SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1999 Commission File No. 1-13881

MARRIOTT INTERNATIONAL, INC.

Delaware	52-2055918
(State of Incorporation)	(I.R.S. Employer Identification Number)

10400 Fernwood Road
Bethesda, Maryland 20817
(301) 380-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $0.01 par value (243,957,257 shares outstanding as of January 31, 2000)	New York Stock Exchange Chicago Stock Exchange Pacific Stock Exchange Philadelphia Stock Exchange

The aggregate market value of shares of common stock held by non-affiliates at January 31, 2000 was $5,796,024,530.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [_]

Indicate by check mark if disclosure by delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [_]

Documents Incorporated by Reference

Portions of the Proxy Statement prepared for the 2000 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

Index to Exhibits is located on pages 52 through 54.

PART I

Throughout this report, we refer to Marriott International, Inc., together with its subsidiaries, as "we," "us," or "the Company."

FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this document that are based on the beliefs and assumptions of our management, and on information currently available to our management. Forward-looking statements include the information concerning our possible or assumed future results of operations and statements preceded by, followed by or that include the words "believes," "expects," "anticipates," "intends," "plans," "estimates," or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. We caution you not to put undue reliance on any forward-looking statements.

You should understand that the following important factors, in addition to those discussed in Exhibit 99 and elsewhere in this annual report, could cause results to differ materially from those expressed in such forward-looking statements.

- competition for each of our business segments;
- business strategies and their intended results;
- the balance between supply of and demand for hotel rooms, timeshare units, senior living accommodations and corporate apartments;
- our continued ability to obtain new operating contracts and franchise agreements;
- our ability to develop and maintain positive relations with current and potential hotel and senior living community owners;
- the effect of international, national and regional economic conditions;
- the availability of capital to allow us and potential hotel and senior living community owners to fund investments;
- the effect that internet hotel reservation channels may have on the rates that we are able to charge for hotel rooms; and
- other risks described from time to time in our filings with the Securities and Exchange Commission (the SEC).

ITEMS 1 and 2. BUSINESS AND PROPERTIES

We are a worldwide operator and franchisor of hotels and related lodging facilities, an operator of senior living communities, and a provider of distribution services. Our operations are grouped in three business segments, Lodging, Senior Living Services and Distribution Services, which represented 81, 6, and 13 percent, respectively, of total sales in the fiscal year ended December 31, 1999.

In our Lodging segment, we operate, develop and franchise lodging facilities and vacation timesharing resorts. In addition, we provide over 5,100 furnished corporate housing units.

In our Senior Living Services segment we develop and presently operate 144 senior living communities offering independent living, assisted living and skilled nursing care for seniors in the United States.

Marriott Distribution Services (MDS) supplies food and related products to external customers and to internal lodging and senior living services operations throughout the United States.

Financial information by industry segment and geographic area as of December 31, 1999 and for the three fiscal years then ended, appears in the Business Segments note to our Consolidated Financial Statements included in this annual report.

Formation of "New" Marriott International - Spinoff in March 1998

We became a public company in March 1998, when we were spun off (the Spinoff) as a separate entity by the company formerly named "Marriott International, Inc." (Old Marriott). Our company - the "new" Marriott International - was formed to conduct the lodging, senior living and distribution services businesses formerly conducted by Old Marriott.

The Spinoff was effected through a dividend of one share of our common stock and one share of our Class A Common Stock for each share of Old Marriott Common Stock outstanding on March 20, 1998. As the result of a shareholders' vote at our 1998 annual meeting of shareholders, on May 21, 1998 we converted all of our outstanding shares of common stock into shares of Class A Common Stock on a one-for-one basis.

At the same time as the Spinoff, Old Marriott merged its remaining businesses - food service and facilities management - with the similar businesses of Sodexho Alliance, S.A. (Sodexho Alliance) in the United States and Canada, to form Sodexho Marriott Services, Inc. (SMS). We are providing certain transitional administrative services to SMS, and MDS provides food distribution services to many of SMS's food service locations.

Lodging

We operate or franchise 1,880 lodging properties worldwide, with 355,883 rooms as of December 31, 1999. In addition, we provide 5,184 furnished corporate housing units. We believe that our portfolio of fourteen lodging brands - from luxury to economy to extended stay to corporate housing - is the broadest of any company in the world, and that we are the leader in the quality tier of the vacation timesharing business. Consistent with our focus on management and franchising, we own very few of our lodging properties. Our lodging brands include:

Upscale Full-Service Lodging
- Marriott Hotels, Resorts and Suites
- Renaissance Hotels, Resorts and Suites

Luxury Lodging
- Ritz-Carlton

Moderate-Priced and Economy Lodging
- Courtyard
- Fairfield Inn
- SpringHill Suites
- Ramada International Hotels and Resorts (Europe, Middle East and Asia/Pacific)

Extended-Stay Lodging
- Residence Inn
- TownePlace Suites
- Marriott Executive Apartments

Vacation Timesharing
- Marriott Vacation Club International
- Horizons by Marriott Vacation Club
- The Ritz-Carlton Club

Corporate Apartments
- ExecuStay by Marriott

Company-Operated Lodging Properties

At December 31, 1999, we operated a total of 882 properties (219,880 rooms) as owned or under long-term management or lease agreements with property owners (together, the Operating Agreements).

Terms of our management agreements vary, but typically we earn a management fee which comprises a base fee, which is a percentage of the revenues of the hotel, and an incentive management fee, which is based on the profits of the hotel. Our management agreements also typically include reimbursement of costs (both direct and indirect) of operations. Such agreements are generally for initial periods of 20 to 30 years, with options to renew for up to 50 additional years. Our lease agreements also vary, but typically include fixed annual rentals plus additional rentals based on a percentage of annual revenues in excess of a fixed amount. Many of the Operating Agreements are subordinated to mortgages or other liens securing indebtedness of the owners. Additionally, a number of the Operating Agreements permit the owners to terminate the agreement if financial returns fail to meet defined levels and we have not cured such deficiencies.

For units that we manage, we are responsible for hiring, training and supervising the managers and employees required to operate the facilities and for purchasing supplies, for which we generally are reimbursed by the owners. We provide centralized reservation services, and national advertising, marketing and promotional services, as well as various accounting and data processing services. For lodging facilities that we manage, we prepare and implement annual operating budgets that are subject to owner approval.

Franchised Lodging Properties

We have franchising programs that permit the use of certain of our brand names and our lodging systems by other hotel owners and operators. Under these programs, we generally receive an initial application fee and continuing royalty fees, which typically range from four percent to six percent of room revenues for all brands, plus two percent to three percent of food and beverage revenues for certain full-service hotels. In addition, franchisees contribute to our national marketing and advertising programs, and pay fees for use of our centralized reservation systems. At December 31, 1999, we had 998 franchised properties (136,003 rooms).

Summary of Properties by Brand

As of December 31, 1999 we operated or franchised the following properties by brand (excluding 5,184 corporate housing rental units):

	Company-operated		Franchised	
Brand	Properties	Rooms	Properties	Rooms
Marriott Hotels, Resorts and Suites	230	100,712	138	39,977
Ritz-Carlton	36	11,878	-	-
Renaissance Hotels, Resorts and Suites	76	30,276	20	7,015
Ramada International	7	1,325	19	4,246
Residence Inn	137	18,404	187	20,349
Courtyard	263	40,653	208	26,356
TownePlace Suites	26	2,672	35	3,434
Fairfield Inn	51	7,138	363	31,835
SpringHill Suites	6	654	28	2,791
Marriott Vacation Club International	43	4,641	-	-
Marriott Executive Apartments and other	7	1,527	-	-
Total	882	219,880	998	136,003

We plan to open approximately 230 hotels (approximately 38,000 rooms) during 2000. We believe that we have access to sufficient financial resources to finance our growth, as well as to support our ongoing operations and meet debt service and other cash requirements. Nonetheless, our ability to sell properties that we develop, and the ability of hotel or senior living community developers to build or acquire new Marriott properties, which are important parts of our growth plans, are partially dependent on the availability and price of capital.

Marriott Hotels, Resorts and Suites primarily serve business and leisure travelers and meeting groups at locations in downtown and suburban areas, near airports and at resort locations. Most Marriott full-service hotels contain from 300 to 500 rooms. Marriott full-service hotels typically have swimming pools, gift shops, convention and banquet facilities, a variety of restaurants and lounges and parking facilities. Our 19 convention hotels (approximately 20,100 rooms) are larger and contain up to 1,900 rooms. Marriott resort hotels have additional recreational facilities, such as tennis courts and golf courses. The 13 Marriott Suites (approximately 3,400 rooms) are full-service suite hotels that typically contain approximately 250 suites, each consisting of a living room, bedroom and bathroom. Marriott Suites have only limited meeting space.

We operate conference centers located throughout the United States. Some of the centers are used exclusively by employees of the sponsoring organization, while others are marketed to outside meeting groups and individuals. The centers typically include meeting room space, dining facilities, guestrooms and recreational facilities.

Room operations contributed the majority of hotel sales for the fiscal year 1999 with the remainder coming from food and beverage operations, recreational facilities and other services. Although business at many resort properties is seasonal depending on location, overall hotel profits have been relatively stable and include only moderate seasonal fluctuations.

Marriott Hotels, Resorts and Suites Geographic Distribution at December 31, 1999	Hotels	
United States (40 states and the District of Columbia)	262	(107,752 rooms)
Non-U.S. (46 countries and territories)		
Americas (Non-U.S.)	19	
United Kingdom	27	
Continental Europe	25	
Asia	21	
Africa and the Middle East	11	
Australia	3	
Total Non-U.S.	106	(32,937 rooms)

Ritz-Carlton hotels and resorts are renowned for their distinctive architecture and for the quality of their facilities, dining and guest service. Most Ritz-Carlton hotels have 200 to 500 guest rooms and typically include meeting and banquet facilities, a variety of restaurants and lounges, gift shops, swimming pools and parking facilities. Guests at most of the Ritz-Carlton resorts have access to additional recreational amenities, such as tennis courts and golf courses.

Ritz-Carlton Luxury Hotels and Resorts Geographic Distribution at December 31, 1999	Hotels	
United States (10 states)	19	(6,897 rooms)
Non-U.S. (15 countries and territories)	17	(4,981 rooms)

Renaissance is a global quality-tier brand which targets business travelers, group meetings and leisure travelers. Renaissance hotels are generally located in downtown locations of major cities, in suburban office parks, near major gateway airports and in destination resorts. Most hotels contain 300 to 500 rooms; however, a few of the convention hotels are larger, and some hotels in non-gateway markets, particularly in Europe, are smaller. Renaissance hotels typically include an all-day dining restaurant, a specialty restaurant, club floors and lounge, boardrooms, and convention and banquet facilities. Renaissance resorts have additional recreational facilities including golf, tennis and water sports.

Renaissance Hotels, Resorts, and Suites

Geographic Distribution at December 31, 1999	Hotels	
United States (17 states and the District of Columbia)	39	(17,084 rooms)
Non-U.S. (26 countries and territories)		
Americas (Non-U.S.)	8	
United Kingdom	4	
Continental Europe	16	
Asia	22	
Africa and the Middle East	7	
Total Non-U.S.	57	(20,207 rooms)

Ramada International is a moderately-priced brand targeted at business and leisure travelers. Each full-service Ramada International property includes a restaurant, a cocktail lounge and full-service meeting and banquet facilities. Ramada International hotels are located primarily in Europe in major and secondary cities, near major international airports and suburban office park locations. We also receive a royalty fee from Cendant Corporation (successor to HFS, Inc.) and Ramada Franchise Canada Limited for the use of the Ramada name in the United States and Canada, respectively.

Ramada International

Geographic Distribution at December 31, 1999	Hotels	
Continental Europe	13	
Asia	7	
Americas (Non-U.S.)	2	
Africa and the Middle East	4	
Total (14 countries and territories)	26	(5,571 rooms)

Residence Inn is the U.S. market leader among extended-stay lodging products, which caters primarily to business, government and family travelers who stay more than five consecutive nights. Residence Inns generally have 80 to 130 studio and two-story penthouse suites. Most inns feature a series of residential style buildings with landscaped walkways, courtyards and recreational areas. The inns do not have restaurants but offer complimentary continental breakfast. Each suite contains a fully equipped kitchen, and many suites have wood-burning fireplaces.

Residence Inn

Geographic Distribution at December 31, 1999	Hotels	
United States (46 states and the District of Columbia)	317	(37,717 rooms)
Canada	6	(960 rooms)
Mexico	1	(76 rooms)

Courtyard is our moderate-price limited-service hotel product. Aimed at individual business and leisure travelers as well as families, Courtyard hotels maintain a residential atmosphere and typically have 80 to 150 rooms. Well landscaped grounds include a courtyard with a pool and social areas. Most hotels feature meeting rooms, limited restaurant and lounge facilities, and an exercise room. The operating systems developed for these hotels allow Courtyard to be price-competitive while providing better value through superior facilities and guest service.

Courtyard

Geographic Distribution at December 31, 1999	Hotels	
United States (43 states and the District of Columbia)	435	(60,619 rooms)
Non-U.S. (8 countries)	36	(6,390 rooms)

SpringHill Suites is our all-suite brand in the moderate price tier of lodging products. SpringHill Suites feature suites that are 25 percent larger than a typical hotel guest room and offer a broad range of amenities, including complimentary continental breakfast and exercise facilities. At December 31, 1999, 34 properties (3,445 rooms) were located in 21 states.

TownePlace Suites is a moderately priced, extended-stay hotel product that is designed to appeal to business and leisure travelers. The typical TownePlace Suites hotel contains 95 high quality one- and two-bedroom suites. Each suite has a fully equipped kitchen and separate living area. Each hotel provides housekeeping services and has on-site exercise facilities, an outdoor pool, 24-hour staffing and laundry facilities. At December 31, 1999, 61 TownePlace Suites (6,106 rooms) were located in 25 states.

Fairfield Inn is our economy lodging product which competes directly with major national economy motel chains. Aimed at cost-conscious individual business and leisure travelers, a typical Fairfield Inn has 65 to 135 rooms and offers a swimming pool, complimentary continental breakfast and free local phone calls. At December 31, 1999, 414 Fairfield Inns (38,973 rooms) were located in 46 states and the District of Columbia.

Marriott Vacation Club International develops, sells and operates vacation timesharing resorts. Profits are generated from three primary sources: (1) selling fee simple and other forms of timeshare intervals, (2) operating the resorts and (3) financing consumer purchases of timesharing intervals.

Many timesharing resorts are located adjacent to Marriott hotels, and timeshare owners have access to certain hotel facilities during their vacation. Owners can trade their annual interval for intervals at other Marriott timesharing resorts or for intervals at certain timesharing resorts not otherwise sponsored by Marriott through an affiliated exchange company. Owners also can trade their unused interval for points in the Marriott Rewards frequent stay program, enabling them to stay at over 1,600 Marriott hotels worldwide.

At December 31, 1999, we had 21 resorts in active sales. In May, 1999, we announced plans to launch a new vacation ownership resort brand - Horizons by Marriott Vacation Club (Horizons). Horizons represents our entrance into the moderate tier which currently accounts for 55 percent of the vacation ownership market, which is the fastest-growing segment in the hospitality industry. The first Horizons resort is being built in Orlando, Florida with completion scheduled for early 2001. Marriott Vacation Club International's owner base continues to expand, with 140,000 owners at year end 1999, compared to 120,000 in 1998.

Marriott Vacation Club International Geographic Distribution at December 31, 1999	Resorts	Units
Continental United States	37	3,891
Hawaii	2	248
Caribbean	2	262
Europe	2	240
Total	43	4,641

Marriott Executive Apartments provide temporary housing for business executives and others who need quality accommodations outside their home country, usually for 30 or more days. Some serviced apartments operate under the Marriott Executive Apartments brand which is designed specifically for the long-term international traveler. At December 31, 1999, seven serviced apartment properties (1,527 units), including two Marriott Executive Apartments, were located in three countries and territories.

ExecuStay provides furnished corporate apartments for stays of one month or longer nationwide. ExecuStay owns no residential real estate and provides units through short-term lease agreements with apartment owners and managers.

Other Activities

Marriott Golf manages 27 golf course facilities for us and for other golf course owners.

We operate 19 systemwide hotel reservation centers, 12 of them in the U.S. and Canada and seven internationally, that handle reservation requests for Marriott lodging brands worldwide, including franchised properties. We own one of the U.S. facilities and lease the others.

Our Architecture and Construction Division assists in the design, development, construction and refurbishment of lodging properties and senior living communities and is paid a fee by the owners of such properties.

Competition

We encounter strong competition both as a lodging operator and as a franchisor. There are over 500 lodging management companies in the United States, including several that operate more than 100 properties. These operators are primarily private management firms, but also include several large national chains that own and operate their own hotels and also franchise their brands. Management contracts are typically long-term in nature, but most allow the hotel owner to replace the management firm if certain financial or performance criteria are not met.

Affiliation with a national or regional brand is prevalent in the U.S. lodging industry. In 1999, the majority of U.S. hotel rooms were brand-affiliated. Most of the branded properties are franchises, under which the operator pays the franchisor a fee for use of its hotel name and reservation system. The franchising business is fairly concentrated, with the three largest franchisors operating multiple brands accounting for a significant proportion of all U.S. rooms.

Outside the United States branding is much less prevalent, and most markets are served primarily by independent operators. We believe that chain affiliation will increase in overseas markets as local economies grow, trade barriers are reduced, international travel accelerates and hotel owners seek the economies of centralized reservation systems and marketing programs.

Based on lodging industry data, we have approximately a seven percent share of the U.S. hotel market (based on number of rooms), less than a one percent share of the lodging market outside the United States and a seven percent share of annual worldwide timesharing sales of about $7 billion. We believe that our hotel brands are attractive to hotel owners seeking a management company or franchise affiliation, because our hotels typically generate higher occupancies and Revenue per Available Room (REVPAR) than direct competitors in most market areas. We attribute this performance premium to our success in achieving and maintaining strong customer preference. Approximately 37 percent of our ownership resort sales come from additional purchases by or referrals from existing owners. We believe that the location and quality of our lodging facilities, our marketing programs, reservation systems and our emphasis on guest service and satisfaction are contributing factors across all of our brands.

Properties that we operate or franchise are regularly upgraded to maintain their competitiveness. Our management, lease, and franchise agreements provide for the allocation of funds, generally a fixed percentage of revenue, for periodic renovation of buildings and replacement of furnishing. We believe that the ongoing refurbishment program is adequate to preserve the competitive position and earning power of the hotels. We also strive to update and improve the products and services we offer. We believe that by operating a number of hotels in each of our brands, we stay in direct touch with customers and react to changes in the marketplace more quickly than chains which rely exclusively on franchising.

The Marriott Rewards and Marriott Miles programs enhance repeat guest business by rewarding frequent travelers with free stays at Marriott hotels or free travel on 18 participating airlines. Marriott Rewards is a multi-brand frequent guest program with a total of over 12 million members which covers eight Marriott brands. We believe that the frequent stay programs generate substantial repeat business that might otherwise go to competing hotels.

Marriott Senior Living Services

In our Senior Living Services business, we develop and operate both "independent full-service" and "assisted living" senior living communities and provide related senior care services. Most are rental communities with monthly rates that depend on the amenities and services provided. We are one of the largest U.S. operators of senior living communities in the quality tier.

As shown in the table below, at December 31, 1999 we operated 144 senior living communities in 29 states.

	Communities	Units (1)
Independent full-service		
- owned	3	1,193
- operated under long-term agreements	42	11,651
	45	12,844
Assisted living		
- owned	51	5,621
- operated under long-term agreements	48	6,295
	99	11,916
Total senior living communities	144	24,760

(1) Units represent independent living apartments plus beds in assisted living and nursing centers.

At December 31, 1999, we operated 45 independent full-service senior living communities, which offer both independent living apartments and personal assistance units for seniors. Most of these communities also offer licensed nursing care.

At December 31, 1999, we also operated 99 assisted living senior living communities principally under the names "Brighton Gardens by Marriott," "Village Oaks," and "Marriott MapleRidge." Assisted living senior living communities are for seniors who benefit from assistance with daily activities such as bathing, dressing or medication. Brighton Gardens is a quality-tier assisted living concept which generally has 90 assisted living suites and in certain locations, 30 to 45 nursing beds in a community. In some communities, separate on-site centers also provide specialized care for residents with Alzheimer's or other memory-related disorders. Village Oaks is a moderately-priced assisted living concept which emphasizes companion living and generally has 70 suites in a community. This concept is geared for the cost conscious senior who benefits from the companionship of another unrelated individual. Marriott MapleRidge assisted living communities consist of a cluster of six or seven 14-room cottages which offer residents a smaller scale, more intimate setting and family-like living at a moderate price.

The assisted living concepts typically include three meals per day, linen and housekeeping services, security, transportation, and social and recreational activities. Additionally, skilled nursing and therapy services are generally available to Brighton Gardens residents.

Terms of the senior living services management agreements vary but typically include base management fees, ranging from four to six percent of revenues, central administrative services reimbursements and incentive management fees. Such agreements are generally for initial periods of five to 30 years, with options to renew for up to 25 additional years. Under the leases covering certain of the communities, we pay the owner fixed annual rent plus additional rent equal to a percentage of the amount by which annual revenues exceed a fixed amount.

