- Return on invested capital

How We Sell

- Counselor sales approach
- Marketing focus on:
 - In market leads
 - Affinity leads (Marriott Rewards)
 - Owner referrals
- Prepared for do-not-call environment
 - Invested over \$40 million in customer relationship management (CRM) systems
 - CRM will enable us to learn from each customer interaction and customize sales approaches

Marriott Vacation Ownership Results



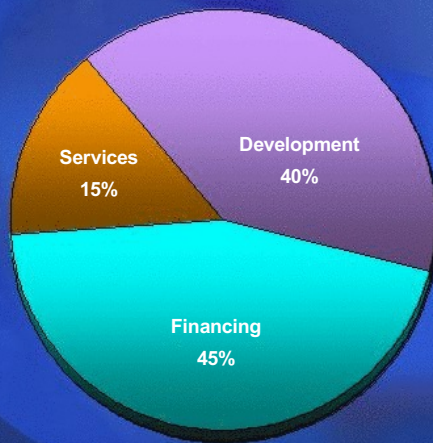
*Excludes gain on sale of Interval International of \$44M.

Profit Drivers

- Development → Sale of Vacation Ownership Interests
- Financing → Financing and Sales of Vacation Ownership Mortgages
- Services → Management Fees, Rental Commissions

Profit Drivers

Percentage of total timeshare profit in 2002



Note: Administrative costs are allocated pro-rata based on operating profit

Typical MVCI Development Project

| | | |
|-------------------|---|--------------------|
| Number of units: | 300 - 500 | |
| Construction: | Phased units (30 – 60 units per phase) | |
| Sales life: | 7 years – 10 years | |
| Project life sale | \$300 - \$500M | |
| Project costs: | Marketing & sales costs | 45% of sales price |
| | Product costs | 40% of sales price |
| | Development margin | 15% of sales price |
| Sales: | Commence approximately 12-18 months prior to first occupancy | |

Marriott Vacation Ownership Consumer Financing

- Propensity to finance is 45% to 48% of MVCI sales
- Typical MVCI borrowing amount is \$17,000
- Typical borrowing rate is 12.5% to 12.8%
- Credit guideline is credit score of over 600 for automatic approval
- Best-in-class servicing
- Recycle defaulted inventory

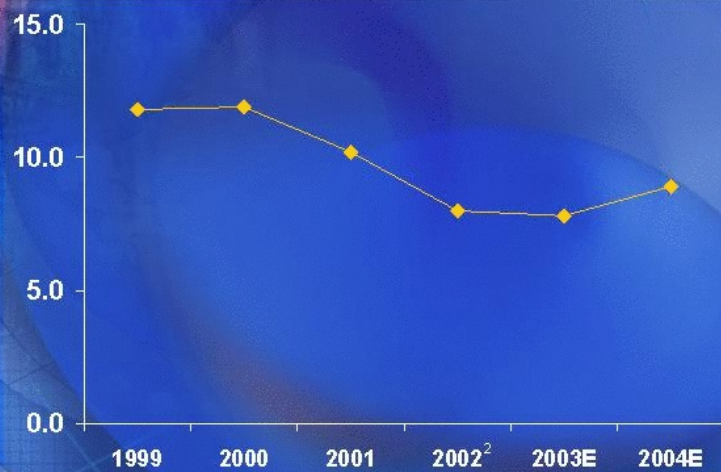
Marriott Vacation Ownership Mortgage Notes Sales

- Normal part of capital recycle program
(2 note sales planned for 2003)
- MVCI gets face amount of loan and splits
interest with investor
- Gain represents present value of expected
future interest cash flows
- Limited Marriott credit enhancement

Marriott Vacation Ownership Services Income

- Management fees of approximately \$20M in 2003; fee is typically 10% of annual condo owners dues
- Rental commissions
- Ancillary business (food and beverage, golf, spa)

Marriott Vacation Ownership ROIC¹

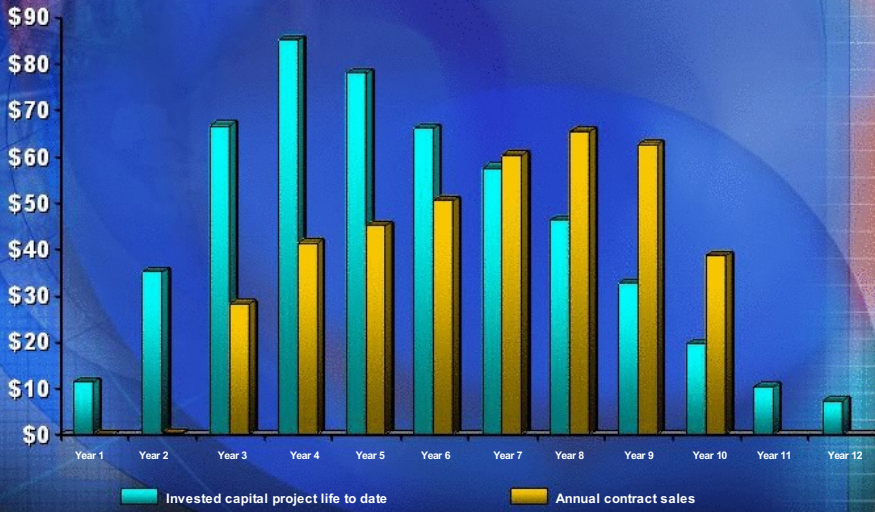


¹Earnings before interest and taxes divided by average invested capital

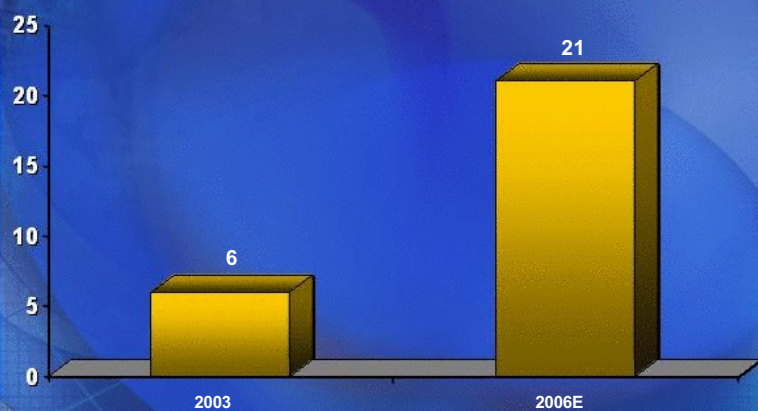
²Excludes Interval International gain

Typical MVCI Project

(\$ in Millions)



