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 29, 2000 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 (243,655,082 shares outstanding as of January 31, 2001)	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, 2001 was $8,877,105,533.

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. [X]

Documents Incorporated by Reference

Portions of the Proxy Statement prepared for the 2001 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

Index to Exhibits is located on pages 53 through 55.

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 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 78, 7, and 15 percent, respectively, of total sales in the fiscal year ended December 29, 2000.

In our Lodging segment, we operate, develop and franchise lodging facilities and vacation timesharing resorts. In addition, we provide over 6,900 furnished corporate housing units.

In our Senior Living Services segment we develop and presently operate 153 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 29, 2000 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 2,099 lodging properties worldwide, with 390,469 rooms as of December 29, 2000. In addition, we provide 6,959 furnished corporate housing units. We believe that our portfolio of 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
- Marriott Conference Centers
- JW Marriott Hotels
- Renaissance Hotels, Resorts and Suites

Luxury Lodging
- Bvlgari Hotels and Resorts/1/
- Ritz-Carlton

Moderate-Priced and Economy Lodging
- Courtyard
- Fairfield Inn
- SpringHill Suites
- Ramada International Hotels, Resorts and Suites (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

/1/ As part of our ongoing strategy to expand our reach through partnerships with preeminent, world-class companies, in early 2001, we announced our plans to launch a joint venture with Bulgari SpA to introduce a distinctive new luxury hotel brand - Bvlgari Hotels and Resorts.

Company-Operated Lodging Properties

At December 29, 2000, we operated a total of 931 properties (231,416 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 lodging facilities 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 review.

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 29, 2000, we had 1,168 franchised properties (159,053 rooms).

Summary of Properties by Brand

As of December 29, 2000 we operated or franchised the following properties by brand (excluding 6,959 corporate housing rental units):

Brand	Company-operated Properties	Company-operated Rooms	Franchised Properties	Franchised Rooms
Marriott Hotels, Resorts and Suites	238	105,396	155	43,825
Ritz-Carlton	38	13,018	-	-
Renaissance Hotels, Resorts and Suites	78	30,133	29	9,995
Ramada International	7	1,325	40	7,870
Residence Inn	139	18,052	215	23,298
Courtyard	280	43,689	240	30,152
TownePlace Suites	31	3,290	53	5,242
Fairfield Inn	52	7,526	387	33,886
SpringHill Suites	12	1,736	49	4,785
Marriott Vacation Club International	47	5,556	-	-
Marriott Executive Apartments and other	9	1,695	-	-
Total	931	231,416	1,168	159,053

We plan to open over 200 hotels (more than 35,000 rooms) during 2001. 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 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 (including JW Marriott Hotels and Marriott Conference Centers) 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. 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 260 suites, each consisting of a living room, bedroom and bathroom. Marriott Suites have limited meeting space. Unless otherwise indicated, references throughout this report to Marriott Hotels, Resorts and Suites include JW Marriott Hotels and Marriott Conference Centers.

JW Marriott Hotels are located in many of the world's major gateway cities in upscale business and resort locations. These 13 hotels cater to discerning upscale travelers seeking a lodging experience of high comfort and prestige. Most JW Marriott Hotels contain 300 to 450 rooms. In addition to the features found in a typical Marriott full-service hotel, the facilities and amenities in the JW Marriott Hotels include valet parking, upgraded in-room amenities, "on-call" housekeeping, upgraded executive business centers and fitness centers/spas, and 24-hour room service.

We operate 13 conference centers (3,154 rooms), 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 fiscal year 2000 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 29, 2000	Hotels	
United States (41 states and the District of Columbia)	270	(111,690 rooms)
Non-U.S. (50 countries and territories)		
Americas (Non-U.S.)	27	
Continental Europe	26	
United Kingdom	37	
Asia	19	
Africa and the Middle East	11	
Australia	3	
Total Non-U.S.	123	(37,531 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 250 to 350 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 29, 2000	Hotels	
United States (12 states and the District of Columbia)	21	(7,611 rooms)
Non-U.S. (15 countries and territories)	17	(5,407 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 29, 2000	Hotels	
United States (19 states and the District of Columbia)	47	(19,475 rooms)
Non-U.S. (26 countries and territories)		
Americas (Non-U.S.)	8	
Continental Europe	16	
United Kingdom	5	
Asia	22	
Africa and the Middle East	8	
Australia	1	
Total Non-U.S.	60	(20,653 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 and Ramada Franchise Canada Limited for the use of the Ramada name in the United States and Canada, respectively. On December 20, 2000 we announced our plans to convert approximately 80 Treff hotels to Ramada-Treff hotels. We also entered into an agreement with Treff hotels for them to develop, over the next five years, ten new Ramada International hotels per year, primarily in Germany and Switzerland.

Ramada International Geographic Distribution at December 29, 2000	Hotels	
Americas (Non-U.S.)	2	
Continental Europe	31	
Asia	10	
Africa and the Middle East	4	
Total (14 countries and territories)	47	(9,195 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 150 rooms, with a mix of studio, one bedroom and two-bedroom 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 29, 2000	Hotels	
United States (46 states and the District of Columbia)	345	(40,115 rooms)
Canada	8	(1,159 rooms)
Mexico	1	(76 rooms)

Courtyard is our moderate-price select-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 29, 2000	Hotels	
United States (44 states and the District of Columbia)	479	(66,750 rooms)
Non-U.S. (9 countries)	41	(7,091 rooms)

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 studio 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 29, 2000, 84 TownePlace Suites (8,532 rooms) were located in 29 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 29, 2000, 439 Fairfield Inns (41,412 rooms) were located in 46 states and the District of Columbia.

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 29, 2000, 61 properties (6,521 rooms) were located in 24 states.

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 2,000 Marriott hotels worldwide.

In 2000, we successfully launched The Ritz-Carlton Club, our luxury vacation timesharing resort, with two premier locations: St Thomas, U.S. Virgin Islands and Aspen, Colorado. We also initiated sales at Horizons by Marriott Vacation Club (Horizons) at a resort in Branson, Missouri and at our flagship resort in Orlando, Florida. Horizons represents our entrance into the moderate tier vacation ownership market.

Marriott Vacation Club International's owner base continues to expand, with 182,000 owners at year end 2000, compared to 140,000 in 1999.

Marriott Vacation Club International (all brands) Geographic Distribution at December 29, 2000	Resorts	Units
Continental United States	40	4,586
Hawaii	2	386
Caribbean	3	285
Europe	2	299
Total	47	5,556

We provide temporary housing (serviced apartments) 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 29, 2000, nine serviced apartment properties (1,695 units), including four Marriott Executive Apartments, were located in five countries and territories. All Marriott Executive Apartments are located outside the United States.

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

Other Activities

Marriott Golf manages 26 golf course facilities for us and for other golf course owners.

We operate 19 systemwide hotel reservation centers, 13 of them in the U.S. and Canada and six 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 property owners.

Competition

We encounter strong competition both as a lodging operator and as a franchisor. There are over 650 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 2000, 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 nearly an eight 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 nine percent share of annual worldwide timesharing sales of about $8 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 30 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 furnishings. 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.

Marriott Rewards is a frequent guest program with a total of over 14 million members, and nine participating Marriott brands. The Marriott Rewards program yields repeat guest business due to rewarding frequent stayers with points toward free hotel stays and other rewards, or airline miles with any of 20 participating airline programs. We believe that Marriott Rewards generates 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.

At December 29, 2000 we operated 153 senior living communities in 30 states.

	Communities	Units (1)
Independent full-service		
- owned	3	1,193
- operated under long-term agreements	42	11,649
	45	12,842
Assisted living		
- owned	46	5,010
- operated under long-term agreements	62	8,066
	108	13,076
Total senior living communities	153	25,918

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

At December 29, 2000, 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 29, 2000, we also operated 108 assisted living senior living communities principally under the names "Brighton Gardens by Marriott," "Village Oaks," and "Marriott MapleRidge." Assisted 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 there are some national providers 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. We have focused on developing relationships with professionals who often refer seniors to senior living communities, such as hospital discharge planners and physicians.

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 89 percent of total sales volume for the year ended December 29, 2000.

MDS operated a nationwide network of 13 distribution centers at December 29, 2000. 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 29, 2000, we had approximately 153,000 employees. Approximately 6,350 employees 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

Certain legal proceedings which were settled during our 2000 fiscal year are described 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 each quarterly period within the last two years are as follows:

		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

		Stock Price						Dividends
		High			Low			Declared Per Share
2000	First Quarter..........	$	34	3/4	$	26	1/8	$ 0.055
	Second Quarter.........		38			29	1/2	0.060
	Third Quarter..........		42	3/8		34	5/8	0.060
	Fourth Quarter.........		43	1/2		34	1/8	0.060

At January 31, 2001, there were 243,655,082 shares of Class A Common Stock outstanding held by 53,053 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 29, 2000.

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				
	2000	1999	1998	1997	1996/1/
	(in millions, except per share data)				
Systemwide Sales/2/	$ 19,781	$ 17,684	$ 16,024	$ 13,196	$ 9,899
Income Statement Data:					
Sales	10,017	8,739	7,968	7,236	5,738
Operating Profit Before Corporate Expenses and Interest	922	830	736	609	508
Net Income	479	400	390	324	270
Per Share Data:					
Diluted Earnings Per Share	1.89	1.51	1.46		
Cash Dividends Declared	.235	.215	.195		
Balance Sheet Data (at end of year):					
Total Assets	8,237	7,324	6,233	5,161	3,756
Long-Term and Convertible Subordinated Debt	2,016	1,676	1,267	422	681
Shareholders' Equity	3,267	2,908	2,570		

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

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 29, 2000, December 31, 1999, and January 1, 1999. 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 franchised properties, in addition to our owned, leased and managed properties. Systemwide statistics are based on comparable worldwide units and reflect the impact of foreign exchange rates.

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.

Consolidated Results

2000 Compared to 1999

Net income increased 20 percent to $479 million and diluted earnings per share advanced 25 percent to $1.89. Profit growth was driven by our strong U.S. lodging operations, lower system-related costs associated with the year 2000 and the impact on the 1999 financial results of a $39 million pretax charge to reflect a litigation settlement. Results were also impacted by a $15 million one-time write-off of a contract investment in our Distribution Services segment in the first quarter of 2000.

Sales increased 15 percent to $10 billion in 2000, reflecting strong revenue resulting from new and established hotels, contributions from established Senior Living communities, as well as new customers in our Distribution Services business. Systemwide sales increased by 12 percent to $19.8 billion in 2000.

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 litigation, 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.

Marriott Lodging

(dollars in millions)	2000	1999	1998	Annual Change 00/99	Annual Change 99/98
Sales	$7,848	$7,041	$6,311	+11%	+12%
Operating profit	936	827	704	+13%	+17%

2000 Compared to 1999

Marriott Lodging reported a 13 percent increase in operating profit on 11 percent higher sales in 2000. Results reflected solid room rate growth at U.S. hotels, and contributions from new properties worldwide. Lodging operating profit in 2000 was attributable to base management fees (28 percent of total), franchise fees (17 percent), land rent and other income (three percent), resort timesharing (15 percent), and incentive management fees and other profit participations (37 percent).

Across our full-service lodging brands (Marriott Hotels, Resorts and Suites, Renaissance Hotels, Resorts and Suites and Ritz-Carlton), REVPAR for comparable company-operated U.S. properties grew by an average of 7.2 percent in 2000. Average room rates for these hotels rose 6.3 percent, while occupancy increased slightly to 77.4 percent. In 2000, as a result of the termination of two Ritz-Carlton management agreements, we wrote off our $3 million investment in these contracts. In addition, due to the bankruptcy of the owner of one hotel, we reserved $6 million of our investment in that management agreement.

Our domestic select-service and extended-stay brands (Residence Inn, Courtyard, Fairfield Inn, TownePlace Suites and SpringHill Suites) added a total of 161 properties (18,870 rooms) and deflagged seven properties (1,500 rooms), primarily franchises, during the 2000 fiscal year. REVPAR for comparable properties increased 5.5 percent.

	Comparable U.S. properties		Comparable Systemwide	
	2000	Change vs. 1999	2000	Change vs. 1999
Marriott Hotels, Resorts and Suites				
Occupancy	78.2%	+0.4% pts.	75.7%	+0.4% pts.
Average daily rate	$ 149.50	+6.2%	$ 136.37	+4.9%
REVPAR	$ 116.95	+6.8%	$ 103.27	+5.5%
Ritz-Carlton				
Occupancy	77.5%	+0.1% pts.	77.5%	+2.0% pts.
Average daily rate	$ 242.26	+9.2%	$ 228.01	+8.9%
REVPAR	$ 187.75	+9.4%	$ 176.75	+11.9%
Renaissance Hotels, Resorts and Suites				
Occupancy	73.3%	+2.0% pts.	70.9%	+2.7% pts.
Average daily rate	$ 142.27	+4.5%	$ 119.95	+3.0%
REVPAR	$ 104.35	+7.5%	$ 85.07	+7.0%
Residence Inn				
Occupancy	83.5%	+0.7% pts.	82.2%	+0.8% pts.
Average daily rate	$ 104.88	+5.1%	$ 102.25	+4.3%
REVPAR	$ 87.61	+6.1%	$ 84.10	+5.3%
Courtyard				
Occupancy	78.9%	- pts.	77.0%	+0.2% pts.
Average daily rate	$ 97.68	+5.7%	$ 93.51	+4.9%
REVPAR	$ 77.05	+5.7%	$ 71.96	+5.1%
Fairfield Inn				
Occupancy	69.7%	-1.0% pts.	69.7%	-1.0% pts.
Average daily rate	$ 61.32	+3.8%	$ 61.32	+3.8%
REVPAR	$ 42.75	+2.4%	$ 42.75	+2.4%

Results for international lodging operations were favorable in 2000, despite a decline in the value of the Euro against the U.S. dollar, reflecting strong demand in the Middle East, Asia, Europe and the Caribbean region.

Marriott Vacation Club International also posted favorable profit growth in 2000, reporting a 34 percent increase in contract sales. The increase in contract sales reflects interest in our newest brands, Horizons by Marriott Vacation Club in Orlando, Florida, and The Ritz-Carlton Club resorts in St. Thomas, U.S. Virgin Islands, and Aspen, Colorado, as well as continued strong demand for our timeshare properties in Hawaii, Aruba and California. The profit growth in 2000 was impacted by a $6 million decline in gains from the sale of notes receivable arising from lower note sale volume. At the end of the year, 24 resorts were in active sales, 23 resorts were sold out and an additional 13 resorts were under development.

The Marketplace by Marriott (Marketplace), our hospitality procurement business, prepared for its launch as an independent company. In January 2001, Marriott and Hyatt Corporation formed a joint venture, Avendra LLC, and we each merged our respective procurement businesses into it. Avendra LLC is an independent professional procurement services company serving the North American hospitality market and related industries. Bass Hotels & Resorts, Inc., ClubCorp USA Inc. and Fairmont Hotels & Resorts, Inc. are expected to join Avendra LLC in 2001.

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. 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 are shown in the following table.

	Comparable U.S. properties		Comparable Systemwide	
	1999	Change vs. 1998	1999	Change vs. 1998
Marriott Hotels, Resorts and Suites				
Occupancy	77.5%	-0.1% pts.	75.6%	+0.8% pts.
Average daily rate	$ 140.86	+3.9%	$ 131.61	+2.3%
REVPAR	$ 109.22	+3.9%	$ 99.55	+3.3%
Ritz-Carlton				
Occupancy	77.8%	+3.4% pts.	76.4%	+3.9% pts.
Average daily rate	$ 219.37	+5.5%	$ 207.28	+4.8%
REVPAR	$ 170.67	+10.3%	$ 158.28	+10.4%
Renaissance Hotels, Resorts and Suites				
Occupancy	70.8%	+0.5% pts.	68.1%	+0.8% pts.
Average daily rate	$ 132.09	+2.1%	$ 115.65	-1.5%
REVPAR	$ 93.54	+2.9%	$ 78.75	-0.4%
Residence Inn				
Occupancy	83.0%	-0.1% pts.	81.9%	-0.1% pts.
Average daily rate	$ 99.03	+0.9%	$ 97.95	+1.7%
REVPAR	$ 82.23	+0.8%	$ 80.20	+1.5%
Courtyard				
Occupancy	79.3%	-0.1% pts.	77.3%	+0.3% pts.
Average daily rate	$ 91.48	+2.8%	$ 88.59	+2.6%
REVPAR	$ 72.53	+2.7%	$ 68.48	+3.0%
Fairfield Inn				
Occupancy	71.0%	-2.2% pts.	71.0%	-2.2% pts.
Average daily rate	$ 58.87	+3.3%	$ 58.76	+3.1%
REVPAR	$ 41.80	+0.1%	$ 41.75	-

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, Florida) for Horizons by Marriott Vacation Club, a new product line targeting the moderate price tier of the timeshare market.