Our Senior Living Services business competes mostly with local and regional providers of long-term health care and senior living services, although some national providers are emerging in the assisted living market. We compete by operating well-maintained facilities, and by providing quality health care, food service and other services at competitive prices. The reputation for service, quality care and know how associated with the Marriott name is also attractive to residents and their families. The Marriott Assisted Living Education Program, chaired by actress Debbie Reynolds, also demonstrates our commitment to leadership in the Senior Living Services business. This program aims to increase awareness of assisted living and to highlight general benefits to adult children and their senior family members. Additionally, we have focused on developing relationships with professionals who often refer seniors to senior living communities, such as hospital discharge planners and physicians. By educating these groups on the assisted living concept, and familiarizing them with Marriott products and associates, we generate a significant volume of referrals that helps our senior living communities to quickly achieve high, stabilized occupancy levels.

Marriott Distribution Services

MDS is a United States limited-line distributor of food and related supplies, carrying an average of 3,000 product items per distribution center. This segment originally focused on purchasing, warehousing and distributing food and supplies to other Marriott businesses. However, MDS has increased its third-party business to about 87 percent of total sales volume in the year ended December 31, 1999.

MDS operated a nationwide network of 13 distribution centers at December 31, 1999. Leased facilities are generally built to our specifications, and utilize a narrow aisle concept and technology to enhance productivity.

Through MDS, we compete with numerous national, regional and local distribution companies in the $147 billion U.S. food distribution industry. We attract clients by adopting competitive pricing policies and by maintaining one of the highest order fill rates in the industry. In addition, our limited product lines, operating systems, and other economies provide a favorable cost structure which we are able to leverage in pursuing new business.

Employee Relations

At December 31, 1999, we had approximately 143,000 employees. Approximately 5,500 employees at properties we manage were represented by labor unions. We believe relations with our employees are positive.

Other Properties

In addition to the operating properties discussed above, we lease an 870,000 square foot office building in Bethesda, Maryland which serves as our headquarters.

We believe our properties are in generally good physical condition with need for only routine repair and maintenance.

ITEM 3. LEGAL PROCEEDINGS

Incorporated by reference to the description of legal proceedings in the "Contingent Liabilities" footnote in the financial statements set forth in Part II, Item 8, "Financial Statements and Supplementary Data."

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Part II

ITEM 5. MARKET FOR THE COMPANY'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS

The range of prices of our common stock and dividends declared per share for the period since the March 27, 1998 Spinoff are as follows. No data are presented for the period prior to the Spinoff since we were not a publicly-held company during that time.

		Stock Price				Dividends	
		High		Low		Declared Per Share	
1998	Second Quarter....	$	38 7/16	$	30 1/2	$	0.095/1/
	Third Quarter.....		34 1/2		24 5/8		0.050
	Fourth Quarter....		30 1/4		19 3/8		0.050

		Stock Price				Dividends	
		High		Low		Declared Per Share	
1999	First Quarter.....	$	39 15/16	$	29	$	0.050
	Second Quarter....		44 1/2		33		0.055
	Third Quarter.....		38 1/2		33 5/16		0.055
	Fourth Quarter....		36 1/4		29 9/16		0.055

/1/ Total of $.045 for the first quarter (declared and paid in the second quarter), and $.05 second quarter dividend.

At January 31, 2000, there were 243,957,257 shares of Class A Common Stock outstanding held by 55,987 shareholders of record. Our Class A Common Stock is traded on the New York Stock Exchange, Chicago Stock Exchange, Pacific Stock Exchange and Philadelphia Stock Exchange.

ITEM 6. SELECTED HISTORICAL FINANCIAL DATA

The following table presents summary selected historical financial data for the Company derived from our financial statements as of and for the five fiscal years ended December 31, 1999.

Since the information in this table is only a summary and does not provide all of the information contained in our financial statements, including the related notes, you should read "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements. Per share data and Shareholders' Equity have not been presented for periods prior to 1998 because we were not a publicly-held company during that time.

	Fiscal Year				
	1999	1998	1997	1996/1/	1995
	(in millions, except per share data)				
Income Statement Data:					
Sales	$ 8,739	$ 7,968	$ 7,236	$ 5,738	$ 4,880
Operating Profit Before Corporate Expenses and Interest	830	736	609	508	390
Net Income	400	390	324	270	219
Per Share Data:					
Diluted Earnings Per Share	1.51	1.46			
Cash Dividends Declared	.215	.195			
Balance Sheet Data (at end of year):					
Total Assets	7,324	6,233	5,161	3,756	2,772
Long-Term and Convertible Subordinated Debt	1,676	1,267	422	681	180
Shareholders' Equity	2,908	2,570			

/1/Fiscal year 1996 includes 53 weeks, all other years include 52 weeks.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The following discussion presents an analysis of results of our operations for fiscal years ended December 31, 1999, January 1, 1999, and January 2, 1998. Comparable REVPAR, room rate and occupancy statistics used throughout this report are based on U.S. properties operated by us except for Fairfield Inn, which data also include franchised units. Systemwide sales and statistics include data from our owned, leased, managed and franchised properties.

In 1998 we changed our accounting policy to no longer include the working capital and sales of managed hotels and managed senior living communities in our financial statements. Instead, our sales include fees earned plus costs recovered from owners of managed properties. We restated prior periods and all references in the discussion below refer to financial statement data prepared under our new accounting policy. This restatement reflects reductions in sales of $2,240 million for 1998 and $1,810 million for 1997, compared to sales as previously calculated for those periods.

Consolidated Results

1999 Compared to 1998

Net income increased three percent to $400 million in 1999 and diluted earnings per share advanced three percent to $1.51. Overall profit growth in 1999 was curtailed by a $39 million pretax charge to reflect an agreement to settle pending litigation, (refer to the "Contingent Liabilities" footnote in the financial statements set forth in Part II, Item 8, "Financial Statements and Supplementary Data") incremental costs of our Year 2000 readiness efforts, and an operating loss in our senior living services business.

Sales increased 10 percent to $8.7 billion in 1999, reflecting revenue gains at established hotels, and contributions from new lodging properties and senior living communities. Systemwide sales grew 10 percent to $17.7 billion in 1999.

1998 Compared to 1997

Net income increased 20 percent to $390 million in 1998. Diluted earnings per share advanced 23 percent to $1.46, reflecting higher net income and the impact of share repurchases. Profit growth was driven by strong performance for our U.S. lodging operations, and improved results for our distribution services business. Sales grew 10 percent to $8.0 billion, primarily due to the net addition of 496 hotels (including acquisitions) and 41 senior living communities from the beginning of 1997 through year-end 1998. Systemwide sales in 1998 were $16.0 billion, a 21 percent increase compared to the preceding year.

Marriott Lodging

				Annual Change	
(dollars in millions)	1999	1998	1997	99/98	98/97
Sales..............................	$ 7,041	$ 6,311	$ 5,247	+12%	+20%
Operating profit...................	827	704	570	+17%	+24%

1999 Compared to 1998

Marriott Lodging reported a 17 percent increase in operating profit and 12 percent higher sales in 1999. Results reflected higher room rates for U.S. hotels, contributions from new hotels worldwide, and strong interval sales in resort timesharing. We estimate that lodging operating profit in 1999 was attributable to base management fees (27 percent of total), franchise fees (17 percent) and land rent (three percent) that are based on fixed dollar amounts or percentages of sales. The balance was attributable to our timesharing business (15 percent), and to incentive management fees and other income based on the profits of the underlying properties (38 percent).

Across our Lodging brands, REVPAR for comparable company-operated U.S. properties grew by an average of 3.7 percent in 1999. Average room rates for these hotels rose 3.6 percent, while occupancy remained at 77.5 percent. Occupancy, average daily rate and REVPAR for each of our principal established brands is shown in the following table.

	Comparable U.S. properties 1999	Comparable U.S. properties Change vs. 1998	Systemwide 1999	Systemwide Change vs. 1998
Marriott Hotels, Resorts and Suites				
Occupancy	77.5%	-0.1% pts.	73.8%	-2.1% pts.
Average daily rate	$ 140.86	+3.9%	$ 132.51	+2.3%
REVPAR	$ 109.22	+3.9%	$ 97.79	-0.5%
Ritz-Carlton				
Occupancy	77.8%	+3.4% pts.	75.4%	+2.9% pts.
Average daily rate	$ 219.37	+5.5%	$ 201.51	+4.1%
REVPAR	$ 170.67	+10.3%	$ 151.94	+8.3%
Renaissance Hotels, Resorts and Suites				
Occupancy	70.8%	+0.5% pts.	68.7%	+0.8% pts.
Average daily rate	$ 132.09	+2.1%	$ 130.59	+7.1%
REVPAR	$ 93.54	+2.9%	$ 89.72	+8.3%
Residence Inn				
Occupancy	83.0%	-0.1% pts.	79.0%	-1.6% pts.
Average daily rate	$ 99.03	+0.9%	$ 98.44	+4.2%
REVPAR	$ 82.23	+0.8%	$ 77.77	+2.2%
Courtyard				
Occupancy	79.3%	-0.1% pts.	73.2%	-4.4% pts.
Average daily rate	$ 91.48	+2.8%	$ 89.65	+2.7%
REVPAR	$ 72.53	+2.7%	$ 65.62	-3.2%
Fairfield Inn				
Occupancy	71.0%	-2.2% pts.	68.7%	-3.7% pts.
Average daily rate	$ 58.87	+3.3%	$ 59.15	+3.0%
REVPAR	$ 41.80	+0.1%	$ 40.64	-2.3%

International hotel operations posted improved results in 1999, reflecting profit growth for properties in continental Europe, the Middle East, Latin America and the Caribbean region.

Marriott Vacation Club International achieved a 22 percent increase in contract sales in 1999, as well as higher income from resort management. Strong interval sales were generated at timeshare resorts in Florida, South Carolina, Hawaii and Spain. During 1999, we had 21 resorts in active sales, including the initial project (Orlando, Fla.) for Horizons by Marriott Vacation Club, a new product line targeting the moderate price tier of the timeshare market.

We added a net total of 194 hotels and timesharing resorts (27,600 rooms) across our lodging brands during 1999.

1998 Compared to 1997

Marriott Lodging reported a 24 percent increase in operating profit and 20 percent higher sales in 1998. Results reflected solid room rate growth at U.S. hotels, and contributions from new properties worldwide. We added a net total of 176 hotels and resorts (27,800 rooms) to our lodging system in 1998. Lodging operating profit in 1998 was attributable to base management fees (28 percent of total), franchise fees (18 percent), land rent and other income (three percent), resort timesharing (13 percent), and incentive management fees and other profit participations (38 percent).

Across our lodging brands, REVPAR for comparable company-operated U.S. properties grew by an average of six percent in 1998. Average room rates for these hotels rose more than six percent, well in excess of inflation, while occupancy dipped one-half percentage point to 78 percent.

	Comparable U.S. properties		Systemwide	
	1998	Change vs. 1997	1998	Change vs. 1997
Marriott Hotels, Resorts and Suites				
Occupancy	78.0%	-0.5% pts.	75.9%	-0.7% pts.
Average daily rate	$ 137.95	+6.7%	$ 129.52	+5.9%
REVPAR	$ 107.60	+6.1%	$ 98.31	+4.9%
Ritz-Carlton				
Occupancy	75.4%	-2.1% pts.	72.5%	-4.9% pts.
Average daily rate	$ 205.48	+8.7%	$ 193.53	+3.5%
REVPAR	$ 154.93	+5.8%	$ 140.31	-3.1%
Renaissance Hotels, Resorts and Suites				
Occupancy	70.3%	+0.7% pts.	67.9%	+1.0% pts.
Average daily rate	$ 129.38	+5.4%	$ 121.98	-3.2%
REVPAR	$ 90.95	+6.5%	$ 82.82	-1.8%
Residence Inn				
Occupancy	83.3%	-0.2% pts.	80.6%	- pts.
Average daily rate	$ 99.12	+3.9%	$ 94.44	+3.8%
REVPAR	$ 82.59	+3.7%	$ 76.12	+3.8%
Courtyard				
Occupancy	79.7%	-0.7% pts.	77.6%	-0.6% pts.
Average daily rate	$ 89.32	+6.8%	$ 87.33	+5.8%
REVPAR	$ 71.22	+6.0%	$ 67.77	+5.0%
Fairfield Inn				
Occupancy	73.5%	-0.4% pts.	72.4%	-0.6% pts.
Average daily rate	$ 56.08	+3.6%	$ 57.43	+5.1%
REVPAR	$ 41.19	+2.9%	$ 41.58	+4.2%

Results for our international hotel operations declined in 1998, as profit growth in Europe and Latin America was offset by the impact of difficult economic conditions in the Asia/Pacific region, and reduced travel in the Middle East.

Marriott Vacation Club International generated a 10 percent increase in contract sales in 1998, and higher income from resort management and financing activities. MVCI reported strong sales activity at major timeshare resorts in Florida, South Carolina, California, Hawaii, Spain and Aruba.

In March 1998, we increased our ownership interest in The Ritz-Carlton Hotel Company LLC to 99 percent from 49 percent. Sales for Marriott Lodging were up 11 percent in 1998 before the impact of consolidating this hotel management company.

Marriott Senior Living Services

(dollars in millions)	1999	1998	1997	Annual Change 99/98	98/97
Sales	$ 559	$ 479	$ 446	+17%	+ 7%
Operating (loss) profit	(18)	15	32	n/m	-53%

1999 Compared to 1998

Marriott Senior Living Services posted a 17 percent increase in sales in 1999, as we added a net total of 31 new communities (4,216 living units) during the year. Occupancy for comparable communities increased by nearly one percentage point to 90 percent in 1999.

The division reported an operating loss in 1999, primarily as a result of $18 million of pre-opening costs for new communities, increased accounts receivable reserves, and one-time charges associated with our decision to slow new construction until market conditions improve.

1998 Compared to 1997

Marriott Senior Living Services opened 24 senior living communities in 1998, including 14 Brighton Gardens, our assisted living brand serving the quality tier. Profit comparisons for 1998 were affected by the mid-1997 sale of 29 senior living communities which we continue to operate under long-term agreements. Excluding the impact of this transaction, operating profit for the division increased by $5 million in 1998. Occupancy for comparable communities was unchanged for the year.

Marriott Distribution Services

(dollars in millions)	1999	1998	1997	Annual Change 99/98	98/97
Sales	$ 1,139	$ 1,178	$ 1,543	- 3%	- 24%
Operating profit	21	17	7	+24%	+143%

1999 Compared to 1998

Operating profit for Marriott Distribution Services increased 24 percent in 1999 on a modest decline in sales. The division benefited from higher gross margins per case and reduced inventory losses compared to 1998.

1998 Compared to 1997

Operating profit for Marriott Distribution Services more than doubled in 1998, while sales declined 24 percent due to a reduction in the total number of accounts serviced. Results were boosted by the consolidation of distribution facilities, and realization of significant economies in warehouse operations and transportation.

Corporate expenses, interest and taxes

1999 Compared to 1998

Corporate expenses increased to $164 million in 1999 primarily due to a $39 million pretax charge associated with an agreement to settle pending litigation, together with increased systems-related costs, including $22 million of costs associated with our Year 2000 readiness program, compared to $12 million of Year 2000 readiness program costs in 1998. Interest expense more than doubled to $61 million as a result of borrowings to finance growth outlays and share repurchases. Our effective income tax rate decreased to approximately 37.3 percent in 1999 from 38.3 percent in 1998, primarily due to the impact of tax-oriented investments, and increased income in countries with lower effective tax rates.

1998 Compared to 1997

Corporate expenses rose 25 percent in 1998, and included $12 million of costs associated with our Year 2000 readiness program. Interest expense increased 36 percent in 1998 as a result of incremental borrowings to finance capital expenditures and share repurchases. Our effective income tax rate decreased to approximately 38.3 percent in 1998, from 39 percent in 1997, primarily due to increased income in countries with lower effective tax rates.

Lodging Development

Marriott Lodging opened 243 properties totaling 36,500 rooms across its brands in 1999, while 49 hotels (8,900 rooms) exited the system. Highlights of the year included:

- Twenty-five full-service properties (approximately 7,100 rooms) opened outside the United States. These include our first hotels in Armenia, Ecuador, El Salvador, Guam, The Netherlands Antilles, Portugal and Spain.

- Thirty-nine hotels (9,400 rooms) converted from independent status or competitor chains, including the 504-room Renaissance Worthington Hotel in Texas, and the 387-room JW Marriott Ihilani Resort & Spa at Ko Olina on the island of Oahu, Hawaii.

- A record 195 properties (approximately 23,500 rooms) added to our select service and extended-stay brands, including the renovation and conversion to Courtyard of historically significant urban properties in Philadelphia, Washington, D.C., Fort Worth, San Diego and Omaha.

- Development of new Marriott Vacation Club International resorts in Newport Beach, Calif., Panama City and Miami, Fla., Williamsburg, Va., and Maui, Hawaii, and a Horizons by Marriott Vacation Club resort in Orlando, Fla.

At year-end 1999, we had over 400 hotel properties (approximately 70,000 rooms) under construction or approved for development. We expect to open approximately 230 hotels and timesharing resorts (38,000 rooms) in 2000. Over a five-year period (1999 to 2003), we plan to add 175,000 rooms to our lodging system. These growth plans are subject to numerous risks and uncertainties, many of which are outside our control. See "Forward-Looking Statements" above and "Liquidity and Capital Resources" below.

Senior Living Services Development

During 1999, Marriott Senior Living Services neared completion of a major expansion program involving the opening of 60 new communities over a two-year period from mid-1998 through mid-2000. The division's development efforts in 1999 were focused on its popular Brighton Gardens assisted living brand, and Marriott MapleRidge, an assisted living concept designed for seniors who prefer a more intimate, family-like setting.

Due to oversupply conditions in some senior housing markets, we decided in 1999 to slow development of planned communities. Consequently, a number of projects in the early stages of development were postponed or cancelled. Marriott Senior Living Services is continuing to pursue development of new communities to be financed by third parties, and expects to resume active development of company-owned projects when market conditions improve.

Ten senior living communities under construction at year end 1999 are scheduled to open during 2000.

Liquidity And Capital Resources

We believe that we have access to sufficient financial resources to finance our growth, as well as to support our ongoing operations and meet debt service and other cash requirements. However, our ability to sell properties that we develop, and the ability of hotel or senior living community developers to build or acquire new Marriott-branded properties, which are important parts of our growth plans, are partially dependent on the availability and cost of capital. We are monitoring the status of the capital markets, and are evaluating the effect, that changes in capital market conditions may have on our ability to execute our announced growth plans.

Cash From Operations

Cash from operations was $711 million in 1999, $605 million in 1998, and $542 million in 1997. Net income is stated after depreciation expense of $96 million in 1999, $76 million in 1998 and $68 million in 1997, and after amortization expense of $66 million in 1999, $64 million in 1998 and $58 million in 1997. While our timesharing business generates strong operating cash flow, annual amounts are affected by the timing of cash outlays for the acquisition and development of new resorts, and cash received from purchaser financing. We include interval sales we finance in cash from operations when we collect cash payments or the notes are sold for cash.

Earnings before interest expense, income taxes, depreciation and amortization (EBITDA) increased to $860 million in 1999, compared to $802 million in 1998 and $679 million in 1997, and has grown at an 18 percent annual rate since 1995.

We consider EBITDA to be an indicator of our operating performance because it can be used to measure our ability to service debt, fund capital expenditures and expand our business. Nevertheless, you should not consider EBITDA an alternative to net income, operating profit, cash flows from operations, or any other operating or liquidity measure prescribed by generally accepted accounting principles.

A substantial portion of our EBITDA is based on fixed dollar amounts or percentages of sales. These include lodging base management and franchise fees and land rent. With more than 2,000 hotels and senior living communities in the Marriott system, no single property or region is critical to our financial results.

Our ratio of current assets to current liabilities was .92 at December 31, 1999, compared to .94 at January 1, 1999. Each of our businesses minimizes working capital through strict credit-granting policies, aggressive collection efforts and high inventory turnover.

Investing Activities Cash Flows

Acquisitions. We continually seek opportunities to enter new markets, increase market share or broaden service offerings through acquisitions. We entered the $3 billion corporate housing market in 1999 by acquiring ExecuStay Corporation, a leading provider of furnished apartments for executives and other professionals.

In 1998, we increased our ownership interest in The Ritz-Carlton Hotel Company LLC, a luxury hotel brand and management company, to 99 percent from 49 percent. We expect to acquire the remaining one percent of this company within the next several years. In 1997, we acquired Renaissance Hotel Group N.V., an operator and franchisor of approximately 150 hotels in 38 countries.

Dispositions. Asset sales generated proceeds of $436 million in 1999, $332 million in 1998 and $571 million in 1997. In 1999 we closed on the sales of 22 hotels and nine senior living communities. We also have negotiated asset sales agreements with aggregate proceeds of $82 million for sales expected to be completed in 2000 or 2001. We continue to operate these properties under long-term operating agreements.

Capital Expenditures and Other Investments. Capital expenditures of $929 million in 1999, $937 million in 1998 and $520 million in 1997, included development and construction of new hotels and senior living communities. Over time, we expect to sell certain lodging and senior living properties under development, or to be developed, while continuing to operate them under long-term agreements.

We also expect to continue to make other investments to grow our businesses, including loans, minority equity investments and development of new timeshare resorts in connection with adding units to our Lodging business.

We have made loans to owners of hotels and senior living communities which we operate or franchise. Loans outstanding under this program totaled $295 million at December 31, 1999 and $213 million at January 1, 1999. Unfunded commitments aggregating $193 million were outstanding at December 31, 1999. These loans typically are secured by mortgages on the projects. We participate in a program with an unaffiliated lender in which we may partially guarantee loans made to facilitate third party ownership of hotels and senior living services communities which we operate or franchise.