Marriott Vacation Ownership Number of Projects With 5+ Years of Sales

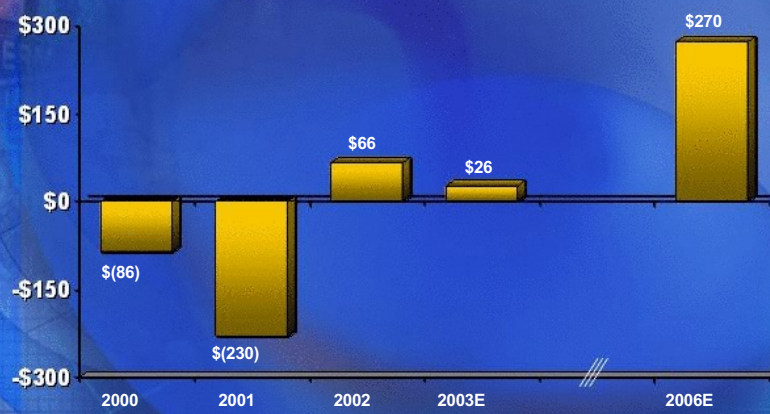


Marriott Vacation Ownership ROIC Improvement

- Maturing of long term inventory
- Increase number of joint ventures. Joint venture terms typically include:
 - Split of development risks and profits
 - Retention by MVCI of financing and management profits
 - Non recourse financing
- Increase number of marketing & sales agreements

Marriott Vacation Ownership Cash From Operations¹

(\$ in Millions)



¹Timeshare cash flow defined as after tax timeshare profit plus timeshare activity, net, and depreciation and amortization.

Marriott Vacation Ownership Profit Outlook

(\$ in Millions)



¹Excluding gain on sale of Interval International investment



Marriott Vacation Club Ownership Q&A




Stephen P. Weisz

President
Marriott Vacation Club International
Marriott International, Inc.

Moderator: *Leeny K. Oberg*
Vice President
Investor Relations



A portrait of Joseph V. Cozza, a middle-aged man with glasses, wearing a dark suit, white shirt, and a striped tie. He is positioned on the left side of the slide. The background is a blue gradient with abstract circular patterns and a faint grid.

Joseph V. Cozza

Executive Director of Catering
New York Marriott Marquis
Marriott International, Inc.

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A portrait of George McNeill, a man with glasses wearing a white chef's hat and a white chef's jacket. The background of the slide is a blue and red abstract design with a grid pattern.

George McNeill, CMC

Executive Chef
New York Marriott Marquis
Marriott International, Inc.

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A portrait of Kevin M. Kimball, a man with glasses, wearing a dark suit, white shirt, and dark tie. He is smiling slightly. The background of the slide is a blue and red abstract design with a grid pattern.

Kevin M. Kimball
Executive Vice President
Lodging Finance
Marriott International, Inc.

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Lodging Growth

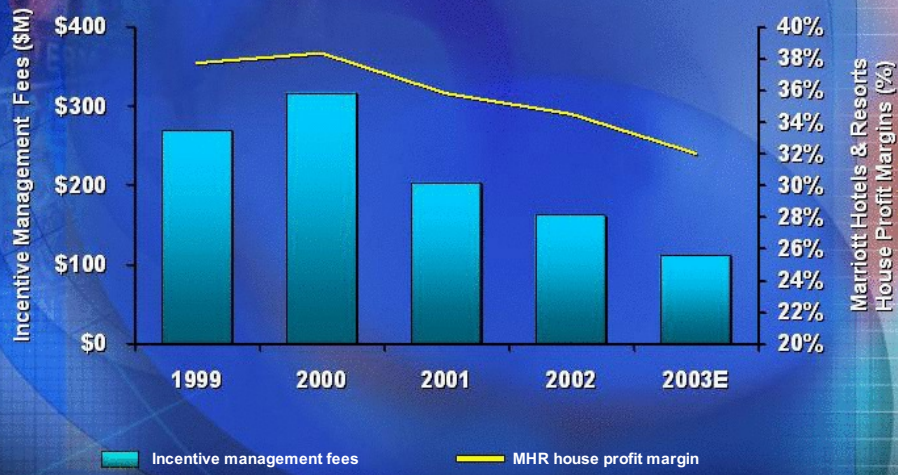
- Sources of revenue
- Property level margins
- Worldwide rooms growth
- Outlook