Marriott Senior Living Services

				Annual Change	
(dollars in millions)	2000	1999	1998	00/99	99/98
Sales	$ 669	$ 559	$ 479	+20%	+17%
Operating (loss) profit	(18)	(18)	15	-	n/m

2000 Compared to 1999

Marriott Senior Living Services posted a 20 percent increase in sales in 2000, reflecting the net addition of nine properties during the year and a four percentage point increase in occupancy for comparable communities to 88 percent. Despite the increase in sales, profitability was impacted by start-up inefficiencies for new properties, higher administrative expenses, pre-opening costs for new communities, costs related to debt associated with facilities developed by unaffiliated third parties, and charges associated with our decision to limit new construction until the market improves, resulting in a loss of $18 million.

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.

Marriott Distribution Services

				Annual Change	
(dollars in millions)	2000	1999	1998	00/99	99/98
Sales	$ 1,500	$ 1,139	$ 1,178	+32%	-3%
Operating profit	4	21	17	-81%	+24%

2000 Compared to 1999

Marriott Distribution Services (MDS) posted a 32 percent increase in sales for 2000, reflecting the commencement of service to three large restaurant chains in the year. Operating profit declined $17 million as a result of start-up inefficiencies associated with the new business and a $15 million pretax write-off of an investment in a contract with Boston Chicken, Inc. and its Boston Market-controlled subsidiaries, a major customer that filed for bankruptcy in October 1998. McDonald's Corporation (McDonald's) acquired Boston Market in 2000, and during the first quarter of 2000, MDS entered into an agreement with McDonald's to continue providing distribution services to Boston Market restaurants (refer to the "Intangible Assets" footnote in the financial statements set forth in Part II, Item 8, "Financial Statements and Supplementary Data").

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.

Corporate Expenses, Interest and Taxes

2000 Compared to 1999

Corporate expenses decreased $44 million in 2000 to $120 million primarily due to a $39 million pretax charge in 1999 associated with a litigation settlement and systems-related costs associated with Year 2000 that were incurred in 1999, offset by costs incurred in 2000 associated with new corporate systems and a $3 million charge due to a change in our vacation accrual policy. Interest expense increased $39 million as a result of borrowings to finance growth outlays and share repurchases. Interest income increased $23 million primarily due to the collection of $14 million of interest associated with an international loan that was previously reserved for and increased advances and loan fundings made during 2000. Our effective income tax rate decreased to approximately 36.8 percent in 2000 from 37.3 percent in 1999 primarily due to increased income in countries with lower effective tax rates.

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.

Lodging Development

Marriott Lodging opened 238 properties totaling approximately 40,000 rooms across its brands in 2000, while 19 hotels (approximately 5,400 rooms) exited the system. Highlights of the year included:

- Twenty-two full-service properties (approximately 5,400 rooms) opened outside the United States. These include our first hotels in Romania, Chile and Peru.

- Fifty-five hotels (approximately 11,700 rooms) converted from independent status or competitor chains, including the 782-room Renaissance Hotel in Honolulu, Hawaii, the 577-room Renaissance Hotel in Kissimee, Florida, and the 349-room Renaissance Hotel in Miami Beach, Florida.

- The addition of 161 properties (approximately 18,900 rooms) to our select-service and extended-stay brands.

- The launch of The Ritz-Carlton Club resorts in Aspen, Colorado and St. Thomas, U.S. Virgin Islands, the development of a Horizons by Marriott Vacation Club resort in Branson, Missouri and a new Marriott Vacation Club International resort in Shadow Ridge, California.

At year-end 2000, we had over 400 hotel properties and more than 70,000 rooms under construction or approved for development. We expect to open over 200 hotels and timesharing resorts (more than 35,000 rooms) in 2001. 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

Due to oversupply conditions in some senior housing markets, we decided in 1999 to dramatically slow development of planned communities. Consequently, a number of projects in the early stages of development were postponed or cancelled. Additional projects were cancelled in the second and fourth quarters of 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 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 $850 million in 2000, $711 million in 1999, and $605 million in 1998. Net income is stated after depreciation expense of $123 million in 2000, $96 million in 1999, and $76 million in 1998, and after amortization expense of $72 million in 2000, $66 million in 1999 and $64 million in 1998. 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 $1,052 million in 2000 compared to $860 million in 1999, and $802 million in 1998, and has grown at a 19 percent compounded 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, one should not consider EBITDA an alternative to net income, operating profit, cash flows from operations, or any other operating or liquidity measure prescribed by accounting principles generally accepted in the United States.

A substantial portion of our EBITDA is based on fixed dollar amounts or percentages of sales. These include lodging base management fees, 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 .74 at December 29, 2000, compared to .92 at December 31, 1999. Each of our businesses minimizes working capital through cash management, 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.

Dispositions. Asset sales generated proceeds of $742 million in 2000, $436 million in 1999 and $332 million in 1998. Proceeds in 2000 are net of $79 million of financing and joint venture investments made by us in connection with the sales transactions. In 2000 we closed on the sales of 23 hotels and 15 senior living communities, which we continue to operate under long-term operating agreements. Subsequent to year-end, we closed on five hotels for $221 million.

Capital Expenditures and Other Investments. Capital expenditures of $1,095 million in 2000, $929 million in 1999 and $937 million in 1998, included development and construction of new hotels and senior living communities and acquisitions of hotel properties. 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.

On February 23, 2000, we entered into an agreement to resolve litigation involving certain limited partnerships formed in the mid- to late 1980s. Under the agreement, we paid $31 million to partners in four limited partnerships and acquired, through an unconsolidated joint venture (the Courtyard Joint Venture) with affiliates of Host Marriott Corporation (Host Marriott), substantially all of the limited partners' interests in two other limited partnerships, Courtyard by Marriott Limited Partnership (CBM I) and Courtyard by Marriott II Limited Partnership (CBM II). These partnerships own 120 Courtyard by Marriott hotels. The Courtyard Joint Venture was financed with equity contributed in equal shares by us and affiliates of Host Marriott and approximately $200 million in mezzanine debt provided by us. Our total investment in the joint venture, including mezzanine debt, is approximately $300 million.

We have made loans to owners of hotels and senior living communities that we operate or franchise. Loans outstanding under this program totaled $592 million at December 29, 2000, including the mezzanine debt related to the Courtyard Joint Venture, $295 million at December 31, 1999, and $213 million at January 1, 1999. Unfunded commitments aggregating $829 million were outstanding at December 29, 2000, of which $332 million are expected to be funded in 2001 and $573 million are expected to be funded in total. 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 that we operate or franchise.

Cash From Financing Activities

Long-term debt increased by $340 million in 2000 and $409 million in 1999, primarily to finance our capital expenditure and share repurchase programs.

Our financial objectives include diversifying our financing sources, optimizing the mix and maturity of our long-term debt and reducing our working capital. At year-end 2000, our long-term debt (including commercial paper borrowings of $827 million) had an average interest rate of 6.8 percent and an average maturity of approximately 4.7 years. The ratio of fixed rate long-term debt to total long-term debt was .59 as of December 29, 2000.

In April 1999, January 2000 and January 2001, we filed "universal shelf" registration statements with the Securities and Exchange Commission in the amounts of $500 million, $300 million and $300 million, respectively. As of January 30, 2001, we had offered and sold to the public $600 million of debt securities under these registration statements, leaving a balance of $500 million available for future offerings.

In January 2001, we issued, through a private placement, $300 million of seven percent senior unsecured notes due 2008, and received net proceeds of $297 million. We have agreed to promptly make and complete a registered exchange offer for these notes and, if required, to implement a resale shelf registration statement. If we fail to do so on a timely basis, we will pay additional interest to the holders of these notes.

We have entered into revolving credit agreements that provide for borrowings of $1.5 billion expiring in March 2003, and $500 million expiring in February 2004. Loans of $26 million were outstanding at December 29, 2000, under these facilities, which support our commercial paper program and letters of credit. We had $1.1 billion of unused revolving credit available under these facilities as of December 29, 2000. 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 our predecessor company (Sodexho Marriott Services, Inc.).

We determine our debt capacity based on the amount and variability of our cash flows. EBITDA coverage of gross interest cost was 6.9 times in 2000, and cash flow requirements under our loan agreements were exceeded by a substantial margin. At December 29, 2000, we had public debt ratings of BBB+ and Baa1 from Standard and Poor's and Moody's, respectively.

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 2000 at an average price of $31 per share, and 10.8 million shares in 1999 at an average price of $33 per share. As of December 29, 2000, we had been authorized by our Board of Directors to repurchase an additional 19.6 million shares.

Dividends. In August 2000, our Board of Directors increased the quarterly cash dividend by nine percent to $.06 per share.

Other Matters

Einstein/Noah Bagel Corporation

In 1996, MDS became the exclusive provider of distribution services to Einstein/Noah Bagel Corp. (ENBC), which operates over 490 bagel shops in 29 states and the District of Columbia. In March 2000, ENBC disclosed that its independent auditors had expressed substantial doubt about ENBC's ability to continue as a going concern, due to its inability to meet certain financial obligations. On April 27, 2000, ENBC and its majority-owned operating subsidiary filed voluntary bankruptcy petitions for protection under Chapter 11 of the Federal Bankruptcy code in the U.S. Bankruptcy Court for the District of Arizona in Phoenix. On April 28, 2000, the bankruptcy court approved a $31 million debtor-in-possession credit facility to allow for operation of the companies during reorganization, and also approved the payment in the ordinary course of business of prepetition trade creditor claims, including those of MDS, subject to recovery by the debtors under certain circumstances. On July 27, 2000, the Bankruptcy Court entered an order approving ENBC's assumption of the MDS contract. MDS continues to distribute to ENBC and has been receiving full payment in accordance with the terms of its contractual agreement. If ENBC were to cease or substantially reduce its operations, MDS may be unable to recover some or all of an aggregate of approximately $5 million in contract investment and $13 million in receivables and inventory.

Inflation

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

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 December 31, 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 29, 2000 and December 31, 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 29, 2000, and December 31, 1999, a hypothetical immediate one percentage point change in interest rates would change the fair value of our long-term fixed rate debt by $50 million and $41 million, respectively, and would change the fair value of long-term fixed rate notes receivable by $22 million and $5 million, respectively.

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 two months of year-end. Based on the balances of commercial paper outstanding at December 29, 2000, and December 31, 1999, a hypothetical one percentage point change in interest rates would change interest by $8 million for both periods, on an annualized basis.

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. and subsidiaries as of December 29, 2000 and December 31, 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 29, 2000 and the consolidated statement of shareholders' equity for each of the two fiscal years ended December 29, 2000 and the period from March 27, 1998 to January 1, 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 auditing standards generally accepted in the United States. 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 financial statements referred to above present fairly, in all material respects, the financial position of Marriott International, Inc. and subsidiaries as of December 29, 2000 and December 31, 1999, and the results of their operations and their cash flows for each of the three fiscal years in the period ended December 29, 2000 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Vienna, Virginia
January 30, 2001

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF INCOME
Fiscal Years Ended December 29, 2000, December 31, 1999 and January 1, 1999
($ in millions, except per share amounts)

	2000	1999	1998
SALES	$ 10,017	$ 8,739	$ 7,968
OPERATING COSTS AND EXPENSES	9,095	7,909	7,232
OPERATING PROFIT BEFORE CORPORATE EXPENSES AND INTEREST	922	830	736
Corporate expenses	(120)	(164)	(110)
Interest expense	(100)	(61)	(30)
Interest income	55	32	36
INCOME BEFORE INCOME TAXES	757	637	632
Provision for income taxes	278	237	242
NET INCOME	$ 479	$ 400	$ 390
Basic Earnings Per Share	$ 1.99	$ 1.62	$ 1.56
Diluted Earnings Per Share	$ 1.89	$ 1.51	$ 1.46

See Notes To Consolidated Financial Statements

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEET
December 29, 2000 and December 31, 1999
($ in millions)

	December 29, 2000	December 31, 1999
ASSETS		
Current assets		
Cash and equivalents	$ 334	$ 489
Accounts and notes receivable	728	740
Inventories, at lower of average cost or market	97	93
Prepaid taxes	197	220
Other	59	58
	1,415	1,600
Property and equipment	3,241	2,845
Intangible assets	1,833	1,820
Investments in affiliates	747	294
Notes and other receivables	661	473
Other	340	292
	$ 8,237	$ 7,324
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 660	$ 628
Accrued payroll and benefits	440	399
Self-insurance	27	36
Other payables and accruals	790	680
	1,917	1,743
Long-term debt	2,016	1,676
Self-insurance	122	142
Other long-term liabilities	915	855
Shareholders' equity		
ESOP preferred stock	-	-
Class A common stock, 255.6 million shares issued	3	3
Additional paid-in capital	3,590	2,738
Retained earnings	851	508
Unearned ESOP shares	(679)	-
Treasury stock, at cost	(454)	(305)
Accumulated other comprehensive income	(44)	(36)
	3,267	2,908
	$ 8,237	$ 7,324

See Notes To Consolidated Financial Statements

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Fiscal Years Ended December 29, 2000, December 31, 1999 and January 1, 1999
($ in millions)

	2000	1999	1998
OPERATING ACTIVITIES			
Net income	$ 479	$ 400	$ 390
Adjustments to reconcile to cash provided by operations:			
Depreciation and amortization	195	162	140
Income taxes	133	87	76
Timeshare activity, net	(195)	(102)	28
Other	48	19	(22)
Working capital changes:			
Accounts receivable	(53)	(126)	(104)
Inventories	(4)	(17)	15
Other current assets	28	(38)	(16)
Accounts payable and accruals	219	326	98
Cash provided by operations	850	711	605
INVESTING ACTIVITIES			
Capital expenditures	(1,095)	(929)	(937)
Acquisitions	-	(61)	(48)
Dispositions	742	436	332
Loan advances	(389)	(144)	(48)
Loan collections and sales	93	54	169
Other	(377)	(143)	(192)
Cash used in investing activities	(1,026)	(787)	(724)
FINANCING ACTIVITIES			
Commercial paper, net	46	355	426
Issuance of long-term debt	338	366	868
Repayment of long-term debt	(26)	(63)	(473)
Redemption of convertible subordinated debt	-	(120)	-
Issuance of Class A common stock	58	43	15
Dividends paid	(55)	(52)	(37)
Purchase of treasury stock	(340)	(354)	(398)
Advances to Old Marriott	-	-	(100)
Cash provided by financing activities	21	175	301
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(155)	99	182
CASH AND EQUIVALENTS, beginning of year	489	390	208
CASH AND EQUIVALENTS, end of year	$ 334	$ 489	$ 390

See Notes To Consolidated Financial Statements

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Fiscal Years Ended December 29, 2000, December 31, 1999 and January 1, 1999
($ in millions)

	2000	1999	1998
Net income	$ 479	$ 400	$ 390
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(10)	(18)	(3)
Other	2	(2)	6
Total other comprehensive (loss) income	(8)	(20)	3
Comprehensive income	$ 471	$ 380	$ 393

See Notes To Consolidated Financial Statements

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Period From March 27, 1998 to December 29, 2000
(in millions, except per share amounts)

Common shares outstanding		Class A common stock	Additional paid-in capital	Retained earnings	Unearned ESOP shares	Treasury stock, at cost	Acumulated 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)
-	Net income........................	-	-	479	-	-	-
-	Dividends ($.235 per share).......	-	-	(56)	-	-	-
5.5	Employee stock plan issuance and other.........................	-	852	(80)	(679)	186	(8)
(10.8)	Purchase of treasury stock........	-	-	-	-	(335)	-
241.0	Balance at December 29, 2000......	$ 3	$ 3,590	$ 851	$ (679)	$ (454)	$ (44)

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).

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 $350 million in 2000, $435 million in 1999 and $434 million in 1998, 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 accounting principles generally accepted in the United States 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 prior year amounts have been reclassified to conform to the 2000 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, incentive fees and franchise fees received from third party owners of lodging properties and senior living communities. We recognize base fees and reimbursed costs as revenue when earned in accordance with the contract. In accordance with Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements," base fees and incentive management fees are accrued as earned based on the profitability of the hotel, subject to the specific terms of each individual contract.

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 from profit sharing of $55 million in 2000, $46 million in 1999 and $45 million in 1998.

