# Marriott International Reports EPS from Continuing Operations of $1.74 For 2002, Up 66% from 2001

## - Opened More Than 31,000 Rooms in 2002 -

WASHINGTON, Feb 10, 2003 /PRNewswire-FirstCall via COMTEX/ --

Marriott International, Inc. (NYSE: MAR) today reported diluted earnings per share from continuing operations of $1.74 in 2002, up 66 percent from 2001. Income from continuing operations, net of taxes, for the year was $439 million, up from $269 million a year ago. Systemwide sales, excluding discontinued operations, totaled $19 billion, up six percent from 2001.

FULL YEAR RESULTS

Earnings per share from continuing operations in 2002 included an $0.11 per share after-tax gain on the sale of the company's investment in Interval International and a $50 million, or $0.19, per share non-cash write-down of acquisition goodwill associated with the ExecuStay corporate housing business. Adjusting for these items in 2002, as well as restructuring and other charges incurred in 2001, earnings per share from continuing operations in 2002 increased 18 percent from 2001, to $1.82 per share.

Synthetic fuel operations contributed approximately $0.29 cents per share of after-tax earnings during the year. Compared to prior company guidance for 2002, synthetic fuel operations exceeded expectations by $0.02 per share and a higher than expected tax rate (before synthetic fuel) lowered earnings by $0.03 per share.

J.W. Marriott, Jr., chairman and chief executive officer of Marriott International, said, "We are pleased with the relative strength of our lodging profits and cash flow, despite the toughest demand environment our industry has ever seen. Our brands continue to outperform their competitors, reflecting strong customer preference. Our distribution increased during the year as owners and franchisees added Marriott products across all the company's brands and around the world.

"Room openings for 2002 were stronger than expected, with over 31,000 gross new rooms opened in the year. Conversions continue to be an important source of new rooms and accounted for 21 percent of room additions during the year. We continue to expect to add between 25,000 and 30,000 hotel rooms annually in both 2003 and 2004 to our worldwide lodging portfolio. At the end of the fourth quarter, the company's pipeline of properties under construction, awaiting conversion, or approved for development exceeded 50,000 rooms."

MARRIOTT LODGING reported a 10 percent increase in profits during 2002. Adjusting for the sale of the Interval International investment, the ExecuStay write-down, as well as 2001 restructuring and other charges, lodging profits declined six percent during the year. Lodging profits reflected weak demand for hotels and executive apartments.

For the full 2002 fiscal year (December 29, 2001 - January 3, 2003), REVPAR for comparable company-operated North American properties decreased by 5.7 percent. Average room rates for these hotels decreased 4.9 percent, while occupancy was down slightly. The company's full-service brands (including Marriott Hotels, Resorts and Suites, The Ritz-Carlton, and Renaissance Hotels, Resorts and Suites) experienced a REVPAR decrease of 4.8 percent in 2002, driven almost entirely by a 4.7 percent decline in average daily rate. Marriott's select-service and extended-stay brands (including Courtyard, Fairfield Inn, Residence Inn, TownePlace Suites, and SpringHill Suites) posted a REVPAR decrease of 7.8 percent in 2002, again largely a result of lower average daily rates. Marriott's 2002 fiscal year included a 53rd week, adding a second New Year's holiday week to its annual results. Excluding the 53rd week, REVPAR declined by an average of 4.8 percent across Marriott's brands during 2002.

Our 2002 profits for international lodging reflected better trends than in the U.S., with REVPAR up two percent on a constant dollar basis and six percent growth in hotel rooms. Lodging demand strengthened in Asia and the United Kingdom.

Marriott's timeshare business reported five percent higher contract sales in 2002. Contract sales were strong at timeshare resorts in Aruba, Colorado, Hawaii, and California, but remained soft in Orlando. Profits in the timeshare business were up 24 percent in 2002, as a result of a $44 million pre-tax gain on the sale of the company's investment in Interval International and higher gains on mortgage note sales, partially offset by lower development profits and higher administrative costs related to a new computer system.