Lodging Fee Revenue

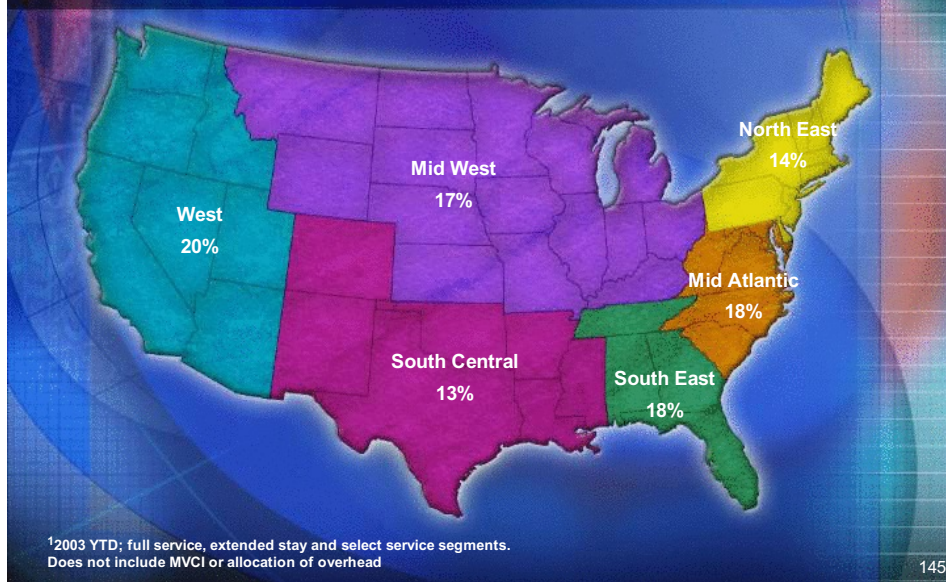


Incentive Fees have fallen with Margins

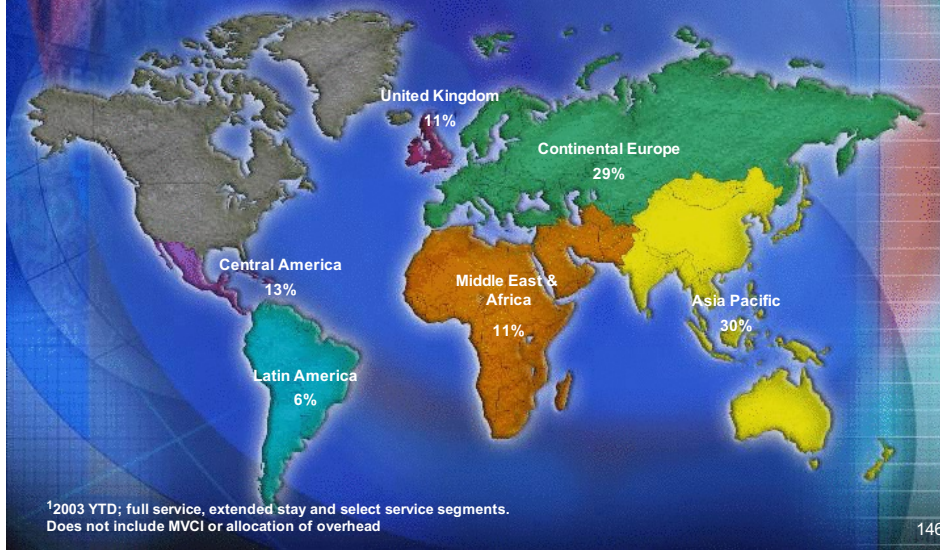
Incentive management fees vs house profit margins



U.S. Lodging Profit Contribution¹



International Lodging Profit Contribution¹



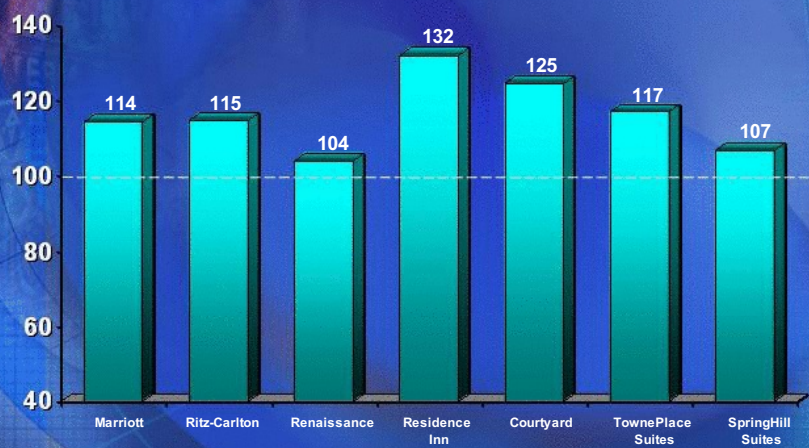
Management and Franchise Contracts

- Long-term
- High renewal rates

Current Typical Management Contract

| <u>Characteristics</u> | <u>U.S.</u> | <u>International</u> |
|------------------------|--|--|
| Revenue per room | \$100 | Varies based on part of the world |
| Base fee | 3% of revenue | 3% of revenue in Europe & Mideast; 1% to 3% of revenue in Asia |
| Margins | 35% House Profit 22% Net House Profit | Same or slightly lower in Europe; Significantly higher in Asia |
| Owners priority | 10% to 11% of capital | Similar in Europe; Usually none in Asia |
| Incentive fees | 15% to 25% of Net House Profit | Similar in Europe; Typically 8% of House Profit in Asia |
| Term | 20 to 40 years (including renewals) | Slightly less in Europe; 15 to 30 years (including renewals) in Asia |

Significant REVPAR Premiums¹



¹Smith Travel Research, September 2003 YTD; managed U.S. comparable hotels

Property Level Revenue Sources Marriott Hotels & Resorts¹

| | <u>2003 YTD</u> |
|-----------------|-----------------|
| Rooms | 61% |
| Food & beverage | 32 |
| Other | 7 |
| Total | <u>100%</u> |

¹As of Sept. year to date; 145 comparable managed North American hotels. "Other" includes telephone, garage, gift shops, rents & commissions, golf & spa revenues

Property Level Margins Marriott Hotels & Resorts

| Expenses | 2003 YTD % of Sales |
|--|--------------------------------|
| Wages & benefits | 33% |
| Cost of sales & controllables | 17 |
| Utilities, repair and maintenance | 5 |
| Sales & marketing | 5 |
| Insurance, accidents, G&A and other | 5 |
| House Profit | 35% |
| Base fee | 3 |
| Furniture, fixtures & equipment escrow | 5 |
| Real estate insurance, taxes & other | 5 |
| Net House Profit | 22% |

¹As of Sept. year to date; 145 comparable managed North American hotels. "Other" includes telephone, garage, gift shops, rents & commissions, golf & spa revenues

Focus on Profitability

Expense Items

Labor & benefits

Food & beverage

Telephone

Insurance

Competitive Advantage

Labor scheduling

Procurement program

Wired for business

Systemwide insurance program

REVPAR increase of approximately 3% annually
should hold hotel margins flat from 2003 to 2006

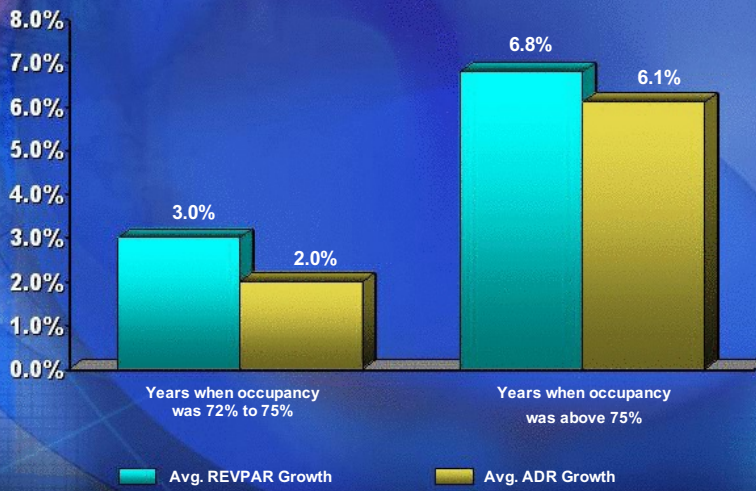
Labor Scheduling

- Automated
- Cross training
- Citywide access
- Highly skilled labor force
- Higher associate satisfaction
- Hours optimized