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 $554 million at December 29, 2000, and $433 million at December 31, 1999, of which $310 million and $289 million, respectively, are 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 Financial Accounting Standard (FAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," which will not have a material effect on our consolidated financial statements, in the first quarter of 2001.

In the fourth quarter of 2000, we adopted SAB No. 101. The implementation of SAB No. 101 did not have a material impact on annual or quarterly earnings.

In the fourth quarter of 2000, we adopted FAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The implementation of FAS No. 140 resulted in increased footnote disclosures, but did not have an effect on our consolidated financial statements.

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 subsidiaries of 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 these Crestline subsidiaries. The lodging agreements now provide for us to manage the Marriott hotels, Ritz-Carlton hotels, Courtyard hotels and Residence Inn hotels leased by the lessee. Our consent is required for the lessee to take certain major actions relating to leased properties that we manage. Effective as of January 1, 2001, a Host Marriott taxable subsidiary acquired the lessee entities for the full-service hotels in the United States and took an assignment of the lessee entities' interests in the leases for the hotels in Canada.

We recognized sales of $2,746 million, $2,553 million and $2,144 million and operating profit before corporate expenses and interest of $235 million, $221 million and $197 million during 2000, 1999 and 1998, 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 $622 million, $562 million and $712 million and operating profit before corporate expenses and interest of $72 million, $64 million and $83 million in 2000, 1999 and 1998, 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 $26 million in 2000 and $24 million in both 1999 and 1998.

In December 2000, we acquired, through an unconsolidated joint venture (the Courtyard Joint Venture) with an affiliate of Host Marriott, 120 Courtyard by Marriott hotels. Prior to the formation of the Courtyard Joint Venture, Host Marriott was a general partner in the unconsolidated partnerships that owned the 120 Courtyard by Marriott hotels. Included above in amounts recognized from lodging properties owned by unconsolidated partnerships are sales of $345 million, $334 million and $295 million, operating profit before corporate expenses and interest of $53 million, $50 million and $53 million and land rent income of $19 million in 2000 and $18 million in both 1999 and 1998, related to the 120 Courtyard by Marriott hotels.

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 in the future. The outstanding principal balance of these loans was $9 million and $11 million at December 29, 2000, and at December 31, 1999, respectively, and we recognized $1 million, $1 million and $5 million in 2000, 1999 and 1998, 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 $12 million at December 29, 2000. 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 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 29, 2000. 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 $185 million, $177 million and $173 million and operating profit before corporate expenses and interest of $3 million, $3 million and $5 million under these agreements during 2000, 1999 and 1998, respectively.

We are party to management agreements with entities owned by or affiliated with another hotel owner which provide for us to manage hotel properties owned or leased by those entities. We recognized sales of $557 million, $531 million and $560 million during 2000, 1999, and 1998, respectively, from these properties.

PROPERTY AND EQUIPMENT

	2000	1999
	($ in millions)	
Land	$ 597	$ 658
Buildings and leasehold improvements	1,240	1,075
Furniture and equipment	647	523
Timeshare properties	914	587
Construction in progress	349	429
	3,747	3,272
Accumulated depreciation and amortization	(506)	(427)
	$ 3,241	$ 2,845

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 $52 million in 2000, $33 million in 1999 and $21 million in 1998. 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 (three to 40 years). 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, L.L.C.

In 1995, we acquired a 49 percent beneficial ownership interest in The Ritz-Carlton Hotel Company, L.L.C., 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, L.L.C. 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, L.L.C. using the equity method of accounting.

Dispositions

In the fourth quarter of 2000 we sold land, at book value, for $46 million to a joint venture in which we hold a minority interest. The joint venture plans to build a resort hotel, which will be partially funded with up to $92 million of mezzanine financing to be provided by us. We have also provided the joint venture with a $45 million senior debt service guarantee.

In 2000, we sold and leased back, under long-term, limited-recourse leases, three lodging properties and one senior living community for an aggregate purchase price of $118 million. We agreed to pay a security deposit of $3 million for the lodging properties, which will be refunded at the end of the leases. The sales price exceeded the net book value by $4 million, which is being recognized as a reduction of rent expense over the 15-year initial lease terms.

In 2000, we agreed to sell 23 lodging properties for $519 million in cash. We will continue to operate the hotels under long-term management agreements. As of December 29, 2000, sales of 17 of those properties had been completed for $461 million, resulting in pretax gains of $27 million. We recognized $9 million of the net gains in 2000, and will recognize the remainder in subsequent years provided certain contingencies in the sales contracts expire. Unaffiliated third-party tenants will lease 13 of the properties from the buyers. In 2000, one of these tenants replaced us as the tenant on nine other properties sold and leased back by us in 1997 and 1998. We now manage these nine previously leased properties under long-term management agreements, and gains on the sale of these properties of $15 million were recognized as our leases were cancelled throughout 2000. In connection with the sale of four of the properties, we provided $39 million of mezzanine funding and agreed to provide the buyer with up to $161 million of additional loans to finance future acquisitions of Marriott-branded hotels. We also acquired a minority interest in the joint venture that purchased the four hotels.

On April 28, 2000, we sold 14 senior living communities for cash proceeds of $194 million. We simultaneously entered into long-term management agreements for the communities with a third-party tenant, which leases the communities from the buyer. In connection with the sale we provided a credit facility to the buyer to be used, if necessary, to meet its debt service requirements. The buyer's obligation to repay us under the facility is guaranteed by an unaffiliated third party. We also extended a limited credit facility to the tenant to cover operating shortfalls, if any.

In 1999, we 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.

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 29, 2000, all of the properties had been sold, resulting in a sales price that exceeded the net book value by $4 million, which we will recognize as a reduction of rent expense over the 15-year initial lease terms. We can renew the leases on all four hotels at our option.

During 1999, we sold four hotels and three senior living communities for $55 million and $52 million, respectively, resulting in pretax gains of $10 million. We recognized $2 million of the gain in both 2000 and 1999, and the balance will be recognized provided certain contingencies in the sales contracts expire. We operate these hotels under long-term management agreements.

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 that 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 $8 million, $21 million and $12 million of these gains in 2000, 1999 and 1998, respectively. The balance will be recognized provided certain contingencies in the sales contracts expire.

ASSET SECURITIZATIONS

We periodically sell, with limited recourse, through qualified special purpose entities ("SPEs"), notes receivable originated by Marriott Vacation Club International in connection with the sale of timeshare intervals. We continue to service the notes and transfer all proceeds collected to the SPEs. We retain servicing assets and beneficial interests in the securitizations in the form of interest-only strips. The beneficial interests are limited to the present value of cash available after paying financing expenses, program fees, and absorbing credit losses. Gains from the sales of notes receivable totaled $22 million in 2000, $29 million in 1999, and $26 million in 1998.

At the date of securitization and at the end of each reporting period, we estimate the fair value of the interest-only strips and servicing assets using a discounted cash flow model. These transactions utilize interest rate swaps to protect the net interest margin associated with the beneficial interest, and the interest-only strips are treated as "Available for Sale" securities under the provisions of FAS No. 115, with changes in fair values reported through other comprehensive income in the accompanying consolidated balance sheet. The key assumptions used in measuring the fair value of the interest-only strips at the time of securitization and at the end of each reporting period during the year ended December 29, 2000, were as follows: average discount rate of 7.82 percent; average expected annual prepayments, including defaults, of 12.72 percent; and expected weighted average life of prepayable notes receivable of 86 months. Our key assumptions are based on experience. To date, actual results have not materially affected the carrying value of the beneficial interests.

Cash flows between us and third-party purchasers during the year ended December 29, 2000, were as follows: net proceeds to us from new securitizations of $144 million, repurchases by us of delinquent loans (over 150 days overdue) of $12 million, servicing fees received by us of $2 million and cash flows received on retained interests of $18 million.

On December 12, 2000, we repurchased notes receivable with a principal balance of $359 million and immediately sold those notes, along with $19 million of additional notes, in a $378 million securitization to an investor group. Net proceeds from these transactions of $9 million are included in the net proceeds from securitizations of $144 million disclosed above. We realized a gain of $3 million, primarily associated with the $19 million of additional notes sold, which is included in the $22 million gain on the sales of notes receivable for fiscal year 2000 disclosed above.

At December 29, 2000, $439 million of principal remains outstanding in all securitizations in which we have a retained interest-only strip. Delinquencies of more than 90 days at December 29, 2000, amounted to $1 million. Loans repurchased by the Company, net of obligors subsequently curing delinquencies, during the year ended December 29, 2000, amounted to $7 million. We have been able to resell timeshare units underlying repurchased loans without incurring material losses.

We have completed a stress test on the net present value of the interest-only strips and the servicing assets with the objective of measuring the change in value associated with independent changes in individual key variables. The methodology used applied unfavorable changes that would be considered statistically significant for the key variables of prepayment rate, discount rate, and weighted average remaining term. The net present value of the interest-only strips and servicing assets was $72 million at December 29, 2000, before any stress test changes were applied. An increase of 100 basis points in the prepayment rate would decrease the year-end valuation by

$2 million, or two percent, and an increase of 200 basis points in the prepayment rate would decrease the year-end valuation by $3 million, or four percent. An increase of 100 basis points in the discount rate would decrease the year-end valuation by $1 million, or two percent, and an increase of 200 basis points in the discount rate would decrease the year-end valuation by $3 million, or four percent. A decline of two months in the weighted average remaining term would decrease the year-end valuation by $1 million, or two percent, and a decline of four months in the weighted average remaining term would decrease the year-end valuation by $2 million, or four percent.

INTANGIBLE ASSETS

	2000	1999
	($ in millions)	
Management, franchise and license agreements	$ 861	$ 771
Goodwill	1,245	1,246
Other	7	23
	2,113	2,040
Accumulated amortization	(280)	(220)
	$ 1,833	$ 1,820

We amortize intangible assets on a straight-line basis over periods of three to 40 years. Intangible amortization expense totaled $64 million in 2000, $62 million in 1999 and $54 million in 1998.

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). 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 pending BCI plan of reorganization, including Court approval. In March 2000, MDS entered into an agreement with McDonald's providing for continuation of distribution services to Boston Market restaurants. Because the existing distribution contract was terminated upon confirmation of the pending reorganization, MDS wrote off the unamortized balance of the existing investment, resulting in a $15 million pretax charge in the first quarter of 2000. In June 2000, McDonald's completed its acquisition of Boston Market. MDS is now providing distribution services under the new contract with McDonald's.

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 1/1000th 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 10 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 29, 2000, we had been authorized by our Board of Directors to repurchase an additional 19.6 million shares of our Class A Common Stock.

During the second quarter of 2000 we established an employee stock ownership plan (the ESOP) solely to fund employer contributions to the profit sharing plan. The ESOP acquired 100,000 shares of special-purpose Company convertible preferred stock (ESOP Preferred Stock) for $1 billion. The ESOP Preferred Stock has a stated value and liquidation preference of $10,000 per share, pays a quarterly dividend of one percent of the stated value, and is convertible into our Class A Common Stock at any time based on the amount of our contributions to the ESOP and the market price of the common stock on the conversion date, subject to certain caps and a floor price. We hold a note from the ESOP, which is eliminated upon consolidation, for the purchase price of the ESOP Preferred Stock. The shares of ESOP Preferred Stock are pledged as collateral for the repayment of the ESOP's note, and those shares are released from the pledge as principal on the note is repaid. Shares of ESOP Preferred Stock released from the pledge may be redeemed for cash based on the value of the common stock into which those shares may be converted. Principal and interest payments on the ESOP's debt are expected to be forgiven periodically to fund contributions to the ESOP and release shares of ESOP Preferred Stock. Unearned ESOP shares are reflected within shareholders' equity and are amortized as shares of ESOP Preferred Stock are released and cash is allocated to employees' accounts.

INCOME TAXES

Total deferred tax assets and liabilities as of December 29, 2000, and December 31, 1999, were as follows:

	2000	1999
	($ in millions)	
Deferred tax assets	$ 471	$ 424
Deferred tax liabilities	(399)	(340)
Net deferred taxes	$ 72	$ 84

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 29, 2000, and December 31, 1999, were as follows:

	2000	1999
	($ in millions)	
Self-insurance	$ 65	$ 74
Employee benefits	169	151
Deferred income	45	51
Other reserves	13	32
Frequent guest program	65	44
Timeshare operations	(21)	(10)
Property, equipment and intangible assets	(213)	(231)
Other, net	(51)	(27)
Net deferred taxes	$ 72	$ 84

At December 29, 2000, we had approximately $26 million of tax credits that expire through 2020.

We have made no provision for U.S. income taxes, or additional foreign taxes, on the cumulative unremitted earnings of non-U.S. subsidiaries ($186 million as of December 29, 2000) 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 that might be payable on the unremitted earnings.

The provision for income taxes consists of:

	2000	1999	1998
		($ in millions)	
Current - Federal	$ 216	$ 117	$ 164
- State	28	26	35
- Foreign	26	24	18
	270	167	217
Deferred - Federal	(2)	58	25
- State	10	12	1
- Foreign	-	-	(1)
	8	70	25
	$ 278	$ 237	$ 242

The current tax provision does not reflect the benefits attributable to us relating to our ESOP of $109 million in 2000 or the exercise of employee stock options of $42 million in 2000, $44 million in 1999 and $39 million in 1998. 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:

	2000	1999	1998
U.S. statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of U.S. tax benefit	3.6	3.9	4.1
Foreign income	(1.4)	(0.3)	0.7
Corporate-owned life insurance	-	-	(0.3)
Tax credits	(3.1)	(5.4)	(4.2)
Goodwill amortization	1.6	1.8	1.6
Other, net	1.1	2.3	1.4
Effective rate	36.8%	37.3%	38.3%

Cash paid for income taxes, net of refunds, was $145 million in 2000, $150 million in 1999 and $164 million in 1998.

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 29, 2000, are summarized below:

Fiscal Year	($ in millions)
2001	$ 176
2002	174
2003	168
2004	165
2005	163
Thereafter	1,914
Total minimum lease payments	$ 2,760

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 $1,399 million representing obligations of consolidated subsidiaries that are non-recourse to Marriott International, Inc.

Rent expense consists of:

	2000	1999	1998
		($ in millions)	
Minimum rentals	$ 149	$ 158	$ 138
Additional rentals	97	102	101
	$ 246	$ 260	$ 239

LONG-TERM DEBT

Our long-term debt at December 29, 2000, and December 31, 1999, consisted of the following:

	2000	1999
	($ in millions)	
Senior notes, average interest rate of 6.9% at December 29, 2000, maturing through 2009	$ 1,001	$ 701
Commercial paper, interest rate of 7.3% at December 29, 2000	827	781
Endowment deposits (non-interest bearing)	108	111
Other	122	101
	2,058	1,694
Less current portion	(42)	(18)
	$ 2,016	$ 1,676

The debt is unsecured with the exception of $15 million, which is secured by real estate.

In April 1999, January 2000 and January 2001, we filed "universal shelf" registration statements with the Securities and Exchange Commission in the amount of $500 million, $300 million and $300 million, respectively. As of January 30, 2001, we had offered and sold to the public $600 million of debt securities under these registration statements, leaving a balance of $500 million available for future offerings.

In January 2001, we issued, through a private placement, $300 million of seven percent Series E Notes due 2008, and received net proceeds of $297 million. We have agreed to promptly make and complete a registered exchange offer for these notes and, if required, to implement a resale shelf registration statement. If we fail to do so on a timely basis, we will pay additional interest to the holders of these notes.

In March 2000, we sold $300 million principal amount of 8-1/8 percent Series D Notes, which mature in 2005, in a public offering made under our shelf registration statements. We received net proceeds of approximately $298 million from the offering, after paying underwriting discounts, commissions and offering expenses.

In September 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 November 1998, we sold, 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 2000 statement of cash flows excludes $79 million of financing and joint venture investments made by us in connection with asset sales. 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, L.L.C., and $12 million of long-term debt assumed in 1998.

Aggregate debt maturities are: 2001 - $42 million; 2002 - $14 million; 2003 - $834 million; 2004 - $220 million; 2005 - $515 million; and $433 million thereafter.

Cash paid for interest was $125 million in 2000, $63 million in 1999 and $23 million in 1998.

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.

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).

