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Avendra To Be Purchased By Aramark

BETHESDA, Md., Oct. 16, 2017 /PRNewswire/ -- Marriott International (NASDAQ: MAR) today announced that the owners of Avendra, LLC have reached a binding agreement to sell Avendra to Aramark (NYSE: ARMK) for \$1,350 million. After redemption of management participation rights, transaction costs, and repayment of Avendra's outstanding debt, Avendra's founding shareholders, Marriott, Hyatt, Accor, ClubCorp and IHG, expect to receive approximately \$1,180 million in cash proceeds from the transaction. Marriott expects to receive approximately \$650 million for its 55 percent interest in Avendra.

Avendra was formed in 2001 through the merger of Marriott's North American procurement division with the procurement businesses and purchasing power of the other founding shareholders. Since its founding, Avendra has grown dramatically and today over half of Avendra's revenues come from providing procurement and related services to non-founders.

Leeny Oberg, Chairman of the Avendra Board and Executive Vice President and Chief Financial Officer of Marriott International, said, "We are delighted that Aramark, with its strong supply chain management business, has agreed to purchase Avendra, a significant leader in hospitality procurement services. Since its founding in 2001, Avendra has leveraged its tremendous scale by recommending quality products, negotiating favorable terms with vendors, and increasing efficiency of the procurement process. Today's transaction should further increase procurement benefits for Marriott's hotel owners and franchisees."

Marriott's original investment in Avendra totaled \$13 million and was recovered from dividends from the business. Marriott committed to the owners of Marriott's hotels that the benefits derived from Avendra, including any dividends or sale proceeds above the original investment, would be used for the benefit of the hotels in our system. The significant proceeds from the sale of Avendra to Aramark will be used over time in this manner.

As part of the purchase agreement, also on behalf of its managed hotel system in the Americas, Marriott will enter into a 5-year procurement service agreement with Aramark. While the transaction will benefit owners and franchisees of its hotels, Marriott expects the transaction will be immaterial to its financial results.

The transaction is subject to the expiration or termination of the waiting period under the Hart Scott Rodino Antitrust Improvements Act and satisfaction of other customary closing conditions. The parties expect the transaction to close before year-end. Goldman Sachs & Co. LLC is serving as financial advisor to Avendra. Gibson Dunn is serving as legal advisor to Marriott in connection with the transaction.

Note on forward-looking statements: This press release contains "forward-looking statements" within the meaning of U.S. federal securities laws, including the parties' plans for closing the transaction; statements concerning the benefits of the transaction; and anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including the receipt of necessary consents, and other risk factors that we identify in our most recent quarterly report on Form 10-Q. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release. We make these forward-looking statements as of the date of this press release. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Marriott International, Inc. (NASDAQ: MAR) is based in Bethesda, Maryland, USA, and encompasses a portfolio of more than 6,200 properties in 30 leading hotel brands spanning 125 countries and territories. Marriott operates and franchises hotels and licenses vacation ownership resorts all around the world. The company also operates award-winning loyalty programs: Marriott Rewards®, which includes The Ritz-Carlton Rewards®, and Starwood Preferred Guest®. For more information, please visit our website at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com. In addition, connect with us on Facebook and @MarriottIntl on Twitter and Instagram.

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