Cash From Financing Activities

Long-term debt (including convertible subordinated debt at January 1, 1999) increased by $409 million in 1999 and $845 million in 1998, primarily to finance our capital expenditure and share repurchase programs.

Our financial objectives include diversifying our financing sources and optimizing the mix and maturity of our long-term debt. At year-end 1999, our long-term debt (including commercial paper borrowings of $781 million) had an average interest rate of 6.4 percent and an average maturity of approximately 5.8 years. The ratio of fixed rate long-term debt to total long-term debt was 53 percent as of December 31, 1999.

We issued $300 million of 10-year senior notes in September 1999 at a yield to maturity of 8.0 percent, and received net offering proceeds of $296 million. In 1998, we issued a total of $400 million of 5-year and 7-year senior notes at an average yield to maturity of 6.8 percent and received net offering proceeds of $396 million.

We have entered into revolving credit agreements which provide for borrowings of $1.5 billion expiring in March 2003, and $500 million expiring in February 2004. No loans were outstanding at year-end 1999 under these facilities, which support our commercial paper program and letters of credit. We had $1.2 billion of unused revolving credit available under these facilities as of December 31, 1999. Borrowings under these facilities bear interest at LIBOR plus a spread, based on our public debt rating.

We called for mandatory redemption of our Liquid Yield Option Notes (LYONs) in 1999. Approximately 64 percent of LYONs holders elected to convert their notes to common stock, for which we issued 6.1 million shares. The other 36 percent of LYONs holders received cash totaling $120 million, which reduced by 3.4 million common shares the dilutive impact of these convertible debt securities issued by a predecessor company in 1996. Nine percent of the cash redemption price was reimbursed to us by the predecessor company (Sodexho Marriott Services, Inc.).

In January 2000, we filed a "universal shelf" registration statement with the Securities and Exchange Commission. Together with the authority remaining under a universal shelf registration statement filed in April 1999, this gives us the flexibility to offer to the public up to $500 million of debt securities, common stock or preferred stock.

We determine our debt capacity based on the amount and variability of our cash flows. EBITDA coverage of gross interest cost was 9.1 times in 1999, and cash flow requirements under our loan agreements were exceeded by a substantial margin.

Share Repurchases. We periodically repurchase our common stock to replace shares needed for employee stock plans and for other corporate purposes. We purchased 10.8 million of our shares in 1999 at an average price of $33 per share, and 13.7 million shares in 1998 at an average price of $29 per share. On February 3, 2000 our Board of Directors authorized the repurchase of an additional 25 million shares.

Dividends. In April 1999, our Board of Directors increased the quarterly cash dividend by 10 percent to $.055 per share. We plan to continue to reinvest the major portion of our earnings in our business.

Other Matters

Boston Market

In 1996, MDS became the exclusive provider of distribution services to Boston Chicken, Inc. (BCI). On October 5, 1998, BCI and its Boston Market-controlled subsidiaries filed voluntary bankruptcy petitions for protection under Chapter 11 of the Federal Bankruptcy Code in the U.S. Bankruptcy Court in Phoenix (the Court), and BCI and a franchisee announced closings of approximately 20 percent of the restaurants in the Boston Market chain. In December 1999, McDonald's Corporation (McDonald's) announced that it had reached a definitive agreement to purchase the majority of the assets of BCI, subject to confirmation of the BCI plan of reorganization, including Court approval. If approved, the purchase is expected to close in mid-2000, although no date has been established. MDS continues to provide distribution services to BCI and has been receiving payment of post-petition balances in accordance with the terms of its contract with BCI. In addition, the Court approved, and MDS has been paid, substantially all of MDS's pre-petition accounts receivable balances. Given the uncertainties involved in BCI's bankruptcy and the planned sale to McDonald's, we cannot predict the potential effect these events will have on our future results of operations and financial position. If our contract were to terminate, or if BCI or McDonald's ceased or further curtailed the operations of Boston Market, MDS might be unable to recover up to $21 million in contract investment, receivables and inventory, and MDS could have excess warehouse capacity and rolling stock.

Inflation

Inflation has been moderate in recent years, and has not had a significant impact on our businesses.

Year 2000 Readiness Disclosure

The "Year 2000 problem" arose because many computer programs and chip-based embedded technology systems used only the last two digits to refer to a year, and therefore could not properly recognize a year beginning with "20" instead of the familiar "19." If not corrected, many computer applications could have failed or created erroneous results.

State of Readiness. Prior to December 31, 1999, we adopted and completed an enterprise-wide multi-step process toward Year 2000 readiness of our information resource systems and other systems that use embedded computer chips. We also modified operational contingency plans to specifically address Year 2000 issues, and established information coordination centers to collect and report status and track and address problems had they occurred during the actual turn of the century.

As of March 3, 2000, we had not experienced any significant business disruption as a result of the Year 2000 problem. Although Year 2000 problems may not become evident until long after January 1, 2000, based on our Year 2000 readiness process and our experience at the end of 1999 and in early 2000, we also do not expect significant Year 2000 related business disruptions in the future.

Costs. Many of the costs of Year 2000 compliance have been or will be reimbursed to us or otherwise paid directly by owners and clients pursuant to existing contracts. Through December 31, 1999, we have expensed approximately $34 million of the pretax costs to address the Year 2000 problem. Although we do not expect to incur significant Year 2000 related costs after December 31, 1999, some of the Year 2000 costs incurred in prior years related to internal resources which we used to address the Year 2000 Problem. Those resources, which have now been redeployed, will continue to generate costs in 2000 and future years.

In addition, the Year 2000 problem heightened the need for timely completion of previously planned system modernization and replacement projects. We estimate that we will bear approximately $45 million to $50 million of the pretax costs for these projects, most of which will be capitalized and amortized over the useful lives of the assets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates. We manage our exposure to this risk by monitoring available financing alternatives, and through development and application of credit granting policies. Our strategy to manage exposure to changes in interest rates is unchanged from January 1, 1999. Furthermore, we do not foresee any significant changes in our exposure to fluctuations in interest rates or in how such exposure is managed in the near future.

The following sensitivity analysis displays how our earnings and the fair values of certain instruments we hold are affected by changes in interest rates.

We hold notes receivable that earn interest at variable rates. Hypothetically, an immediate one percentage point change in interest rates would change annual interest income by $3 million based on the balances of these notes receivable at December 31, 1999 and January 1, 1999.

Changes in interest rates also impact the fair value of our long-term fixed rate debt and long-term fixed rate notes receivable. Based on the balances outstanding at December 31, 1999 and January 1, 1999, a hypothetical immediate one percentage point change in interest rates would change the fair value of our long-term fixed rate debt by $41 million and $24 million, respectively, and would change the fair value of long-term fixed rate notes receivable by $5 million and $2 million, respectively.

Our commercial paper has been excluded from the above sensitivity analysis. Although commercial paper is classified as long-term debt based on our ability and intent to refinance it on a long-term basis, all commercial paper matures within three months of year-end. As a result, there would be no material expected change in interest expense or fair value following a reasonably expected change in interest rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial information is included on the pages indicated:

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Marriott International, Inc.:

We have audited the accompanying consolidated balance sheet of Marriott International, Inc. as of December 31, 1999 and January 1, 1999, and the related consolidated statements of income, cash flows and comprehensive income for each of the three fiscal years in the period ended December 31, 1999 and the consolidated statement of shareholders' equity for the period from March 27, 1998 to December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Marriott International, Inc. as of December 31, 1999 and January 1, 1999, and the results of its operations and its cash flows for each of the three fiscal years in the period ended December 31, 1999, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Vienna, VA
February 29, 2000

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF INCOME
Fiscal Years Ended December 31, 1999, January 1, 1999 and January 2, 1998
($ in millions, except per share amounts)

	1999	1998	1997
SALES	$ 8,739	$ 7,968	$ 7,236
OPERATING COSTS AND EXPENSES	7,909	7,232	6,627
OPERATING PROFIT BEFORE CORPORATE EXPENSES AND INTEREST	830	736	609
Corporate expenses	(164)	(110)	(88)
Interest expense	(61)	(30)	(22)
Interest income	32	36	32
INCOME BEFORE INCOME TAXES	637	632	531
Provision for income taxes	237	242	207
NET INCOME	$ 400	$ 390	$ 324

	1999	1998	1997
EARNINGS PER SHARE			(pro forma, unaudited)
Basic Earnings Per Share	$ 1.62	$ 1.56	$ 1.27
Diluted Earnings Per Share	$ 1.51	$ 1.46	$ 1.19

See Notes To Consolidated Financial Statements

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEET
December 31, 1999 and January 1, 1999
($ in millions)

	December 31, 1999	January 1, 1999
ASSETS		
Current assets		
Cash and equivalents	$ 489	$ 390
Accounts and notes receivable	740	605
Inventories, at lower of average cost or market	93	75
Prepaid taxes	220	200
Other	58	63
	1,600	1,333
Property and equipment	2,845	2,275
Intangible assets	1,820	1,712
Investments in affiliates	294	228
Notes and other receivables	473	434
Other	292	251
	$ 7,324	$ 6,233
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 628	$ 497
Accrued payroll and benefits	399	345
Self-insurance	36	42
Other payables and accruals	680	528
	1,743	1,412
Long-term debt	1,676	944
Self-insurance	142	179
Other long-term liabilities	855	805
Convertible subordinated debt	-	323
Shareholders' equity		
Class A common stock, 255.6 million shares issued	3	3
Additional paid-in capital	2,738	2,713
Retained earnings	508	218
Treasury stock, at cost	(305)	(348)
Accumulated other comprehensive income	(36)	(16)
	2,908	2,570
	$ 7,324	$ 6,233

See Notes To Consolidated Financial Statements

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Fiscal Years Ended December 31, 1999, January 1, 1999 and January 2, 1998
($ in millions)

	1999	1998	1997
OPERATING ACTIVITIES			
Net income	$ 400	$ 390	$ 324
Adjustments to reconcile to cash provided by operations:			
Depreciation and amortization	162	140	126
Income taxes	87	76	64
Timeshare activity, net	(102)	28	(118)
Other	19	(22)	88
Working capital changes:			
Accounts receivable	(126)	(104)	(190)
Inventories	(17)	15	(3)
Other current assets	(38)	(16)	(15)
Accounts payable and accruals	326	98	266
Cash provided by operations	711	605	542
INVESTING ACTIVITIES			
Capital expenditures	(929)	(937)	(520)
Acquisitions	(61)	(48)	(859)
Dispositions	436	332	571
Loan advances	(144)	(48)	(95)
Loan collections and sales	54	169	47
Other	(143)	(192)	(190)
Cash used in investing activities	(787)	(724)	(1,046)
FINANCING ACTIVITIES			
Issuance of long-term debt	831	1,294	16
Repayment of long-term debt	(173)	(473)	(15)
Redemption of convertible subordinated debt	(120)	-	-
Issuance of Class A common stock	43	15	-
Dividends paid	(52)	(37)	-
Purchase of treasury stock	(354)	(398)	-
Advances (to) from Old Marriott	-	(100)	576
Cash provided by financing activities	175	301	577
INCREASE IN CASH AND EQUIVALENTS	99	182	73
CASH AND EQUIVALENTS, beginning of year	390	208	135
CASH AND EQUIVALENTS, end of year	$ 489	$ 390	$ 208

See Notes To Consolidated Financial Statements

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Fiscal Years Ended December 31, 1999, January 1, 1999 and January 2, 1998
($ in millions)

	1999	1998	1997 (pro forma, unaudited)
Net income	$ 400	$ 390	$ 324
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(18)	(3)	(10)
Other	(2)	6	1
Total other comprehensive (loss) income	(20)	3	(9)
Comprehensive income	$ 380	$ 393	$ 315

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Period From March 27, 1998 to December 31, 1999
(in millions, except per share amounts)

Common shares outstanding		Class A common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Accumulated other comprehensive income
255.6	Spinoff on March 27, 1998...........	$ 3	$ 2,711	$ -	$ -	$ (23)
-	Net income, after the Spinoff.......	-	-	301	-	-
-	Dividends ($.195 per share).........	-	-	(49)	-	-
1.5	Employee stock plan issuance and other, after the Spinoff..........	-	2	(34)	50	7
(13.7)	Purchase of treasury stock..........	-	-	-	(398)	-
243.4	Balance, January 1, 1999............	3	2,713	218	(348)	(16)
-	Net income..........................	-	-	400	-	-
-	Dividends ($.215 per share).........	-	-	(53)	-	-
5.5	Employee stock plan issuance and other.........................	-	29	(87)	172	(20)
2.1	ExecuStay acquisition...............	-	-	(4)	67	-
(10.8)	Purchase of treasury stock.........	-	-	-	(358)	-
6.1	Conversion of convertible subordinated debt.................	-	(4)	34	162	-
246.3	Balance at December 31, 1999........	$ 3	$ 2,738	$ 508	$ (305)	$ (36)

See Notes To Consolidated Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements present the results of operations, financial position and cash flows of Marriott International, Inc. (together with its subsidiaries, we, us or the Company), formerly New Marriott MI, Inc., as if we were a separate entity for all periods presented. During periods prior to March 27, 1998, we were a wholly owned subsidiary of the former Marriott International, Inc. (Old Marriott) and financial statements for such periods have been prepared on a combined basis.

On March 27, 1998, all of our issued and outstanding common stock was distributed, on a pro rata basis, as a special dividend (the Spinoff) to holders of common stock of Old Marriott, and the Company was renamed "Marriott International, Inc." Old Marriott's historical cost basis in our assets and liabilities has been carried over. Old Marriott received a private letter ruling from the Internal Revenue Service that the Spinoff would be tax-free to it and its shareholders. For each share of common stock in Old Marriott, shareholders received one share of our Common Stock and one share of our Class A Common Stock. On May 21, 1998, all outstanding shares of our Common Stock were converted, on a one-for-one basis, into shares of our Class A Common Stock.

Also on March 27, 1998, Old Marriott was renamed Sodexho Marriott Services, Inc. (SMS) and its food service and facilities management business was combined with the North American operations of Sodexho Alliance, S.A. (Sodexho), a worldwide food and management services organization.

For purposes of governing certain of the ongoing relationships between us and SMS after the Spinoff and to provide for orderly transition, we entered into various agreements with SMS including the Employee Benefits and Other Employee Matters Allocation Agreement, Liquid Yield Option Notes (LYONs) Allocation Agreement, Tax Sharing Agreement, Trademark and Trade Name License Agreement, Noncompetition Agreement, Employee Benefit Services Agreement, Procurement Services Agreement, Distribution Services Agreement, and other transitional services agreements. Effective as of the Spinoff date, pursuant to these agreements, we assumed sponsorship of certain of Old Marriott's employee benefit plans and insurance programs and succeeded to Old Marriott's liability to LYONs holders under the LYONs Indenture, nine percent of which was assumed by SMS.

All material intercompany transactions and balances between entities included in these consolidated financial statements have been eliminated. Sales by us to SMS of $435 million in 1999, $434 million in 1998, and $434 million in 1997, have not been eliminated. Changes in Investments and Net Advances from Old Marriott represent our net income, the net cash transferred between Old Marriott and us, and certain non-cash items.

Prior to the Spinoff, we operated as a unit of Old Marriott, utilizing Old Marriott's centralized systems for cash management, payroll, purchasing and distribution, employee benefit plans, insurance and administrative services. As a result, substantially all cash received by us was deposited in and commingled with Old Marriott's general corporate funds. Similarly, our operating expenses, capital expenditures and other cash requirements were paid by Old Marriott and charged directly or allocated to us. Certain assets and liabilities related to our operations were managed and controlled by Old Marriott on a centralized basis. Prior to the Spinoff such assets and liabilities were allocated to us based on our use of, or interest in, those assets and liabilities. In our opinion, the methods for allocating costs, assets and liabilities prior to the Spinoff were reasonable. We now perform these functions independently and the costs incurred have not been materially different from those allocated prior to the Spinoff.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of sales and expenses during the reporting period. Accordingly, ultimate results could differ from those estimates. Certain amounts have been reclassified to conform to the 1999 presentation.

Fiscal Year

Our fiscal year ends on the Friday nearest to December 31. All fiscal years presented include 52 weeks.

Revenue Recognition

Our sales include fees and reimbursed costs for properties managed by us, together with sales by lodging properties and senior living communities owned or leased by us, and sales made by our other businesses. Fees comprise management fees and franchise fees received from third party owners of lodging properties and senior living communities. Reimbursed costs comprise costs recovered from owners of hotels and senior living communities.

Profit Sharing Plan

We contribute to a profit sharing plan for the benefit of employees meeting certain eligibility requirements and electing participation in the plan. Contributions are determined annually by the Board of Directors. We recognized compensation cost of $46 million in 1999, $45 million in 1998 and $36 million in 1997.

Self-Insurance Programs

We are self-insured for certain levels of general liability, workers' compensation, employment practices and employee medical coverage. Estimated costs of these self-insurance programs are accrued at the present value of projected settlements for known and anticipated claims.

Frequent Guest Program

We accrue for the cost of redeeming points awarded to members of our frequent guest program based on the discounted expected costs of redemption. The liability for this program was $289 million at December 31, 1999, and $280 million at January 1, 1999, and is included in other long-term liabilities in the accompanying consolidated balance sheet.

Cash and Equivalents

We consider all highly liquid investments with a maturity of three months or less at date of purchase to be cash equivalents.

New Accounting Standards

We will adopt FAS No. 133, "Accounting for Derivative Investments and Hedging Activities," which we do not expect to have a material effect on our consolidated financial statements, in or before the first quarter of 2001.

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-Up Activities." We adopted SOP 98-5 in the first quarter of 1999 by expensing pre-opening costs for Company owned lodging and senior living communities as incurred. The adoption of SOP 98-5 resulted in a pretax expense of $22 million in 1999.

RELATIONSHIPS WITH MAJOR CUSTOMERS

In December 1998, Host Marriott Corporation (Host Marriott) reorganized its business operations to qualify as a real estate investment trust (REIT). In conjunction with its conversion to a REIT, Host Marriott spun off, in a taxable transaction, a new company called Crestline Capital Corporation (Crestline). As part of the Crestline spinoff, Host Marriott transferred to Crestline all of the senior living communities previously owned by Host Marriott, and Host Marriott entered into lease or sublease agreements with Crestline for substantially all of Host Marriott's lodging properties. Our lodging and senior living community management and franchise agreements with Host Marriott were also assigned to Crestline. In the case of the lodging agreements, Host Marriott remains obligated under such agreements in the event that Crestline fails to perform its obligations thereunder. The lodging agreements now provide for us to manage the Marriott hotels, Ritz-Carlton hotels, Courtyard hotels and Residence Inns leased by Crestline. Our consent is required for Crestline to take certain major actions relating to leased properties that we manage.

We recognized sales of $2,553 million, $2,144 million and $1,700 million and operating profit before corporate expenses and interest of $221 million, $197 million and $140 million during 1999, 1998 and 1997, respectively, from lodging properties owned or leased by Host Marriott. Additionally, Host Marriott is a general partner in several unconsolidated partnerships that own lodging properties operated by us under long-term agreements. We recognized sales of $562 million, $712 million and $1,054 million and operating profit before corporate expenses and interest of $64 million, $83 million and $122 million in 1999, 1998 and 1997, respectively, from the lodging properties owned by these unconsolidated partnerships. We also leased land to certain of these partnerships and recognized land rent income of $24 million in both 1999 and 1998, and $23 million in 1997.

We have provided Host Marriott with financing for a portion of the cost of acquiring properties to be operated or franchised by us, and may continue to provide financing to Host Marriott or Crestline in the future. The outstanding principal balance of these loans was $11 million and $9 million at December 31, 1999 and January 1, 1999, respectively, and we recognized $1 million, $5 million and $9 million in 1999, 1998 and 1997, respectively, in interest and fee income under these credit agreements with Host Marriott.

We have guaranteed the performance of Host Marriott and certain of its affiliates to lenders and other third parties. These guarantees were limited to $14 million at December 31, 1999. No payments have been made by us pursuant to these guarantees. We continue to have the right to purchase up to 20 percent of Host Marriott's outstanding common stock upon the occurrence of certain events generally involving a change of control of Host Marriott. This right expires in 2017, and Host Marriott has granted an exception to the ownership limitations in its charter to permit full exercise of this right, subject to certain conditions related to ownership limitations applicable to REITs generally. We lease land to Host Marriott that had an aggregate book value of $264 million at December 31, 1999. Most of this land has been pledged to secure debt of the lessees. We have agreed to defer receipt of rentals on this land, if necessary, to permit the lessees to meet their debt service requirements.

We are party to agreements which provide for us to manage the senior living communities owned by Crestline. We recognized sales of $177 million and $173 million and operating profit before corporate expenses and interest of $3 million and $5 million under these agreements during 1999 and 1998, respectively.

We are party to management agreements with entities owned or affiliated with another hotel owner which provide for us to manage hotel properties owned or leased by those entities. We recognized sales of $531 million and $560 million during 1999 and 1998, respectively, from these properties.

PROPERTY AND EQUIPMENT

	1999	1998
	(in millions)	
Land	$ 658	$ 580
Buildings and leasehold improvements	1,075	732
Furniture and equipment	523	399
Timeshare properties	587	438
Construction in progress	429	490
	3,272	2,639
Accumulated depreciation and amortization	(427)	(364)
	$ 2,845	$ 2,275

We record property and equipment at cost, including interest, rent and real estate taxes incurred during development and construction. Interest capitalized as a cost of property and equipment totaled $33 million in 1999, $21 million in 1998 and $16 million in 1997. We capitalize replacements and improvements that extend the useful life of property and equipment. We compute depreciation using the straight-line method over the estimated useful lives of the assets. We amortize leasehold improvements over the shorter of the asset life or lease term.