We recorded a $50 million pre-tax write-down of acquisition goodwill in ExecuStay's corporate apartment business during the fourth quarter of 2002 due to the continued weak operating environment, particularly in New York City, and a consequent delay in its expected recovery.

We added 188 hotels and timeshare resorts (31,605 rooms) to our worldwide lodging portfolio over the past 12 months, while 25 properties (4,663 rooms) exited the system. A net total of 52 hotels and resorts (8,842 rooms) opened in the 2002 fourth quarter, including the 950 room JW Marriott Desert Ridge Resort and Spa in Scottsdale, Arizona. Twelve other Marriott Hotels, Resorts and Suites (2,881 rooms), ten Courtyard hotels (1,591 rooms) and 17 Residence Inns (2,043 rooms) also opened during the fourth quarter of 2002. At year end, the company's lodging group encompassed 2,557 hotels and timeshare resorts (463,429 rooms).

CORPORATE EXPENSES were $126 million in 2002, an increase of eight percent adjusted for restructuring and other charges in 2001. The increase reflected several non-comparable items in 2001, higher litigation expenses, and the impact of a 53rd week in the company's 2002 fiscal year. Interest expense in 2002 was $86 million, a $23 million decline from 2001 levels, resulting from substantially lower debt outstanding, as well as lower interest rates. At year end 2002, total debt (including debt associated with discontinued operations) was $1.9 billion, net of cash reserves, down from $2.3 billion at year end 2001. Interest income totaled $122 million in 2002, reflecting higher loans outstanding. Provisions for loan losses in 2002 were $12 million, related to the write-down of four hotel loans.

During 2002, we closed the distribution services business and announced our plan to exit the senior living business. Therefore, the financial results for those businesses are shown in discontinued operations for 2002 and 2001. Losses per share from discontinued operations were $0.64 in 2002 compared to losses of $0.13 a year ago.

During 2002, we sold 10 hotels, 41 senior living communities (including the Village Oaks portfolio) and other real estate for a total of $763 million. We also sold our 11 percent stake in Interval International for $63 million. We owned only eight hotels at year-end 2002. Total net cash flow in 2002 before share repurchases and debt reduction was approximately $800 million, more than $3.00 per share.

We repurchased 7.8 million shares of common stock during 2002 at a total cost of $255 million. To date in 2003, an additional 3.1 million shares of common stock have been repurchased for a total cost of $99 million. We expect to invest the proceeds derived from the exit of the senior living services business (approximately $410 million) in additional share repurchases during 2003. The company's board of directors increased the current share repurchase authorization to 20 million shares at its February 2003 meeting.

FOURTH QUARTER RESULTS

The company's fourth quarter diluted earnings per share from continuing operations was $0.47, compared to a loss of $0.31 per share reported a year ago. Adjusting for the Interval International gain and the ExecuStay goodwill charge, as well as restructuring and other charges incurred in 2001, earnings per share from continuing operations was $0.55 compared to $0.22 in the year ago quarter, up over 150 percent. Systemwide sales, excluding discontinued operations, totaled $5.9 billion in the fourth quarter, up 20 percent from the 2001 quarter.

Synthetic fuel operations provided approximately $0.14 per share of after-tax earnings during the quarter. Compared to prior company guidance for the fourth quarter, synthetic fuel operations exceeded expectations by $0.02 per share and a higher than forecasted tax rate (before synthetic fuel) lowered earnings by $0.03 per share. Adjusted for these two items, as well as the Interval International gain and the ExecuStay charge, fourth quarter earnings per share was two cents above the consensus EPS estimate.

MARRIOTT LODGING profits totaled $202 million in the fourth quarter. Excluding the Interval International gain, the ExecuStay goodwill charge and restructuring and other charges incurred in 2001, lodging profits totaled $208 million, up 63 percent from the year ago quarter. Base fees and franchise fees increased 18 percent during the quarter and incentive management fees increased 43 percent, reflecting more difficult operating conditions in the prior year following September 11. Profits at full-service hotels showed considerable improvement from the depressed levels experienced in the 2001 quarter.

