WASHINGTON -- February 7, 2000 -- Marriott International, Inc. (MAR / NYSE) today reported diluted earnings per share of $1.60 for its fiscal year ended December 31, 1999, compared to $1.46 in 1998. Net income increased to $424 million in 1999 from $390 million in the preceding year, and sales totaled $8.7 billion, up 10 percent from $8.0 billion a year ago.

Systemwide sales, which also include sales of managed and franchised properties, grew 11 percent to $17.7 billion in 1999.

Profit growth for 1999 was curtailed by preopening expenses and previously announced charges related to its senior living services business. Excluding the impact of these items, diluted earnings per share increased 16 percent in 1999, and net income was up 15 percent compared to 1998.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said he is very pleased with the company’s performance in 1999.

“We achieved solid financial results, developed and opened a record number of new properties, and introduced several exciting new brands during the year,” Mr. Marriott said. “We also made major investments in the infrastructure which supports our worldwide operations.

“Marriott International is in excellent position to achieve its long-term goals, including annual earnings growth in the mid-teens,” Mr. Marriott added. “We have the brands most preferred by travelers and hotel owners, as well as a talented, enthusiastic work force dedicated to customer service. Our worldwide reservations system, frequent guest program (Marriott Rewards), and Internet site (marriott.com) are among the best in the hotel industry, and our abundant cash flow enables us to invest significant capital in expanding our businesses and building our brands.

“The company’s prospects are very bright,” Mr. Marriott continued. “We expect another strong performance in 2000 from Marriott Lodging, which will open its 2,000th hotel during the year. Our senior living and distribution services businesses also are poised to contribute to profit growth.”

For the 1999 fourth quarter, Marriott International reported net income of $114 million and diluted earnings per share of 44 cents. Excluding the impact of the noncomparable items cited above, net income and diluted earnings per share rose 15 percent and 14 percent, respectively, in the quarter.

Sales totaled $2.8 billion in the 1999 fourth quarter, a gain of 11 percent compared to the 1998 quarter. Revenue per available room (REVPAR) for comparable company-operated U.S. hotels increased 4.6 percent in the quarter.

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 properties worldwide, and strong interval sales in resort timesharing.

Across the Marriott lodging brands, REVPAR and average room rates for comparable company-operated U.S. properties both grew by approximately 3.5 percent in 1999. Occupancy for these hotels remained at 78 percent.

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 sales gains were generated at timesharing resorts in Florida, South Carolina, California, Utah and Spain. During 1999, the company began sales at six new resort properties, and launched two new vacation ownership brands. Horizons by Marriott Vacation Club will target the moderate price tier of the market (average weekly interval price of $12,000), while The Ritz-Carlton Club (three to four week fractional ownership intervals from $85,000 and up) will provide an attractive alternative to owning a second home.

The company added 243 hotels and timesharing resorts (36,500 rooms) across its lodging brands during 1999, while 49 properties (8,900 rooms) exited the system. Thirty-one of the properties opened in 1999 are located outside the United States, including the company’s first hotels in Armenia, Ecuador, El Salvador, the Netherlands Antilles, Portugal and Spain. At year-
end, the Marriott lodging group encompassed 1,880 hotels and timesharing resorts (355,900 rooms), and approximately 5,200 furnished corporate apartments managed by the company’s ExecuStay by Marriott division.

Marriott Lodging plans to add 175,000 rooms to its global portfolio over a five-year period (1999-2003). At year-end, the company had more than 400 lodging properties (over 70,000 rooms) under construction or approved for development.

MARRIOTT DISTRIBUTION SERVICES reported a 24 percent increase in operating profit in 1999 on a modest decline in sales. The division benefited from realization of cost economies in transportation and warehouse operations, as well as higher gross margins per case.

MARRIOTT SENIOR LIVING SERVICES reported an operating loss in 1999, primarily as a result of preopening expenses for new communities, costs associated with the company’s decision to slow new construction until market conditions improve, and other one-time charges. The division opened 33 senior living communities during the year, including 24 Brighton Gardens, its popular assisted living brand serving the quality tier. Occupancy for comparable communities increased slightly to 90 percent in 1999. At year-end, Marriott operated 144 senior living communities totaling 24,800 residential units.

CORPORATE EXPENSES increased $15 million in 1999 primarily due to incremental systems-related costs, including the company’s Year 2000 readiness program. Interest expense was up $31 million as a result of borrowings to finance growth outlays and share repurchases. Marriott International acquired 10.8 million shares of its common stock in 1999, and its Board of Directors recently authorized repurchase of an additional 25 million shares.

The company’s effective income tax rate decreased to approximately 37.3 percent in 1999 from 38.3 percent in the prior year.

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Note: This press release contains “forward-looking statements” within the meaning of federal securities law, including statements concerning the number of lodging properties expected to be added in future years, business strategies and their intended results, and similar statements concerning anticipated future events and expectations that are not historical facts. The forward-looking statements in this press release are subject to numerous risks and uncertainties, including the effects of economic conditions; supply and demand changes for hotel rooms, vacation ownership intervals, corporate housing and senior living accommodations; competitive conditions in the lodging, senior living and food service distribution industries; relationships with clients and property owners; the impact of government regulations; and the availability of capital to finance growth, which could cause actual results to differ materially from those expressed in or implied by the statements herein.

** To obtain the 1999 year-end financial tables, please contact:
Marriott Communications -- 301-380-7431

MARRIOTT INTERNATIONAL, INC. (NYSE:MAR) is a leading worldwide hospitality company with over 2,000 operating units in the United States and 58 other countries and territories. Marriott Lodging operates and franchises hotels under the Marriott, Renaissance, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn, SpringHill Suites and Ramada International brand names; develops and operates vacation ownership resorts under the Marriott, Ritz-Carlton and Horizons brands; operates Marriott Executive Apartments; provides furnished corporate housing through its ExecuStay by Marriott division; and operates conference centers. Other Marriott businesses include senior living communities and services, wholesale food distribution, procurement services, and The Ritz-Carlton Hotel Company LLC. The company is headquartered in Washington, D.C., and has approximately 151,000 employees. In fiscal year 1999, Marriott International reported systemwide sales of $17.7 billion. For more information or reservations, please visit us at www.marriott.com.