	2000	1999	1998
Computation of Basic Earnings Per Share			
Net income	$ 479	$ 400	$ 390
Weighted average shares outstanding	241.0	247.5	249.8
Basic Earnings Per Share	$ 1.99	$ 1.62	$ 1.56
Computation of Diluted Earnings Per Share			
Net income	$ 479	$ 400	$ 390
After-tax interest expense on convertible subordinated debt	-	7	8
Net income for diluted earnings per share	$ 479	$ 407	$ 398
Weighted average shares outstanding	241.0	247.5	249.8
Effect of Dilutive Securities			
Employee stock purchase plan	0.1	0.2	-
Employee stock option plan	7.5	8.7	8.1
Deferred stock incentive plan	5.4	5.4	5.7
Convertible subordinated debt	-	8.0	9.5
Shares for diluted earnings per share	254.0	269.8	273.1
Diluted Earnings Per Share	$ 1.89	$ 1.51	$ 1.46

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

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 granted 0.9 million deferred shares during 2000. Compensation cost recognized during 2000, 1999 and 1998 was $18 million, $15 million and $12 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 2000. We recognized compensation cost of $4 million, $4 million and $3 million in 2000, 1999 and 1998, 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 10 years after the date of grant, except those issued from 1990 through 2000, which expire 15 years after the date of the 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 2000, 1999 or 1998 and 1.9 million remained outstanding at December 29, 2000. The annual grant of options under the Comprehensive Plan, which occurred in November 1999 and previous years, was moved to February, commencing in 2001.

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 2000, 1999 and 1998 was $15, $14 and $11, 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:

	2000	1999	1998
Annual dividends	$ .24	$ .22	$ .20
Expected volatility	30%	29%	28%
Risk-free interest rate	5.8%	6.7%	5.8%
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):

	2000	1999	1998
Net income as reported	$ 479	$ 400	$ 390
Pro forma net income	$ 435	$ 364	$ 366
Diluted earnings per share as reported	$ 1.89	$ 1.51	$ 1.46
Pro forma diluted earnings per share	$ 1.71	$ 1.38	$ 1.38

A summary of our Stock Option Program activity during 2000, 1999 and 1998 is presented below:

	Number of options (in millions)	Weighted average exercise price
Outstanding at March 27, 1998	-	$ -
New awards at the Spinoff	27.3	16
Granted during the year	6.4	28
Exercised during the year	(1.5)	11
Forfeited during the year	(0.7)	20
Outstanding at January 1, 1999	31.5	19
Granted during the year	6.9	33
Exercised during the year	(4.2)	12
Forfeited during the year	(0.4)	30
Outstanding at December 31, 1999	33.8	22
Granted during the year	0.6	36
Exercised during the year	(3.9)	16
Forfeited during the year	(0.5)	32
Outstanding at December 29, 2000	30.0	$ 23

There were 20.5 million, 19.3 million and 19.1 million exercisable options under the Stock Option Program at December 29, 2000, December 31, 1999, and January 1, 1999, respectively, with weighted average exercise prices of $19, $16 and $13, respectively.

At December 29, 2000, 59.4 million shares were reserved under the Comprehensive Plan (including 30.0 million shares under the Stock Option Program and 1.9 million shares of the Supplemental Executive Stock Option awards) and 3.0 million shares were reserved under the Stock Purchase Plan.

Stock options issued under the Stock Option Program outstanding at December 29, 2000, 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	2.7	6	$ 5	2.7	$ 5
6 to 9	1.8	7	7	1.8	7
10 to 15	3.8	9	13	3.9	13
16 to 24	3.7	10	20	3.7	20
25 to 37	17.8	13	31	8.4	30
38 to 43	0.2	15	41	-	42
$ 3 to 43	30.0	11	$ 23	20.5	$ 19

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.

	2000		1999	
	Carrying amount	Fair value	Carrying amount	Fair value
	($ in millions)		($ in millions)	
Notes and other receivables..................	$ 1,180	$ 1,206	$ 708	$ 720
Long-term debt and other long-term liabilities...............................	1,998	1,974	1,646	1,568

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 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 and other transactions. These guarantees were limited, in the aggregate, to $256 million at December 29, 2000, including guarantees involving major customers, with minimal expected funding. In addition, we have made physical completion guarantees relating to two hotel properties with minimal expected funding. As of December 29, 2000, we had extended approximately $829 million of loan commitments to owners of lodging and senior living communities under which we expect to fund approximately $332 million by December 28, 2001, and $573 million in total. Letters of credit outstanding on our behalf at December 29, 2000, totaled $73 million, the majority of which related to our self-insurance programs. At December 29, 2000, we had repurchase obligations of $41 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 the litigation described below involving certain limited partnerships formed in the mid- to late 1980s. 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). The agreement was amended on September 23, 2000, to increase the amount that CBM I settlement class members were to receive after deduction of court-awarded attorneys' fees and expenses and to provide that the defendants, including the Company, would pay a portion of the attorneys' fees and expenses of the CBM I settlement class.

Under the agreement, we acquired, through an unconsolidated joint venture with affiliates of Host Marriott Corporation (Host Marriott), substantially all of the limited partners' interests in CBM I and CBM II. These partnerships own 120 Courtyard by Marriott hotels. We continue to manage the 120 hotels under long-term agreements. The joint venture was financed with equity contributed in equal shares by us and an affiliate of Host Marriott and approximately $200 million in mezzanine debt provided by us. Our total investment in the joint venture, including the mezzanine debt, is approximately $300 million. Final court approval of the CBM I and CBM II settlements was granted on October 24, 2000, and became effective on December 8, 2000.

The agreement also provided for the resolution of litigation with respect to four other limited partnerships. On September 28, 2000, the court entered a final order with respect to those partnerships, and on that same date, we and Host Marriott each paid into escrow approximately $31 million for payment 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 was included in corporate expenses in the fourth quarter of 1999, to reflect the settlement transactions.

Courtyard by Marriott II Limited Partnership Litigation

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 of a number of limited partnership units, through various of its funds, 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 was 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. The lawsuit was dismissed as part of the settlement described above.

Texas Multi-Partnership Lawsuits

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., Case No. 98-CI-04092, 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 alleged 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. were among the several named defendants. This lawsuit was resolved as part of the settlement described above.

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.

	2000	1999	1998
		($ in millions)	
Sales			
Lodging	$ 7,848	$ 7,041	$ 6,311
Senior Living Services	669	559	479
Distribution Services	1,500	1,139	1,178
	$ 10,017	$ 8,739	$ 7,968
Operating profit (loss) before corporate expenses and interest			
Lodging	$ 936	$ 827	$ 704
Senior Living Services	(18)	(18)	15
Distribution Services	4	21	17
	$ 922	$ 830	$ 736
Depreciation and amortization			
Lodging	$ 131	$ 108	$ 99
Senior Living Services	28	21	19
Distribution Services	6	6	6
Corporate	30	27	16
	$ 195	$ 162	$ 140
Assets			
Lodging	$ 6,481	$ 5,159	$ 4,285
Senior Living Services	784	980	905
Distribution Services	194	187	179
Corporate	778	998	864
	$ 8,237	$ 7,324	$ 6,233
Capital expenditures			
Lodging	$ 965	$ 519	$ 562
Senior Living Services	76	301	329
Distribution Services	6	3	2
Corporate	48	106	44
	$ 1,095	$ 929	$ 937

Sales for Distribution Services exclude sales (made at market terms and conditions) to other segments of $176 million, $166 million and $155 million in 2000, 1999 and 1998, respectively.

Segment operating expenses include selling, general and administrative expenses directly related to the operations of the businesses, aggregating $682 million in 2000, $592 million in 1999 and $496 million in 1998.

The consolidated financial statements include the following related to international operations: sales of $455 million in 2000, $392 million in 1999 and $323 million in 1998; operating profit before corporate expenses and interest of $73 million in 2000, $66 million in 1999 and $49 million in 1998; and fixed assets of $241 million in 2000, $137 million in 1999 and $102 million in 1998.

QUARTERLY FINANCIAL DATA - UNAUDITED

($ in millions, except per share data)

	2000/1/				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Systemwide sales/2/	$ 4,259	$ 4,800	$ 4,483	$ 6,239	$ 19,781
Sales	2,167	2,391	2,303	3,156	10,017
Operating profit before corporate expenses and interest	193	247	216	266	922
Net income	$ 94	$ 126	$ 110	$ 149	$ 479
Diluted earnings per share	$ .37	$ .50	$ .43	$ .59	$ 1.89

	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

/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/ In 1999 the sum of the earnings per share for the four quarters differs 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 2001 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 2001 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 2001 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 2001 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 2001 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	68	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.
Simon Cooper Vice President; President and Chief Operating Officer, The Ritz-Carlton Hotel Company, L.L.C.	55	Simon Cooper joined Marriott International in 1998 as President of Marriott Lodging Canada and Senior Vice President of Marriott Lodging International. In 2000, the New England Region was added to his Canadian responsibilities. Prior to joining Marriott, Mr. Cooper was President and Chief Operating Officer of Delta Hotels and Resorts. Mr. Cooper is the Chairman of the Board of Governors for University of Guelph. He is a fellow of the Board of Trustees for the Educational Institute of the American Hotel and Motel Association and is a member of the Board for the Canadian Tourism Commission. In February 2001, Mr. Cooper was appointed to his current position.
Edwin D. Fuller Vice President; President and Managing Director - Marriott Lodging International	55	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 in 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
Brendan M. Keegan Vice President; Executive Vice President - Human Resources	57	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.
William W. McCarten Vice President; President - Marriott Services Group	52	William W. McCarten was named as President of Marriott Services Group (Marriott Senior Living Services and Marriott Distribution Services) in January 2001. Most recently, Mr. McCarten served as President and Chief Executive Officer of HMS Host Corporation (formerly Host Marriott Services Corporation) from 1995 to December 2000. He joined Marriott Corporation in 1979, was elected Vice President, Corporate Controller and Chief Accounting Officer in 1985 and Senior Vice President in 1986. He was named Executive Vice President, Host and Travel Plazas in 1991 and President, Host and Travel Plazas in 1992. In 1993 he became President of Host Marriott Corporation's Operating Group and in 1995 was elected President and Chief Executive Officer and a director of HMS Host Corporation. Mr. McCarten is a past chairman on the Advisory Board of the McIntire School at the University of Virginia.
Terry Petty Executive Vice President; North American Lodging Operations	51	Terry Petty joined Marriott Corporation in 1984 as Vice President of Marketing and Planning for the newly acquired Host International business and subsequently held the following positions: Vice President of Consumer Marketing, Marriott Hotels; General Manager, Atlanta Perimeter Marriott Hotel; Vice President of Operations for Marriott Vacation Club International, and Senior Vice President of Hotels for the Western Region. In March 2000, Mr. Petty was appointed to his current position.
Joseph Ryan Executive Vice President and General Counsel	59	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
William J. Shaw Director, President and Chief Operating Officer	55	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	42	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	57	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.
William R. Tiefel Vice Chairman; Chairman - The Ritz-Carlton Hotel Company, L.L.C.	66	William R. Tiefel joined Marriott Corporation in 1961 and was named President of Marriott Hotels, Resorts and Suites in 1988. 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.

Name and Title	Age	Business Experience
Stephen P. Weisz Vice President; President - Marriott Vacation Club International	50	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.
3.4	Certificate of Designation, Preferences and Rights of the Marriott International, Inc. ESOP Convertible Preferred Stock.	Exhibit No. 3.1 to our Form 10-Q for the fiscal quarter ended June 16, 2000.
3.5	Certificate of Designation, Preferences and Rights of the Marriott International, Inc. Capped Convertible Preferred Stock.	Exhibit No. 3.2 to our Form 10-Q for the fiscal quarter ended June 16, 2000.
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.
4.5	Form of 8.125% Series D Note due 2005.	Exhibit No. 4.1 to our Form 8-K dated March 28, 2000.
4.6	Form of 7.0% Series E Note due 2008.	Exhibit No. 4.1 (f) to our Form S-3 filed on January 17, 2001.
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 Exhibit nos. 10.5 (a) and 10.5 (b) to our Form 10-K for the fiscal year ended December 31, 1999 (Fourth and Fifth Amendments); filed herewith (Sixth 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 No. 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.
10.9	Settlement Agreement dated as of March 9, 2000 among A. R. Milkes, Robert M. Haas, Sr., and other plaintiffs and intervenors identified therein and the Company, Host Marriott Corporation, and other identified defendants, each by and through their respective counsel of record.	Exhibit No. 10.1 to our Form 10-Q/A for the fiscal quarter ended March 24, 2000.
10.10	Amended and restated Marriott International, Inc. 1998 Comprehensive Stock and Cash Incentive Plan.	Attachment A to the Company's definitive proxy statement filed on March 23, 2000.
10.11	First Amendment to the Settlement Agreement dated as of September 23, 2000 among A.R. Milkes, Robert M. Haas, Sr., and other plaintiffs and intervenors identified therein and the Company, Host Marriott Corporation, and other identified defendants, each by and through their respective counsels of record.	Exhibit No. 10 to our Form 10-Q for the fiscal quarter ended September 8, 2000.
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.
99	Forward-Looking Statements.	Filed with this report.

(b) REPORTS ON FORM 8-K

On February 24, 2000, we filed a report describing a tentative agreement to resolve pending litigation involving certain limited partnerships which we expected to result in a pretax charge of $30 million to $40 million. The agreement became definitive on March 9, 2000, and as a result we recorded a $39 million pretax charge in the fourth quarter of 1999. We also described our plans to form an unconsolidated joint venture with Host Marriott Corporation to acquire all of the limited partners' interests in Courtyard by Marriott Limited Partnership and Courtyard by Marriott II Limited Partnership, for approximately $372 million.

On March 27, 2000, we filed a report describing the issuance of $300 million of 8-1/8 percent Series D Notes due April 1, 2005 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 16th day of March, 2001.

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

AMENDMENT NO. 6, DATED AS OF JANUARY 10, 2001, TO DISTRIBUTION AGREEMENT DATED AS OF SEPTEMBER 15, 1993 BETWEEN HOST MARRIOTT CORPORATION AND MARRIOTT INTERNATIONAL, INC.

Host Marriott Corporation, a Maryland corporation and the successor by merger to Host Marriott Corporation, a Delaware corporation f/k/a Marriott Corporation, ("Host Marriott"), and Marriott International, Inc. ("MII") desire to adopt this Amendment No. 6 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, that certain Amendment No. 4 to the Original Agreement dated as of December 28, 1998, and that certain Amendment No. 5 to the Original Agreement dated as of December 18, 1998 (the "Distribution Agreement")).

WHEREAS, on or about December 29, 1998, (i) Host Marriott Corporation, a Delaware corporation ("Old Host") distributed approximately 93.6% of the outstanding common stock of Crestline Capital Corporation, a Maryland corporation ("CCC"), to the shareholders of Old Host and contributed 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 thereto (or for return to CCC if not delivered to Blackstone Real Estate Advisors L.P. and its affiliated entities) and (ii) thereafter Old Host merged (the "Merger") into Host Marriott, with Host Marriott electing to be treated as a "real estate investment trust" under the applicable provisions of the United States Internal Revenue Code effective as of January 1, 1999;

WHEREAS, since the date of the Merger certain changes have occurred in the law affecting the requirements for qualification as a "real estate investment trust" under the United States Internal Revenue Code and the regulations and interpretations thereof; and

WHEREAS, as a result of such changes and in accordance with the undertakings of the parties in Section 6.07(k) of the Distribution Agreement as currently in effect, the parties hereto now desire to amend the Distribution Agreement.

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

1. Subsection (j) of Section 6.07 of the Distribution Agreement shall be deleted in its entirety and replaced by the following:

"(j) Notwithstanding anything to the contrary in this Agreement or otherwise (other than the provisions of subsection (n) of this Section 6.07), 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 any tenant of real property leased by Host Marriott or any Subsidiary of Host Marriott (other than any such lease with MII or any of its Affiliates or Subsidiaries which was in effect at the time of the effectiveness of the Merger or any such lease with a direct or indirect Subsidiary of Host Marriott) (a "Disqualified Entity"), including CCC (or any subsidiary of CCC) if and for so long as it shall be a Disqualified Entity, (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 a Disqualified Entity (including CCC (or any Subsidiary of CCC) if and for so long as it shall be a Disqualified Entity), 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, if and for so long as it shall be a Disqualified Entity (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, if and for so long as it shall be a Disqualified Entity, 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)."