REVPAR for comparable company-operated North American properties during the fiscal quarter (September 7, 2002 to January 3, 2003) increased 7.4 percent primarily due to higher occupancy. Outside North America, REVPAR increased 13.9 percent in constant dollars over the 2001 quarter. Marriott's 2002 fourth quarter included 17 weeks of operations versus 16 weeks in the 2001 fourth quarter. Excluding the additional New Year's week, fourth quarter REVPAR for comparable company-operated North American properties increased 10.5 percent.

The timeshare business reported 33 percent higher contract sales during the fourth quarter. Timeshare profits for the quarter of $73 million included a $44 million gain on the sale of an investment in Interval International and a $13 million gain on the sale of timeshare mortgage notes.

CORPORATE EXPENSES were $49 million during the fourth quarter of 2002. Excluding the impact of restructuring and other charges, corporate expenses increased nine percent in the fourth quarter, reflecting higher litigation expenses and the impact of the 53rd week. Interest expense was $27 million during the quarter compared to $34 million in the prior year. Interest rates and debt balances declined during the quarter. Interest income increased $12 million during the quarter largely due to amounts that were received that had previously been deemed uncollectible. In addition, the 2001 fourth quarter included $6 million in restructuring reserves.

In December, the company announced agreements to sell its senior living services business and related real estate for $259 million. The company expects to complete these transactions early in 2003. In the fourth quarter of 2002, the company completed its exit from the distribution services business, which resulted in a $21 million after-tax loss in discontinued operations.

OUTLOOK

Based on continued soft demand trends, but without factoring in the impact of any possible conflict in Iraq, we currently estimate REVPAR in 2003 to be roughly flat compared to 2002 levels. With flat REVPAR, the company expects hotel house profit margins to decline approximately one to two points as a result of continued pressure on casualty insurance and medical benefits cost increases. Factoring in new unit growth, but not including the effects of a possible war, lodging profits are expected to total $710 to $740 million in 2003.

The company has just signed an agreement to sell an approximately 50 percent ownership interest in its synthetic fuel operations to a major U.S. investment bank. We expect to receive approximately $25 million at closing and additional substantial payments over time, the size of which depend on the amount of future synthetic fuel production. We expect the sale to close later in 2003, subject to certain contingencies, including the receipt of a satisfactory private letter ruling from the Internal Revenue Service regarding the new ownership structure.

As a result of this transaction, earnings per share from the company's synthetic fuel investment are expected to approximate $0.30 - $0.32, after-tax, in 2003. If the transaction does not close, we anticipate earnings from the company's synthetic fuel investment to approximate $0.20 per share, as we would expect to limit fuel production in the latter half of 2003 since we may not be in a position to use all of the tax credits that would be generated at full production. Excluding the impact of the synthetic fuel investment, we anticipate a tax rate from continuing operations of roughly 36 percent in 2003.

Overall, the company estimates earnings per share from continuing operations to total around $1.85 to $1.95 for 2003, including the earnings from synthetic fuel operations.

First quarter 2003 REVPAR on a comparable basis is expected to decline roughly three percent from 2002 levels. Due to the shift in our calendar, we anticipate that reported REVPAR for the first quarter 2003 will be approximately flat to 2002. Assuming a deferral of a timeshare mortgage note sale until the second quarter, we estimate lodging profits will be $150 million to $160 million in the 2003 first quarter. Including $0.05 in earnings per share from synthetic fuel, we anticipate that earnings per share from continuing operations will total $0.36 to $0.40 per share in the first quarter 2003.

We expect investment spending in 2003 to include approximately $40 million for maintenance spending and approximately $100 million for new company-developed hotels. We anticipate timeshare spending to total approximately $150 - $200 million. We also expect to invest $200 million in equity slivers, mezzanine financing and mortgage loans for hotels developed by our partners. We expect that total investment spending in 2003 will be roughly $500 - $550 million. We anticipate cash flow after maintenance capital expenditures and before asset dispositions, capital expenditures, and share repurchases, of approximately $700 million, or almost $3.00 per share of free cash flow.