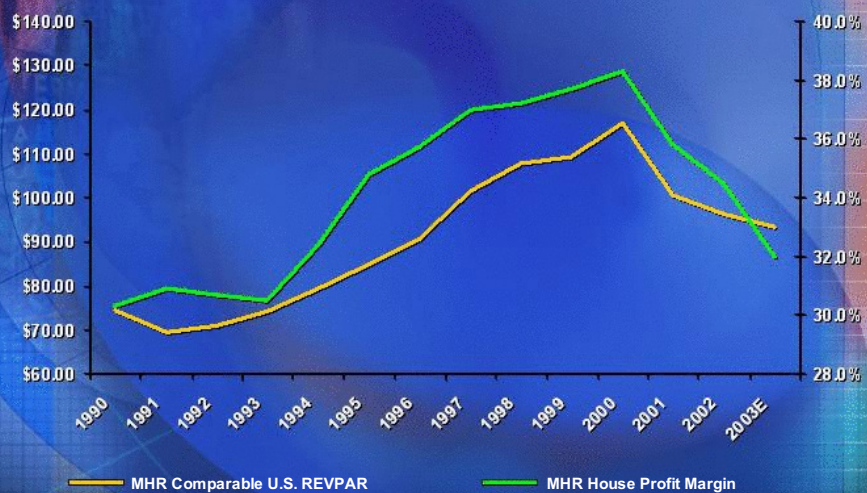
Procurement



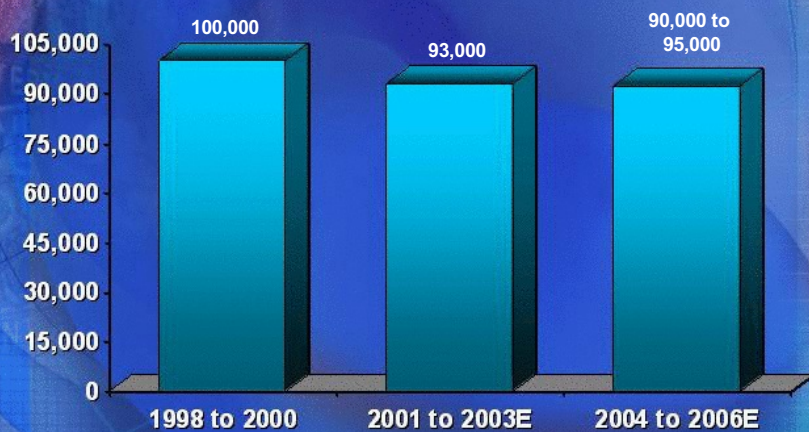
Marriott Hotels & Resorts Occupancy Level Sensitivity (1989-2000 for comparable managed properties)



Marriott Hotels & Resorts REVPAR versus House Profit Margin



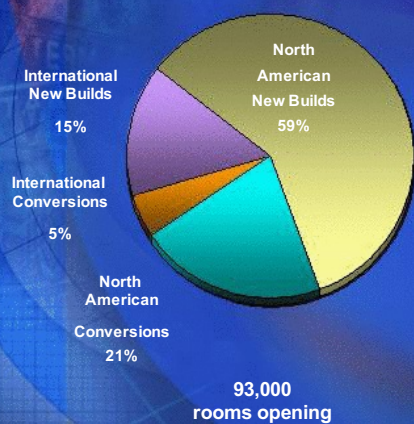
Gross Room Additions¹



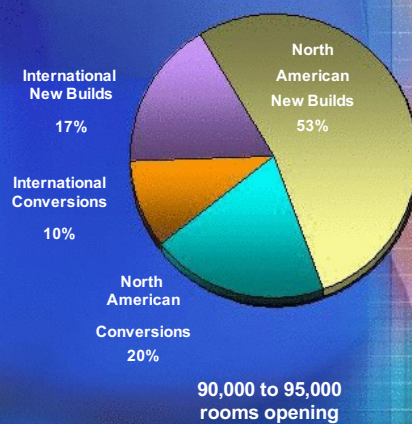
¹Includes worldwide room additions for all lodging brands; does not include MVCI, Ramada International or hotel deletions.

Gross Room Additions¹

2001 to 2003E



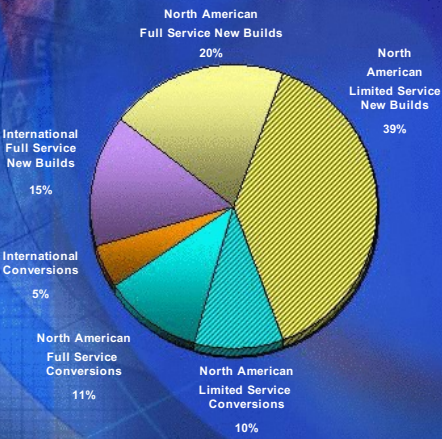
2004 to 2006E



¹Does not include Ramada International or MVI

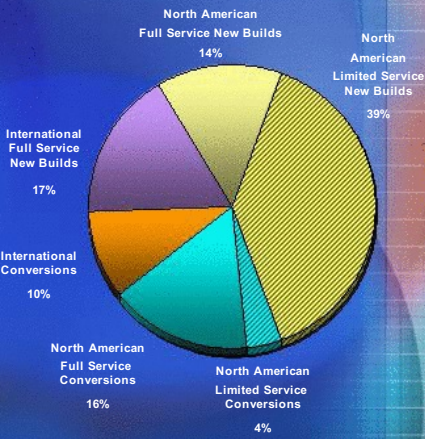
Increased Room Additions Outside The U.S.¹