2. Section 6.07 is amended by adding the following subsections (k), (l), (m) and (n) and by relettering the existing subsections (k) and (l) as (o) and (p), respectively:

"(k) Notwithstanding anything to the contrary in this Agreement or otherwise (other than the provisions of subsection (n) of this Section 6.07), effective as of the date hereof, 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) and the flush language of Code Section 856(d)(3)(B)) to own more than thirty five percent (35%) of the shares of Host Marriott (as determined for purposes of Code Section 856(d)(3)(A)), or (ii) cause any one or more Persons that own (or are deemed to own (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5) and the flush language of Code Section 856(d)(3))) more than thirty five percent (35%) of either the total combined voting power of MII or the total shares of all classes of stock of MII to own (or to be deemed to own (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5) and the flush language of Code Section 856(d)(3))) thirty five percent (35%) or more of the shares of Host Marriott (as determined for purposes of Code Section 856(d)(3)(B) and determined taking into account all other shares of Host Marriott that such Persons own or are deemed to own without regard to MII's Right).

(l) (i) Notwithstanding anything to the contrary in this Agreement or otherwise (other than the provisions of subsection (n) of this Section 6.07), effective as of the date hereof, if at any time MII has exercised any portion of MII's Right and MII thereafter owns any shares of Host Marriott and if any of the "Disqualification Events" defined in Section 6.07(l)(ii) below occurs, MII shall be considered to have automatically and irrevocably transferred to the Charitable Trust (as defined in the Articles of Amendment and Restatement of Article of Incorporation of Host Marriott (the "Host Marriott Charter")), for the benefit of the Charitable Beneficiary (as defined in the Host Marriott Charter), on the date immediately prior to the occurrence of the event, fact or circumstance that first resulted in the Disqualification Event (the "Deemed Transfer Date"), the lesser of the total number of shares of Host Marriott owned by MII or such number of shares of Host Marriott that, if owned by the Charitable Trust (as defined in the Host Marriott Charter) on the Deemed Transfer Date, would have prevented the occurrence of the Disqualification Event (the "Transferred Shares"). All of the provisions of Section 8.3 of the Host Marriott Charter relating to the Charitable Trust, the Charitable Trustee, the Charitable Beneficiary and the ownership and disposition of shares of stock deemed transferred to the Charitable Trustee pursuant thereto (including, without limitation, Section 8.3.6 thereof) shall apply with respect to the Transferred Shares as if this subsection (l) were part of Article VIII of the Host Marriott Charter. Without limiting the foregoing, within 20 days of receiving notice from Host Marriott or MII that a Deemed Transfer Date has occurred and Transferred Shares have been transferred to the Charitable Trust, the Charitable Trustee shall sell the Transferred Shares to one or more persons designated by it whose ownership of the Transferred Shares would not result in a Disqualification Event or otherwise violate Article VIII of the Host Marriott Charter. Upon such sale, the interest of the Charitable Beneficiary in the Transferred Shares shall terminate, and the Charitable Trustee shall distribute the net proceeds of such sale as follows: (i) to MII, the lesser of the net proceeds of the sale of the Transferred Shares or an amount equal to the Closing Price (as defined in the Host Marriott Charter) of the Transferred Shares on the Deemed Transfer Date, and (ii) to the Charitable Beneficiary, the balance, if any, of the net proceeds of such sale. Any dividends and other distributions paid by Host Marriott with respect to the Transferred Shares that have a record date after the Deemed Transfer Date and prior to the date of the sale of such shares by the Charitable Trustee shall be for the exclusive benefit of the Charitable Beneficiary (and in the event that MII shall have received any such dividend or other distributions prior to the discovery of the occurrence of a Deemed Transfer Date, it shall pay the full amount thereof over to the Charitable Trustee for the benefit of the Charitable Beneficiary upon demand). Host Marriott and MII intend that the Charitable Trust shall be considered the legal and beneficial owner of any Transferred Shares for the exclusive benefit of the Charitable Beneficiary at all times from and after the Deemed Transfer Date and that MII shall not have any legal or equitable interest therein at any time thereafter (other than the right to be paid the purchase price for such shares as set forth above).

(ii) For purposes of this Distribution Agreement, a "Disqualification Event" shall mean any one of the following:

(A) MII, or any Person in which MII owns a direct or indirect interest, would be considered to own or be deemed (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5) and the flush language of Code Section 856(d)(3)(B)) to own more than thirty five percent (35%) of the shares of Host Marriott (as determined for purposes of Code Section 856(d)(3)(A));

(B) Any one or more Persons that own (or are deemed to own (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5) and the flush language of Code Section 856(d)(3))) more than thirty five percent (35%) of either the total combined voting power of MII or the total shares of all classes of stock of MII would be considered to own (or be deemed to own (taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5) and the flush language of Code Section 856(d)(3))) thirty five percent (35%) or more of the shares of Host Marriott (as determined for purposes of Code Section 856(d)(3)(B) and determined taking into account all other shares of Host Marriott that such Persons own or are deemed to own without regard to MII's Right);

(C) MII, or any Person in which MII owns a direct or indirect interest, would be considered 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 the Disqualification Threshold of Host Marriott at such time that 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 any Disqualified Entity (including CCC or any subsidiary of CCC if and for so long as it shall be a Disqualified Entity);

(D) If 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 would, by reason of MII's ownership of shares of Host Marriott (determined taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5)), exceed the Disqualification Threshold with respect to Host Marriott at such time that 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 a Disqualified Entity (including CCC (or any Subsidiary of CCC) if and for so long as it shall be a Disqualified Entity);

(E) If at any time that Host Marriott L.P. is or could be considered a "publicly traded partnership" within the meaning of Code Section 7704, MII's ownership of shares of Host Marriott (determined taking into account the attribution rules of Code Section 318(a), as modified by Code Section 856(d)(5)) would cause Host Marriott, L.P. to be considered to own more than 9.9% of CCC, if and for so long as it shall be a Disqualified Entity (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, if and for so long as it shall be a Disqualified Entity, that Host Marriott, L.P. would be 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);

(F) Any event (other than an event described in Sections 6.07(l)(ii)(A) through (E) above) involving the ownership or deemed ownership of Host Marriott shares of common stock (taking into account the attribution rules of Code Section 318(A), as modified by Code Section 856(d)(5)), which event is attributable to the exercise, in whole or in part, of MII's Right (or, if relevant, the Blocked Portion of the Right after assignment thereof), if the consequence of such event would be Host Marriott's failure to continue to qualify to be taxed as a "real estate investment trust" ("REIT") under the applicable Code provisions or Host Marriott, L.P. being considered taxable as a corporation pursuant to Code Section 7704; or

(G) If at any time MII has assigned all or part of the Blocked Portion of the Right, after any representation made by MII for the purpose of obtaining the ruling described in Section 6.07(m)(i)(A) below becomes inaccurate or incomplete and in the reasonable opinion of Host Marriott there is a realistic and meaningful possibility that, as a result of such inaccuracy or incompleteness, the ruling issued by the Internal Revenue Service could no longer be relied upon by Host Marriott (unless MII obtains a written opinion of outside counsel reasonably acceptable to Host Marriott, in form and substance reasonably satisfactory to Host Marriott, that Host Marriott should be able to continue to rely on the ruling issued by the Internal Revenue Service that is described in Section 6.07(m)(i)(A) below).

(iii) If at any time MII has exercised any portion of MII's Right and MII thereafter owns any shares of Host Marriott, Host Marriott hereby undertakes to provide to MII reasonable notice of the following events:

(A) Any changes in the ownership of shares of Host Marriott stock by a Person who owns, directly or indirectly, five percent (5%) or more of the outstanding shares of such stock as to which Host Marriott has Knowledge (as defined below) could reasonably be expected to (1) result in a Disqualification Event or (2) increase materially the risk of a Disqualification Event occurring; and

(B) The implementation of any Host Marriott stock repurchase program.

For purposes of this Distribution Agreement, "Knowledge" shall mean actual knowledge of any of the officers of Host Marriott (other than a member of the Marriott family). Notwithstanding any of the foregoing, in no event would the delay or failure of Host Marriott to provide the notice described in this Section 6.07(l)(iii) cause the provisions of this Agreement (including, without limitation, those set forth in Section 6.07(l)) not to apply.

(m) (i) In the event that MII's Right would not be exercisable in full by reason of one or more of the prohibitions set forth in subsection (j) or subsection (k) of this Section 6.07, 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 prohibition (the "Blocked Portion of the Right"), subject to further reduction as set forth below, to one or more Persons whose exercise of the assigned Blocked Portion of the Right would not be precluded by either subsection (j) or subsection (k) (applied by replacing the term "MII" each place it appears in subsection (j) and subsection (k) with the following: "MII and/or any permitted assignees pursuant to subsection (m)(i) 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 (A) 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 any of Code Sections 318(a), 856(d)(2), Section 856(d)(3)(A), Section 856(d)(3)(B), Section 856(d)(8)(B), Section 856(d)(9)(A), Section 856(i) and Section 7704(d)(1)(C) to own all or any portion of the Host Marriott stock that is subject to the Blocked Portion of the Right or (B) Host Marriott otherwise to fail to continue to qualify to be taxed as a REIT under the applicable Code provisions or Host Marriott, L.P. to be taxed as a corporation pursuant to Code Section 7704;

(B) the proposed assignee shall not be a "Host Marriott Competitor" (as defined in subsection (m)(iv) below);

(C) [Intentionally Omitted];

(D) the proposed assignee enters into a written agreement with Host Marriott, in such form as shall be satisfactory to Host Marriott in its reasonable discretion, pursuant to which the proposed assignee agrees to be bound by and subject to all of subparagraphs (j), (k), and (l) of this Section 6.07 (applied by replacing the term "MII" each place it appears in subsections (j), (k) and (l) with the identity of such proposed assignee), but without the rights of MII under this subsection (m)(i) or subsection (n) of this Section 6.07; and

(E) such proposed assignment shall comply in all respects with the factual and other representations made in connection with obtaining the ruling described in clause (A) above and there are not other facts or circumstances involved in or related to such proposed assignment that, in the reasonable opinion of Host Marriott, create a realistic and meaningful possibility that the ruling issued by the Internal Revenue Service could not be relied upon by Host Marriott in connection with such proposed assignment (unless MII obtains a written opinion of outside counsel reasonably acceptable to Host Marriott, in form and substance reasonably satisfactory to Host Marriott, that Host Marriott should be able to continue to rely on the ruling issued by the Internal Revenue Service in connection with the proposed assignment).

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. Following any permitted assignment under this subsection (m)(i), the term "MII," as used in subsections (j), (k) and (l) hereof, shall be construed to mean "MII and/or any permitted assignee pursuant to subsection (m)(i) and their permitted successors and assignees."

(ii) Following any permitted assignment under subsection (m)(i) and with respect only to the portion of the Blocked Portion of the Right assigned pursuant to such subsection, the term "Exercise Period" defined in Section 6.07(a) hereof shall be defined to mean a period commencing on any Trigger Date (as defined in such Section 6.07(a)) and ending forty-five (45) days thereafter.

(iii) A permitted assignee of the MII Right pursuant to this subsection (m) that exercises any portion by the MII Right and its Affiliates shall not be considered a Person for purposes of the definition of "Trigger Date" set forth in Section 6.07(a).

(iv) (A) For purposes of this subsection (m), a "Host Marriott Competitor" shall mean any one of the following:

(1) an entity that either qualifies to be taxed as a REIT under the applicable Code provisions or is a lodging company if (a) the shares of such REIT or lodging company are traded on a United States securities exchange registered under the Exchange Act or a comparable foreign securities exchange (a "Publicly Traded Entity") and (b) such Publicly Traded Entity satisfies either the "Ownership Test" (defined below) or the "Operating Test" (defined below);

(2) any other entity that (a) has as its principal business the ownership or operation of full-service hotels (taking into account only its activities and the activities of its "Controlled Subsidiaries" (defined below)) but whose shares are not traded on a United States securities exchange registered under the Exchange Act or a comparable foreign securities exchange (a "Non-Publicly Traded Entity") and (b) meets either the Ownership Test or the Operating Test; or

(3) the Controlled Subsidiary of an entity described in clause (1) or (2) above.

(B) For purposes of this subsection (m), the following terms shall have the meanings set forth below:

(1) "Control" shall mean 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.

(2) "Controlled Subsidiary" shall mean a controlled or majority-owned subsidiary, including, without limitation, a corporation, partnership, limited liability company or other entity.

(3) "Ownership Test" shall mean the ownership, directly or indirectly through one or more Controlled Subsidiaries, of (i) in the case of a Publicly Traded Entity, more than twenty five (25) full-service hotels, and (ii) in the case of a Non-Publicly Traded Entity, full-service hotels having a total of more than fifteen thousand (15,000) rooms.

(4) "Operating Test" shall mean the operation of a branded hotel chain (whether or not such operator is also the owner of the brand) that includes (i) in the case of a Publicly Traded Entity, in the aggregate, more than twenty five (25) full-service hotels, and (ii) in the case of a Non-Publicly Traded Entity, more than fifteen (15) full-service hotels.

(C) For purposes of this subsection (m), neither (1) the ownership of non-controlling interests in hotels or hotel operating companies, either directly or indirectly through subsidiaries, affiliates or partnerships, nor (2) the holding of a mortgage or mortgages secured by one or more hotels, shall be considered in the determination of the principal business of an entity.

(n) Notwithstanding any of the foregoing, the prohibitions set forth in subsections (j) and (k) of this Section 6.07 shall not apply with respect to MII if all of the conditions set forth below are satisfied (and if all of the conditions set forth below are satisfied, the provisions of subparagraph (l) shall no longer apply with respect to MII):

(i) The Person described in the definition of "Trigger Date" set forth in subsection (a) of this Section 6.07 is (A) a Person who is, or is controlled by, Persons who have been convicted as felons in any state or federal court, or (B) a Person (or an "Affiliate" (as such term is defined in Section 1.10 of the Agreement) of a Person) that is engaged in the business of operating (as opposed to owning) a branded hotel chain having five thousand (5,000) or more guest rooms in competition with MII and its successors (a "Competitor");

(ii) The Person described in the definition of "Trigger Date" set forth in subsection (a) of this Section 6.07 actually consummates either (A) an acquisition of such number of shares of Voting Stock such as would cause the condition in clause (i) of the definition of "Trigger Date" to be met, or (B) a tender offer or exchange offer, as described in clause (ii) of the definition of Trigger Date, that results in such Person being the Beneficial Owner of a number of shares of Voting Stock representing 30% or more of the total voting power of the then outstanding shares of Voting Stock (in either case, a "Voting Stock Acquisition"); and

(iii) Either (A) a consequence of the Voting Stock Acquisition is the failure of Host Marriott to continue to qualify to be taxed as a REIT under the applicable Code provisions, or (B) the Competitor publicly announces (which announcement shall include, without limitation, a report filed pursuant to the Exchange Act) that, following the Voting Stock Acquisition, either (1) Host Marriott will fail to qualify to be taxed as a REIT under the applicable Code provisions, or (2) the Competitor intends to cause Host Marriott to revoke its election, or otherwise cause Host Marriott to fail to qualify, to be taxed as a REIT and the Competitor owns a sufficient number of shares of Voting Stock to effectuate this intent.

In the event that the Exercise Period for the exercise of the MII Right otherwise shall have expired prior to the satisfaction of all three of the above conditions, then, notwithstanding the foregoing, that portion of the MII Right that otherwise was not exercisable by reason of the prohibitions set forth in subsections (j) and (k) of this Section 6.07 (but only such portion thereof) shall be exercisable for a period of thirty (30) days from the date the last of such conditions was satisfied."

3. New subsection (o) of Section 6.07 of the Distribution Agreement shall be amended by adding the following language after every appearance of the phrase "subsection (j)":

"or subsection (k) or subsection (l) or subsection (m)"

4. 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.

5. Host Marriott covenants that at the next meeting of its Board of Directors or, if sooner, immediately following any Trigger Date, the Board of Directors shall duly adopt a resolution in the form of Annex A hereto granting any permitted assignee of MII pursuant to subsection (m) of Section 6.07 of the Distribution Agreement, as an irrevocable exemption under Section 8.2.7 of the Amended and Restated Articles of Incorporation of Host Marriott from the Ownership Limit (as defined in Section 8.1 of the Amended and Restated Articles of Incorporation of Host REIT) to permit such permitted assigned to exercise any portion of the MII Right that such permitted assignee otherwise would be permitted to exercise under Section 6.07 of the Distribution Agreement, as amended by this Amendment. Host Marriott covenants that, for as long as MII has the right to exercise the Right, Host Marriott will not revoke or amend such resolution without the prior written consent of MII. Host Marriott 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 Marriott 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. This Amendment may be executed in any number of counterparts, which, when taken together, shall constitute a single binding instrument. The absence of Host Marriott Services Corporation as a party to this Amendment shall not cause this Amendment not to be a binding agreement as between Host Marriott and MII.