We invite individual investors and members of the news media to listen to our year end earnings conference call on February 10 at 10 a.m. ET on the Internet. Go to http://www.marriott.com/investor and click on "recent investor news." A recording of the call will be available by telephone until February 17 at 8:00 p.m. ET by calling (719) 457-0820, reservation number 695188.

Note: This press release contains "forward-looking statements" within the meaning of federal securities laws, including REVPAR, profit margin and earning trends; statements concerning the number of lodging properties expected to be added in future years; expected investment spending; anticipated results from synthetic fuel operations; the completion of the sale of the senior living business and an interest in our synthetic fuel business; and similar statements concerning 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 duration and severity of the current economic slowdown and the pace at which the lodging industry adjusts to the continuing war on terrorism; supply and demand changes for hotel rooms, vacation ownership intervals, and corporate housing; competitive conditions in the lodging industry; relationships with clients and property owners; the availability of capital to finance growth; and receipt of a satisfactory Internal Revenue Service ruling in connection with the synthetic fuel sale; any of which could cause actual results to differ materially from those expressed in or implied by the statements herein. These statements are made as of the date of this press release, and 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. (NYSE: MAR) is a leading worldwide hospitality company with nearly 2,600 lodging properties in the United States and 66 other countries and territories. Marriott International operates and franchises hotels under the Marriott, JW Marriott, The Ritz-Carlton, Renaissance, Residence Inn, Courtyard, TownePlace Suites, Fairfield Inn, SpringHill Suites and Ramada International brand names; develops and operates vacation ownership resorts under the Marriott Vacation Club International, Horizons, The Ritz-Carlton Club and Marriott Grand Residence Club brands; operates Marriott Executive Apartments; provides furnished corporate housing through its Marriott ExecuStay division; and operates conference centers. Marriott is also in the synthetic fuel business. The company is headquartered in Washington, D.C., and has approximately 144,000 employees. In fiscal year 2002, Marriott International reported systemwide sales of $19 billion, excluding discontinued operations. For more information or reservations, please visit our web site at http://www.marriott.com .

MARRIOTT INTERNATIONAL, INC.
Financial Highlights
(in millions, except per share amounts)

| | 53 Weeks Ended January 3, 2003 | | | 52 Weeks Ended December 28, 2001 | | | |
|---|---|---|---|---|---|---|---|
| | Lodging | Synthetic Fuel | Total | Lodging | Synthetic Fuel | Total | Percent Better/(Worse) |
| Base management fees | $379 | $- | $379 | $372 | $- | $372 | |
| Franchise fees | 232 | - | 232 | 220 | - | 220 | |
| Incentive management fees | 162 | - | 162 | 202 | - | 202 | |
| Owned and leased properties | 383 | - | 383 | 478 | - | 478 | |
| Other lodging revenue(1) | 1,353 | - | 1,353 | 1,277 | - | 1,277 | |
| Cost reimbursements(2) | 5,739 | - | 5,739 | 5,237 | - | 5,237 | |
| Synthetic Fuel | - | 193 | 193 | - | - | - | |
| Total Revenues | 8,248 | 193 | 8,441 | 7,786 | - | 7,786 | |
| Owned and leased - direct(3) | 384 | - | 384 | 456 | - | 456 | |
| Other lodging - direct(4) | 1,185 | - | 1,185 | 1,077 | - | 1,077 | |
| Reimbursed costs | 5,739 | - | 5,739 | 5,237 | - | 5,237 | |
| Restructuring | - | - | - | 44 | - | 44 | |
| Administrative and other(5) | 233 | - | 233 | 331 | - | 331 | |
| Synthetic Fuel | - | 327 | 327 | - | - | - | |
| Total Expenses | 7,541 | 327 | 7,868 | 7,145 | - | 7,145 | |
| Segment Results | $707 | $(134) | 573 | $641 | $- | 641 | (11) |
| Corporate expenses | | | (126) | | | (139) | |
| Interest expense | | | (86) | | | (109) | |
| Interest income | | | 122 | | | 94 | |
| Provision for loan losses | | | (12) | | | (48) | |
| Restructuring costs | | | - | | | (18) | |
| Income from continuing operations before income taxes | | | 471 | | | 421 | |
| Benefit (Provision) for income taxes | | | (32) | | | (152) | |