ACQUISITIONS AND DISPOSITIONS

ExecuStay

On February 17, 1999, we completed a cash tender offer for approximately 44 percent of the outstanding common stock of ExecuStay Corporation (ExecuStay), a leading provider of leased corporate apartments in the United States. On February 24, 1999, substantially all of the remaining common stock of ExecuStay was converted into nonvoting preferred stock of ExecuStay which we acquired, on March 26, 1999, for approximately 2.1 million shares of our Class A Common Stock. Our aggregate purchase price totaled $116 million. We consolidated the operating results of ExecuStay from February 24, 1999, and have accounted for the acquisition using the purchase method of accounting. We are amortizing the resulting goodwill on a straight-line basis over 30 years.

The Ritz-Carlton Hotel Company LLC

In 1995, we acquired a 49 percent beneficial ownership interest in The Ritz-Carlton Hotel Company LLC, which owns the management agreements on the Ritz-Carlton hotels and resorts, the licenses for the Ritz-Carlton trademarks and trade name as well as miscellaneous assets. The investment was acquired for a total consideration of approximately $200 million. On March 19, 1998, we increased our ownership interest in The Ritz-Carlton Hotel Company LLC to approximately 99 percent for additional consideration of approximately $90 million. We expect to acquire the remaining one percent within the next several years. We accounted for the acquisition using the purchase method of accounting. We allocated the purchase cost to the assets acquired and the liabilities assumed based on estimated fair values. We amortize the resulting goodwill on a straight-line basis over 40 years. We amortize the amounts allocated to management agreements on a straight-line basis over the estimated lives of the agreements. Prior to March 19, 1998, we accounted for our investment in The Ritz-Carlton Hotel Company LLC using the equity method of accounting.

For periods prior to March 19, 1998, we included our income from The Ritz-Carlton Hotel Company LLC in operating profit in the accompanying consolidated statements of income. We received distributions of $17 million in 1997 from The Ritz-Carlton Hotel Company LLC. This amount was based upon an annual, cumulative preferred return on invested capital.

Renaissance Hotel Group N.V.

On March 29, 1997, we acquired substantially all of the outstanding common stock of Renaissance Hotel Group N.V. (RHG), an operator and franchisor of approximately 150 hotels in 38 countries under the Renaissance, New World and Ramada International brands. The purchase cost of approximately $937 million was funded by Old Marriott. The acquisition has been accounted for using the purchase method of accounting. Goodwill is being amortized on a straight-line basis over 40 years. Amounts allocated to management, franchise and license agreements are being amortized on a straight-line basis over the lives of the agreements. The purchase cost has been allocated to the assets acquired and liabilities assumed based on estimated fair values.

We included RHG's operating results from the date of acquisition. Our unaudited pro forma sales and net income for 1997, calculated as if RHG had been acquired at the beginning of that year, were $7,383 million and $319 million, respectively. Unaudited pro forma results of operations include an adjustment for interest expense of $12 million, as if the acquisition borrowings had been incurred by us. Amortization expense deducted in determining net income reflects the impact of the excess of the purchase price over the net tangible assets acquired. The unaudited pro forma combined results of operations do not reflect our expected future results of operations.

Forum Group, Inc.

On June 21, 1997, we sold 29 senior living communities acquired as part of the 1996 Forum acquisition to Host Marriott for approximately $550 million, resulting in no gain or loss. The consideration included approximately $50 million to be received subsequent to 1997, as expansions at certain communities are completed. The $500 million of consideration received during 1997 consisted of $222 million in cash, $187 million of outstanding debt and $91 million of notes receivable bearing interest at nine percent which were repaid on April 1, 1998. Under the terms of the sale, Host Marriott purchased all of the common stock of Forum, which at the time of the sale owned the 29 communities, certain working capital and associated debt. We continue to operate these communities under long-term management agreements.

Other Dispositions

In 1999, we agreed to sell and leaseback, under long-term, limited-recourse leases, four hotels for approximately $59 million in cash. At the same time, we agreed to pay security deposits of $2 million which will be refunded at the end of the leases. As of December 31, 1999, the sale of one of these hotels had been completed, resulting in a sales price which exceeded the net book value by $1 million, which we will recognize as a reduction of rent expense over the 15-year initial lease term. We can renew the leases on all four hotels at our option.

During 1999, we agreed to sell, subject to long-term management agreements, four hotels and five senior living communities for $55 million and $90 million, respectively. As of December 31, 1999, sales of all four hotels and three of the senior living communities had been completed, for a total of $107 million, resulting in pretax gains of $10 million. We recognized $2 million of the gain in 1999, and the balance will be recognized provided certain contingencies in the sales contracts expire.

In 1999, we also sold an 89 percent interest in one hotel, and concurrently signed a long-term lease on the property. We are accounting for this transaction under the financing method, and the sales proceeds of $58 million are reflected as long-term debt in the accompanying consolidated balance sheet.

On December 29, 1998, we agreed to sell and leaseback, under long-term, limited-recourse leases, 17 hotels for approximately $202 million in cash. At the same time, we agreed to pay security deposits of $21 million which will be refunded at the end of the leases. As of December 31, 1999, all of the properties had been sold, resulting in a sales price which exceeded the net book value by $19 million, which is being recognized as a reduction of rent expense over the 15-year initial lease terms.

During 1998, we agreed to sell, subject to long-term management agreements, eight lodging properties and 11 senior living communities for consideration of $183 million and $178 million, respectively. As of December 31, 1999, sales of all of these properties had been completed, resulting in pretax gains of $69 million. We recognized $21 million and $12 million of these gains in 1999 and 1998, respectively. The balance will be recognized provided certain contingencies in the sales contracts expire.

On April 3, 1997, we agreed to sell and leaseback, under long-term, limited-recourse leases, 14 hotels for approximately $149 million in cash. At the same time, we agreed to pay security deposits of $15 million, which will be refunded at the end of the leases. As of January 2, 1998, all of the properties had been sold, resulting in a sales price which exceeded the net book value by $20 million, which is being recognized as a reduction of rent expense over the 17-year initial lease terms. On October 10, 1997, we agreed to sell and leaseback, under long-term, limited-recourse leases, another nine limited service hotels for approximately $129 million in cash. At the same time, we agreed to pay security deposits of $13 million, which will be refunded at the end of the leases. At January 1, 1999, all of the properties had been sold, resulting in a sales price which exceeded the net book value by $17 million, which is being recognized as a reduction of rent expense over the 15-year initial lease terms. We can renew all of these leases at our option.

On April 11, 1997, we sold five senior living communities for cash consideration of approximately $79 million. On September 12, 1997, we agreed to sell another seven senior living communities for cash consideration of approximately $95 million. The sale of all of these properties resulted in a pretax gain of $19 million, which is being recognized over a period of up to four years, provided contingencies in the sales contracts expire. We continue to operate all of these communities under long-term management agreements.

We periodically sell, with limited recourse, notes receivable originated by Marriott Vacation Club International in connection with the sale of timesharing intervals. Net proceeds from these transactions totaled $195 million in 1999, $165 million in 1998 and $68 million in 1997. Pretax gains from these transactions increased by $3 million in 1999 compared to 1998, and by $17 million in 1998 compared to 1997. At December 31, 1999, we had a repurchase obligation of $86 million with respect to mortgage note sales.

INTANGIBLE ASSETS

	1999	1998
	(in millions)	
Management, franchise and license agreements	$ 771	$ 721
Goodwill	1,246	1,129
Other	23	23
	2,040	1,873
Accumulated amortization	(220)	(161)
	$ 1,820	$ 1,712

We amortize intangible assets on a straight-line basis over periods of three to 40 years. Intangible amortization expense totaled $62 million in 1999, $54 million in 1998 and $42 million in 1997.

INCOME TAXES

Total deferred tax assets and liabilities as of December 31, 1999 and January 1, 1999, were as follows:

	1999	1998
	(in millions)	
Deferred tax assets	$ 424	$ 457
Deferred tax liabilities	(340)	(417)
Net deferred taxes	$ 84	$ 40

The tax effect of each type of temporary difference and carryforward that gives rise to a significant portion of deferred tax assets and liabilities as of December 31, 1999 and January 1, 1999 follows:

	1999	1998
	(in millions)	
Self-insurance	$ 74	$ 91
Employee benefits	151	145
Deferred income	51	51
Other reserves	32	28
Frequent guest program	44	86
Partnership interests	(2)	(31)
Property, equipment and intangible assets	(212)	(199)
Finance leases	-	(44)
Other, net	(54)	(87)
Net deferred taxes	$ 84	$ 40

At December 31, 1999, we had approximately $12 million of tax credits which expire through 2019.

We have made no provision for U.S. income taxes, or additional foreign taxes, on the cumulative unremitted earnings of non-U.S. subsidiaries ($145 million as of December 31, 1999) because we consider these earnings to be permanently invested. These earnings could become subject to additional taxes if remitted as dividends, loaned to us or a U.S. affiliate, or if we sell our interests in the affiliates. We cannot practically estimate the amount of additional taxes which might be payable on the unremitted earnings.

The provision for income taxes consists of:

	1999	1998	1997
		(in millions)	
Current - Federal	$ 117	$ 164	$ 168
- State	26	35	34
- Foreign	24	18	28
	167	217	230
Deferred - Federal	58	25	(19)
- State	12	1	(3)
- Foreign	-	(1)	(1)
	70	25	(23)
	$ 237	$ 242	$ 207

The current tax provision does not reflect the benefit attributable to us relating to the exercise of employee stock options of $44 million in 1999, $39 million in 1998 and $38 million in 1997. The taxes applicable to other comprehensive income are not material.

A reconciliation of the U.S. statutory tax rate to our effective income tax rate follows:

	1999	1998	1997
U.S. statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of U.S. tax benefit	3.9	4.1	4.0
Corporate-owned life insurance	-	(0.3)	(0.8)
Tax credits	(5.4)	(4.2)	(3.4)
Goodwill amortization	1.8	1.6	1.6
Other, net	2.0	2.1	2.6
Effective rate	37.3%	38.3%	39.0%

Cash paid for income taxes, net of refunds, was $150 million in 1999, $164 million in 1998 and $143 million in 1997.

As part of the Spinoff, we entered into a tax sharing agreement with SMS which reflects each party's rights and obligations with respect to deficiencies and refunds, if any, of federal, state or other taxes relating to the business of Old Marriott and the Company prior to the Spinoff.

During periods prior to the Spinoff, we were included in the consolidated federal income tax return of Old Marriott. The income tax provision reflects the portion of Old Marriott's historical income tax provision attributable to our operations. We believe that the income tax provision, as reflected, is comparable to what the income tax provision would have been if we had filed a separate return during the periods presented.

LEASES

Our future obligations under operating leases at December 31, 1999, are summarized below:

	(in millions)
Fiscal Year	
2000	$ 161
2001	157
2002	156
2003	153
2004	150
Thereafter	1,496
Total minimum lease payments	$ 2,273

Most leases have initial terms of up to 20 years, and contain one or more renewal options, generally for five or 10 year periods. The leases provide for minimum rentals, and additional rentals based on the operations of the leased property. The total minimum lease payments above include $837 million representing obligations of consolidated subsidiaries which are non-recourse to Marriott International, Inc.

Rent expense consists of:

	1999	1998	1997
		(in millions)	
Minimum rentals	$ 153	$ 138	$ 123
Additional rentals	102	101	127
	$ 255	$ 239	$ 250

LONG-TERM DEBT

Our long-term debt at December 31, 1999 and January 1, 1999, consisted of the following:

	1999	1998
	(in millions)	
Unsecured debt		
Senior notes, average interest rate of 7.2% at December 31, 1999, maturing through 2009	$ 701	$ 402
Commercial paper, interest rate of 6.5% at December 31, 1999	781	426
Endowment deposits (non-interest bearing)	111	111
Other	101	35
	1,694	974
Less current portion	18	30
	$ 1,676	$ 944

In April 1999, we filed a "universal shelf" registration statement with the Securities and Exchange Commission. That registration statement, which became effective on May 4, 1999, originally allowed us to offer to the public up to $500 million of debt securities, Class A Common Stock and/or preferred stock. This "universal shelf" format provides us with additional flexibility to meet our financing needs.

On September 20, 1999, we sold $300 million principal amount of 7-7/8 percent Series C Notes, which mature in 2009, in a public offering made under our shelf registration statement. We received net proceeds of approximately $296 million from this offering, after paying underwriting discounts, commissions and offering expenses.

In January 2000, we filed a second "universal shelf" registration statement for $300 million in debt securities, Class A Common Stock and/or preferred stock, which together with the remaining availability under the April 1999 registration statement, allows us to offer to the public up to $500 million of securities.

In November 1998, we issued, through a private placement, $400 million of unsecured senior notes (Series A and B Notes). Proceeds net of discounts totaled $396 million. On April 23, 1999, we commenced a registered exchange offer to exchange the privately placed Series A and B Notes for publicly registered new notes on substantially identical terms. All of the privately placed Series A and B Notes were tendered for exchange, and new notes were issued to the holders on May 31, 1999.

In March 1998 and February 1999, respectively, we entered into $1.5 billion and $500 million multicurrency revolving credit facilities (the Facilities) each with terms of five years. Borrowings bear interest at the London Interbank Offered Rate (LIBOR) plus a spread, based on our public debt rating. Additionally, annual fees are paid on the Facilities at a rate also based on our public debt rating. Commercial paper, supported by the Facilities, is classified as long-term debt based on our ability and intent to refinance it on a long-term basis.

We are in compliance with covenants in our loan agreements which require the maintenance of certain financial ratios and minimum shareholders' equity, and also include, among other things, limitations on additional indebtedness and the pledging of assets.

The 1999 statement of cash flows excludes $215 million of convertible subordinated debt that was converted to equity in November, 1999, $54 million of debt that we assumed during 1999, and $15 million of notes receivable we received in a 1999 asset sale that we subsequently sold for cash. The 1998 statement of cash flows excludes $31 million of notes receivable forgiven as part consideration for the 1998 acquisition of The Ritz-Carlton Hotel Company LLC, and $12 million of long-term debt assumed in 1998. The 1997 statement of cash flows excludes $226 million of debt assumed by Host Marriott, $91 million of notes receivable related to the sale of 29 senior living communities to Host Marriott and $12 million of debt assumed in the RHG acquisition. Non-recourse debt of $62 million extinguished without cash payment in 1997 is not reflected in the statement of cash flows.

Aggregate debt maturities are: 2000 - $18 million; 2001 - $15 million; 2002 - $795 million; 2003 - $219 million; 2004 - $14 million and $633 million thereafter.

Cash paid for interest was $63 million in 1999, $23 million in 1998 and $11 million in 1997.

CONVERTIBLE SUBORDINATED DEBT

On March 25, 1996, Old Marriott issued $540 million (principal amount at maturity) of zero coupon convertible subordinated debt in the form of LYONs due 2011. The LYONs were issued and recorded at a discount representing a yield to maturity of 4.25 percent. Accretion was recorded as interest expense and an increase to the carrying value. Gross proceeds from the LYONs issuance were $288 million. Upon consummation of the Spinoff, we assumed the LYONs, and SMS assumed a nine percent share of the LYONs obligation based on the relative equity values of SMS and the Company at the Spinoff.

The LYONs were redeemable by us at any time on or after March 25, 1999 for cash equal to the issue price plus accrued original issue discount. On October 7, 1999, we delivered a mandatory redemption notice to the holders of the LYONs indicating our plan to redeem them on November 8, 1999 for $619.65 in cash per LYON. Holders of 347,000 LYONs elected to convert each LYON into 17.52 shares of our Class A Common Stock and 2.19 shares of SMS common stock prior to the close of business on November 8, 1999. The aggregate redemption payment for the remaining 193,000 LYONs totaled $120 million. Pursuant to the LYONs Allocation Agreement entered into with SMS as part of the Spinoff, SMS funded nine percent of the aggregate LYONs redemption payment. We funded the redemption payment with proceeds from commercial paper borrowings. Unamortized deferred financing costs of $2 million relating to the LYONs that were redeemed were recognized as interest expense in 1999.

SHAREHOLDERS' EQUITY

Eight hundred million shares of our Class A Common Stock with a par value of $.01 per share are authorized. Ten million shares of preferred stock, without par value, are authorized, with none issued.

On March 27, 1998, our Board of Directors adopted a shareholder rights plan under which one preferred stock purchase right was distributed for each share of our Class A Common Stock. Each right entitles the holder to buy 1/1000/th/ of a share of a newly issued series of junior participating preferred stock of the Company at an exercise price of $175. The rights will be exercisable ten days after a person or group acquires beneficial ownership of 20 percent or more of our Class A Common Stock, or begins a tender or exchange for 30 percent or more of our Class A Common Stock. Shares owned by a person or group on March 27, 1998 and held continuously thereafter are exempt for purposes of determining beneficial ownership under the rights plan. The rights are nonvoting and will expire on the tenth anniversary of the adoption of the shareholder rights plan, unless exercised or previously redeemed by us for $.01 each. If we are involved in a merger or certain other business combinations not approved by the Board of Directors, each right entitles its holder, other than the acquiring person or group, to purchase common stock of either the Company or the acquirer having a value of twice the exercise price of the right.

As of December 31, 1999, we have been authorized by our Board of Directors to purchase up to 5.5 million shares of our Class A Common Stock.

EARNINGS PER SHARE

For periods prior to the Spinoff, the earnings per share calculations are pro forma, and the number of weighted average shares outstanding and the effect of dilutive securities are based upon the weighted average number of Old Marriott shares outstanding, and the Old Marriott effect of dilutive securities for the applicable period, adjusted (1) for the distribution ratio in the Spinoff of one share of our Common Stock and one share of our Class A Common Stock for every share of Old Marriott common stock and (2) to reflect the conversion of our Common Stock into our Class A Common Stock on May 21, 1998.

The following table illustrates the reconciliation of the earnings and number of shares used in the basic and diluted earnings per share calculations (in millions, except per share amounts).

	1999	1998	1997 (pro forma, unaudited)
Computation of Basic Earnings Per Share			
Net income	$ 400	$ 390	$ 324
Weighted average shares outstanding	247.5	249.8	254.2
Basic Earnings Per Share	$ 1.62	$ 1.56	$ 1.27
Computation of Diluted Earnings Per Share			
Net income	$ 400	$ 390	$ 324
After-tax interest expense on convertible subordinated debt	7	8	8
Net income for diluted earnings per share	$ 407	$ 398	$ 332
Weighted average shares outstanding	247.5	249.8	254.2
Effect of Dilutive Securities			
Employee stock purchase plan	0.2	-	0.1
Employee stock option plan	8.7	8.1	8.7
Deferred stock incentive plan	5.4	5.7	5.4
Convertible subordinated debt	8.0	9.5	9.5
Shares for diluted earnings per share	269.8	273.1	277.9
Diluted Earnings Per Share	$ 1.51	$ 1.46	$ 1.19

We compute the effect of dilutive securities using the treasury stock method and average market prices during the period. For periods prior to November 8, 1999, when all of our convertible subordinated debt was redeemed or converted, we used the if-converted method for purposes of calculating diluted earnings per share.

INVESTMENTS AND NET ADVANCES FROM OLD MARRIOTT

The following is an analysis of Old Marriott's investment in the Company:

	1998	1997
	(in millions)	
Balance at beginning of year	$ 2,586	$ 1,444
Net income	89	324
Advances (to) from Old Marriott	(100)	576
Employee stock plan issuance and other	116	242
Spinoff on March 27, 1998	(2,691)	-
Balance at end of year	$ -	$ 2,586

EMPLOYEE STOCK PLANS

In connection with the Spinoff, we issued stock options, deferred shares and restricted shares with the same value as the respective Old Marriott awards as of the Spinoff under our 1998 Comprehensive Stock and Cash Incentive Plan (Comprehensive Plan). Under the Comprehensive Plan, we may award to participating employees (1) options to purchase our Class A Common Stock (Stock Option Program and Supplemental Executive Stock Option awards), (2) deferred shares of our Class A Common Stock and (3) restricted shares of our Class A Common Stock. In addition we have an employee stock purchase plan (Stock Purchase Plan). In accordance with the provisions of Opinion No. 25 of the Accounting Principles Board, we recognize no compensation cost for the Stock Option Program, the Supplemental Executive Stock Option awards or the Stock Purchase Plan.

Deferred shares granted to officers and key employees under the Comprehensive Plan generally vest over 10 years in annual installments commencing one year after the date of grant. Certain employees may elect to defer receipt of shares until termination or retirement. We accrue compensation expense for the fair market value of the shares on the date of grant, less estimated forfeitures. We awarded 0.4 million deferred shares during 1999. Compensation cost recognized during 1999, 1998 and 1997 was $15 million, $12 million and $9 million, respectively.

Restricted shares under the Comprehensive Plan are issued to officers and key employees and distributed over a number of years in annual installments, subject to certain prescribed conditions including continued employment. We recognize compensation expense for the restricted shares over the restriction period equal to the fair market value of the shares on the date of issuance. We awarded 0.1 million restricted shares under this plan during 1999. We recognized compensation cost of $4 million, $3 million and $2 million in 1999, 1998 and 1997, respectively.

Under the Stock Purchase Plan, eligible employees may purchase our Class A Common Stock through payroll deductions at the lower of the market value at the beginning or end of each plan year.