2001 to 2003E



93,000 rooms opening

2004 to 2006E



90,000 to 95,000 rooms opening

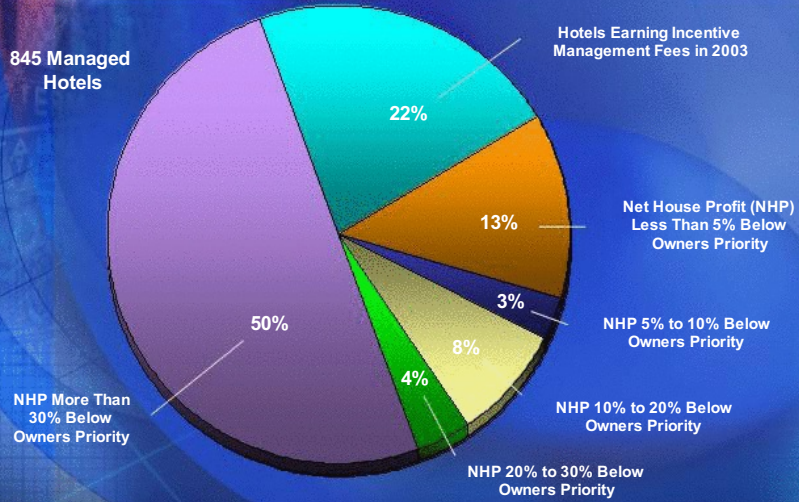
¹Does not include Ramada International or MSCI

Base and Franchise Fee Recovery Scenarios

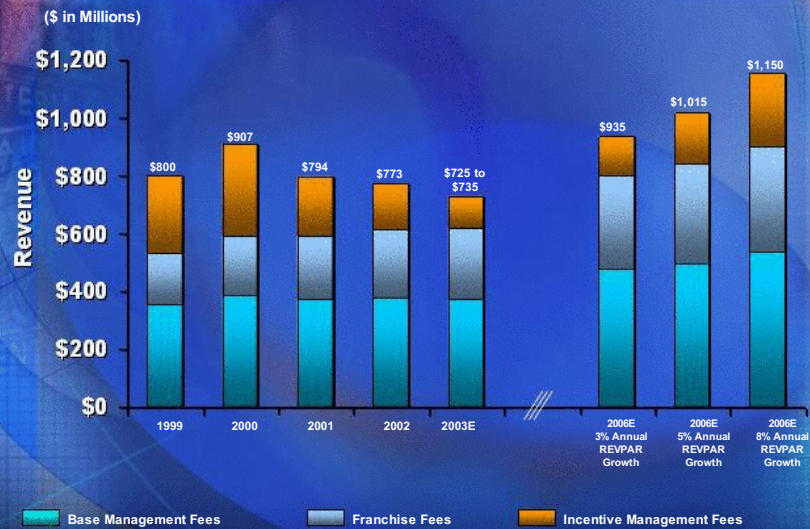
(\$ in Millions)



Incentive Management Fee Recovery Sensitivity (based on 2003 year to date)



Lodging Fee Revenue Recovery Scenarios



Core Lodging Results REVPAR Sensitivities (Full Service, Select Service and Extended Stay segments)

(\$ in Millions)



Note: 2001 – 2002 adjusted for normalized operations



A portrait of Carolyn B. Handlon, a woman with short dark hair, wearing a dark jacket over a white collared shirt. The background of the slide is a blue and red abstract design with a grid pattern.

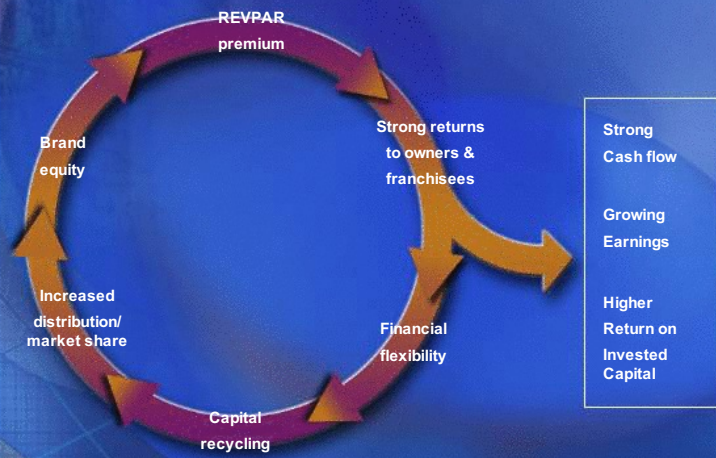
Carolyn B. Handlon
Executive Vice President
and Global Treasurer
Marriott International, Inc.

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Discussion Topics

- Marriott's financial strengths
- How we invest our capital
- Improving return on invested capital
- Meaningful earnings per share growth

Our Business Model



Financial Strength and Stability

- Broad geographic distribution
- Brand diversification
- Length of contracts
- Strong balance sheet and cash flow
- Management/franchise business model

Solid Investment Grade

(\$ in Millions)

**2003 Latest
4 Quarters**

Income from continuing
operations

\$422

EBITDA¹

\$648

Debt at 9/12/03

\$1,678

¹Includes pre-tax operating losses of \$127 million from our synthetic fuel operations, before syn-fuel depreciation expense of \$10 million. The operating losses are more than offset by the tax credits generated by this business, which reduce our income tax expense

Investment Philosophy

- Focus on management and franchise contracts
- Invest where expected returns exceed cost of capital
- Minimal real estate ownership
- Selective real estate development or temporary ownership to enhance management agreement
- Recycle capital

Investment Process

- Set aggregate commitment levels through budget and long range planning process
- Evaluate investments using rigorous criteria; net present value, earnings per share and return on invested capital
- Remain investment grade credit
- Monitor and analyze post audit results

Marriott International Capital Recycling

Typical Holding Time

| | |
|--------------------------------------|---|
| Lodging new build | 12 to 18 months for Limited Service; 2 to 3 years Full Service |
| Lodging acquisitions | 3 to 12 months |
| Timeshare consumer notes | 6 months or less |
| Timeshare resort units | 3 years |
| Lodging senior and mezzanine debt | 5 years |

Lodging Notes Receivable and Guarantees¹

| (\$ in Millions) | <u>At 9/12/03</u> | <u>At 1/03/03</u> |
|------------------------------|-------------------|-------------------|
| Lodging notes receivable | \$915 | \$944 |
| Lodging guarantees in effect | <u>503</u> | <u>549</u> |
| Total | <u>\$1,418</u> | <u>\$1,493</u> |

¹The above numbers do not include \$800 million and \$200 million of loans and guarantees primarily related to timeshare mortgage notes and Senior Living Services at 9/12/03 and 1/03/03, respectively.