[signatures appear on the following page]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 6 to be duly executed and delivered and effective for all purposes as of January 1, 2001.

MARRIOTT INTERNATIONAL, INC.

By: /s/ KEVIN M. KIMBALL

Name: Kevin M. Kimball
Title: Vice President

HOST MARRIOTT CORPORATION

By: /s/ W. EDWARD WALTER

Name: W. Edward Walter
Title: Executive Vice President

ANNEX A TO
AMENDMENT NO. 6, DATED AS OF JANUARY 10, 2001, TO DISTRIBUTION AGREEMENT DATED AS OF SEPTEMBER 15, 1993 BETWEEN HOST MARRIOTT CORPORATION AND MARRIOTT INTERNATIONAL, INC.

RESOLUTION FOR
THE BOARD OF DIRECTORS OF HOST MARRIOTT CORPORATION

Waiver of "Ownership Limit" for Assignee of Marriott International, Inc.'s Right to Purchase Voting Stock of Host Marriott Corporation

WHEREAS, pursuant to Section 6.07 of that certain Distribution Agreement between the Corporation (f/k/a as "Marriott Corporation") and Marriott International, Inc., dated as of September 15, 1993, as amended (the "Distribution Agreement"), the Corporation previously has granted to Marriott International, Inc. ("MII") the right to acquire voting stock of the Corporation upon the occurrence of certain events (the "MII Right");

WHEREAS, the Corporation's Articles of Amendment and Restatement of Articles of Incorporation (the "Articles") contain restrictions on ownership of the Corporation's Capital Stock (all capitalized terms not otherwise defined herein have the meaning set forth in the Articles) intended to facilitate the Corporation's qualification as a REIT for federal income tax purposes;

WHEREAS, Section 8.2.7(a) of the Articles authorizes the Board of Directors to grant to any Person an exception to the Ownership Limit, subject to certain conditions set forth therein;

WHEREAS, in accordance with the terms of Amendment No. 4, dated as of December 28, 1998, to the Distribution Agreement, the Board of Directors previously granted to MII an irrevocable exception to the Ownership Limit solely to permit MII to exercise the MII Right in accordance with, and subject to the terms and restrictions of, the Distribution Agreement, and the Bylaws of the Corporation were amended to reflect this exception;

WHEREAS, pursuant to Section 6.07(m) of the Distribution Agreement, as set forth in Amendment No. 6, dated as of January 10, 2001, to the Distribution Agreement, in the event that the MII Right is not exercisable in full by reason of one or more of the prohibitions set forth in subsection (j) or subsection (k) of Section 6.07 of the Distribution Agreement (which prohibitions are intended to facilitate the Corporation's qualification as a REIT for federal income tax purposes), the Corporation has agreed to permit MII to assign the "blocked" portion of the MII Right to one or more assignees if, and only if, certain conditions set forth in such

Section 6.07(m) are satisfied and subject to the restrictions set forth in subsections (j), (k) and (l) of Section 6.07 (each such assignee, a "Permitted Assignee"); and

WHEREAS, the Board of Directors has determined that it is in the best interests of the Corporation to grant a waiver of the Ownership Limit to each Permitted Assignee and to set forth the conditions pursuant to which such waiver shall be continue to be effective.

NOW, THEREFORE, BE IT RESOLVED, that, pursuant to Section 8.2.7 of the Articles, the Board of Directors of the Corporation hereby grants to each Permitted Assignee of MII a waiver of the Ownership Limit solely for purposes of permitting the Permitted Assignee to acquire shares of stock of the Corporation pursuant to the exercise of the "blocked" portion of the MII Right assigned to the Permitted Assignee, conditioned upon the Permitted Assignee's continued compliance with the conditions set forth in Section 6.07(m), and subject to the restrictions set forth in subsections (j), (k) and (l) of Section 6.07, of the Distribution Agreement, and subject to the condition that no Person who would be treated as an "individual" for purposes of Section 542(a)(2) of the Code (determined taking into account Section 856(h)(3)(A) of the Code) would be considered to Beneficially Own shares of Capital Stock in excess of the Ownership Limit by reason of the Permitted Assignee's ownership of shares of stock of the Corporation.

RESOLVED FURTHER, that the appropriate officers of the Corporation, or any one or more of them, hereby are authorized and directed, in the name and on behalf of the Corporation, to do all things, to take all such actions and to execute, deliver and file all such other agreements, instruments, reports, documents and regulatory and other notices as may be determined by such officer(s) to be necessary or appropriate in effecting this waiver (such determination to be conclusively, but not exclusively, evidenced by the taking of such actions or the execution, delivery and filing of such agreements, instruments, reports, documents or regulatory or other notices by such officer(s)).

Exhibit 12

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

	Fifty-two weeks ended December 29, 2000	Fiscal Year Ended 1999	1998	1997	1996
Income before income taxes	$ 757	$637	$632	$531	$435
Loss/(income) related to equity method investees	6	(3)	8	8	4
	763	634	640	539	439
Add/(deduct):					
Fixed charges	209	152	103	85	89
Interest capitalized	(52)	(33)	(21)	(16)	(9)
Distributed income of equity method investees	2	2	5	-	-
Earnings available for fixed charges	$ 922	$755	$727	$608	$519
Fixed charges:					
Interest expensed and capitalized (1)	$ 152	$ 94	$ 51	$ 38	$ 46
Estimate of the interest within rent expense	57	58	52	47	42
Shares of interest expense of certain equity method investees	-	-	-	-	1
Total fixed charges	$ 209	$152	$103	$ 85	$ 89
Ratio of earnings to fixed charges	4.4	5.0	7.1	7.2	5.6

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

Exhibit 21

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
158 Ferny Avenue Holdings I Pty Limited
158 Ferny Avenue Holdings II Pty Limited
158 Ferny Avenue Ownership PTY Limited
Marriott International Management Company B.V.
Mirmar Hotels Pty Limited
Ramada International Management Company B.V.
Ramada Oceania Pty. Ltd.

Country: Austria
Design Center Linz Betriebsgesellschaft mbH
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.
The Ritz-Carlton Hotel Company, Ltd

Country: Brazil
Marriott do Brasil Hotelaria Ltda.
Renaissance do Brasil Hoteleria Ltda.
RHI do Brasil Hotelaria Ltda.
Rochapora Desenvolvimento Imobilliario S/C Ltda

Country: British Virgin Islands
New World Hotels International Corporation Ltd.
New World Hotels Marketing Services, Ltd.
Ramasia International Ltd.

Country: Canada
3415546 Canada Inc.
Marriott Hotels of Canada Ltd.
Marriott Lodging (Canada) Ltd.
MCL Hotel Corporation
Ramada Franchise Canada Inc.

Country: Canada
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
Hotelera Cincuenta y Siete Cuarenta y Uno, S.A.
Hoteles de Chile, S.A.
Marriott Chile S.A.
Marriott Inversiones y Servicios Limitada
MORI Chile S.A.

Country: China
Marriott Asia Pacific Management, Ltd.

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

Country: Czech Republic
Gestin AG
Marriott International Hotels, Inc. (Praque)

Country: Denmark
Hotelinvest Kalvebod A/S
Marriott Hotels Denmark A/S

Country: Ecuador
Marriott International Hotels, Inc. / (Ecuador)

Country: Egypt
The Ritz-Carlton Hotel Company of Egypt

Country: France
MVCI France, SAS
Ramcap S.A.R.L.
Renaissance France S.a.r.l.
Roissy Hotels 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
Middle Ring Properties GmbH
Hotelbetriebsgesellschaft Muenchen Marriott
Hotelmanagement GmbH MVCI Holidays GmbH
Renaissance Deutchland GmbH (Kopenic) Teltow
Ramada Hotel - Gesellschaft mbH
The Ritz-Carlton Hotel Company of Germany, GmbH
The Ritz-Carlton Hotel Management GmbH

Country: Greece
- Greek Line Special Shipping Company Incorporated
- Marriott Hotels Hellas, S.A.
- Oceanic Special Shipping Company Incorporated

Country: Hong Kong
- Marriott Hong Kong Limited
- Marriott Properties (International) Limited
- Ramada China Hotels Limited
- The Ritz-Carlton Limited

Country: India
- Marriott Hotels India Private Limited
- Ramada Hotels (India) Ltd.

Country: Indonesia
- P.T. Marriott International Indonesia
- PT The Ritz-Carlton Indonesia

Country: Ireland
- Noycourt Limited
- Noygate Limited

Country: Italy
- MVCI Holidays S.r.l.

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

Country: Japan
- Marriott Terminal Services, Company Ltd.
- Renaissance International, Inc.
- The Ritz-Carlton Japan, Inc.

Country: Kuwait
- Kuwait National Hotel & Tourism Company

Country: Liberia
- New World Management Services Company Limited

Country: Luxembourg
- IHLC Investment Company S.a.r.l.
- Marriott International Licensing Company, S.a.r.l.

Country: Mexico
- cia Hotelera Azteca, S.A. de C.V. (Hoteca)
- Elcrisa, S.A. de C.V.
- Empresas Turisticas Cemex-Marriott , S.A. de C.V.
- Marriott Hotels, S.A. de C.V.
- Marriott Mexicana S.A. de C.V.
- Operadora Marriott, S.A. de C.V.
- Polserv, S.A. de C.V.
- Promociones Marriott, S.A. de C.V.
- Ramada International Association de Mexico, S.C.

Country: Mexico
Servimar, S.A. de C.V.
The R.C. Management Company of Mexico, S.A. de C.V.
The Ritz-Carlton Hotel Company of Mexico, S.A. de C.V.

Country: Netherlands
Chester Eaton Properties B.V.
Diplomat Properties B.V.
Luxury Hotels International B.V.
Marriott European Venture B.V.
Marriott Hotels International, B.V.
Marriott Hotels of Amsterdam, B.V.
Marriott International Finance Company B.V.
Marriott International Holding Company B.V.
Marriott International Licensing Company B.V.
Marriott International Management Company B.V.
Marriott RHG Acquisition B.V.
New World Hotels Licensing Corporation B.V.
New World Hotels International Corporation B.V.
New World Hotels Management Corporation B.V.
Renaissance Hotel Group N.V.
Renaissance Hotels International B.V.
Renaissance Management B.V.
Renaissance Services B.V.
The Ritz-Carlton Hotel Company B.V.
The Ritz-Carlton Hotel Company Sales and Marketing B.V.

Country: Netherlands Antilles
Marriott Curacao N.V.
Marriott International Lodging N.V.
New World Hotels Corporation N.V.
New World Hotels International Corporation 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 Ltd.

Country: Peru
Lima, Peru Marriott

Country: Philippines
Porto Bello Cove Hotel Corporation

Country: Poland
LIM Joint Venture Ltd.

Country: Puerto Rico
MVCI (Puerto Rico), Inc.

Country: Qatar
The Ritz-Carlton Hotel Company of Qatar LLC

Country: Russia
Intour Penta Ltd.

Country: Saint Kitts and Nevi
Marriott St. Kitts Management Company, Inc.

Country: Singapore
Marriott Hotels Singapore Pte Ltd.
The Ritz-Carlton Hotel Company of Singapore PTE LTD.

Country: South Korea
Central Tourist Development Company, Ltd.
Namwoo Tourism Co., Ltd.

Country: Spain
Marriott Hotels, S.L.
MVCI Espana, S.L.
MVCI Holidays, S.L.
MVCI Mallorca, S.L.
MVCI Management, S.L.

Country: Switzerland
Marriott (Switzerland) Liab Ltd.
Marriott Worldwide Payroll Gmbh

Country: Thailand
Maikhao Ownership (Thailand) Ltd.
Maikhao Vacation Villas Limited
Marriott Hotels (Thailand) Limited
MVCI (Thailand) Limited

Country: Turkey
Polat Turizm Oteleilik Ticaret Ve Sanayi A.S.

Country: Turks and Caicos Isl
Ramada (Turks & Caicos) Ltd.

Country: United Arab Emirates
Marriott Ownership Resorts, Inc.

Country: United Kingdom
Adachi Marriott European Partnership
Asty Hotel & Tourist Enterprises S.A.
Cheshunt Hotel Limited
Consolidated Supplies Limited
Lomar Hotel Company Ltd.
Marriott Catering Limited
Marriott Commercial Services Limited
Marriott Hotels and Catering (Holdings) Limited
Marriott Hotels S.A.
Marriott In-Flight Services Limited
Marriott Restaurants Limited (United Kingdom)
Mercosur Hotel Investment Ltd.
MVCI Europe Limited
MVCI Management Europe Limited
Renaissance UK 1 Company

Country: United Kingdom
Renaissance UK 2 Company
Renaissance UK 3 Company
The Ritz-Carlton Hotel Limited

Country: Venezuela
Desarrollos Hotelco, C.A.

Country: Virgin Islands - US
MIFR (Virgin Islands), Inc.

Country: Western Somoa
Marriott Hotels Western Samoa Limited

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

Addison SHS, LLC
Aeropuerto Shareholder, Inc.
Baltimore Marriott Inner Harbor, L.L.C.
BG Operations, Inc.
BG Orland Park, LLC
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
CNL Philadelphia Annex, LLC
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.
Desert Ridge Resort, LLC
Desert Springs Real Estate Corporation
Detroit CY Inc.
Detroit Hotel Services, Inc.
Detroit MHS, Inc.
e-CRM Central, LLC
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.
LAX Properties, LLC

State: Delaware

LLB Tenant Corporation
Marriott Braselton Corporation
Marriott College Food Services, Inc.
Marriott Continuing Care, LLC
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 International, Inc.
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 Procurement, LLC
Marriott Ownership Resorts, Inc.
Marriott P.R. Management Corporation
Marriott Payroll Services, Inc.
Marriott Ranch Properties, Inc.
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 U.K. Holdings, Ltd.
Marriott Vacation Club Ownership LLC 2000-1
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 Lodging Investment Opportunities, Inc.
Meridian-Indianapolis, L.L.C.
MHS Guam, Inc.
MHSFR II, Inc.
MHSFR, Inc.
MI Bachelor Gulch, LLC
MI CBM Investor LLC
MI Holding, L. P.
MI Laguna, LLC
MI Member, LLC

State: Delaware

MI Myrtle Beach, LLC
MI Seattle, LLC
MI Tenant LLC
MI Tucson, LLC
MI Western Investment, LLC
MICC (California), LLC
Mid-Atlantic Specialty Restaurants, Inc.
MORI Residences, Inc.
MORI SPC Corp.
MORI SPC II, Inc.
MORI SPC III CORP.
MORI SPC IV Corp.
MRC I Funding Corporation
MRWB, LLC
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 MHS, 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.
RC Marriott II, Inc.
RC Marriott III, Inc.
RC Marriott, Inc.
RC-UK, Inc.
RCK Hawaii, LLC
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.

State: Delaware

Rock Lynnwood/Snohomish Partners, L.P.
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 Renaissance, LLC
Springhill SMC Corporation
St. Louis Airport Hotel, LLC
Staffing Services, Inc.
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 International Construction Services, Inc.
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.
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

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

Hospitality International, Inc.
Marriott Claims Services Corporation
MHSI Conference Centers of Texas, Inc.
The Campbell Club (Non-profit)
The Finish Line Club
The Gazebo Club
The Legacy Park Club

State: Utah

Gambits, A Nonprofit Corporation (Incorporated Club)

State: Virgin Islands

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

State: Virgin Islands U.S.

Marriott Hotel Management Company (Virgin Islands), Inc.

State: Virginia

Marriott Senior Living Insurance Services, Inc.

State: West Virginia

West Virginia Marriott Hotels, Inc.

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"FibM" means "Fairfield Inn by Marriott" / "MVCI" means "Marriott Vacation Club International"

Alabama

Entity Name	Assumed Name
Forum-NGH, Inc.	Galleria Oaks Guest Home
Marriott Ownership Resorts, Inc.	Marriott Vacation Club International (MVCI)

Arkansas

Entity Name	Assumed Name
Courtyard Management Corporation	Little Rock CbM

Arizona

Entity Name	Assumed Name
Courtyard Management Corporation	Chandler Courtyard by Marriott
Courtyard Management Corporation	Scottsdale Downtown Courtyard
Courtyard Management Corporation	Phoenix Mesa CbM, Camelback CbM, Phoenix Airport CbM, Scottsdale CbM, Tuscon CbM
Courtyard Management Corporation	Phoenix MetroCenter CbM
Desert Ridge Resort, LLC	Wild Fire Golf Course
Fairfield FMC Corporation	Scottsdale Fairfield Inn by Marriott (FibM), Phoenix FibM, Flagstaff FibM
Forum-NGH, Inc.	Village Oaks at Mesa
Forum-NGH, Inc.	Village Oaks at Chandler
Forum-NGH, Inc.	Village Oaks at Chandler
Forum-NGH, Inc.	Village Oaks at Glendale
Marriott Hotel Services, Inc.	Marriott Camelback Inn Resort
Marriott International, Inc.	Mountain Shadows Resort, Mountain Marriott's Mountain Shadows Resort
Marriott Ownership Resorts, Inc.	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens The Forum Pueblo Norte
Marriott Senior Living Services, Inc.	Phoenix Residence Inn Phoenix Airport-Tempe RI,
Residence Inn by Marriott, Inc.	Scottsdale RI, Flagstaff RI
Residence Inn by Marriott, Inc.	Tucson RI
Residence Inn by Marriott, Inc.	