| | | | |
|---|---|---|---|
| Income from continuing operations | 439 | 269 | 63 |
| Discontinued operations | | | |
| Senior Living Services | | | |
| Income (loss) from discontinued operations, net of tax | 23 | (29) | |
| Loss on disposal, net of tax | (131) | - | |
| Marriott Distribution Services | | | |
| Loss from discontinued operations, net of tax | (14) | (4) | |
| Exit costs, net of tax | (40) | - | |
| Net income | $277 | $236 | 17 |
| Earnings Per Share - Basic | | | |
| Earnings from continuing operations | $1.83 | $1.10 | 66 |
| Loss from discontinued operations | (0.68) | (0.13) | (423) |
| Earnings per share | $1.15 | $0.97 | 19 |
| Earnings Per Share - Diluted | | | |
| Earnings from continuing operations | $1.74 | $1.05 | 66 |
| Loss from discontinued operations | (0.64) | (0.13) | (392) |
| Earnings per share | $1.10 | $0.92 | 20 |
| Diluted Shares | 254.6 | 256.7 | |
| Basic Shares | 240.3 | 243.3 | |

(1) Other lodging revenue includes timeshare revenue (excluding base fees and reimbursed costs), ExecuStay revenue, land rent income, and other revenue.

(2) Cost reimbursements include reimbursements from hotel owners for Marriott funded operating expenses. Marriott earns no markup on these expenses.

(3) Owned and leased - direct includes operating expenses of owned or leased hotels including lease payments, preopening expenses and depreciation.

(4) Other lodging - direct includes timeshare expenses (including timeshare development, financing, gains and joint ventures but excluding reimbursed costs and restructuring costs) and ExecuStay expenses (excluding restructuring costs).

(5) Administrative and other includes lodging segment overhead, joint venture results, amortization, and gains and losses. Excludes timeshare gains, timeshare joint ventures, cost reimbursements and restructuring costs.

MARRIOTT INTERNATIONAL, INC.
Financial Highlights
(in millions, except per share amounts)

| | 17 Weeks Ended January 3, 2003 | | | 16 Weeks Ended December 28, 2001 | | | |
|---|---|---|---|---|---|---|---|
| | Lodging | Synthetic Fuel | Total | Lodging | Synthetic Fuel | Total | Percent Better/(Worse) |
| Base management fees | $121 | $- | $121 | $100 | $- | $100 | |
| Franchise fees | 72 | - | 72 | 63 | - | 63 | |
| Incentive management fees | 53 | - | 53 | 37 | - | 37 | |
| Owned and leased properties | 110 | - | 110 | 114 | - | 114 | |
| Other lodging revenue(1) | 387 | - | 387 | 347 | - | 347 | |
| Cost reimbursements(2) | 1,852 | - | 1,852 | 1,478 | - | 1,478 | |
| Synthetic Fuel | - | 80 | 80 | - | - | - | |
| Total Revenues | 2,595 | 80 | 2,675 | 2,139 | - | 2,139 | |
| Owned and leased - direct(3) | 118 | - | 118 | 117 | - | 117 | |
| Other lodging - direct(4) | 372 | - | 372 | 311 | - | 311 | |
| Reimbursed costs | 1,852 | - | 1,852 | 1,478 | - | 1,478 | |
| Restructuring | - | - | - | 44 | - | 44 | |
| Administrative and other(5) | 51 | - | 51 | 176 | - | 176 | |
| Synthetic Fuel | - | 133 | 133 | - | - | - | |
| Total Expenses | 2,393 | 133 | 2,526 | 2,126 | - | 2,126 | |
| Segment Results | $202 | $(53) | 149 | $13 | $- | 13 | 1,046 |
| Corporate expenses | | | (49) | | | (67) | |
| Interest expense | | | (27) | | | (34) | |
| Interest income | | | 47 | | | 35 | |
| Provision for loan losses | | | (12) | | | (48) | |
| Restructuring costs | | | - | | | (18) | |
| Income (loss) from continuing operations before income taxes | | | 108 | | | (119) | |
| Benefit (Provision) for income taxes | | | 8 | | | 45 | |
| Income (loss) from continuing operations | | | 116 | | | (74) | 257 |
| Discontinued operations | | | | | | | |
| Senior Living Services | | | | | | | |
| Income (loss) from discontinued operations, net of tax | | | 6 | | | (35) | |
| Loss on disposal, net of tax | | | (131) | | | - | |
| Marriott Distribution Services | | | | | | | |