Employee stock options may be granted to officers and key employees at exercise prices equal to the market price of our Class A Common Stock on the date of grant. Nonqualified options expire up to 15 years after the date of grant. Most options under the Stock Option Program are exercisable in cumulative installments of one quarter at the end of each of the first four years following the date of grant. In February 1997, 2.1 million Supplemental Executive Stock Option awards were awarded to certain of our officers. The options vest after eight years but could vest earlier if our stock price meets certain performance criteria. These options have an exercise price of $25 and 0.2 million of them were forfeited during 1998. None of them were exercised during 1999, 1998 or 1997 and 1.9 million remained outstanding at December 31, 1999.

For the purposes of the following disclosures required by FAS No. 123, "Accounting for Stock-Based Compensation," the fair value of each option granted during 1999, 1998 and 1997 was $14, $11 and $13, respectively. We estimated the fair value of each option granted on the date of grant using the Black-Scholes option-pricing model, using the assumptions noted in the following table.

	1999	1998	1997
Annual dividends	$ .22	$ .20	$ .18
Expected volatility	29%	28%	24%
Risk-free interest rate	6.7%	5.8%	6.2%
Expected life (in years)	7	7	7

Pro forma compensation cost for the Stock Option Program, the Supplemental Executive Stock Option awards and employee purchases pursuant to the Stock Purchase Plan subsequent to December 30, 1994, recognized in accordance with FAS No. 123, would reduce our net income as follows (in millions, except per share amounts):

	1999	1998	1997
Net income as reported	$ 400	$ 390	$ 324
Pro forma net income	$ 364	$ 366	$ 309
Diluted earnings per share as reported	$ 1.51	$ 1.46	$ 1.19
Pro forma diluted earnings per share	$ 1.38	$ 1.38	$ 1.14

A summary of our Stock Option Program activity during 1999 and 1998 is presented below:

	1999		1998	
	Number of options (in millions)	Weighted average exercise price	Number of options (in millions)	Weighted average exercise price
Outstanding at beginning of year	31.5	$ 19	-	$ -
New awards at the Spinoff	-	-	27.3	16
Granted during the year	6.9	33	6.4	28
Exercised during the year	(4.2)	12	(1.5)	11
Forfeited during the year	(0.4)	30	(0.7)	20
Outstanding at end of year	33.8	22	31.5	19
Options exercisable at end of year	19.3	$ 16	19.1	$ 13

At December 31, 1999, 49.2 million shares were reserved under the Comprehensive Plan (including 31.5 million shares under the Stock Option Program and 1.9 million shares of the Supplemental Executive Stock Option awards) and 4.2 million shares were reserved under the Stock Purchase Plan.

Stock options issued under the Stock Option Program outstanding at December 31, 1999 were as follows:

	Outstanding			Exercisable	
Range of exercise prices	Number of options (in millions)	Weighted average remaining life (in years)	Weighted average exercise price	Number of options (in millions)	Weighted average exercise price
$ 3 to 5	3.5	6	$ 5	3.5	$ 5
6 to 9	2.2	8	7	2.2	7
10 to 15	4.7	10	13	4.7	13
16 to 24	4.5	12	21	4.1	19
25 to 37	18.9	14	30	4.8	29
$ 3 to 37	33.8	12	22	19.3	16

FAIR VALUE OF FINANCIAL INSTRUMENTS

We assume that the fair values of current assets and current liabilities are equal to their reported carrying amounts. The fair values of noncurrent financial assets and liabilities are shown below.

	1999		1998	
	Carrying amount	Fair value	Carrying amount	Fair value
	(in millions)		(in millions)	
Notes and other receivables......................	$ 708	$ 720	$ 606	$ 622
Long-term debt, convertible subordinated debt and other long-term liabilities...........	1,646	1,568	1,331	1,309

We value notes and other receivables based on the expected future cash flows discounted at risk adjusted rates. We determine valuations for long-term debt, convertible subordinated debt and other long-term liabilities based on quoted market prices or expected future payments discounted at risk adjusted rates.

CONTINGENT LIABILITIES

We issue guarantees to lenders and other third parties in connection with financing transactions and other obligations. These guarantees were limited, in the aggregate, to $193 million at December 31, 1999, including guarantees involving major customers, with expected funding of zero. As of December 31, 1999, we had extended approximately $352 million of loan commitments to owners of lodging and senior living properties. Letters of credit outstanding on our behalf at December 31, 1999, totaled $74 million, the majority of which related to our self-insurance programs. At December 31, 1999, we had repurchase obligations of $86 million related to notes receivable from timeshare interval purchasers, which have been sold with limited recourse.

New World Development and another affiliate of Dr. Cheng, a director of the Company, have severally indemnified us for guarantees by us of leases with minimum annual payments of approximately $59 million.

On February 23, 2000, we entered into an agreement, which was subsequently embodied in a definitive agreement executed on March 9, 2000, to resolve pending litigation described below involving certain limited partnerships formed in the mid- to late 1980's. Consummation of the settlement is subject to numerous conditions, including the receipt of third-party consents and court approval. The agreement was reached with lead counsel to the plaintiffs in the lawsuits described below, and with the special litigation committee appointed by the general partner of two of the partnerships, Courtyard by Marriott Limited Partnership (CBM I) and Courtyard by Marriott II Limited Partnership (CBM II). Because of the numerous conditions to be satisfied, there can be no assurances that the settlement transactions will be consummated and, if consummated, terms could differ materially from those described below.

Under the agreement, we will acquire, through an unconsolidated joint venture with Host Marriott, all of the limited partners' interests in CBM I and CBM II for approximately $372 million. These partnerships own 120 Courtyard by Marriott hotels. The purchase price will be financed with $185 million in mezzanine debt loaned to the joint venture by us and with equity contributed in equal shares by us and Host Marriott. We will continue to manage these 120 hotels under long-term agreements. Also, we and Host Marriott each have agreed to pay approximately $31 million to the plaintiffs in the Texas Multi-Partnership lawsuit described below in exchange for dismissal of the complaints and full releases.

We recorded a pretax charge of $39 million which is included in corporate expenses in the fourth quarter of 1999, to reflect these anticipated settlement transactions. However, if the foregoing settlement transactions are not consummated, and either a less favorable settlement is entered into, or the lawsuits are tried and decided adversely to the Company, we could incur losses significantly different than the pretax charge associated with the settlement agreement described above.

Courtyard by Marriott II Limited Partnership

On June 7, 1996, a group of partners in CBM II filed a lawsuit against Host Marriott, the Company and others, Whitey Ford, et al. v. Host Marriott Corporation, et al., in the 285/th/ Judicial District Court of Bexar County, Texas, alleging breach of fiduciary duty, breach of contract, fraud, negligent misrepresentation, tortious interference, violation of the Texas Free Enterprise and Antitrust Act of 1983 and conspiracy in connection with the formation, operation and management of CBM II and its hotels. The plaintiffs sought unspecified damages. On January 29, 1998, two other limited partners, A.R. Milkes and D. R. Burklew, filed a petition in intervention seeking to convert the lawsuit into a class action, and a class was certified. In March 1999, Palm Investors, L.L.C., the assignee of a number of limited partnership units acquired through various tender offers, and Equity Resource, an assignee, through various of its funds, of a number of limited partnership units, filed pleas in intervention, which among other things added additional claims relating to the 1993 split of Marriott Corporation and to the 1995 refinancing of CBM II's indebtedness. On August 17, 1999, the general partner of CBM II appointed an independent special litigation committee to investigate the derivative claims described above and to recommend to the general partner whether it is in the best interests of CBM II for the derivative litigation to proceed. The general partner agreed to adopt the recommendation of the committee. Under Delaware law, the recommendation of a duly appointed independent litigation committee is binding on the general partner and the limited partners. Following certain adjustments to the underlying complaints, including the assertion as derivative claims some of the claims previously filed as individual claims, a final amended class action complaint was filed on January 6, 2000. Trial, which was scheduled to begin in late February, 2000, has been postponed pending approval and consummation of the settlement described above.

Texas Multi-Partnership Lawsuit

On March 16, 1998, limited partners in several limited partnerships sponsored by Host Marriott or its subsidiaries filed a lawsuit, Robert M. Haas, Sr. and Irwin Randolph Joint Tenants, et al. v. Marriott International, Inc., et al., in the 57/th/ Judicial District Court of Bexar County, Texas, alleging that the defendants conspired to sell hotels to the partnerships for inflated prices and that they charged the partnerships excessive management fees to operate the partnerships' hotels. The plaintiffs further allege that the defendants committed fraud, breached fiduciary duties and violated the provisions of various contracts. A Marriott International subsidiary manages each of the hotels involved and, as to some properties, the Company is the ground lessor and collects rent. The Company, several Marriott subsidiaries and J.W. Marriott, Jr. are among the several named defendants. The plaintiffs are seeking unspecified damages.

BUSINESS SEGMENTS

We are a diversified hospitality company with operations in three business segments: Lodging, which includes the franchising, ownership, operation and development of lodging properties including vacation timesharing resorts; Senior Living Services, which consists of the operation, ownership and development of senior living communities; and Distribution Services, which operates a wholesale food distribution business. We evaluate the performance of our segments based primarily on operating profit before corporate expenses and interest. We do not allocate income taxes at the segment level.

	1999	1998	1997
		(in millions)	
Sales			
Lodging	$ 7,041	$ 6,311	$ 5,247
Senior Living Services	559	479	446
Distribution Services	1,139	1,178	1,543
	$ 8,739	$ 7,968	$ 7,236
Operating profit (loss) before corporate expenses and interest			
Lodging	$ 827	$ 704	$ 570
Senior Living Services	(18)	15	32
Distribution Services	21	17	7
	$ 830	$ 736	$ 609
Depreciation and amortization			
Lodging	$ 108	$ 99	$ 89
Senior Living Services	21	19	19
Distribution Services	6	6	6
Corporate	27	16	12
	$ 162	$ 140	$ 126
Assets			
Lodging	$ 5,159	$ 4,285	$ 3,649
Senior Living Services	980	905	728
Distribution Services	187	179	190
Corporate	998	864	594
	$ 7,324	$ 6,233	$ 5,161
Capital expenditures			
Lodging	$ 519	$ 562	$ 271
Senior Living Services	301	329	227
Distribution Services	3	2	6
Corporate	106	44	16
	$ 929	$ 937	$ 520

Sales of Distribution Services exclude sales (made at market terms and conditions) to other segments of $166 million, $155 million and $159 million in 1999, 1998 and 1997, respectively.

Segment operating expenses include selling, general and administrative expenses directly related to the operations of the businesses, aggregating $529 million in 1999, $496 million in 1998 and $435 million in 1997.

The consolidated financial statements include the following related to international operations: sales of $392 million in 1999, $323 million in 1998, and $294 million in 1997; operating profit before corporate expenses and interest of $66 million in 1999, $49 million in 1998, and $50 million in 1997; and fixed assets of $102 million in 1999, $102 million in 1998, and $112 million in 1997.

QUARTERLY FINANCIAL DATA - UNAUDITED

($ in millions, except per share data)

	1999/1/				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Systemwide sales /2/	$ 3,687	$ 4,235	$ 3,992	$ 5,770	$ 17,684
Sales	1,895	2,042	1,995	2,807	8,739
Operating profit before corporate expenses and interest	193	216	188	233	830
Net income	100	114	96	90	400
Diluted earnings per share /3/	.38	.42	.36	.34	1.51

	1998/1/				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Systemwide sales /2/	$ 3,257	$ 4,001	$ 3,566	$ 5,200	$ 16,024
Sales	1,715	1,927	1,804	2,522	7,968
Operating profit before corporate expenses and interest	163	186	164	223	736
Net income	89	101	86	114	390
Diluted earnings per share /3/	.33	.37	.32	.44	1.46

/1/ The quarters consist of 12 weeks, except the fourth quarter, which consists of 16 weeks.
/2/ Systemwide sales comprise revenues generated from guests at owned, leased, managed and franchised hotels and senior living communities, together with sales of our other businesses.
/3/ The sum of the earnings per share for the four quarters may differ from annual earnings per share due to the required method of computing the weighted average number of shares in interim periods.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEMS 10, 11, 12 and 13.

As described below, certain information appearing in our Proxy Statement to be furnished to shareholders in connection with the 2000 Annual Meeting of Shareholders, is incorporated by reference in this Form 10-K Annual Report.

ITEM 10.	This information is incorporated by reference to the "Directors Standing For Election," "Directors Continuing In Office" and "Section 16(a) Beneficial Ownership Reporting Compliance" sections of our Proxy Statement to be furnished to shareholders in connection with the 2000 Annual Meeting. Information regarding executive officers is included below.
ITEM 11.	This information is incorporated by reference to the "Executive Compensation" section of our Proxy Statement to be furnished to shareholders in connection with the 2000 Annual Meeting.
ITEM 12.	This information is incorporated by reference to the "Stock Ownership" section of our Proxy Statement to be furnished to shareholders in connection with the 2000 Annual Meeting.
ITEM 13.	This information is incorporated by reference to the "Certain Transactions" section of our Proxy Statement to be furnished to shareholders in connection with the 2000 Annual Meeting.

EXECUTIVE OFFICERS

Set forth below is certain information with respect to our executive officers.

Name and Title	Age	Business Experience
J. W. Marriott, Jr. Chairman of the Marriott International, Inc. Board and Chief Executive Officer	67	Mr. Marriott is Chairman of the Board and Chief Executive Officer of the Company. He joined Marriott Corporation (now known as Host Marriott Corporation) in 1956, became President and a director in 1964, Chief Executive Officer in 1972 and Chairman of the Board in 1985. Mr. Marriott also is a director of Host Marriott Corporation, General Motors Corporation and the Naval Academy Endowment Trust. He serves on the Board of Trustees of the National Geographic Society and The J. Willard & Alice S. Marriott Foundation, and the Board of Directors of Georgetown University, and is a member of the Executive Committee of the World Travel & Tourism Council and the Business Council. Mr. Marriott has served as Chief Executive Officer of the Company since its inception in 1997, and served as Chairman and Chief Executive Officer of Old Marriott from October 1993 to March 1998. Mr. Marriott has served as a director of the Company since March 1998.
Todd Clist Vice President; President, North American Lodging Operations	58	Todd Clist joined Marriott Corporation in 1968. Mr. Clist served as general manager of several hotels before being named Regional Vice President, Midwest Region for Marriott Hotels, Resorts and Suites in 1980. Mr. Clist became Executive Vice President of Marketing for Marriott Hotels, Resorts and Suites in 1985, and Senior Vice President, Lodging Products and Markets in 1989. Mr. Clist was named Executive Vice President and General Manager for Fairfield Inn in 1990, for both Fairfield Inn and Courtyard in 1991, and for Fairfield Inn, Courtyard and Residence Inn in 1993. Mr. Clist was appointed to his current position in January 1994.
Edwin D. Fuller Vice President; President and Managing Director - Marriott Lodging International	54	Edwin D. Fuller joined Marriott in 1972 and held several sales positions before being appointed Vice President of Marketing in 1979. He became Regional Vice President in the Midwest Region 1985, Regional Vice President of the Western Region in 1988, and in 1990 was promoted to Senior Vice President & Managing Director of International Lodging, with a focus on developing the international group of hotels. He was named Executive Vice President and Managing Director of International Lodging in 1994, and was promoted to his current position of President and Managing Director of International Lodging in 1997.

Name and Title	Age	Business Experience
Paul E. Johnson, Jr. Vice President; President - Marriott Senior Living Services	52	Paul E. Johnson, Jr. joined Marriott Corporation in 1983 in Corporate Financial Planning & Analysis. In 1987, he was promoted to Group Vice President of Finance and Development for the Marriott Service Group and later assumed responsibility for real estate development for Marriott Senior Living Services. During 1989, he served as Vice President and General Manager of Marriott Corporation's Travel Plazas division. Mr. Johnson subsequently served as Vice President and General Manager of Marriott Family Restaurants from December 1989 through 1991. In October 1991, he was appointed as Executive Vice President and General Manager of Marriott Senior Living Services, and in June 1996 he was appointed to his current position.
Brendan M. Keegan Vice President; Executive Vice President - Human Resources	56	Brendan M. Keegan joined Marriott Corporation in 1971, in the Corporate Organization Development Department and subsequently held several human resources positions, including Vice President of Organization Development and Executive Succession Planning. In 1986, Mr. Keegan was named Senior Vice President, Human Resources, Marriott Service Group. In April 1997, Mr. Keegan was appointed Senior Vice President of Human Resources for our worldwide human resources functions, including compensation, benefits, labor and employee relations, employment and human resources planning and development. In February 1998, he was appointed to his current position.
Robert T. Pras Vice President; President - Marriott Distribution Services	58	Robert T. Pras joined Marriott Corporation in 1979 as Executive Vice President of Fairfield Farm Kitchens, the predecessor of Marriott Distribution Services. In 1981, Mr. Pras became Executive Vice President of Procurement and Distribution. In May 1986, Mr. Pras was appointed to the additional position of General Manager of Marriott Corporation's Continuing Care Retirement Communities. He was named Executive Vice President and General Manager of Marriott Distribution Services in 1990. Mr. Pras was appointed to his current position in January 1997.
Joseph Ryan Executive Vice President and General Counsel	58	Joseph Ryan joined Old Marriott in December 1994 as Executive Vice President and General Counsel. Prior to that time, he was a partner in the law firm of O'Melveny & Myers, serving as the Managing Partner from 1993 until his departure. He joined O'Melveny & Myers in 1967 and was admitted as a partner in 1976.

Name and Title	Age	Business Experience
Horst H. Schulze Vice President; President and Chief Operating Officer, The Ritz-Carlton Hotel Company, LLC	59	Horst H. Schulze has served as the President and Chief Operating Officer of The Ritz-Carlton since 1988. Mr. Schulze joined The Ritz-Carlton in 1983 as Vice President, Operations and was appointed Executive Vice President in 1987. Prior to 1983, he spent nine years with Hyatt Hotels Corporation where he held several positions including Hotel General Manager, Regional Vice President and Corporate Vice President. Before his association with Hyatt, Mr. Schulze worked for Hilton Hotels. Mr. Schulze began his hotel career in Europe where he completed hotel school and worked in world-class hotels including the Bellevue Palace and Le Beau Rivage in Switzerland, the Plaza Athenee in Paris, France, the Savoy Hotel in London and the Kurhaus/Casino Bad Neuenahr, Germany.
William J. Shaw Director, President and Chief Operating Officer	54	Mr. Shaw has served as President and Chief Operating Officer of the Company since March 1997 (including service in the same capacity with Old Marriott until March 1998). Mr. Shaw joined Marriott Corporation in 1974, was elected Corporate Controller in 1979 and a Vice President in 1982. In 1986, Mr. Shaw was elected Senior Vice President--Finance and Treasurer of Marriott Corporation. He was elected Chief Financial Officer and Executive Vice President of Marriott Corporation in April 1988. In February 1992, he was elected President of the Marriott Service Group. Mr. Shaw is also Chairman of the Board of Directors of Sodexho Marriott Services, Inc. He also serves on the Board of Trustees of the University of Notre Dame and the Suburban Hospital Foundation. Mr. Shaw has served as a director of Old Marriott (now named Sodexho Marriott Services, Inc.) since May 1997, and as a director of the Company since March 1998.
Arne M. Sorenson Executive Vice President and Chief Financial Officer	41	Arne M. Sorenson joined Old Marriott in 1996 as Senior Vice President of Business Development. He was instrumental in our acquisition of the Renaissance Hotel Group in 1997. Prior to joining Marriott, he was a partner in the law firm of Latham & Watkins in Washington, D.C., where he played a key role in 1992 and 1993 in the distribution of Old Marriott by Marriott Corporation. Effective October 1, 1998, Mr. Sorenson was appointed Executive Vice President and Chief Financial Officer.
James M. Sullivan Executive Vice President - Lodging Development	56	James M. Sullivan joined Marriott Corporation in 1980, departed in 1983 to acquire, manage, expand and subsequently sell a successful restaurant chain, and returned to Marriott Corporation in 1986 as Vice President of Mergers and Acquisitions. Mr. Sullivan became Senior Vice President, Finance - Lodging in 1989, Senior Vice President - Lodging Development in 1990 and was appointed to his current position in December 1995.

Name and Title	Age	Business Experience
William R. Tiefel Vice Chairman; Chairman - The Ritz-Carlton Hotel Company, LLC	65	William R. Tiefel joined Marriott Corporation in 1961 and was named President of Marriott Hotels, Resorts and Suites in 1998. He had previously served as resident manager and general manager at several Marriott hotels prior to being appointed Regional Vice President and later Executive Vice President of Marriott Hotels, Resorts and Suites and Marriott Ownership Resorts. Mr. Tiefel was elected Executive Vice President of Marriott Corporation in November 1989. In March 1992, he was elected President - Marriott Lodging Group and assumed responsibility for all of Marriott's lodging brands. In May 1998 he was appointed to his current position.
Stephen P. Weisz Vice President; President - Marriott Vacation Club International	49	Stephen P. Weisz joined Marriott Corporation in 1972 and was named Regional Vice President of the Mid-Atlantic Region in 1991. Mr. Weisz had previously served as Senior Vice President of Rooms Operations before being appointed as Vice President of the Revenue Management Group. Mr. Weisz became Senior Vice President of Sales and Marketing for Marriott Hotels, Resorts and Suites in August 1992 and Executive Vice President - Lodging Brands in August 1994. In December 1996, Mr. Weisz was appointed President - Marriott Vacation Club International.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) LIST OF DOCUMENTS FILED AS PART OF THIS REPORT

(1) FINANCIAL STATEMENTS

The response to this portion of Item 14 is submitted under Item 8 of this Report on Form 10-K.