California

Entity Name	Assumed Name
Courtyard Management Corporation	San Francisco Oyster Point Courtyard
Courtyard Management Corporation	Novato Courtyard by Marrott
Courtyard Management Corporation	Courtyard by Marriott
Courtyard Management Corporation	Pleasant Hills Courtyard
CTYD III Corporation	Courtyard by Marriott
Fairfield FMC Corporation	Rancho Cordova FibM, Ontario FibM
Fairfield FMC Corporation	Anaheim Fairfield Inn
Fairfield FMC Corporation	Buena Park FibM, Placentia FibM
Marriott Hotel Services, Inc.	Marriott's Rancho Las Palmas Resort
Marriott Hotel Services, Inc.	La Jola Marriott Hotel
Marriott Hotel Services, Inc.	Anaheim Marriott
Marriott Hotel Services, Inc.	Santa Clara Marriott Hotel
Marriott Hotel Services, Inc.	Costa Mesa Marriott Suites
Marriott Hotel Services, Inc.	Monterey Marriott Hotel
Marriott Hotel Services, Inc.	Marriott's Desert Springs Resort and Spa
Marriott Hotel Services, Inc.	Napa Valley Marriott Hotel
Marriott Hotel Services, Inc.	Los Angeles Airport Marriott, Newport Marriott Hotel
Marriott International, Inc.	Manhattan Beach Marriott
Marriott International, Inc.	Los Angeles Airport Marriott

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California

Entity Name	Assumed Name
Marriott International, Inc.	San Diego Marriott Hotel Marina
Marriott International, Inc.	Courtyard by Marriott
Marriott International, Inc.	Irvine Marriott Hotel
Marriott International, Inc.	La Jolla Marriott Hotel
Marriott Kauai Ownership Resorts,	Marriott Vacation Club International (MVCI)
Marriott Kauai Ownership Resorts,	(MVCI) Orange County
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	Marriott Vacation Club International (MVCI)
Marriott Resorts, Travel Company,	Marriott Vacation Club International (MVCI)
Marriott Senior Living Services, Inc.	Brighton Gardens Santa Rosa
Marriott Senior Living Services, Inc.	Brighton Gardens Santa Rosa
Marriott Senior Living Services, Inc.	Brighton Gardens Villa Service
Marriott Senior Living Services, Inc.	Marriott's MapleRidge of Hemet
Marriott Senior Living Services, Inc.	Marriott's MapleRidge of Laguna Creek
Marriott Senior Living Services, Inc.	Villa Valencia
Marriott Senior Living Services, Inc.	Brighton Gardens Carmel Valley
Marriott Senior Living Services, Inc.	Brighton Gardens San Dimas
Marriott Senior Living Services, Inc.	Brighton Gardens of Yorba Linda
Marriott Senior Living Services, Inc.	Brighton Gardens
Marriott Senior Living Services, Inc.	Brighton Gardens Carlsbad
MSLS-MapleRidge, Inc.	Marriott's Mapleridge of Palm Springs
Residence Inn by Marriott, Inc.	MIRI Mesa Residence Inn
Residence Inn by Marriott, Inc.	San Jose RI
Residence Inn by Marriott, Inc.	San Ramon RI
Residence Inn by Marriott, Inc.	Pleasant Hills RI
Residence Inn by Marriott, Inc.	Sacramento-Natomas RI
Residence Inn by Marriott, Inc.	San Mateo RI
Residence Inn by Marriott, Inc.	Fremont RI
Residence Inn by Marriott, Inc.	LaJolla RI, Rancho Bernardo RI, Kearney Mesa RI
Residence Inn by Marriott, Inc.	Long Beach RI, Arcadia RI, Manhattan Beach RI, Torrance RI
Residence Inn by Marriott, Inc.	Bakersfield RI
Residence Inn by Marriott, Inc.	Beverly Hills RI
Residence Inn by Marriott, Inc.	Silicon Valley I & II RI, San Jose RI,
Residence Inn by Marriott, Inc.	Mountain View RI
	Anaheim RI, Fountain Valley RI, Irvine RI, Placentia RI, Costa Mesa RI

Colorado

Entity Name	Assumed Name
Courtyard Management Corporation	Denver Airport CbM, Boulder CbM, Denver SE CbM
Marriott Hotel Services, Inc.	Denver West Marriott Hotel
Marriott Kauai Ownership Resorts,	MVCI
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts Sales Company,	Marriott Vacation Club International (MVCI)
Residence Inn by Marriott, Inc.	Colorado Springs RI, Denver Downtown RI, Boulder RI, Denver South RI

Connecticut

Entity Name	Assumed Name
Courtyard Management Corporation	Norwalk CbM, Hartford CbM

Connecticut

Entity Name	Assumed Name
Fairfield FMC Corporation	Hartford Airport FibM (Windsor/Windsor Lock)
Marriott Hotel Services, Inc.	Stamford Marriott Hotel (Stamford & Rocky Hill)
Marriott Ownership Resorts, Inc.	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens of Stamford
Marriott Senior Living Services, Inc.	Edgehill/Continuing Care Retirement Community of Greater Stamford, Inc.

District Of Columbia

Entity Name	Assumed Name
The Ritz-Carlton Hotel Company, L.L	The Fairfax Club (see note)

Delaware

Entity Name	Assumed Name
Courtyard Management Corporation	Wilmington CbM, (1102 West Street & 48 Geofry Drive)
Fairfield FMC Corporation	Wilmington FibM
Marriott Ownership Resorts, Inc.	MVCI
Marriott Senior Living Services, Inc.	Stonegates
Residence Inn by Marriott, Inc.	Wilmington RI

Florida

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTYD III Corporation	Courtyard by Marriott
Fairfield FMC Corporation	Gainsville FibM
Fairfield FMC Corporation	Orlando International Drive FibM
Fairfield FMC Corporation	Miami West FibM, Winter Park FibM
Forum-NGH, Inc.	Village Oaks at Conway
Forum-NGH, Inc.	VIllage Oaks at Tuskawalla
Forum-NGH, Inc.	Village Oaks at Melbourne
Forum-NGH, Inc.	Village Oaks at Orange Park
Forum-NGH, Inc.	Village Oaks at Southpoint
HPI Orlando, Inc.	Renaissance Orlando Hotel-Airport
LLB C - HOTEL, L.L.C.	Courtyard By Marriott at Little Lake Bryan
LLB F - INN, L.L.C.	Fairfield Inn By Marriott at Little Lake Bryan
LLB F-Suites, L.L.C.	SpringHill Suites By Marriott at Little Lake Bryan
LLB Tenant Corporation	Village Grille
LLB Tenant Corporation	Fairfield Inn Cafe
LLB Tenant Corporation	SpringHill Pool Bar & Grille
LLB Tenant Corporation	Suite Seasons
LLB Tenant Corporation	Courtyard Pool Bar & Grille
LLB Tenant Corporation	Courtyard Cafe
LLB Tenant Corporation	Fairfield Inn Pool Bar & Grille
Marriott Continuing Care, LLC	Calusa Harbor
Marriott Hotel Services, Inc.	Riva Restaurant
Marriott Hotel Services, Inc.	Le Grande Blue
Marriott Hotel Services, Inc.	IL Terrazzo
Marriott Hotel Services, Inc.	Miami Beach Marriott At South Beach
Marriott Hotel Services, Inc.	Cafe Waterside
Marriott Hotel Services, Inc.	Champions
Marriott Hotel Services, Inc.	SPA Waterside
Marriott Hotel Services, Inc.	Tampa Marriott Waterside

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Florida

Entity Name	Assumed Name
Marriott Hotel Services, Inc.	Fort Lauderdale Marina, Tampa Airport
Marriott Hotel Services, Inc.	Miami International Airport Marriott
Marriott International, Inc.	Destinations by Marriott
Marriott International, Inc.	Tampa Marriott Waterside
Marriott International, Inc.	Hawk's Landing Steakhouse & Grille
Marriott Ownership Resorts, Inc.	Horizons by Marriott Vacation Club (HMVC)
Marriott Ownership Resorts, Inc.	MVCI
Marriott Ownership Resorts, Inc.	Faldo Golf Institute by Marriott
Marriott Resorts Hospitality	Horizons By Marriott Vacation Club
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company, Inc.	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens Orlando Park
Marriott Senior Living Services, Inc.	Brighton Gardens of Tampa
Marriott Senior Living Services, Inc.	The Horizon Club (in Deerfield)
Marriott Senior Living Services, Inc.	Calusa Harbour
Marriott Senior Living Services, Inc.	Marriott Home Health Services
Marriott Senior Living Services, Inc.	Stratford Court (in Boca Raton, Palm Harbour)
Marriott Senior Living Services, Inc.	Brighton Gardens of Boca Raton
Marriott Senior Living Services, Inc.	Brighton Gardens of Boynton Beach
Marriott Senior Living Services, Inc.	Brighton Gardens of Naples
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott of Maitland
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott of Venice
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott of West Palm Beach
Marriott Senior Living Services, Inc.	Brighton Gardens (in Boynton Beach)
Marriott Senior Living Services, Inc.	Brighton Gardens
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott
Marriott Senior Living Services, Inc.	Brighton Gardens
Renaissance Hotel Operating Company	Renaissance Orlando Resort
Residence Inn by Marriott, Inc.	Pensacola RI
Residence Inn by Marriott, Inc.	Boca Raton RI
Residence Inn by Marriott, Inc.	Lake Buena Vista RI
Residence Inn by Marriott, Inc.	Jacksonville RI
Residence Inn by Marriott, Inc.	St. Petersburg RI

Georgia

Entity Name	Assumed Name
Courtyard Management Corporation	Windy Hill CbM, Northlake CbM, Atlanta Airport South CbM, Atlanta Preimeter CbM, Atlanta Airport CbM
Courtyard Management Corporation	Peachtree Corners CbM, Atlanta Airport South CbM
Courtyard Management Corporation	Peachtree-Dunwoody CbM, Cumberland Center CbM, Gwinnett Mall CbM, Jimmy Carter CbM
Courtyard Management Corporation	Savannah CbM, Columbus CbM
Courtyard Management Corporation	Executive Park CbM, Roswell CbM, Atlanta Perimeter CbM, Atlanta Airport CbM, Midtown CbM
Courtyard Management Corporation	Macon CbM, Atlanta Delk Road CbM, Agusta CbM
Fairfield FMC Corporation	Atlanta Gwinnett Mall FibM, Atlanta Northlake FibM

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Georgia

Entity Name	Assumed Name
Marriott Hotel Services, Inc.	Atlanta Norcross Marriott Hotel
Marriott Hotel Services, Inc.	Atlanta Perimeter Center Hotel
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company, Inc.	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens of Buckhead
Residence Inn by Marriott, Inc.	Atlanta Midtown RI, Atlanta Alpharetta RI, Atlanta Airport RI, Atlanta Buckhead RI
Residence Inn by Marriott, Inc.	Atlanta Perimeter Mall RI

Hawaii

Entity Name	Assumed Name
Marriott Hotel Services, Inc.	Maui Marriott Resort and Ocean Club
Marriott Hotel Services, Inc.	J.W. Marriott Ihilani Resort & Spa
Marriott International, Inc.	Waikiki Beach Hotel
Marriott International, Inc.	Maui Marriott Resort
Marriott Kauai Ownership Resorts, Inc.	MVCI - Registration Number: 234405
Marriott Ownership Resorts, Inc.	MVCI
MRWB, LLC	Waikiki Beach Hotel
MRWB, LLC	Waikiki Beach Marriott Resort
RCK Hawaii, LLC	RCK Hawaii-Maui, LLC
The Ritz-Carlton Hotel Company, L.L.C.	The Ritz-Carlton, Kapalua

Iowa

Entity Name	Assumed Name
Courtyard Management Corporation	Des Moines/Clive CbM, Quad Cities CbM
Fairfield FMC Corporation	Cedar Rapids FibM, Des Moines FibM

Illinois

Entity Name	Assumed Name
Courtyard Management Corporation	St. Charles Courtyard by Marriott
Courtyard Management Corporation	Arlington Heights CbM, Arlington Heights South CbM, Chicago/Deerfield CbM, Chicago Downtown CbM
Courtyard Management Corporation	Chicago-Highland Park CbM, Chicago/Lincolnshire CbM, Glenview CbM, Naperville CbM
Courtyard Management Corporation	Oakbrook Terrace CbM, O'Hare CbM, Rockford CbM, Waukegan CbM, Wood Dale CbM
CTYD III Corporation	Courtyard by Marriott
Fairfield FMC Corporation	Bloomington/Normal FibM, Chicago FibM, Glenview FibM, Peoria FibM, Rockford FibM, Willowbrook FibM
Marriott Hotel Services, Inc.	Lincolnshire Catering
Marriott Hotel Services, Inc.	Chicago Deerfield Marriott Suites, Chicago Marriott Downtown Hotel, Chicago Marriott Oakbrook Hotel
Marriott International, Inc.	Chicago Marriott O'Hare
Marriott Ownership Resorts, Inc.	HMVC
Marriott Ownership Resorts, Inc.	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens at Orland Park
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott of Prospect Heights & Burr Ridge

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Illinois

Entity Name	Assumed Name
Renaissance Hotel Operating	Renaissance Oak Brook Hotel, Renaissance Chicago Hotel
Residence Inn by Marriott, Inc.	Chicago O'Hare RI, Deerfield-Chicago RI, Chicago Downtown RI, Chicago Lombard

Indiana

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTYD III Corporation	Courtyard by Marriott
Fairfield FMC Corporation	Fort Wayne FibM
Fairfield FMC Corporation	Indianapolis Castleton FibM, Indianapolis Castelton FibM, Indianapolis College Park FibM
Forum-NGH, Inc.	Village Oaks at Fort Wayne
Forum-NGH, Inc.	Village Oaks at Greenwood
Residence Inn by Marriott, Inc.	Fort Wayne RI
Residence Inn by Marriott, Inc.	Indianapolis North RI

Kentucky

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTYD III Corporation	Courtyard by Marriott
Fairfield FMC Corporation	Florence FibM, Louisville East FibM
Marriott Ownership Resorts, Inc.	HMVC
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI One
Marriott Resorts, Travel Company, Inc.	MVCI Two
Residence Inn by Marriott, Inc.	Louisville RI, Lexington RI

Louisiana

Entity Name	Assumed Name
Courtyard Management Corporation	Baton Rouge CbM
Courtyard Management Corporation	Courtyard by Marriott (Metarie, LA)
Residence Inn by Marriott, Inc.	Bossier City RI

Massachusetts

Entity Name	Assumed Name
Courtyard Management Corporation	Lowell CbM, Stoughton CbM, Milford CbM
Marriott Hotel Services, Inc.	Marriott Long Wharf
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Renaissance Hotel Operating	Renaissance Bedford Hotel
Residence Inn by Marriott, Inc.	Cambridge Residence Inn by Marriott
Residence Inn by Marriott, Inc.	Boston Tewksbury RI, Meriden RI, Boston Westborough RI, Danvers RI
The Ritz-Carlton Hotel Company, L.L	The Ritz-Carlton, Boston

Maryland

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTYD III Corporation	Courtyard by Marriott
Marriott Hotel Services, Inc.	Bethesda Marriott Hotel, Washington Gaithersburg Marriott Hotel
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company,	MVCI

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"FibM" means "Fairfield Inn by Marriott"/"MVCI" means "Marriott Vacation Club International"

Maryland

Entity Name	Assumed Name
Marriott Senior Living Services, Inc.	Brighton Gardend of Friendship Heights
Residence Inn by Marriott, Inc.	Annapolis RI, Bethesda RI

Maine

Entity Name	Assumed Name
Fairfield FMC Corporation	Portland FibM
Marriott Resorts Title Company, Inc.	Marriott Resorts Title, Inc.