Guarantee and Loan Loss Provisions

(\$ in Millions)

| | <u>2001</u> | <u>2002</u> | <u>3Q YTD</u> <u>2003</u> |
|------------------------------------|-------------|-------------|------------------------------|
| Guarantee and loan loss provisions | \$90 | \$30 | \$10 |

Lodging Results Provide Attractive Upside¹

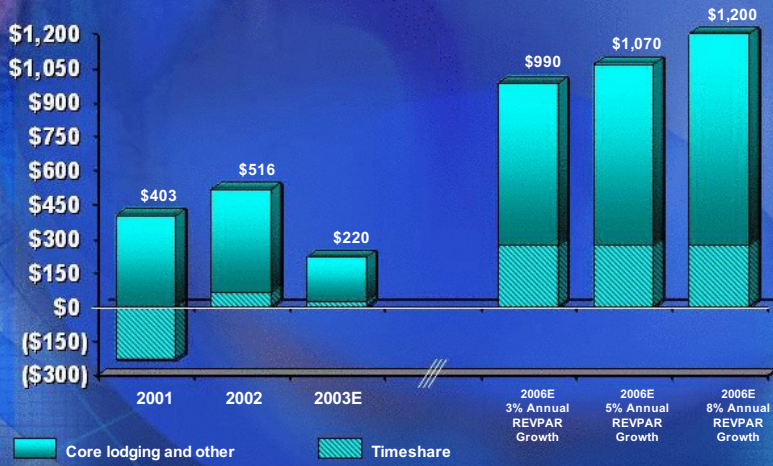
(\$ in Millions)



¹Adjusted to reflect normalized operations

Cash From Operations¹

(\$ in Millions)



¹Timeshare business's impact on cash flow defined as after tax timeshare profit plus timeshare activity, net, and depreciation and amortization.

Estimated Free Cash Flow

(\$ in Millions)

2004E to 2006E

| | |
|--|---------------------------|
| Net cash flow from operations ¹ | \$2,700 |
| 2004E investment spending | (\$500) |
| 2005E to 2006E investment spending | (\$1,000 to \$2,000) |
| 2004E to 2006E dispositions, note sales & collections | \$1,000 to \$1,500 |
| Free cash flow | <u>\$1,500 to \$2,000</u> |

¹Assumes average of 3%, 5% & 8% annual REVPAR growth scenarios and includes
MVCI timeshare development

EPS Sensitivity to REVPAR¹

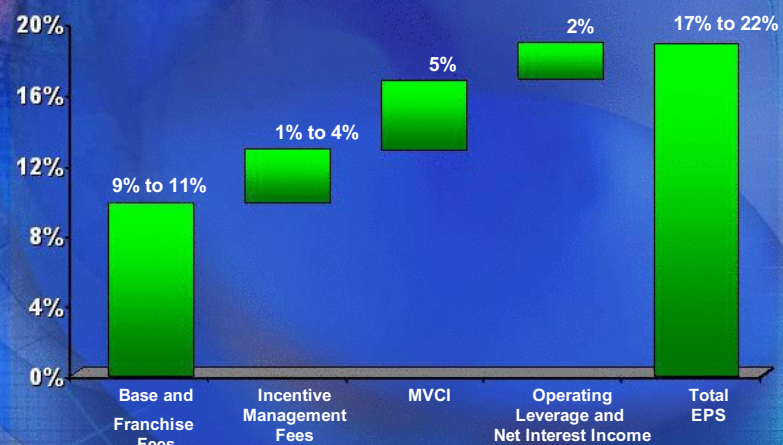
(\$ per share)



¹From continuing operations and normalized for 2001 and 2002; assumes contribution from synthetic fuel of \$0.40 in 2003 and \$0.38 in 2006

EPS Growth Drivers 2003E to 2006E¹

Assuming 3% to 6% REVPAR Growth Annually

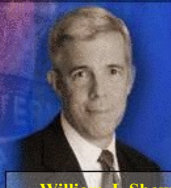


¹Does not include earnings from synthetic fuel



Leadership Q&A

Moderator: *Laura E. Paugh*
Senior Vice President
Investor Relations



William J. Shaw
President and
Chief Operating Officer



Edwin D. Fuller
President and
Managing Director
Marriott Lodging - International



John W. Marriott III
Executive Vice President
Lodging



Arne M. Sorenson
Executive Vice President,
Chief Financial Officer and President
Continental European Lodging



James M. Sullivan
Executive Vice President
Lodging Development

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Timeshare Return on Invested Capital
(\$ in millions)

| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003 E</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Timeshare financial results | \$ 123 | \$ 138 | \$ 147 | \$ 183 | \$ 147 |
| Interval International gain ¹ | — | — | — | (44) | — |
| Timeshare capitalized interest | 8 | 21 | 30 | 23 | 22 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Earnings before interest expense and income taxes | \$ 131 | \$ 159 | \$ 177 | \$ 162 | \$ 169 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Average Capital Investment | \$1,105 | \$1,336 | \$1,748 | \$2,050 | \$2,178 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Return on invested capital ² | 12% | 12% | 10% | 8% | 8% |

¹ Adjustment reflects a non-recurring gain related to the sale of our investment in Interval International.

² Return on invested capital is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States. We consider return on invested capital to be a meaningful indicator of our operating performance because it measures how effectively we use the money invested in our timeshare operations. Timeshare financial results as adjusted is a meaningful indicator of timeshare performance because it reflects that portion of our financial results which is recurring and as such is useful for comparability purposes and measuring the Company's trends. However, return on invested capital and financial results as adjusted should not be considered an alternative to net income, income from continuing operations or any other operating measure prescribed by accounting principles generally accepted in the United States.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Adjusted Financial Results and Earnings per Share from Continuing Operations
(\$ in millions)

| | FY 2001 | | | |
|--|----------------|-------------------------------------|-------------------------------|-----------------------------|
| | As Reported | Restructuring Costs ¹ | Other Charges ² | As Adjusted ⁴ |
| FINANCIAL RESULTS | | | | |
| Full-Service | \$ 294 | \$ 26 | \$ 58 | \$ 378 |
| Select-Service | 145 | 5 | 8 | 158 |
| Extended-Stay | 55 | 11 | 5 | 71 |
| Core Lodging Total | 494 | 42 | 71 | 607 |
| Timeshare | 147 | 2 | — | 149 |
| Total Lodging | 641 | 44 | 71 | 756 |
| Interest Expense | (109) | — | — | (109) |
| Interest Income | 94 | — | 6 | 100 |
| Provision for Loan Losses | (48) | — | 43 | (5) |
| Corporate Expenses | (139) | — | 22 | (117) |
| Restructuring Costs | (18) | 18 | — | — |
| Income from Continuing Operations before Income Taxes | 421 | 62 | 142 | 625 |
| Income Tax Provision | (152) | (23) | (52) | (227) |
| Income from Continuing Operations | \$ 269 | \$ 39 | \$ 90 | \$ 398 |
| Diluted earnings per share from continuing operations ³ | \$ 1.05 | | | \$ 1.54 |
| Diluted Shares | 256.7 | | | 260.8 |

¹ Adjustment reflects non-recurring restructuring costs, as noted in our fiscal 2002 Form 10-K.