(2) FINANCIAL STATEMENT SCHEDULES

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(3) EXHIBITS

Any shareholder who wants a copy of the following Exhibits may obtain one from us upon request at a charge that reflects the reproduction cost of such Exhibits. Requests should be made to the Secretary, Marriott International, Inc., Marriott Drive, Department 52/862, Washington, D.C. 20058.

Exhibit No.	Description	Incorporation by Reference (where a report or registration statement is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
2.1	Distribution Agreement dated as of September 30, 1997 with Sodexho Marriott Services, Inc.	Appendix A in our Form 10 filed on February 13, 1998.
2.2	Agreement and Plan of Merger dated as of September 30, 1997 with Sodexho Marriott Services, Inc., Marriott-ICC Merger Corp., Sodexho Alliance, S.A. and International Catering Corporation.	Appendix B in our Form 10 filed on February 13, 1998.
2.3	Omnibus Restructuring Agreement dated as of September 30, 1997 with Sodexho Marriott Services, Inc., Marriott-ICC Merger Corp., Sodexho Alliance, S.A. and International Catering Corporation.	Appendix C in our Form 10 filed on February 13, 1998.
2.4	Amendment Agreement dated as of January 28, 1998 among Sodexho Marriott Services, Inc., Marriott-ICC Merger Corp., the Company, Sodexho Alliance, S.A. and International Catering Corporation.	Appendix D in our Form 10 filed on February 13, 1998.
3.1	Third Amended and Restated Certificate of Incorporation of the Company.	Exhibit No. 3 to our Form 10-Q for the fiscal quarter ended June 18, 1999.
3.2	Amended and Restated Bylaws.	Exhibit No. 3.3 to our Form 10-K for the fiscal year ended January 1, 1999.

3.3	Amended and Restated Rights Agreement dated as of August 9, 1999 with The Bank of New York, as Rights Agent.	Exhibit No. 4.1 to our Form 10-Q for the fiscal quarter ended September 10, 1999.
4.1	Indenture dated November 16, 1998 with The Chase Manhattan Bank, as Trustee.	Exhibit No. 4.1 to our Form 10-K for the fiscal year ended January 1, 1999.
4.2	Form of 6.625% Series A Note due 2003.	Exhibit No. 4.2 to our Form 10-K for the fiscal year ended January 1, 1999.
4.3	Form of 6.875% Series B Note due 2005.	Exhibit No. 4.3 to our Form 10-K for the fiscal year ended January 1, 1999.
4.4	Form of 7.875% Series C Note due 2009.	Exhibit No. 4.1 to our Form 8-K dated September 20, 1999.
10.1	Employee Benefits and Other Employment Matters Allocation Agreement dated as of September 30, 1997 with Sodexho Marriott Services, Inc.	Exhibit No. 10.1 to our Form 10 filed on February 13, 1998.
10.2	1998 Comprehensive Stock and Cash Incentive Plan.	Appendix L in our Form 10 filed on February 13, 1998.
10.3	Noncompetition Agreement between Sodexho Marriott Services, Inc. and the Company.	Exhibit No. 10.1 to our Form 10-Q for the fiscal quarter ended March 27, 1998.
10.4	Tax Sharing Agreement with Sodexho Marriott Services, Inc. and Sodexho Alliance, S.A.	Exhibit No. 10.2 to our Form 10-Q for the fiscal quarter ended March 27, 1998.
10.5	Distribution Agreement with Host Marriott Corporation, as amended.	Exhibit No. 10.3 to Form 8-K of Old Marriott dated October 25, 1993; Exhibit No. 10.2 to Form 10-K of Old Marriott for the fiscal year ended December 29, 1995 (First Amendment); Exhibit Nos. 10.4 and 10.5 to our Form 10-Q for the fiscal quarter ended March 27, 1998 (Second and Third Amendments); and filed with this report as Exhibit 10.5 (a) (Fourth Amendment) and Exhibit 10.5 (b) (Fifth Amendment).
10.6	Restated Noncompetition Agreement with Host Marriott Corporation.	Exhibit No. 10.6 to our Form 10-Q for the fiscal quarter ended March 27, 1998.
10.7	$1.5 billion Credit Agreement dated February 19, 1998 with Citibank, N.A., as Administrative Agent, and certain banks.	Exhibit 10.10 to our Form 10-K for the fiscal year ended January 2, 1998.
10.8	$500 million Credit Agreement dated February 2, 1999 with Citibank, N.A. as Administrative Agent, and certain banks.	Exhibit No. 4.8 to our Form 10-K for the fiscal year ended January 1, 1999.
12	Statement of Computation of Ratio of Earnings to Fixed Charges.	Filed with this report.

21	Subsidiaries of Marriott International, Inc.	Filed with this report.
23	Consent of Arthur Andersen LLP.	Filed with this report.
27	Financial Data Schedule for the Company.	Filed with this report.
99	Forward-Looking Statements.	Filed with this report.

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(b) REPORTS ON FORM 8-K

On September 20, 1999, we filed a report describing the issuance of $300 million of 7-7/8 percent Series C Notes due 2009 in an underwritten public offering.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 we have duly caused this Form 10-K to be signed on our behalf by the undersigned, thereunto duly authorized, on this 10th day of March, 2000.

MARRIOTT INTERNATIONAL, INC.

By /s/ J.W. Marriott, Jr.

J.W. Marriott, Jr.
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Form 10-K has been signed by the following persons on our behalf in their capacities and on the date indicated above.

PRINCIPAL EXECUTIVE OFFICER:

/s/ J.W. Marriott, Jr. J.W. Marriott, Jr.	Chairman of the Board, Chief Executive Officer and Director

PRINCIPAL FINANCIAL OFFICER:

/s/ Arne M. Sorenson Arne M. Sorenson	Executive Vice President, Chief Financial Officer

PRINCIPAL ACCOUNTING OFFICER:

/s/ Linda A. Bartlett Linda A. Bartlett	Vice President, Controller

DIRECTORS:

/s/ Henry Cheng Kar-Shun Henry Cheng Kar-Shun, Director	/s/ W. Mitt Romney W. Mitt Romney, Director
/s/ Gilbert M. Grosvenor Gilbert M. Grosvenor, Director	/s/ Roger W. Sant Roger W. Sant, Director
/s/ Richard E. Marriott Richard E. Marriott, Director	/s/ William J. Shaw William J. Shaw, Director
/s/ Floretta Dukes McKenzie Floretta Dukes McKenzie, Director	/s/ Lawrence M. Small Lawrence M. Small, Director
/s/ Harry J. Pearce Harry J. Pearce, Director	

Exhibit 10.5(a)

AMENDMENT NO. 4 DATED AS OF DECEMBER 28, 1998 TO
DISTRIBUTION AGREEMENT DATED AS OF SEPTEMBER 15, 1993
BETWEEN HOST MARRIOTT CORPORATION
AND MARRIOTT INTERNATIONAL, INC.

Host Marriott Corporation (f/k/a Marriott Corporation, "Host Marriott"), Marriott International, Inc. ("MII") and Host Marriott Services Corporation desire to adopt this Amendment to the Distribution Agreement between Host Marriott and MII dated as of September 15, 1993 (the "Original Agreement," and, as amended hereby and by that certain Amendment No. 1 to the Original Agreement dated as of December 29, 1995, that certain Amendment No. 2 to the Original Agreement dated as of June 21, 1997, that certain Amendment No. 3 to the Original Agreement dated as of March 3, 1998, and that certain Amendment No. 5 to the Original Agreement dated as December 18, 1998 (the "Distribution Agreement").

WHEREAS, on or about December 29, 1998, (i) Host Marriott will distribute approximately 93.6% of the outstanding common stock of Crestline Capital Corporation, a Maryland corporation ("CCC"), to the shareholders of Host Marriott and will contribute the remaining 6.4% of such CCC common stock to Host Marriott, L.P. for delivery to Blackstone Real Estate Advisors L.P. and certain affiliated entities thereof (or for return to CCC if not delivered to Blackstone Real Estate Advisors L.P. and its affiliated entities) and (ii) Host Marriott will merge (the "Merger") into HMC Merger Corporation, a Maryland corporation to be renamed "Host Marriott Corporation" ("Host REIT"); and

WHEREAS, the parties hereto desire to amend the Distribution Agreement in connection with such distribution and the Merger.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Upon the effectiveness of the Merger, Section 6.07 of the Distribution Agreement shall be amended by adding the following subsections (j) and (k):

"(j) Notwithstanding anything to the contrary in this Agreement or otherwise, MII's Right will be limited to the purchase and subsequent ownership of only such number of shares, if any, as would not (i) cause MII, or any Person in which MII owns a direct or indirect interest, to own or be deemed (taking into account the attribution rules of Code Section 318(a), as modified by Code Section

856(d)(5)) to own more than 9.9% (the "Disqualification Threshold") of Host Marriott if MII, or any such other Person in which MII owns a direct or indirect interest, also owns or would be deemed to own (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5)), more than 9.9% of Crestline Capital Corporation, a Maryland corporation ("CCC") (or any Subsidiary of CCC) or any other tenant of real property leased by Host Marriott or any Subsidiary of Host Marriott (other than any such lease with MII of any of its Affiliates or Subsidiaries which is in effect at the time of the effectiveness of the Merger), (ii) cause any Person that owns (or is deemed to own (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5))) a direct or indirect interest in MII to exceed the Disqualification Threshold with respect to Host Marriott if such Person owns or would be deemed to own (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5)) more than 9.9% of CCC (or any Subsidiary of CCC) or any other tenant of real property leased by Host Marriott or any Subsidiary of Host Marriott (other than any such lease with MII of any of its Affiliates or Subsidiaries which is in effect at the time of the effectiveness of the Merger), or (iii) in the event that Host Marriott L.P. is or could be considered a "publicly traded partnership" within the meaning of Code Section 7704, cause Host Marriott, L.P. to own more than 9.9% of CCC (determined by taking into account (A) the attribution rules of Code Section 318(a), as modified by Code Sections 856(d)(5) and 7704(d)(3)(B) and (B) any stock of CCC that Host Marriott, L.P. is deemed to own under these rules by reason of the ownership of an interest in Host Marriott, L.P. by Blackstone Real Estate Advisors L.P. or any of its affiliated entities or any other Person or such other Person's affiliated entities). In the event that the Right would not be exercisable in full solely by reason of clause (iii) of the preceding sentence (but not clause (i) or clause (ii) thereof), MII shall, subject to the conditions set forth below, have the right to assign that portion (but only such portion) of the Right that is not exercisable by reason of such clause (iii) (the "Blocked Portion of the Right"), subject to further reduction as set forth below, to a Person whose exercise of the assigned Blocked Portion of the Right would not be precluded by the preceding sentence (applied replacing the term "MII" each place it appears in clauses (i) and (ii) of such sentence with the following: "MII and/or any permitted assignee pursuant to the next sentence below"), subject to the following conditions: (A) Host Marriott and MII shall have obtained from the Internal Revenue Service, for the mutual benefit of Host Marriott and MII, a private letter ruling (the user fees and legal fees related to which shall be shared equally by Host Marriott and MII, provided, however, that in no event shall Host Marriott be required to pay more than a total of $50,000 with respect to such fees) to the effect that neither the existence of such assignment right nor the exercise of such assignment right shall cause MII (or any Person that is considered pursuant to Code Section 318(a) to own any stock of Host Marriott considered owned by MII, actually or constructively pursuant to Code Section 318(a)) to be considered for purposes of Code Sections 318(a), 856(d)(2), and 7704(d)(1)(C) and (d)(3)(B) to own all or any portion of the Host Marriott stock that is subject to the Blocked Portion of the Right, (B) the proposed assignee shall not be a Person who owns (as opposed to operates) more than fifteen (15) full-service hotels in competition with full-service hotels owned, directly or indirectly, by Host Marriott or Host Marriott, L.P. (so long as Host Marriott, L.P. is controlled by Host Marriott), and in addition, with respect to any assignment made hereunder at any time following October 8, 2000, the proposed assignee shall not be a Person who operates a branded hotel chain (whether or not such operator is also the owner of the brand) that includes, in the aggregate, more than fifteen (15) full-service hotels, in competition with full-service hotels operated by Host Marriott or Host Marriott, L.P. (so long as Host Marriott, L.P. is controlled by Host Marriott), (it being understood that a Person shall not be deemed to be an owner or operator of full-service hotels in competition with Host Marriott or Host Marriott, L.P. (so long as Host Marriott, L.P. is controlled by Host Marriott) solely by virtue of (x) the ownership of non-controlling interests in hotels or hotel operating companies, either directly or indirectly through subsidiaries, affiliates or partnerships (where "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise) or (y) holding a mortgage or mortgages secured by one or more hotels) and (C) if, at the time of such assignment, the proposed assignee or any of its Affiliates holds Voting Stock or options, warrants or other rights (including conversion rights) to acquire Voting Stock ("Acquisition Rights"), the portion of the Blocked Portion of the Right which may be assigned to such proposed assignee shall be reduced such that, immediately following such assignment, the aggregate number of shares of Voting Stock which the proposed assignee and its Affiliates would own (assuming for such purpose the exercise in full at such time of the assigned portion of the Blocked Portion of the Right and the Acquisition Rights) would not exceed twenty percent (20%) of the total outstanding shares of Voting Stock (assuming for such purposes the exercise in full at such time of all outstanding Acquisition Rights). Host Marriott agrees that, upon request of MII, it will assist MII in preparing the private letter ruling referred to in clause (A) of the preceding sentence and will join MII in such ruling request.

(k) In the event that Host Marriott shall be advised by its outside tax counsel in writing after December 29, 1998 that, as the result of a change in law (including published interpretations by the Internal Revenue Service) after such date, there is a significant risk to Host Marriott that the restrictions set forth in the subsection (j) above, would not be effective to protect the status of Host Marriott as a "real estate investment trust" (a "REIT") under the applicable provisions of the Code, the parties agree to negotiate in good faith to develop a modification to subsection (j) in a manner that would protect the interests of MII in being able to exercise the Right substantially as and to the extent contemplated in subsection (j) while permitting Host Marriott to continue to qualify as a REIT under the applicable provisions of the Code. Conversely, in the event that Host Marriott shall be advised by its outside tax counsel in writing after December 29, 1998 that, as the result of a change in law (including published interpretations by the Internal Revenue Service) after such date, part or all of the restrictions set forth in the subsection (j) above are not necessary under reasonably foreseeable circumstances to protect the status of Host Marriott as a REIT under the applicable provisions of the Code, the parties agree to negotiate in good faith to develop a modification to subsection (j) in a manner that would protect the interests of MII in being able to exercise the Right to the maximum extent practicable without regard to the limitations contemplated in subsection (j) while ensuring that no such exercise (or right to exercise) will jeopardize Host Marriott's ability to continue to qualify as a REIT under the applicable provisions of the Code. In the absence of an agreement between the parties to a change to subsection (j) in either such event, the limitations in subsection (j) as set forth herein shall remain in full force and effect.

2. Upon the effectiveness of the Merger, the term "Voting Stock" in Section 6.07(a) of the Distribution Agreement shall mean shares of common stock, par value $.01 per share, of Host REIT and any other class of capital stock having, or capable of having, general voting rights to elect the Directors of Host REIT, whether or not now authorized or issued."

3. Upon the effectiveness of the Merger, Section 9.06 of the Distribution Agreement shall be amended by adding the following sentence:

"The foregoing sentence is not intended to, and shall not, cause this Agreement to bind or to inure to the benefit of CCC or to grant MII any rights with respect to CCC."

4. Upon effectiveness of the Merger, (i) the Distribution Agreement shall be binding upon and inure to the benefit of Host REIT and Host REIT shall assume all the rights and obligations of Host Marriott thereunder and (ii) all references to "Host Marriott" and "Marriott" in the Distribution Agreement shall mean "Host REIT."

5. Host REIT represents that, prior to the effectiveness of the Merger, its Board of Directors shall have duly adopted a resolution and a bylaw provision exempting the exercise by MII of the Right as to Host REIT, as set forth in Paragraph 1 above, from the Maryland Business Combination Statute and the Maryland Control Share Acquisition Statute, respectively, as well as a resolution exempting certain other transactions between Host REIT and MII or their respective subsidiaries and a resolution granting MII an irrevocable exemption under Section 8.2.7 of the Amended and Restated Articles of Incorporation of Host REIT from the Ownership Limit (as defined in Section 8.1 of the Amended and Restated Articles of Incorporation of Host REIT) to permit MII to exercise the Right. A copy of such resolutions and bylaw provision are attached as <u>Annex A</u>

hereto. Host REIT covenants that, for as long as MII has the right to exercise the Right, Host REIT will not revoke or amend such resolutions or amend, alter or repeal such bylaw provision without the prior written consent of MII. Host REIT covenants that in the event it adopts a shareholders' rights plan, such plan shall contain provisions which are consistent with Section 6.07 of the Distribution Agreement. Host REIT agrees that MII would suffer irreparable damage in the event any of the foregoing provisions of this Paragraph 5 were not to be performed in accordance with the terms hereof, and that, in such event, MII's remedy at law would be inadequate. Host REIT agrees and consents that temporary and permanent injunctive relief may be granted in favor of MII in any proceeding which may be brought to enforce any provision of this Paragraph 5 without the necessity of proof of actual damage.

6. Except as specifically amended hereby, the Distribution Agreement continues in full force and effect without modification and is hereby ratified and confirmed in all respects.

7. This Amendment may be executed in any number of counterparts, which, when taken together, shall constitute a single binding instrument.

[signatures appear on the following page]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 4 to be duly executed and delivered as of December 28, 1998.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Myron D. Walker
Name: Myron Walker
Title: Vice President

HOST MARRIOTT CORPORATION

By: /s/ C. G. Townsend
Name: C. G. Townsend
Title: Senior Vice President

HOST MARRIOTT SERVICES CORPORATION

By: /s/ Joe P. Martin
Name: J P Martin
Title: Senior Vice President

The undersigned is executing this Amendment solely for the purpose of acknowledging and consenting to the provisions of Paragraphs 4 and 5 hereof.

HMC MERGER CORPORATION

By: /s/ C. G. Townsend
Name: C. G. Townsend
Title: Senior Vice President

Exhibit 10.5(b)

AMENDMENT NO. 5 DATED AS OF DECEMBER 18, 1998 TO
DISTRIBUTION AGREEMENT DATED AS OF SEPTEMBER 15, 1993
BETWEEN HOST MARRIOTT CORPORATION
AND MARRIOTT INTERNATIONAL, INC.

Host Marriott Corporation (f/k/a Marriott Corporation, "Host Marriott"), Marriott International, Inc. ("MII") and Host Marriott Services Corporation desire to adopt this Amendment to the Distribution Agreement between Host Marriott and MII dated as of September 15, 1993 (the "Original Agreement," and, as amended hereby and by that certain Amendment No. 1 to the Original Agreement dated as of December 29, 1995, that certain Amendment No. 2 to the Original Agreement dated as of June 21, 1997, that certain Amendment No. 3 to the Original Agreement dated as of March 3, 1998 and that certain proposed Amendment No. 4 to the Original Agreement expected to be entered into after the date hereof, the "Distribution Agreement").

WHEREAS, by letter dated December 10, 1998, Southeastern Asset Management, Inc. ("Southeastern"), an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, advised Host Marriott that approximately 135 accounts over which Southeastern has either investment discretion, voting authority, or both, currently own in the aggregate 40,923,400 shares of Host Marriott Common Stock, or approximately 19.97% of the 204,954,447 shares of Host Marriott Common Stock outstanding on the record date for the Host Marriott Special Meeting held on December 15, 1998 to approve the merger (the "Merger") of Host Marriott with and into HMC Merger Corporation, a Maryland corporation to be renamed "Host Marriott Corporation" ("Host REIT") after the Merger;

WHEREAS, Host Marriott expects that, on the date hereof, its Board of Directors will declare a special dividend (the "Special Dividend") to stockholders of record on December 28, 1998 entitling such stockholders to elect to receive such Special Dividend in the form of cash or Host Marriott Common Stock; and

WHEREAS, the parties hereto desire to amend the Distribution Agreement in connection with such Special Dividend.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Section 6.07 of the Distribution Agreement shall be amended by adding and reserving for further Amendment subsections (j) and (k) and adding subsection (l) as follows:

(j) [Reserved for proposed Amendment No. 4]

(k) [Reserved for proposed Amendment No. 4]

(l) Notwithstanding anything contained in this Section 6.07 or any other section of this Agreement, Southeastern Asset Management, Inc. ("Southeastern"), an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, shall not be deemed to have triggered the Right if such Right would otherwise have been triggered until such time (if ever) as it becomes the Beneficial Owner of a number of shares of Voting Stock in excess of the sum (the "Maximum Number") of (i) 40,923,400 shares of Voting Stock plus (ii) such number of shares of Voting Stock actually acquired by Southeastern through accounts over which it exercises investment discretion, voting authority or both as the result of any election (or deemed election) to receive Voting Stock in payment of the Special Dividend (or, prior to the date of any such election or deemed election, such number of shares of Voting Stock which it can elect to receive in payment of the Special Dividend) declared by Host Marriott on December 18, 1998 to stockholders of record on December 28, 1998 (as the number representing the sum of (i) and (ii) may be adjusted to give effect to stock splits, stock dividends, subdivisions, combinations, reclassifications or similar events, to the extent appropriate), which dividend payment obligations will be assumed by HMC Merger Corporation, a Maryland corporation ("Host REIT"), in connection with the merger of Host Marriott with and into Host REIT; provided, however, that if at any time after December 28, 1998, Southeastern shall be the Beneficial Owner of a number of shares of Voting Stock representing less than 20% of the total voting power of the then outstanding shares of Voting Stock and if Southeastern shall become at any time thereafter the Beneficial Owner of a number of shares of Voting Stock representing 20% or more of the total voting power of the then outstanding shares of Voting Stock, Southeastern shall thereupon be deemed to have triggered the Right; provided further, that if the number of shares of Voting Stock beneficially owned by Southeastern is reduced to less than 20% of the total voting power of the then outstanding Voting Stock as a result of dispositions of Voting Stock in the ordinary course of trading for its clients' accounts within a five (5) consecutive trading day period, and Southeastern reacquires the beneficial ownership of the number of shares so disposed, again in the ordinary course of trading for its clients' accounts, within twenty (20) consecutive trading days immediately after such five (5) day trading period, then such reacquisition (subject always to the Maximum Number) shall not be deemed to have triggered the Right. Nothing herein is intended to grant, or shall be construed as granting, to Southeastern, any of its affiliates or any of Southeastern's funds or accounts a waiver from the ownership limit (or any provision thereof) under the Charter of Host REIT.