Michigan

Entity Name	Assumed Name
Courtyard Management Corporation	Detroit/Novi CbM
Courtyard Management Corporation	Southfield CbM, Livonia CbM, Warren CbM, Detroit Airport CbM, Dearborn CbM, Auburn Hills CbM
Courtyard Management Corporation	Troy CbM, Auburn Hills CbM
Courtyard Management Corporation	Dearborn CbM, Detroit Airport CbM, Livonia CbM, Warren CbM, Southfield CbM, Troy CbM
Detroit Hotel Services, Inc.	Detroit Marriott at Renaissance Center
Detroit MHS, Inc.	Detroit Marriott At Renaissance Center
Fairfield FMC Corporation	Detroit Airport FIbM, Detroit Madison FibM, Detroit West FibM, Detroit Warren FibM, Kalmazoo FibM
Marriott Hotel Services, Inc.	Detroit Romulus Marriott Hotel, Detroit Metro Airport Marriott Hotel
Marriott International, Inc.	Courtyard by Marriott, Fairfield Inn
Residence Inn by Marriott, Inc.	East Lansing RI, Dearborn RI, Ann Arbor RI, Troy Central RI
Residence Inn by Marriott, Inc.	Troy South RI, Southfield Michigan RI, Warren RI, Grand Rapids RI, Kalamazoo RI

Minnesota

Entity Name	Assumed Name
Courtyard Management Corporation	Eden Prairie CbM, Medota Heights CbM
Marriott Hotel Services, Inc.	Minneapolis City Center Marriott Hotel
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company, Inc.	MVCI
Residence Inn by Marriott, Inc.	Eden Prairie RI

Missouri

Entity Name	Assumed Name
Courtyard Management Corporation	St. Louis CbM, South Kansas City CbM
Courtyard Management Corporation	Creve Coeur CbM
Courtyard Management Corporation	Earth City CbM
Courtyard Management Corporation	Kansas City Airport CbM, St. Louis-Westport CbM
CRTM17 Tenant Corporation	St. Louis Airport Marriott Hotel
Fairfield FMC Corporation	St. Louis Hazelwood FibM
Marriott Hotel Services, Inc.	St. Louis Pavilion Marriott Hotel, St. Louis Airport Marriott, Kansas City Airport Marriott
Marriott Hotel Services, Inc.	Tan-Tar-A Marriott Resort
Marriott Ownership Resorts, Inc.	HMVC
Residence Inn by Marriott, Inc.	St. Louis Chesterfield RI, St. Louis Galleria RI, St. Louis Westport RI

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North Carolina

Entity Name	Assumed Name
Courtyard Management Corporation	Charlotte South Park CbM, Charlotte University CbM
Courtyard Management Corporation	Fayetteville CbM, Greensboro CbM
Courtyard Management Corporation	Raleigh Airport CbM, Raleigh-Cary Cbm, Raleigh CbM
Courtyard Management Corporation	Charlotte Arrowood CbM
Fairfield FMC Corporation	Rocky Mount FIbM, Fayetteville FIbM, Raleigh Northeast FIbM, Wilmington FIbM
Fairfield FMC Corporation	Charlotte Airport FibM, Charlotte Northeast FibM
Fairfield FMC Corporation	Greensboro Highpoint FibM, Durham FibM
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company, Inc.	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens of Raleigh
Marriott Senior Living Services, Inc.	Brighton Gardens of Winston-Salem
Residence Inn by Marriott, Inc.	Winston-Salem RI
Residence Inn by Marriott, Inc.	Charlotte North RI
Residence Inn by Marriott, Inc.	Durham RI, Greensboro RI
Residence Inn by Marriott, Inc.	Raleigh RI,

Nebraska

Entity Name	Assumed Name
Marriott Ownership Resorts, Inc.	HMVC
Residence Inn by Marriott, Inc.	Omaha Central RI

New Hampshire

Entity Name	Assumed Name
Fairfield FMC Corporation	Merrimack Fairfield FibM
Marriott Hotel Services, Inc.	Nashua Marriott Hotel
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company, Inc.	MVCI

New Jersey

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTYD III Corporation	Courtyard by Marriott
Marriott Hotel Services, Inc.	Hanover Marriott Hotel
Marriott Hotel Services, Inc.	Park Ridge Marriott Hotel, Newark Airport Marriott Hotel, Marriott's Seaview Golf
Marriott Hotel Services, Inc.	Glenpoint Marriott Hotel, Princeton Marriott Hotel, Somerset Marriott Hotel
Marriott Ownership Resorts, Inc.	HMVC
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	Horizons By Marriott Vacation Club
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company, Inc.	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens of Middletown
Marriott Senior Living Services, Inc.	Brighton Gardens of Edison

Marriott International, Inc.
Domestic Corporations-Assumed Names Report

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"MVCI" means "Marriott Vacation Club International"

New Mexico

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTYD III Corporation	Courtyard by Marriott
Residence Inn by Marriott, Inc.	Santa Fe RI, Albuquerque RI

Nevada

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTF Cottonwoods Corporation	The Cottonwoods Corporation
CTYD III Corporation	Courtyard by Marriott
Fairfield FMC Corporation	Las Vegas FibM
Forum-NGH, Inc.	Village Oaks at Las Vegas
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company,	MVCI
MI Hotels of Las Vegas, Inc.	Courtyard by Marriott
MI Hotels of Las Vegas, Inc.	Courtyard by Marriott, Residence Inn by Marriott, Las Vegas Marriott Suites
MI Hotels of Las Vegas, Inc.	Residence Inn by Marriott
Residence Inn by Marriott, Inc.	Las Vegas Hughes Center
Residence Inn by Marriott, Inc.	Las Vegas RI

New York

Entity Name	Assumed Name
Courtyard Management Corporation	Fishkill CbM, Poughkeepsie CbM, Rochester CbM, Rye CbM, Syracuse CbM, Tarrytown CbM
Empire Retirement Living	Brighton Gardens
Fairfield FMC Corporation	Lancaster FiibM, Syracuse FibM
Marriott Home Care of New York,	Brighton Gardens
Marriott Hotel Services, Inc.	New York Brooklyn Marriott
Marriott Hotel Services, Inc.	New York Marriott Financial Center Hotel
Marriott Hotel Services, Inc.	Long Island Marriott Hotel, Westchester Marriott Hotel
Marriott International, Inc.	New York Marriott Financial Center Hotel
Marriott International, Inc.	New York Marriott Marquis Hotel
Marriott International, Inc.	Westchester Marriott, New York Marriott Marquis
Marriott International, Inc.	Laguardia Marriott
Marriott International, Inc.	Marriott's Wind Watch Hotel and Golf Club, Long Island Marriott Hotel and Conference Center
Marriott International, Inc.	New York Marriott East Side
Marriott Kauai Ownership Resorts,	MVCI
Marriott Ownership Resorts, Inc.	HMVC
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	Horizons by Marriott Vacation Club
Marriott Resorts Hospitality	Horizons By Marriott Vacation Club
Marriott Senior Living Services, Inc.	Brighton Gardens
Residence Inn by Marriott, Inc.	East Syracuse RI

Ohio

Entity Name	Assumed Name
Courtyard Management Corporation	Blue Ash CbM, Dayton Mall CbM, Toledo CbM, Worthington CbM
Courtyard Management Corporation	Dublin CbM

Marriott International, Inc.
Domestic Corporations-Assumed Names Report

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"FibM" means "Fairfield Inn by Marriott" /
"MVCI" means "Marriott Vacation Club International"

Ohio

Entity Name	Assumed Name
Fairfield FMC Corporation	Cleveland WIlloughby FibM
Fairfield FMC Corporation	Columbus North & West FibM, Dayton Toledo Holland FibM
Fairfield FMC Corporation	Akron FIbM, Cincinnati Sharonville FibM, Cleveland Brook Park FibM, Cleveland Willoughby FibM
Marriott International, Inc.	Fairfield Inn
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company,	MVCI
Residence Inn by Marriott, Inc.	Dayton North & South RI, Dublin Ohio RI, Toledo RI
Residence Inn by Marriott, Inc.	Akron RI, Blue Ash RI, Cincinnati North RI Columbus East & North RI

Oklahoma

Entity Name	Assumed Name
Courtyard Management Corporation	Oklahoma City CbM
Marriott Hotel Services, Inc.	Oklahoma City Marriott Hotel
Residence Inn by Marriott, Inc.	Oklahoma City RI

Oregon

Entity Name	Assumed Name
Courtyard Management Corporation	Portland CbM
Marriott Hotel Services, Inc.	Portland Marriott Hotel
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company,	MVCI

Pennsylvania

Entity Name	Assumed Name
Courtyard Management Corporation	Pittsburg CbM
Courtyard Management Corporation	Willow Grove CbM, Pittsburgh CbM, Devon CbM, Valley Forge CbM, Philadelphia CbM
Fairfield FMC Corporation	Pittsburgh/Warrendale FibM, Harrisburg West FibM
Marriott Hotel Services, Inc.	Philadelphia Airport Marriott Hotel
Marriott Hotel Services, Inc.	Philadelphia Marriott Hotel
Marriott Senior Living Services, Inc.	The Quadrangle (in Pennsylvania)
Residence Inn by Marriott, Inc.	Willow Grove RI, Philadelphia Airport RI, Greentree RI, Berwyn RI

Puerto Rico

Entity Name	Assumed Name
MVCI (Puerto Rico), Inc.	Marriott Vacation Club International

Rhode Island

Entity Name	Assumed Name
Courtyard Management Corporation	Middletown CbM
Marriott Ownership Resorts, Inc.	MVCI

South Carolina

Entity Name	Assumed Name
Courtyard Management Corporation	Columbia NW CbM
Fairfield FMC Corporation	Greenville FibM, Hilton Head FibM
Marriott Ownership Resorts, Inc.	MVCI

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"

South Carolina

Entity Name	Assumed Name
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company,	MVCI
Residence Inn by Marriott, Inc.	Columbia RI

Tennessee

Entity Name	Assumed Name
Courtyard Management Corporation	Nashville Airport CbM, Park Avenue, Memphis CbM, Memphis Airport CbM, Chattanooga CbM, Brentwood CbM 3/23/2004)
Fairfield FMC Corporation	Johnson City FibM, Jackson FibM, Chattanooga FibM
Marriott Hotel Services, Inc.	Nashville Airport Marriott Hotel
Marriott International, Inc.	Fairfield Inn
Marriott Ownership Resorts, Inc.	HMVC
Marriott Senior Living Services, Inc.	Brighton Gardens of Brentwood
Residence Inn by Marriott, Inc.	Maryland Farms RI, Memphis RI

Texas

Entity Name	Assumed Name
Courtyard Management Corporation	Addison/Quorum Courtyard
Courtyard Management Corporation	Las Colinas CbM, Dallas North Park CbM, Arlington CbM, San Antonio CbM
Courtyard Management Corporation	Plano CbM, Fort Worth CbM, Dallas Northeast CbM, Dallas Stemmons CbM
Courtyard Management Corporation	San Antonio Airport CbM, San Antonio Medical Center CbM, Bedford CbM, Addison CbM, LBJ @ Josey CbM
Courtyard Management Corporation	DFW Courtyard North
Fairfield FMC Corporation	Arlington Fairfield Suites
Forum-NGH, Inc.	Memorial Oaks Guest Home
Forum-NGH, Inc.	Collin Oaks Guest Home
Forum-NGH, Inc.	Tanglewood Oaks Guest Home
Forum-NGH, Inc.	Sugar Land Oaks Guest Home
Forum-NGH, Inc.	Duval Oaks Guest Home
Forum-NGH, Inc.	Northwest Oaks Guest Home
Forum-NGH, Inc.	Kinglsey Oaks Guest Home
Forum-NGH, Inc.	Tanglewood Oaks Guest Home
Forum-NGH, Inc.	Village Oaks at Farmers Branch
Forum-NGH, Inc.	Village Oaks at Hollywood Park
Forum-NGH, Inc.	VIllage Oaks at Cielo Vista, NGH/Marriott
Marriott Hotel Services, Inc.	Dallas Marriott Quorum, Houston Airport Marriott
Marriott Kauai Ownership Resorts,	MVCI
Marriott Ownership Resorts, Inc.	HMVC
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company,	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott of
Marriott Senior Living Services, Inc.	Brighton Gardens (in Dallas County)
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott of Austin
Marriott Senior Living Services, Inc.	Brighton Gardens by Marriott of San Antonio & Bexar County
MSLS Investments 20, Inc.	Champion Oaks Guest Home
National Guest Homes, LLC	Marriott Senior Living Services

Marriott International, Inc.
Domestic Corporations-Assumed Names Report

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"FibM" means "Fairfield Inn by Marriott" /
"MVCI" means "Marriott Vacation Club International"

Texas

Entity Name	Assumed Name
National Guest Homes, LLC	NGH Assisted Living
Residence Inn by Marriott, Inc.	Dallas Central Expressway RI, Dallas Market Center RI, Houston Astrodome RI, Houston Clear Lake RI
Residence Inn by Marriott, Inc.	Houston Southwest RI, Las Colinas RI, Lubbock RI, Tyler RI
Residence Inn by Marriott, Inc.	San Antonio Residence Inn by Marriott (Bexar, Travis Counties)
Springhill SMC Corporation	Arlington Springhill Suites

Utah

Entity Name	Assumed Name
Marriott Kauai Ownership Resorts,	MVCI
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts, Travel Company	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens of Salt Lake
Residence Inn by Marriott, Inc.	Residence Inn at the Cottonwoods

Virginia

Entity Name	Assumed Name
Courtyard Management Corporation	Dulles Town Center Courtyard by Marriott
Courtyard Management Corporation	Courtyard by Marriott
Courtyard Management Corporation	Richmond Innsbrook CbM (Henrico County)
Courtyard Management Corporation	Fairoaks CbM
Courtyard Management Corporation	Herndon CbM,
Courtyard Management Corporation	Manassas CbM, Charlottesville CbM
Courtyard Management Corporation	Brookfield CbM
Courtyard Management Corporation	Dulles South CbM, Rosslyn CbM
CR9 Tenant Corporation	Richmond NW Courtyard by Marriott
Marriott Hotel Services, Inc.	Marriott's Westfields Conference Center
Marriott Hotel Services, Inc.	Westfield's Marriott
Marriott Hotel Services, Inc.	Westfields Golf Club (Fairfax file date)
Marriott Hotel Services, Inc.	Crystal City Marriott Hotel
Marriott Ownership Resorts, Inc.	MVCI
Marriott Resorts Hospitality	MVCI
Marriott Resorts Hospitality	Tidewater's Sweets and Sundries
Marriott Resorts, Travel Company	MVCI
Marriott Senior Living Services, Inc.	Brighton Gardens of Arlington
Marriott Senior Living Services, Inc.	The Fairfax
Marriott Senior living Services, Inc.	Belvoir Woods Health Care Center
Marriott Senior Living Services, Inc.	Brighton Gardens (in Virginia Beach)
Marriott Senior Living Services, Inc.	The Colonnades
Residence Inn by Marriott, Inc.	Herndon, RI
The Ritz-Carlton Hotel Company, L.L	The Ritz-Carlton, Tysons Corner

Vermont

Entity Name	Assumed Name
Fairfield FMC Corporation	Burlington Colchester FibM

Washington

Entity Name	Assumed Name
Courtyard Management Corporation	Courtyard by Marriott
CTYD III Corporation	Courtyard by Marriott
Marriott Ownership Resorts, Inc.	MVCI

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 International"

Washington

Entity Name	Assumed Name
Marriott Resorts Hospitality	MVCI
Residence Inn by Marriott, Inc.	Residence Inn Redmon
Springhill SMC Corporation	Seattle South Renton Springhill
TownePlace Management	Seattle South Renton TownPlace Suites

Wisconsin

Entity Name	Assumed Name
Fairfield FMC Corporation	Milwaukee FibM, Madison FibM
Residence Inn by Marriott, Inc.	Green Bay RI

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report, dated January 30, 2001, included in this Form 10-K, into the Company's previously filed Registration Statements Files No. 333-36388, No. 333-39286, No. 333-48407, No. 333-48417, No. 333-53860, No. 333-55350, No. 333-58747, No. 333-77827 and No. 333-94697.

Vienna, Virginia
March 14, 2001

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 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, corporate apartments, 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, corporate apartments, 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 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 hotel rooms, 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: Some of our hotel rooms are booked through internet travel intermediaries such as Travelocity, Expedia 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 system rather than to our lodging brands. If this happens our business and profitability may be significantly harmed.