² Adjustment reflects non-recurring other charges, as noted in our fiscal 2002 Form 10-K.

³ Adjusted earnings per share from continuing operations is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States. We consider adjusted earnings per share from continuing operations to be a meaningful indicator of our operating performance because it reflects that portion of our earnings per share from continuing operations which is recurring and as such is useful for comparability purposes and measuring the Company's financial trends. However, adjusted earnings per share from continuing operations should not be considered an alternative to earnings per share from continuing operations or any other operating measure prescribed by accounting principles generally accepted in the United States.

⁴ Adjusted financial results is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States. We consider adjusted financial results to be a meaningful indicator of our operating performance because it reflects that portion of our financial results which is recurring and as such is useful for comparability purposes and measuring the Company's trends. However, adjusted financial results should not be considered an alternative to net income, financial results, operating profit, or any other operating measure prescribed by accounting principles generally accepted in the United States.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Adjusted Financial Results and Earnings per Share from Continuing Operations
(\$ in millions)

| | FY 2002 | | | |
|--|----------------|-------------------------------------|--|-----------------------------|
| | As Reported | Goodwill Write-down ¹ | Interval International Gain ² | As Adjusted ⁴ |
| FINANCIAL RESULTS | | | | |
| Lodging | | | | |
| Full-Service | \$ 397 | \$ — | \$ — | \$ 397 |
| Select-Service | 130 | — | — | 130 |
| Extended-Stay | (3) | 50 | — | 47 |
| Core Lodging Total | 524 | 50 | — | 574 |
| Timeshare | 183 | — | (44) | 139 |
| Total Lodging | 707 | 50 | (44) | 713 |
| Synthetic Fuel | (134) | — | — | (134) |
| | 573 | 50 | (44) | 579 |
| Interest Expense | (86) | — | — | (86) |
| Interest Income | 122 | — | — | 122 |
| Provision for Loan Losses | (12) | — | — | (12) |
| Corporate Expenses | (126) | — | — | (126) |
| Income from Continuing Operations before Income Taxes | 471 | 50 | (44) | 477 |
| Income Tax (Provision)/Benefit | (32) | (18) | 15 | (35) |
| Income from Continuing Operations | \$ 439 | \$ 32 | \$ (29) | \$ 442 |
| Diluted earnings per share from continuing operations ³ | \$ 1.74 | | | \$ 1.75 |
| Diluted Shares | 254.6 | | | 254.6 |

¹ Adjustment reflects a non-recurring write-down of acquisition goodwill associated with our executive housing business, as noted in our fiscal 2002 Form 10-K.

² Adjustment reflects a non-recurring gain related to the sale of our investment in Interval International, as noted in our fiscal 2002 Form 10-K.

³ Adjusted earnings per share from continuing operations is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States. We consider adjusted earnings per share from continuing operations to be a meaningful indicator of our operating performance because it reflects that portion of our earnings per share from continuing operations which is recurring and as such is useful for comparability purposes and measuring the Company's financial trends. However, adjusted earnings per share from continuing operations should not be considered an alternative to earnings per share from continuing operations or any other operating measure prescribed by accounting principles generally accepted in the United States.

⁴ Adjusted financial results is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States. We consider adjusted financial results to be a meaningful indicator of our operating performance because it reflects that portion of our financial results which is recurring and as such is useful for comparability purposes and measuring the Company's trends. However, adjusted financial results should not be considered an alternative to net income, financial results, operating profit, or any other operating measure prescribed by accounting principles generally accepted in the United States.

MARRIOTT INTERNATIONAL, INC.
Non-GAAP Financial Measure Reconciliation
Earnings Before Interest Expense, Taxes, Depreciation and
Amortization from continuing operations ²
(\$ in millions)

| | <u>Q4 2002</u> | <u>Q1 2003</u> | <u>Q2 2003</u> | <u>Q3 2003</u> | <u>LTM ¹</u> |
|--|----------------|----------------|----------------|----------------|-------------------------|
| Income from continuing operations | \$ 116 | \$ 87 | \$ 126 | \$ 93 | \$ 422 |
| Depreciation | 38 | 29 | 27 | 30 | 124 |
| Amortization | 10 | 5 | 7 | 7 | 29 |
| Interest expense | 27 | 26 | 25 | 26 | 104 |
| Income tax (benefit)/provision | (8) | (40) | (16) | 33 | (31) |
| EBITDA from continuing operations ² | <u>\$ 183</u> | <u>\$ 107</u> | <u>\$ 169</u> | <u>\$ 189</u> | <u>\$ 648</u> |

¹ Reflects the four quarters ended September 12, 2003.

² Earnings before interest expense, income taxes, depreciation and amortization (EBITDA) from continuing operations is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States. We consider EBITDA from continuing operations to be an indicator of operating performance, which can be used to measure our ability to service debt, fund capital expenditures and expand our business. However, EBITDA from continuing operations is not an alternative to net income, financial results, or any other operating measure prescribed by accounting principles generally accepted in the United States.

MARRIOTT INTERNATIONAL, INC.

Detail
Timeshare Cash from Operations
(\$ in millions)

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003E</u> | <u>2006E</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Timeshare financial results | \$ 138 | \$ 147 | \$ 183 | \$ 147 | \$ 287 |
| Gain on sale ¹ | — | — | (44) | — | — |
| Tax expense ² | (51) | (53) | (48) | (51) | (102) |
| Timeshare operating activity, net | (195) | (358) | (63) | (114) | 36 |
| Depreciation and amortization | 22 | 34 | 38 | 44 | 49 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Timeshare cash (used in) provided by operations | \$ (86) | \$ (230) | \$ 66 | \$ 26 | \$ 270 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

¹ The gain on sale is not an operating activity and therefore is deducted. The proceeds from the sale are included in investing activities on the statement of cash flows.