2. Except as specifically amended hereby, the Distribution Agreement continues in full force and effect without modification and is hereby ratified and confirmed in all respects.

3. This Amendment may be executed in any number of counterparts, which, when taken together, shall constitute a single binding instrument.

[signatures appear on the following page]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 5 to be duly executed and delivered as of December 18, 1998.

MARRIOTT INTERNATIONAL, INC.

By: /s/ Joseph Ryan

Name: Joseph Ryan

Title: Executive Vice President

HOST MARRIOTT CORPORATION

By: /s/ C.G. Townsend

Name: Christopher G. Townsend

Title: Senior Vice President

HOST MARRIOTT SERVICES CORPORATION

By: /s/ Joe P. Martin

Name: J.P. Martin

Title: Senior Vice President

The undersigned is executing this Amendment for the purpose of acknowledging and consenting to the provisions hereof.

HMC MERGER CORPORATION

By: /s/ C.G. Townsend

Name: Christopher G. Townsend

Title: Vice President

Exhibit 12

MARRIOTT INTERNATIONAL, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
($ in millions, except ratio)

	Fiscal year ended				
	1999	1998	1997	1996	1995
Income before income taxes	$637	$632	$531	$435	$361
Loss/(income) related to equity method investees	(3)	8	8	4	(2)
	634	640	539	439	359
Add/(deduct):					
Fixed charges	152	103	85	89	59
Interest capitalized	(33)	(21)	(16)	(9)	(8)
Distributed income of equity method investees	2	5	-	-	-
Earnings available for fixed charges	$755	$727	$608	$519	$410
Fixed charges:					
Interest expensed and capitalized	$94	$51	$38	$46	$17
Estimate of the interest within rent expense	58	52	47	42	39
Share of interest expense of certain equity method investees	-	-	-	1	3
Total fixed charges	$152	$103	$85	$89	$59
Ratio of earnings to fixed charges	5.0	7.1	7.2	5.8	6.9

(1) "Interest expensed and capitalized" includes amortized premiums, discounts and capitalized expenses related related to indebtedness.

Marriott International, Inc.
Foreign Subsidiaries
Country of Incorporation

Country: Argentina
Marriott Argentina S.A.

Country: Aruba
Marriott Aruba N.V.

Marriott Resorts Hospitality of Aruba N.V.

Marriott Vacation Club International of Aruba, N.V.

Country: Australia
Mirmar Hotels Pty Limited

Country: Austria
Marriott Hotel-Betriebsgesellschaft, m.b.H

Country: Bahamas
Marriott Ownership Resorts (Bahamas) Limited

Marriott Resorts Hospitality (Bahamas) Limited

New World Hotels (Bahamas) Limited

Country: Barbados
Marriott Foreign Sales Corporation

Country: Belgium
Renaissance Hotels International, S.A.

Country: Bermuda
CL International Insurance Company Ltd.

Crest Management Services, Limited

Marriott International Lodging, Ltd.

Marriott International Services, Ltd.

Ramada International Lodging, Ltd.

Renaissance International Lodging Ltd.

Country: Brazil
Marriott do Brasil Hotelaria Ltda.

Renaissance do Brasil Hoteleria Ltda.

RHI do Brasil Hotelaria Ltda.

Marriott International, Inc.
Foreign Subsidiaries
Country of Incorporation

Country: Canada
3415546 Canada Inc.

Marriott Hotels of Canada Ltd.

Marriott Lodging (Canada) Ltd.

Marriott Lodging (Canada) Ltd.

MCL Hotel Corporation

Ramada Franchise Canada Inc.

Renaissance Hotels Canada Limited

Toronto Hotel Land Holding Ltd.

Toronto Realty Airport Hotel, Ltd.

Country: Cayman Islands
Renaissance Caribbean Limited

The Ritz-Carlton Hotel Company of the Cayman Islands, Ltd.

Country: Chile
Hoteles de Chile, S.A.

Marriott Chile S.A.

Marriott Inversiones y Servicios Limitada

MORI Chile S.A.

Country: Costa Rica
Marina de Herradura, S.A.

Country: Denmark
Hotelinvest Kalvebod A/S

Marriott Hotels Denmark A/S

Country: Egypt
Ritz Carlton Egypt S.A.E.

Country: France
Marriott de Gestion Hoteliere SNC

Marriott International, Inc.
Foreign Subsidiaries
Country of Incorporation

Ramcap S.a.r.l.

Renaissance France S.a.r.l.

Country: Germany

Bremen Marriott Hotelmanagement GmbH

Frankfurt Marriott Hotelmanagement GmbH

Hamburg Marriott Hotelmanagement GmbH

Leipzig Marriott Hotelmanagement GmbH

Marriott Hotel Holding GmbH

Marriott Hotels of Germany

Marriott Hotels of Germany GmbH & Company Limited Partnership

Muenchen Marriott Hotelmanagement GmbH

MVCI Holidays GmbH

Penta Hotel Managementgesellchaft mbH

Renaisance Deutchland GmbH (Kopenic)

Ritz-Carlton Wolfsburg Hotelbetriebsgesellschaft mbH

Teltow Ramada Hotel - Gesellschaft mbH

The Ritz-Carlton Hotel Company of Germany, GmbH

Country: Greece

Marriott Hotels Hellas, S.A.

Country: Hong Kong

Marriott Asia Pacific Limited

Marriott Asia Pacific Management Limited

Marriott Hong Kong Limited

Marriott Properties (International) Limited

New World Hotels International (Macau) Limited

New World Hotels International Limited

Ramada China Hotels Limited

Ramada Pacific Limited

Renaissance Management Hong Kong Limited

The Ritz-Carlton Limited

Country: India
Marriott Hotels India Private Limited

Country: Indonesia
PT The Ritz-Carlton Indonesia

Country: Ireland
Noycourt Limited

Noygate Limited

Renaissance Reservations International Limited

Country: Italy
MVCI Holidays S.r.l.

Country: Jamaica
The Ritz-Carlton Hotel Company of Jamaica Limited

Country: Japan
Marriott Terminal Services, Company Ltd.

The Ritz-Carlton Japan, Inc.

Tokyo Marriott Hotel Co., Ltd.

Country: Liberia
New World Management Services Company Limited

Country: Luxembourg
International Hotel Licensing Company S.a.r.l.

Marriott International Licensing Company B.V.

Marriott International Licensing Company, S.a.r.l.

Marriott International, Inc.
Foreign Subsidiaries
Country of Incorporation

Country: Mexico

cia Hotelera Azteca, S.A. de C.V. (Hoteca)

El Crisa, S.A. de C.V.

Marriott Hotels, S.A. de C.V.

Marriott Mexicana S.A. de C.V.

Marriott Mexico City Partnership, G.P.

Operadora Marriott, S.A. de C.V.

Polserv, S.A. de C.V.

Promociones Marriott, S.A. de C.V.

R.C. Management Company of Mexico, S.A. de C.V.

Ramada International Association de Mexico, S.C.

Royal Marriott S.C.

Servimarr, S.A. de C.V.

The Ritz-Carlton Hotel Company of Mexico, S.A. de C.V.

Country: Netherlands

Marriott Hotels International, B.V.

Marriott Hotels of Amsterdam, B.V.

Marriott International Finance Company B.V.

Marriott International Holding Company B.V.

Marriott RHG Acquisition B.V.

Marriott International, Inc.
Foreign Subsidiaries
Country of Incorporation

Penta Hotels N.V.

Ramada Hotels International B.V.

Renaissance Hotel Group N.V.

Renaissance Hotels International B.V.

Renaissance Management B.V.

Renaissance Services B.V.

Country: Netherlands Antilles
Diamant Hotel Investments N.V.

Marriott Curacao N.V.

Marriott International Lodging N.V.

Ramada International Lodging N.V.

Renaissance International Lodging N.V.

Renaissance Reservations N.V.

RHG Holding N.V.

Country: New Zealand
Ramada Inns Limited

Country: Peru
Marriott Peru S.A.C.

Country: Singapore
Marriott Hotels Singapore Pte Ltd.

The Ritz-Carlton Hotel Company of Singapore PTE LTD.

Marriott International, Inc.
Foreign Subsidiaries
Country of Incorporation

Country: Spain

Marriott Hotels, S.L.

MVCI Espana, S.L.

MVCI Holidays, S.L.

MVCI Mallorca, S.L.

MVCI Management, S.L.

R-C Spain, S.L.

Country: Switzerland

Marriott (Schweiz) GmbH

Marriott (Switzerland) Liability Ltd.

Marriott Worldwide Payroll Gmbh

Country: Thailand

Maikhao Ownership (Thailand) Limited

Country: United Kingdom

Cheshunt Hotel Limited

Consolidated Supplies Limited

Marriott Catering Limited

Marriott Commercial Services Limited

Marriott Hotels (Reading) Limited

Marriott Hotels and Catering (Holdings) Limited

Marriott International, Inc.
Foreign Subsidiaries
Country of Incorporation

Marriott Hotels, Limited

Marriott In-Flight Services Limited

Marriott Restaurants Limited (United Kingdom)

Marriott UK Holdings Limited

MVCI Europe Limited

MVCI Management Europe Limited

Renaissance UK 1 Company

Renaissance UK 2 Company

Renaissance UK 3 Company

The Ritz-Carlton Hotel Limited

Turnford Marriott Hotel

Country: Western Somoa
Marriott Hotels Western Samoa Limited

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

State: Arizona
Camelback Country Club, Inc. (d/b/a Camelback Golf Club)

State: California
Rancho San Antonio Retirement Services, Inc., A California Non-profit Mutual Benefit Corporation

State: Colorado
Senior Living of Denver, LLC

State: Delaware
Aeropuerto Shareholder, Inc.

Baltimore Marriott Inner Harbor, L.L.C.

BG Operations, Inc.

Big Boy Properties, Inc.

Brooklyn Hotel Services, Inc.

Camelback Properties Inn, Inc.

Capitol Employment Services, Inc.

Capitol Hotel Services, Inc.

CBM Annex, Inc.

Charleston Marriott, Inc.

Chicago Hotel Services, Inc.

City Center Annex Tenant Corporation

Corporate General, Inc.

Courtyard Annex, Inc.

Courtyard Management Corporation

CR14 Tenant Corporation

CR9 Tenant Corporation

CRTM17 Tenant Corporation

CTYD III Corporation

Customer Survey Associates, Inc.

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

Desert Springs Real Estate Corporation

Detroit CY Inc.

Detroit Hotel Services, Inc.

Detroit MHS, Inc.

East Side Hotel Services, Inc.

Essex House Condominium Corporation

Execustay Corporation

Fairfield FMC Corporation

Five Star Resort, LLC

Forum Group Payroll, Inc.

Forum-NGH, Inc.

Franchise System Holdings, Inc.

Hearthside of Crete, Inc.

Hearthside of Tinley Park, Inc.

Hearthside Operations, Inc.

Host Restaurants, Inc.

Hunt Valley Courtyard, Inc.

Kapalani, L.P.

LAX Properties, LLC

Leisure Park Venture Limited Partnership

LLB C - HOTEL, L.L.C.

LLB F - INN, L.L.C.

LLB F-Suites, L.L.C.

Marriott Braselton Corporation

Marriott College Food Services, Inc.

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

Marriott Continuing Care, Inc.

Marriott Distribution Holding Co.

Marriott Distribution Services, Inc.

Marriott Hotel Plano, L.L.C.

Marriott Hotel Services, Inc.

Marriott Hotels of Panama, Inc.

Marriott Hurghada Management, Inc.

Marriott Information Services, Inc.

Marriott International Administrative Services, Inc.

Marriott International Capital Corporation

Marriott International Construction Services, Inc.

Marriott International Design & Construction Services, Inc.

Marriott International JBS Corporation

Marriott International Resorts, L. P.

Marriott Kauai Ownership Resorts, Inc.

Marriott Kauai, Inc.

Marriott Lincolnshire Theatre Corporation

Marriott Market Street Hotel, Inc.

Marriott Mirage City Management, Inc.

Marriott Overseas Company, L.L.C.

Marriott Overseas Owners Services Corporation

Marriott Ownership Resorts, Inc.

Marriott P.R. Management Corporation

Marriott Payroll Services, Inc.

Marriott Ranch Properties, Inc.

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

Marriott Resort at Seaview, Inc.

Marriott Resorts Sales Company, Inc.

Marriott Resorts, Travel Company, Inc.

Marriott Rewards, Inc.

Marriott Senior Holding Co.

Marriott Senior Living Services, Inc.

Marriott Sharm El Sheikh Management, Inc.

Marriott Signal Capital, L.L.C.

Marriott Vacation Properties of Florida, Inc.

Marriott Wardman Park Investment, Inc.

Marriott Worldwide Management, Inc.

Marriott Worldwide Payroll Corp.

Marriott Worldwide Sales and Marketing, Inc.

Marriott's Desert Springs Development Corporation

Marriott's Greenbelt Hotel Services, Inc.

MC Logding Investment Opportunities, Inc.

Meridian-Indianapolis, L.L.C.

MHSFR II, Inc.

MHSFR, Inc.

MI Holding, L. P.

MI Laguna, LLC

MI Member, LLC

MI Myrtle Beach, LLC

MI Seattle, LLC

MI Tenant LLC

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

MI Tucson, LLC

MICC(California), LLC

Mid-Atlantic Specialty Restaurants, Inc.

MORI Residences, Inc.

MORI SPC Corp.

MORI SPC II, Inc.

MRC I Funding Corporation

MSLS Investments 12, Inc.

MSLS Investments 16, Inc.

MSLS Investments 17, Inc.

MSLS Investments 18, Inc.

MSLS Investments 19, Inc.

MSLS Investments 20, Inc.

MSLS Investments 21, Inc.

MSLS Investments 22, Inc.

MSLS-MapleRidge, Inc.

MTMG Corporation

Musicians, Inc.

New York Retirement Properties, Inc.

North Drury Lane Productions, Inc.

Osage Beach Hotel, LLC

Potomac Advertising, Inc.

Ramada Franchise Systems (Caribbean), Inc.

Ramada Garni Franchise Systems, Inc.

RC Hotels (Virgin Islands), Inc.

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

RC Marriott II, Inc.

RC Marriott III, Inc.

RC Marriott, Inc.

RC-UK, Inc.

REN Hollywood, LLC

REN Worthington, LLC

Renaissance Florida Hotel, Inc.

Renaissance Hotel Holdings, Inc.

Renaissance Hotel Management Company, LLC

Renaissance Hotel Operating Company

Renaissance International, Inc.

Renaissance Reservations, Inc.

Renaissance Services, Inc.

Residence Inn by Marriott, Inc.

RHG Finance Corporation

RHG Investments, Inc.

RHHI Acquisition Corp.

RHHI Investment Corp.

RHOC (Canada), Inc.

RHOC (Mexico), Inc.

RINA (International) Inc.

Ritz-Carlton (Virgin Islands), Inc.

Rock Lynnwood/Snohomish GenPar, Inc.

Rock Lynnwood/Snohomish Partners, L.P.

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

ROCK Partners, L.L.C.

RST4 Tenant LLC

SC Orlando, L.L.C.

Schaumberg/Oakbrook Marriott Hotels, Inc.

Shady Grove Courtyard, Inc.

SHC Eastside II, L.L.C.

Sonoma Reniassance, LLC

Springhill SMC Corporation

St. Louis Airport Hotel, LLC

Staffing Services, Inc.

The MarketPlace by Marriott, L.L.C.

The Ritz-Carlton Development Company, Inc.

The Ritz-Carlton Hotel Company of Puerto Rico, Inc.

The Ritz-Carlton Hotel Company, L.L.C.

The Ritz-Carlton Management Company, L.L.C.

The Ritz-Carlton Sales Company, Inc.

The Ritz-Carlton Title Company, Inc.

The Ritz-Carlton Travel Company, L.L.C.

The Sherman Club, Inc

TownePlace Management Corporation

West Street Hotels, Inc.

Weststock Corporation

State: Florida

Marriott Resorts Title Company, Inc.

Redi-Medical Alert, Inc.

State: Georgia

The Dining Room Corporation

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

State: Hawaii
F. L. Insurance Corporation

State: Indiana
Forum Cupertino Lifecare, Inc.

Forum Lifecare, Inc.

National Guest Homes, LLC

State: Kansas
Kansas Hospitality Services, Inc.

State: Maryland
Columbia Courtyard, Inc.

Empire Retirement Living Corporation

Marriott International Hotels Inc.

Marriott Worldwide Corporation

MHS Realty Sales, Inc.

MII Conference Center, Inc.

Vanguard Charles Street, LLC

VCS, Inc.

State: Nevada
MI Hotels of Las Vegas, Inc.

State: New York
Marriott Home Care of New York, Inc.

State: South Carolina
Marriott Resorts Hospitality Corporation

State: Texas
Dalrich Club (a non-profit corporation)

Hospitality International, Inc.

Inn Club, a Non-Profit Corp.

Marriott Claims Services Corporation

MHSI Conference Centers of Texas, Inc.

Marriott International, Inc.
Domestic Subsidiaries
State of Incorporation

The Finish Line Club

The Gazebo Club

The Hearthroom Club

The Legacy Park Club

The Plano Club

The Sherman Club, Inc.

WinBeer, Inc.

State: Utah
Gambits, A Nonprofit Corporation (Incorporated Club)

State: Virgin Islands
New World Hotels International Corporation Limited

New World Hotels Marketing Services Limited

The Ritz-Carlton Club, St. Thomas, Inc.

State: Virgin Islands U.S.
MIFR (Virgin Islands), Inc.

Ramasia International Limited

State: Virginia
Marriott Senior Living Insurance Services, Inc.

State: West Virginia
West Virginia Marriott Hotels, Inc.

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

"CbM" means "Courtyard by Marriott"
"RI" means "Residence Inn"
"FibM" means "Fairfield Inn by Marriott"
"MVCI" means "Marriott Vacation Club International"

Corporation: Courtyard Management Corporation

State	Assumed Name
AR	Little Rock CbM
AZ	Phoenix Mesa CbM, Camelback CbM, Phoenix Airport CbM, Scottsdale CbM, Tuscon CbM
AZ	Phoexnix MetroCenter CbM
AZ	Scottsdale Downtown Courtyard
CA	Courtyard by Marriott
CA	Novato Courtyard by Marrott
CA	Pleasant Hills Courtyard
CO	Denver Airport CbM, Boulder CbM, Denver SE CbM
CT	Norwalk CbM, Hartford CbM
DE	Wilmington CbM, (1102 West Street & 48 Geofry Drive)
FL	Courtyard by Marriott
GA	Executive Park CbM, Roswell CbM, Atlanta Perimeter CbM, Atlanta Airport CbM, Midtown CbM
GA	Macon CbM, Atlanta Delk Road CbM, Agusta CbM
GA	Peachtree Corners CbM, Atlanta Airport South CbM
GA	Peachtree-Dunwoody CbM, Cumberland Center CbM, Gwinnett Mall CbM, Jimmy Carter CbM
GA	Savannah CbM, Columbus CbM
GA	Windy Hill CbM, Northlake CbM, Atlanta Airport South CbM, Atlanta Preimeter CbM, Atlanta Airport CbM
IA	Des Moines/Clive CbM, Quad Cities CbM
IL	Arlington Heights CbM, Arlington Heights South CbM, Chicago/Deerfield CbM, Chicago Downtown CbM
IL	Chicago-Highland Park CbM, Chicago/Lincolnshire CbM, Glenview CbM, Naperville CbM
IL	Oakbrook Terrace CbM, O'Hare CbM, Rockford CbM, Waukegan CbM, Wood Dale CbM
IN	Courtyard by Marriott
KY	Courtyard by Marriott
LA	Baton Rouge CbM
LA	Courtyard by Marriott (Metarie, LA)
MA	Lowell CbM, Stoughton CbM, Milford CbM
MD	Courtyard by Marriott
MI	Dearborn CbM, Detroit Airport CbM, Livonia CbM, Warren CbM, Southfield CbM, Troy CbM
MI	Detroit/Novi CbM
MI	Southfield CbM, Livonia CbM, Warren CbM, Detroit Airport CbM, Dearborn CbM, Auburn Hills CbM
MI	Troy CbM, Auburn Hills CbM
MN	Eden Prairie CbM, Medota Heights CbM
MO	Creve Coeur CbM
MO	Earth City CbM
MO	Kansas City Airport CbM, St. Louis-Westport CbM
MO	St. Louis CbM, South Kansas City CbM
NC	Charlotte Arrowood CbM
NC	Charlotte South Park CbM, Charlotte University CbM
NC	Fayetteville CbM, Greensboro CbM
NC	Raleigh Airport CbM, Raleigh-Cary Cbm, Raleigh CbM
NJ	Courtyard by Marriott

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

NM Courtyard by Marriott
NV Courtyard by Marriott
NY Fishkill CbM, Poughkeepsie CbM, Rochester CbM, Rye CbM, Syracuse CbM, Tarrytown CbM
OH Blue Ash CbM, Dayton Mall CbM, Toledo CbM, Worthington CbM
OH Dublin CbM
OK Oklahoma City CbM
OR Portland CbM
PA Pittsburg CbM
PA Willow Grove CbM, Pittsburgh CbM, Devon CbM, Valley Forge CbM, Philadelphia CbM
RI Middletown CbM
SC Columbia NW CbM
TN Nashville Airport CbM, Park Avenue, Memphis CbM, Memphis Airport CbM, Chattanooga CbM, Brentwood CbM (Expires 3/23/2004)
TX DFW Courtyard North
TX Las Colinas CbM, Dallas North Park CbM, Arlington CbM, San Antonio CbM
TX Plano CbM, Fort Worth CbM, Dallas Northeast CbM, Dallas Stemmons CbM
TX San Antonio Airport CbM, San Antonio Medical Center CbM, Bedford CbM, Addison CbM, LBJ @ Josey CbM
VA Brookfield CbM
VA Courtyard by Marriott
VA Dulles South CbM, Rosslyn CbM
VA Fairoaks CbM
VA Herndon CbM,
VA Manassas CbM, Charlottesville CbM
VA Richmond Innsbrook CbM (Henrico County)
WA Courtyard by Marriott

Corporation: CTYD III Corporation

State Assumed Name
CA Courtyard by Marriott
FL Courtyard by Marriott
IL Courtyard by Marriott
IN Courtyard by Marriott
KY Courtyard by Marriott
MD Courtyard by Marriott
NJ Courtyard by Marriott
NM Courtyard by Marriott
NV Courtyard by Marriott
WA Courtyard by Marriott

Corporation: Detroit Hotel Services, Inc.

