Marriott on Track for Growth; Poised to Expand Leadership

WASHINGTON, D.C. - May 7, 2001 - Marriott International (NYSE:MAR) today told a meeting of security analysts here that it remains on track to add 70,000 rooms from 2001 through 2002. The company also said it was poised to expand its leadership of the lodging industry.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said, "Marriott's broad portfolio of brands holds a 7½ percent market share of hotel rooms in the U.S., and just over 3 percent of the $300 billion worldwide market. Our plan to continue adding hotel rooms puts us well ahead of our competition, which has scaled back their room growth. With an improving industry room supply picture and an economic rebound, we have the opportunity for 2002 and 2003 to be exceptional years."

Noting that Marriott's business model and well-established brands fuel growth, Mr. Marriott said, "Our strategy of managing, rather than owning, hotels results in a strong balance sheet and a healthy cash flow. This allows us to expand our brands without being overly limited by debt."

The company's president and chief operating officer, William J. Shaw, added that Marriott's brand strength also tends to insulate the company from downturns. He noted the Business Development Research Consultants finding that the flagship Marriott Hotels, Resorts and Suites brand maintains a 3-to-1 preference over its nearest competitor among frequent U.S. quality-tier business travelers. "With our broad portfolio of brands, we can meet the needs of virtually all guests, even if their travel spending changes."

Marriott Growth

Arne Sorenson, Marriott International executive vice president and chief financial officer, said that the benefits of Marriott's unit expansion have just begun to pay off. "Over 95 percent of Marriott's lodging growth from 2000 to 2003 is expected to come from recently opened properties and properties under development or approved for construction."

Other key Marriott International competitive strengths cited at the meeting include:

- Multiple sales channels, enabling Marriott to sell to customers the way they want to buy.
- An unmatched and industry-leading reservations system.
- Internet sales, led by Marriott.com, expected to reach as high as five percent of reservations in 2001.
- Over $1 billion of revenue derived from the company's brand preference, as demonstrated by its premium over competitors in the industry's key measure: Revenue per Available Room (RevPAR).
- Marriott Rewards, the most time-tested and largest frequent guest program in the country, expected to reach 15 million members in June.

Editors' Note: Attached is a newly formatted income statement for 1999 and 2000.