| | | | |
|---|---|---|---|
| Loss from discontinued operations, net of tax | (7) | (7) | |
| Exit costs, net of tax | (21) | - | |
| | ------ | ------ | |
| Net loss | $(37) | $(116) | 68 |
| | ====== | ====== | |
| Earnings Per Share - Basic | | | |
| Earnings (loss) from continuing operations | $0.49 | $(0.31) | 258 |
| Loss from discontinued operations | (0.65) | (0.17) | (282) |
| | ------ | ------ | |
| Loss per share | $(0.16) | $(0.48) | 67 |
| | ====== | ====== | |
| Earnings Per Share - Diluted | | | |
| Earnings (loss) from continuing operations | $0.47 | $(0.31) | 252 |
| Loss from discontinued operations | (0.62) | (0.17) | (265) |
| | ------ | ------ | |
| Loss per share | $(0.15) | $(0.48) | 69 |
| | ====== | ====== | |
| Diluted Shares | 247.3 | 241.3 | |
| Basic Shares | 237.0 | 241.3 | |

(1) Other lodging revenue includes timeshare revenue (excluding base fees and reimbursed costs), ExecuStay revenue, land rent income, and other revenue.

(2) Cost reimbursements include reimbursements from hotel owners for Marriott funded operating expenses. Marriott earns no markup on these expenses.

(3) Owned and leased - direct includes operating expenses of owned or leased hotels including lease payments, preopening expenses and depreciation.

(4) Other lodging - direct includes timeshare expenses (including timeshare development, financing, gains and joint ventures but excluding reimbursed costs and restructuring costs) and ExecuStay expenses (excluding restructuring costs).

(5) Administrative and other includes lodging segment overhead, joint venture results, amortization, and gains and losses. Excludes timeshare gains, timeshare joint ventures, cost reimbursements and restructuring costs.

MARRIOTT INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEET
January 3, 2003 and December 28, 2001
($ in millions)

| | January 3, 2003 | December 28, 2001 |
|---|---|---|

| | | |
|---|---|---|
| ASSETS | | |
| Current Assets | | |
| Cash and equivalents | $198 | $812 |
| Accounts and notes receivable | 524 | 479 |
| Prepaid taxes | 300 | 223 |
| Other | 89 | 72 |
| Assets held for sale | 633 | 1,161 |
| | 1,744 | 2,747 |
| Property and equipment | 2,589 | 2,460 |
| Goodwill | 923 | 977 |
| Other intangible assets | 495 | 657 |
| Investments in affiliates - equity | 493 | 314 |
| Investments in affiliates - notes receivable | 584 | 505 |
| Notes and other receivables, net | | |
| Loans to timeshare owners | 153 | 259 |
| Other notes receivable | 304 | 311 |
| Other long-term receivables | 473 | 472 |
| | 930 | 1,042 |
| Other | 538 | 405 |
| | $8,296 | $9,107 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | $529 | $607 |
| Accrued payroll and benefits | 373 | 322 |
| Casualty self insurance | 32 | 21 |
| Other payables and accruals | 665 | 621 |
| Current portion of long-term debt | 242 | 32 |
| Liabilities of businesses held for sale | 366 | 367 |
| | 2,207 | 1,970 |
| Long-term debt | 1,492 | 2,301 |
| Casualty self insurance reserves | 106 | 83 |
| Other long-term liabilities | 857 | 868 |
| Convertible debt | 61 | 407 |
| Shareholders' equity | | |
| Class A common stock | 3 | 3 |
| ESOP preferred stock | - | - |
| Additional paid-in capital | 3,181 | 3,378 |
| Retained earnings | 1,126 | 941 |
| Treasury stock, at cost | (667) | (503) |
| Unearned ESOP shares | - | (291) |
| Accumulated other comprehensive loss | (70) | (50) |
| | 3,573 | 3,478 |