² Tax expense is computed using the Company's core tax rates for the respective years and assumes the taxes are paid in cash at the time the tax expense is incurred.



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MARRIOTT INTERNATIONAL SAYS IT EXPECTS TO GENERATE EPS AT COMPOUND GROWTH RATE OF 17 to 22 PERCENT THROUGH 2006

WASHINGTON, D.C. – November 11, 2003 – Marriott International, Inc. (NYSE:MAR) will tell a conference of analysts and investors today in New York that the company estimates compound earnings per share (EPS) growth, excluding earnings from its synthetic fuel operation, of 17 to 22 percent from 2003 through 2006, assuming a Revenue Per Available Room (REVPAR) growth range of three to six percent during that time. The company also will tell investors that long-term prospects are bright.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said, “Over the next 20 years, we expect to grow faster than the industry but with less risk. We will throw off considerable cash flow and generate tremendous shareholder value.” He also said that while there is still uncertainty regarding the future strength of business travel, the economy was strengthening and increasing wealth worldwide will encourage more people to travel. “Travel has always been a growth industry and I believe it will continue to be. Marriott will have the right hotels in the right places to serve this ever growing travel market.”

Contributing to Marriott’s EPS, base management and franchise fees are expected to increase approximately 9 to 11 percent compounded through 2006 as a result of both REVPAR growth and rooms expansion.

Marriott also expects that, assuming a modest three percent annual REVPAR improvement through 2006, incentive management fee revenue could increase by 20% to 25% over 2003 forecasted levels. At five percent annual REVPAR gains, incentive management fee revenue could total approximately \$175 million, or 50% to 60% over 2003 forecasted levels. At a more aggressive eight percent annual REVPAR growth assumption, incentive fee revenue could more than double over 2003 forecasted levels to \$250 million.

The company will provide EPS guidance for 2006 under different REVPAR assumptions. Assuming 3 percent compound annual REVPAR growth, EPS is estimated to total approximately \$2.80 per share. At a five percent compound annual REVPAR growth, EPS rises to approximately \$3.00 per share, and at a more aggressive eight percent annual REVPAR growth assumption, EPS could reach \$3.35 per share. Synthetic fuel is expected to contribute approximately \$0.38 to 2006 EPS.

The company said it expects 2003 earnings per share from continuing operations to total \$1.86 to \$1.88, including approximately \$0.39 from its synthetic fuel operation.

Over the next three years, Marriott expects to generate a significant increase in cash flow from operations, which could exceed \$900 million in 2006 for uses that could include reinvestment for growth, acquisitions, dividends or share repurchases. The company expects to focus on recycling

capital and aggressively repurchasing shares, which will help Marriott to reach its goal of a 20 percent return on invested capital by 2007.

Marriott said it expects to add between 90,000 and 95,000 rooms to its portfolio by the end of 2006, excluding Ramada International. The company said that an increasing share of that growth would come in from international hotels and conversions.

Mr. Marriott said, "Our rooms growth is ahead of plan and our pipeline of new hotel development remains strong. The company has significant opportunities in developing U.S. markets, where new markets evolve and older markets grow. Internationally, we have substantial growth opportunities as our share of total hotel rooms is less than one percent. In China, the world's fastest growing economy and one of the top five tourist destinations, we had just one hotel seven years ago," said Mr. Marriott. "Today, we have 35 hotels with five under construction. With a very active deal pipeline, we will soon be one of the largest lodging operators in China."

The company also announced that it would launch "Marriott's Look No Further Rate Guarantee" on January 1, 2004. The guarantee will ensure that customers receive the best available room rate at nearly 2,500 hotels when booking through any Marriott reservations channel.

Marriott said today that it has received fully-executed private letter rulings from the Internal Revenue Service regarding its synthetic fuel operations confirming, among other things, that the process used by Marriott's synthetic fuel operations produces a "qualified fuel" as required by Section 29 of the Internal Revenue Code. In addition, the rulings confirmed the validity of the ownership structure of the joint venture with the purchaser of a 50 percent interest in Marriott's synthetic fuel business.

In connection with the original sale, the company granted the purchaser a one-time "put option," which potentially allowed the purchaser to return its ownership interest to the company if the company failed to obtain appropriate private letter rulings prior to December 15, 2003. After reviewing the private letter rulings, the purchaser informed the company in writing that it would not be exercising its "put option."

The tax benefits from synthetic fuel credits under Section 29 of the Internal Revenue Code expire at the end of 2007.

Marriott's analyst conference is today, November 11, 2003, from 9:00 am (ET) to 3:00 pm and will be available live via webcast at <http://www.marriott.com/investor> (click on "recent investor news"). A replay of the meeting will also be available at the same site.

This press release contains "forward-looking statements" within the meaning of federal securities laws, including estimates of REVPAR, profit margins, earnings and the number of lodging properties to be added in future years; expected investment spending; anticipated results from synthetic fuel operations; 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 whether early indications of an economic recovery will continue; supply and demand changes for hotel rooms, vacation ownership intervals, and corporate housing; competitive conditions in the lodging industry; relationships with clients and property owners; the availability of capital to finance growth and owner refurbishment of existing hotels; the impact of recent privacy initiatives on our marketing of timeshares and other products; and the risk that the Internal Revenue Service may not issue a satisfactory private letter ruling in connection with the sale of the interest in our synthetic fuel business or reject any of the tax credits produced; any of which could cause actual results to differ materially from those expressed in or implied by the statements herein. You can find more detailed information about these and other risks and uncertainties in our periodic filings with the SEC. These statements are made as of the date of this

press release, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

MARRIOTT INTERNATIONAL, INC. (NYSE:MAR) is a leading worldwide hospitality company with over 2,600 lodging properties in the United States and 68 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 International*, *Horizons*, *The Ritz-Carlton Club* and *Marriott Grand Residence Club* brands; operates *Marriott Executive Apartments*; provides furnished corporate housing through its *Marriott ExecuStay* division; and operates conference centers. The company is headquartered in Washington, D.C., has approximately 128,000 employees, and was ranked as the lodging industry's most admired company and one of the best places to work for by FORTUNE®. For more information or reservations, please visit the web site at www.marriott.com.