



Marriott International Announces Sale of the Ritz-Carlton Kapalua Hotel For \$144 Million to Capital Hotel Investments LLC



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News: MARRIOTT INTL INC NEW(MAR)

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WASHINGTON, Feb. 2 /SM Newswire/ -- Marriott International, Inc. (NYSE: MAR) today announced the sale of the Ritz-Carlton Kapalua (Maui, Hawaii) for approximately \$144 million to Capital Hotel Investments LLC, a joint venture between Marriott International and affiliates of Blackacre Capital Management LLC. In September 2000, Marriott International acquired the Ritz-Carlton Kapalua (for a total cost of approximately \$144 million) in expectation of subsequently selling the hotel and retaining a management agreement. Ritz-Carlton Hotel Company, an affiliate of Marriott International, will continue to operate the hotel as a Ritz-Carlton under a long-term management agreement. Capital Hotel Investments was advised by Credit Suisse First Boston Corporation in the transaction.

"We are pleased to complete this follow-on transaction with Blackacre, and we are excited about continuing to work together on future opportunities," said Arne M. Sorenson, executive vice president and chief financial officer of Marriott International. "This acquisition brings the portfolio of Marriott- managed full service properties owned by Capital Hotel Investments to six hotels with a total value in excess of \$500 million. We are committed to working with Blackacre to expand the portfolio of hotels substantially above this level. Our strategic alliance with Blackacre should continue to create tremendous opportunities for both of our companies."

Ron Kravit, managing director of Blackacre noted, "As we had anticipated, our venture with Marriott International is proving to be an excellent opportunity to work closely with a top notch, world-class operator of real estate assets with whom we continue to source a steady pipeline of attractive investment opportunities."

MARRIOTT INTERNATIONAL, INC. (NYSE: MAR) is a leading worldwide hospitality company with over 2,000 operating units in the United States and 57 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 149,000 employees. In fiscal year 1999, Marriott International reported systemwide sales of \$17.7 billion. For more information or reservations, please visit their web site at <http://www.marriott.com>.

BLACKACRE CAPITAL MANAGEMENT LLC is a private real estate investment management firm formed in August 1994. Blackacre is affiliated with Cerberus Capital Management, L.P. and other funds and accounts under common management, which in the aggregate have over \$6 billion in committed capital under discretionary management. Blackacre has historically conducted a significant portion of its investment activities through partnerships and joint ventures with a broad network of strategic operating and capital partners, enhancing Blackacre's ability to source, analyze, structure and oversee a wide variety of appropriate investment opportunities.

Note: This press release contains "forward-looking statements" within the meaning of federal securities law, including statements concerning 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, competitive conditions in the lodging industry, 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.

Source: Marriott International, Inc.

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