



Marriott Agrees To Sell Senior Living Services Business; Anticipates Proceeds To Be Used To Repurchase Stock

WASHINGTON, D.C. – December 30, 2002 – Marriott International, Inc. (NYSE:MAR) today announced it has signed definitive agreements to sell the stock of its Marriott Senior Living Services management business to Sunrise Assisted Living, Inc. (NYSE:SRZ) and the assets of nine Marriott Senior Living Services (MSLS) communities to CNL Retirement Properties, Inc. for approximately \$259 million in cash. Last week, Marriott announced it had completed the sale of 12 senior living communities to CNL for approximately \$89 million.

“After a careful process of evaluating the senior living marketplace and alternatives for our senior living business, we are confident that taking the steps announced today will strengthen our focus on the company’s core lodging business, improve return on invested capital, and drive shareholder value. I am confident that we have found an organization that is committed to our same high standards and that our residents will continue to receive outstanding, caring service by Sunrise, a leader in the senior living industry,” said J.W. Marriott, Jr., chairman and chief executive officer of Marriott International.

Based in McLean, Va., Sunrise Assisted Living is one of the largest and most highly regarded providers of senior living services with more than 200 communities and 17,000 residents in the United States, the United Kingdom and Canada. CNL Retirement Properties, Inc., an Orlando based real estate investment trust, will own 38 communities managed by Sunrise Assisted Living when these transactions are complete.

Said Mr. Marriott, “I want to thank Marriott Senior Living Services associates for their outstanding performance and strong support. They have shown great dedication and professionalism in their continuing delivery of quality service to the residents.”

Both Marriott and Sunrise also announced that Mr. Marriott would join the Sunrise board of directors following the completion of the transaction.

Sunrise will pay approximately \$89 million in cash, subject to various adjustments set forth in the purchase and sale agreement, to acquire all of the outstanding stock of Marriott Senior Living. CNL will pay approximately \$170 million in cash to acquire nine senior living communities from Marriott and will enter into a long-term management agreement with Sunrise for these communities. Also, Sunrise and CNL together will assume primary payment obligations with respect to approximately \$110 million of life care endowment obligations, the majority of which will be repaid as the communities add new residents. Marriott International will remain a guarantor of the currently outstanding endowment bonds until they are retired.

In addition, Sunrise will provide certain guarantees of other Marriott International obligations with respect to the senior living business, including the leases of 14 communities owned by Senior Housing Properties Trust (NYSE:SNH). The leases run through 2013.

As previously disclosed, Marriott International and Marriott Senior Living Services are in litigation with Five Star Quality Care, Inc. (AMEX: FVE) and Senior Housing Properties Trust. Marriott believes that it will prevail in the pending litigation, and that in any event, such litigation should not prevent completion of the Sunrise and CNL transactions.

The Sunrise and CNL transactions are contingent on each other and are expected to close by the end of the first quarter of 2003, subject to the satisfaction or waiver of closing contingencies customary for transactions of this nature and receipt of certain regulatory permits and approvals.

In addition to the Sunrise and CNL transactions, Marriott expects to purchase 14 MSLS communities from an unrelated owner for \$13 million cash plus assumption of \$205 million in debt. Marriott had previously agreed to provide a form of credit enhancement on the outstanding debt related to these communities. By repurchasing the communities, Marriott will be able to restructure the debt and sell the communities without any continuing financial involvement. Marriott will carry the communities as assets held for sale, and Marriott is already in discussion regarding the sale of these properties.

As a result of the transactions outlined above, including the 12-community CNL sale announced on December 23, 2002, the company anticipates a total after-tax charge of \$100 to \$110 million, or \$.39 to \$.43 per share. Because accounting rules do not allow gains to be recognized until the underlying transaction closes, the company expects to record in the first quarter 2003 an after-tax gain of \$23 million, or \$.09 per share, on the completion of the sale of the nine properties to CNL Retirement Properties, Inc. In connection with the sale of MSLS, as well as the previous sale of 12 properties to CNL, the company expects to record in the fourth quarter 2002 an after-tax charge of \$123 to \$133 million, or \$.48 to \$.52 per share.

By the close of these transactions, the company will have received pre-tax proceeds of \$410 million, including the October 2002 sale of its Village Oaks assisted living business. Marriott expects to use these proceeds to repurchase shares of the company's stock.

Merrill Lynch acted as exclusive financial advisor to Marriott International with respect to the CNL and Sunrise transactions and rendered a fairness opinion to Marriott International.

MARRIOTT INTERNATIONAL, INC. (NYSE:MAR), a leading worldwide hospitality company celebrating its 75th Anniversary in 2002, has over 2,600 operating units in the United States and 64 other countries and territories. Marriott International operates and franchises hotels under the Marriott, JW Marriott, The Ritz-Carlton, Renaissance, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn, SpringHill Suites and Ramada International brand names; develops and operates vacation ownership resorts under the Marriott Vacation Club International, Horizons, The Ritz-Carlton Club and Marriott Grand Residence Club brands; operates Marriott Executive Apartments; provides furnished corporate housing through its Marriott ExecuStay division; and operates conference centers. The company is headquartered in Washington, D.C., and has approximately 145,000 employees. In fiscal year 2001, Marriott International reported systemwide sales of \$20 billion. For more information or reservations, please visit the web site at www.marriott.com.

Sunrise Assisted Living is one of the nation's oldest and largest providers of senior living services. The McLean, Va.-based Company, which employs more than 13,000 people, has over 220 senior living communities either open or under construction in the United States, U.K. and Canada with a combined resident capacity in excess of 17,000. Sunrise communities offer a full range of personalized senior living services, from help with activities such as eating, bathing, dressing and medication management, to a specially designed program for residents with Alzheimer's disease and other forms of memory impairment. Sunrise's senior living services are delivered by staff trained to encourage the independence, preserve the dignity, enable freedom of choice and protect the privacy of residents. For more information about Sunrise Assisted Living, visit <http://www.sunriseassistedliving.com>.

CNL Retirement Properties, Inc., a real estate investment trust, is affiliated with CNL Financial Group, Inc., and specializes in the acquisition of premium independent and assisted living communities and continuing care retirement communities. Headquartered in Orlando, Florida, CNL Financial Group, Inc. is one of the nation's largest privately held real estate investment and finance companies. CNL Financial Group, Inc., and the entities it has formed or acquired have more than \$5.3 billion in assets, representing more than 2,850 properties in 49 states. The company and those entities focus on properties in the retirement, hospitality, corporate facility, community development, retail and restaurant sectors.

Note: This press release contains "forward-looking statements" within the meaning of federal securities laws, including statements concerning the sale of the MSLS business, that are not historical facts. We caution you that these statements are not guarantees of future events or performance and are subject to numerous risks and uncertainties, including satisfaction of customary closing conditions, including the receipt of necessary regulatory approvals. These statements are made as of the date of this press release, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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