State Assumed Name
MI Detroit Marriott at Renaissance Center

Corporation: Detroit MHS, Inc.

State Assumed Name
MI Detroit Marriott At Renaissance Center

Corporation: Empire Assisted Living, Inc.

State Assumed Name
NY Brighton Gardens

Corporation: Empire Retirement Living Corporation

State Assumed Name
NY Brighton Gardens

Corporation: Fairfield FMC Corporation

State Assumed Name
AZ Scottsdale Fairfield Inn by Marriott (FibM), Phoenix FibM, Flagstaff FibM
CA Anaheim Fairfield Inn

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

CA Buena Park FibM, Placentia FibM
CA Rancho Cordova FibM, Ontario FibM
CT Hartford Airport FibM (Windsor/Windsor Lock)
DE Wilmington FibM
FL Gainsville FibM
FL Miami West FibM, Winter Park FibM
FL Orlando International Drive FibM
GA Atlanta Gwinnett Mall FibM, Atlanta Northlake FibM
IA Cedar Rapids FibM, Des Moines FibM
IL Bloomington/Normal FibM, Chicago Lansing FibM, Glenview FibM, Peoria FibM, Rockford FibM, Willowbrook FibM
IN Fort Wayne FibM
IN Indianapolis Castleton FibM, Indianapolis Castelton FibM, Indianapolis College Park FibM
KY Florence FibM, Louisville East FibM
ME Portland FibM
MI Detroit Airport FIbM, Detroit Madison FibM, Detroit West FibM, Detroit Warren FibM, Kalmazoo FibM
MO St. Louis Hazelwood FibM
NC Charlotte Airport FibM, Charlotte Northeast FibM
NC Greensboro Highpoint FibM, Durham FibM
NC Rocky Mount FIbM, Fayetteville FIbM, Raleigh Northeast FIbM, Wilmington FIbM
NH Merrimack Fairfield FibM
NV Las Vegas FibM
NY Lancaster FiibM, Syracuse FibM
OH Akron FIbM, Cincinnati Sharonville FibM, Cleveland Brook Park FibM, Cleveland Willoughby FibM
OH Cleveland WIlloughby FibM
OH Columbus North & West FibM, Dayton FibM, Toledo Holland FibM
PA Pittsburgh/Warrendale FibM, Harrisburg West FibM
SC Greenville FibM, Hilton Head FibM
TN Johnson City FibM, Jackson FibM, Chattanooga FibM
TX Arlington Fairfield Suites
VT Burlington Colchester FibM
WI Milwaukee FibM, Madison FibM

Corporation: Forum-NGH, Inc.

State Assumed Name
AL Galleria Oaks Guest Home
AZ Village Oaks at Glendale
FL Village Oaks at Melbourne
FL Village Oaks at Orange Park
FL Village Oaks at Southpoint
IN Village Oaks at Fort Wayne
IN Village Oaks at Greenwood
NV VIllage Oaks at Las Vegas
TX VIllage Oaks at Cielo Vista, NGH/Marriott
TX Village Oaks at Farmers Branch
TX Village Oaks at Hollywood Park

Corporation: Marriott Continuing Care, Inc.

State Assumed Name
FL Calusa Harbor

Corporation: Marriott Home Care of New York, Inc.

State Assumed Name
NY Brighton Gardens

Corporation: Marriott Hotel Services, Inc.

State Assumed Name

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

AZ	Marriott Camelback Inn Resort
CA	Anaheim Marriott
CA	Costa Mesa Marriott Suites
CA	La Jola Marriott Hotel
CA	Los Angeles Airport Marriott, Newport Beach Marriott Hotel
CA	Marriott's Desert Springs Resort and Spa
CA	Marriott's Rancho Las Palmas Resort
CA	Monterey Marriott Hotel
CA	Napa Valley Marriott Hotel
CA	Santa Clara Marriott Hotel
CO	Denver West Marriott Hotel
CT	Stamford Marriott Hotel (Stamford & Rocky Hill)
FL	Cafe Waterside
FL	Champions
FL	Fort Lauderdale Marina, Tampa Airport
FL	IL Terrazzo
FL	Miami Beach Marriott At South Beach
FL	Miami International Airport Marriott
FL	SPA Waterside
FL	Tampa Marriott Waterside
GA	Atlanta Norcross Marriott Hotel
GA	Atlanta Perimeter Center Hotel
HI	J.W. Marriott Ihilani Resort & Spa
HI	Maui Marriott Resort and Ocean Club
IL	Chicago Deerfield Marriott Suites, Chicago Marriott Downtown Hotel, Chicago Marriott Oakbrook Hotel
IL	Lincolnshire Catering
MA	Marriott Long Wharf
MD	Bethesda Marriott Hotel, Washington Gaithersburg Marriott Hotel
MI	Detroit Romulus Marriott Hotel, Detroit Metro Airport Marriott Hotel
MN	Minneapolis City Center Marriott Hotel
MO	St. Louis Pavilion Marriott Hotel, St. Louis Airport Marriott, Kansas City Airport Marriott
MO	Tan-Tar-A Marriott Resort
NH	Nashua Marriott Hotel
NJ	Glenpoint Marriott Hotel, Princeton Marriott Hotel, Somerset Marriott Hotel
NJ	Hanover Marriott Hotel
NJ	Park Ridge Marriott Hotel, Newark Airport Marriott Hotel, Marriott's Seaview Golf Resort
NY	Long Island Marriott Hotel, Westchester Marriott Hotel
NY	New York Marriott Financial Center Hotel
OK	Oklahoma City Marriott Hotel
OR	Portland Marriott Hotel
PA	Philadelphia Airport Marriott Hotel
PA	Philadelphia Marriott Hotel
TN	Nashville Airport Marriott Hotel
TX	Dallas Marriott Quorum, Houston Airport Marriott
VA	Crystal City Marriott Hotel
VA	Marriott's Westfields Conference Center
VA	Westfield's Marriott
VA	Westfields Golf Club (Fairfax file date)

Corporation: Marriott International, Inc.

State	Assumed Name
AZ	Mountain Shadows Resort, Mountain Shadows, Marriott's Mountain Shadows Resort
CA	Courtyard by Marriott
CA	Irvine Marriott Hotel

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

CA	La Jolla Marriott Hotel
CA	Los Angeles Airport Marriott
CA	San Diego Marriott Hotel Marina
FL	Destinations by Marriott
FL	Hawk's Landing Steakhouse & Grille
FL	Tampa Marriott Waterside
HI	Maui Marriott Resort
IL	Chicago Marriott O'Hare
MI	Courtyard by Marriott, Fairfield Inn
NY	Laguardia Marriott
NY	Marriott's Wind Watch Hotel and Golf Club, Long Island Marriott Hotel and Conference Center
NY	New York Marriott East Side
NY	New York Marriott Financial Center Hotel
NY	New York Marriott Marquis Hotel
NY	Westchester Marriott, New York Marriott Marquis
OH	Fairfield Inn
TN	Fairfield Inn

Corporation: Marriott Kauai Ownership Resorts, Inc.

State	Assumed Name
CA	(MVCI) Orange County
CA	Marriott Vacation Club International (MVCI)
CO	MVCI
HI	MVCI - Registration Number: 234405
NY	MVCI
TX	MVCI
UT	MVCI

Corporation: Marriott Ownership Resorts, Inc.

State	Assumed Name
AL	Marriott Vacation Club International (MVCI)
CA	MVCI
CO	MVCI
CT	MVCI
DE	MVCI
FL	Faldo Golf Institute by Marriott
FL	Horizons By Marriott Vacation Club
FL	MVCI
GA	MVCI
HI	MVCI
IL	Horizons by Marriott Vacation Club
IL	MVCI
KY	MVCI
MA	MVCI
MD	MVCI
MN	MVCI
NC	MVCI
NH	MVCI
NJ	Horizons by Marriott Vacation Club
NJ	MVCI
NV	MVCI
NY	Horizons by Marriott Vacation Club
NY	MVCI
OH	MVCI
OR	MVCI
RI	MVCI
SC	MVCI

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

TX MVCI
UT MVCI
VA MVCI
WA MVCI

Corporation: Marriott Resorts Hospitality Corporation

State	Assumed Name
CA	Marriott Vacation Club International (MVCI)
CO	MVCI
FL	MVCI
GA	MVCI
KY	MVCI One
MA	MVCI
MD	MVCI
MN	MVCI
NC	MVCI
NH	MVCI
NJ	MVCI
NV	MVCI
OH	MVCI
OR	MVCI
SC	MVCI
TX	MVCI
UT	MVCI
VA	MVCI
VA	Tidewater's Sweets and Sundries
WA	MVCI

Corporation: Marriott Resorts Sales Company, Inc.

State	Assumed Name
CO	Marriott Vacation Club International (MVCI)

Corporation: Marriott Resorts Title Company, Inc.

State	Assumed Name
ME	Marriott Resorts Title, Inc.

Corporation: Marriott Resorts, Travel Company, Inc.

State	Assumed Name
CA	Marriott Vacation Club International (MVCI)
FL	MVCI
GA	MVCI
KY	MVCI Two
MD	MVCI
MN	MVCI
NC	MVCI
NH	MVCI
NJ	MVCI
NV	MVCI
OH	MVCI
OR	MVCI
SC	MVCI
TX	MVCI
UT	MVCI
VA	MVCI

Corporation: Marriott Senior Living Services, Inc.

State	Assumed Name
AZ	Brighton Gardens
AZ	The Forum Pueblo Norte
CA	Brighton Gardens

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

CA	Brighton Gardens Carlsbad
CA	Brighton Gardens Carmel Valley
CA	Brighton Gardens of Yorba Linda
CA	Brighton Gardens San Dimas
CA	Brighton Gardens Villa Service
CA	Marriott's MapleRidge of Hemet
CA	Marriott's MapleRidge of Laguna Creek
CA	Villa Valencia
CT	Brighton Gardens of Stamford
CT	Edgehill/Continuing Care Retirement Community of Greater Stamford, Inc.
DE	Stonegates
FL	Brighton Gardens
FL	Brighton Gardens
FL	Brighton Gardens (in Boynton Beach)
FL	Brighton Gardens by Marriott
FL	Brighton Gardens by Marriott of Maitland
FL	Brighton Gardens by Marriott of Venice
FL	Brighton Gardens by Marriott of West Palm Beach
FL	Brighton Gardens of Boca Raton
FL	Brighton Gardens of Boynton Beach
FL	Brighton Gardens of Naples
FL	Brighton Gardens of Tampa
FL	Calusa Harbour
FL	Marriott Home Health Services
FL	Stratford Court (in Boca Raton, Palm Harbour)
FL	The Horizon Club (in Deerfield)
GA	Brighton Gardens of Buckhead
IL	Brighton Gardens by Marriott of Prospect Heights & Burr Ridge
NC	Brighton Gardens of Raleigh
NC	Brighton Gardens of Winston-Salem
NJ	Brighton Gardens of Edison
NJ	Brighton Gardens of Middletown
NY	Brighton Gardens
PA	The Quadrangle (in Pennsylvania)
TN	Brighton Gardens of Brentwood
TX	Brighton Gardens by Marriott of Austin
TX	Brighton Gardens by Marriott of San Antonio & Bexar County
TX	Brighton Gardens by Marriott of Tanglewood
TX	Brighton Gardens, (in Dallas County)
VA	Belvoir Woods Health Care Center
VA	Brighton Gardens (in Virginia Beach)
VA	Brighton Gardens of Arlington
VA	The Colonnades
VA	The Fairfax

Corporation: MI Hotels of Las Vegas, Inc.

State	Assumed Name
NV	Courtyard by Marriott
NV	Courtyard by Marriott, Residence Inn by Marriott, Las Vegas Marriott Suites
NV	Residence Inn by Marriott

Corporation: MSLS Investments 20, Inc.

State	Assumed Name
TX	Champion Oaks Guest Home

Corporation: MSLS-MapleRidge, Inc.

State	Assumed Name
CA	Marriott's Mapleridge of Palm Springs

Corporation: National Guest Homes, LLC

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

State	Assumed Name
TX	HGH Assisted Living

Corporation: Renaissance Hotel Operating Company

State	Assumed Name
FL	Renaissance Orlando Resort
MA	Renaissance Bedford Hotel

Corporation: Residence Inn by Marriott, Inc.

State	Assumed Name
AZ	Phoenix Airport-Tempe RI, Scottsdale RI, Flagstaff RI
AZ	Phoenix Residence Inn
AZ	Tucson RI
CA	Anaheim RI, Fountain Valley RI, Irvine RI, Placentia RI, Costa Mesa RI
CA	Bakersfield RI
CA	Beverly Hills RI
CA	Fremont RI
CA	LaJolla RI, Rancho Bernardo RI, Kearney Mesa RI
CA	Long Beach RI, Arcadia RI, Manhattan Beach RI, Torrance RI
CA	MIRI Mesa Residence Inn
CA	Pleasant Hills RI
CA	Sacramento-Natomas RI
CA	San Jose RI
CA	San Mateo RI
CA	San Ramon RI
CA	Silicon Valley I & II RI, San Jose RI, Mountain View RI
CO	Colorado Springs RI, Denver Downtown RI, Boulder RI, Denver South RI
DE	Wilmington RI
FL	Boca Raton RI
FL	Jacksonville RI
FL	Lake Buena Vista RI,
FL	Pensacola RI
FL	St. Petersburg RI
GA	Atlanta Midtown RI, Atlanta Alpharetta RI, Atlanta Airport RI, Atlanta Buckhead RI
GA	Atlanta Perimeter Mall RI
IL	Chicago O'Hare RI, Deerfield-Chicago RI, Chicago Downtown RI, Chicago Lombard RI
IN	Fort Wayne RI
IN	Indianapolis North RI
KY	Louisville RI, Lexington RI
LA	Bossier City RI
MA	Boston Tewksbury RI, Meriden RI, Boston Westborough RI, Danvers RI
MA	Cambridge Residence Inn by Marriott
MD	Annapolis RI, Bethesda RI
MI	East Lansing RI, Dearborn RI, Ann Arbor RI, Troy Central RI
MI	Troy South RI, Southfield Michigan RI, Warren RI, Grand Rapids RI, Kalamazoo RI
MN	Eden Prairie RI
MO	St. Louis Chesterfield RI, St. Louis Galleria RI, St. Louis Westport RI
NC	Charlotte North RI
NC	Durham RI, Greensboro RI
NC	Raleigh RI,
NC	Winston-Salem RI
NE	Omaha Central RI
NM	Santa Fe RI, Albuquerque RI
NV	Las Vegas Hughes Center
NV	Las Vegas RI
NY	East Syracuse RI
OH	Akron RI, Blue Ash RI, Cincinnati North RI, Columbus East & North RI

Marriott International, Inc.
Domestic Corporations
Assumed Names Report

OH	Dayton North & South RI, Dublin Ohio RI, Toledo RI
OK	Oklahoma City RI
PA	Willow Grove RI, Philadelphia Airport RI, Greentree RI, Berwyn RI
SC	Columbia RI
TN	Maryland Farms RI, Memphis RI
TX	Dallas Central Expressway RI, Dallas Market Center RI, Houston Astrodome RI, Houston Clear Lake RI
TX	Houston Southwest RI, Las Colinas RI, Lubbock RI, Tyler RI
TX	San Antonio Residence Inn by Marriott (Bexar, Travis Counties)
UT	Residence Inn at the Cottonwoods
VA	Herndon RI
WA	Residence Inn Redmon
WI	Green Bay RI

Corporation: Springhill SMC Corporation

State	Assumed Name
TX	Arlington Springhill Suites

Corporation: The Ritz-Carlton Hotel Company, L.L.C.

State	Assumed Name
DC	The Fairfax Club (see note)
HI	The Ritz-Carlton, Kapalua
MA	The Ritz-Carlton, Boston
VA	The Ritz-Carlton, Tysons Corner

Exhibit 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report, dated February 29, 2000, included in this Form 10-K, into the Company's previously filed Registration Statements Files No. 333-48407, No. 333-48417, No. 333-58747, No. 333-77093, No. 333-77827 and No. 333-94697.

Vienna, VA
March 9, 2000

12-MOS	12-MOS	12-MOS
JAN-02-1998	JAN-01-1999	DEC-31-1999
JAN-04-1997	JAN-03-1998	JAN-02-1999
JAN-02-1998	JAN-01-1999	DEC-31-1999
208	390	489
0	0	0
489	605	740
0	0	0
91	75	93
992	1,333	1,600
1,537	2,275	2,845
312	364	427
5,161	6,233	7,324
1,250	1,412	1,743
0	0	0
0	0	0
0	0	0
0	3	3
2,586	2,567	2,905
5,161	6,233	7,324
7,236	7,968	8,739
7,236	7,968	8,739
0	0	0
6,627	7,232	7,909
0	0	0
0	0	0
22	30	61
531	632	637
207	242	237
324	390	400
0	0	0
0	0	0
0	0	0
324	390	400
1.27	1.56	1.62
1.19	1.46	1.51

EXHIBIT 99

Forward-Looking Statements

The following factors, among others, could cause actual results to differ materially from those contained in forward-looking statements made in this report or presented elsewhere by management.

Dependence on Others: Our present growth strategy for development of additional lodging and senior living facilities entails entering into and maintaining various arrangements with present and future property owners, including Host Marriott Corporation, Crestline Capital Corporation and New World Development Company Limited. There can be no assurance that any of our current strategic arrangements will continue, or that we will be able to enter into future collaborations.

Contract Terms for New Units: The terms of the operating contracts, distribution agreements, franchise agreements and leases for each of our lodging facilities and senior living communities are influenced by contract terms offered by our competitors at the time such agreements are entered into. Accordingly, we cannot assure you that contracts entered into or renewed in the future will be on terms that are as favorable to us as those under existing agreements.

Competition: The profitability of hotels, vacation timeshare resorts, senior living communities, and distribution centers we operate is subject to general economic conditions, competition, the desirability of particular locations, the relationship between supply of and demand for hotel rooms, vacation timeshare resorts, senior living facilities, and distribution services, and other factors. We generally operate in markets that contain numerous competitors and our continued success will depend, in large part, upon our ability to compete in such areas as access, location, quality of accommodations, amenities, specialized services, cost containment and, to a lesser extent, the quality and scope of food and beverage services and facilities.

Supply and Demand: The lodging industry may be adversely affected by (1) supply additions, (2) international, national and regional economic conditions, (3) changes in travel patterns, (4) taxes and government regulations which influence or determine wages, prices, interest rates, construction procedures and costs, and (5) the availability of capital to allow us and potential hotel and senior living community owners to fund investments. Our timeshare and senior living service businesses are also subject to the same or similar uncertainties and, accordingly, we cannot assure you that the present level of demand for timeshare intervals and senior living communities will continue, or that there will not be an increase in the supply of competitive units, which could reduce the prices at which we are able to sell or rent units.

Internet Reservation Channels: A significant percentage of our hotel rooms are booked through internet travel intermediaries such as Expedia, Travelocity and Priceline. As this percentage increases, these intermediaries may be able to obtain higher commissions, reduced room rates or other significant contract concessions from us. Moreover, some of these internet travel intermediaries are attempting to commoditize hotel rooms, by increasing the importance of price and general indicators of quality (such as "three-star downtown hotel") at the expense of brand identification. These agencies hope that consumers will eventually develop brand loyalties to their reservations systems rather than to our lodging brands. If this happens our business and profitability may be significantly harmed.