| | | |
|---|---|---|
| | $8,296 | $9,107 |

MARRIOTT INTERNATIONAL, INC.
Sales by Business Segment
(in millions)

| | Year Ended * | |
|---|---|---|
| | January 3, 2003 | December 28, 2001 |
| Full-Service | $5,474 | $5,238 |
| Select-Service | 967 | 864 |
| Extended-Stay | 600 | 635 |
| Timeshare | 1,207 | 1,049 |
| Synthetic Fuel | 193 | - |
| Total | $8,441 | $7,786 |

| | Quarter Ended * | |
|---|---|---|
| | January 3, 2003 | December 28, 2001 |
| Full-Service | $1,760 | $1,459 |
| Select-Service | 291 | 219 |
| Extended-Stay | 184 | 176 |
| Timeshare | 360 | 285 |
| Synthetic Fuel | 80 | - |
| Total | $2,675 | $2,139 |

* Our fiscal year ends on the Friday nearest to December 31. The 2002 fiscal year included 53 weeks, while the 2001 fiscal year included 52 weeks. The fourth quarter 2002 included 17 weeks, while the fourth quarter 2001 included 16 weeks.

MARRIOTT INTERNATIONAL, INC.
Financial Results by Business Segment
(in millions)

| Year Ended * | | | | | |
|---|---|---|---|---|---|
| January 3, 2003 | | | December 28, 2001 | | |
| As | Restruc -turing and Other | Before Restruc -turing and Other | As | Restruc -turing and Other | Before Restruc -turing and Other |

| | As Reported | Restructuring and Other Costs | Before Restructuring and Other Costs | As Reported | Restructuring and Other Costs | Before Restructuring and Other Costs |
|---|---|---|---|---|---|---|
| Full-Service | $397 | $- | $397 | $294 | $84 | $378 |
| Select-Service | 130 | - | 130 | 145 | 13 | 158 |
| Extended-Stay | (3) | - | (3) | 55 | 16 | 71 |
| Timeshare | 183 | - | 183 | 147 | 2 | 149 |
| Synthetic Fuel | (134) | - | (134) | - | - | - |
| Total | $573 | $- | $573 | $641 | $115 | $756 |

Quarter Ended *

| | January 3, 2003 | | | December 28, 2001 | | |
|---|---|---|---|---|---|---|
| | As Reported | Restruc -turing and Other Costs | Before Restruc -turing and Other Costs | As Reported | Restruc -turing and Other Costs | Before Restruc -turing and Other Costs |
| Full-Service | $132 | $- | $132 | $(20) | $84 | $64 |
| Select-Service | 35 | - | 35 | 12 | 13 | 25 |
| Extended-Stay | (38) | - | (38) | (7) | 16 | 9 |
| Timeshare | 73 | - | 73 | 28 | 2 | 30 |
| Synthetic Fuel | (53) | - | (53) | - | - | - |
| Total | $149 | $- | $149 | $13 | $115 | $128 |

* Our fiscal year ends on the Friday nearest to December 31. The 2002 fiscal year included 53 weeks, while the 2001 fiscal year included 52 weeks. The fourth quarter 2002 included 17 weeks, while the fourth quarter 2001 included 16 weeks.

MARRIOTT INTERNATIONAL, INC.
KEY LODGING STATISTICS

North American Comparable Company-Operated Properties(1)

| | Fourth Quarter | | | | | |
|---|---|---|---|---|---|---|
| | REVPAR | | Occupancy | | Average Daily Rate | |
| Brand | 2002 | vs. 2001(2) | 2002 | vs. 2001 | 2002 | vs. 2001 |
| Marriott Hotels, Resorts and Suites | $92.12 | 10.3% | 66.8% | 5.9% | $137.91 | 0.6% |
| The Ritz-Carlton | $141.22 | 13.2% | 61.5% | 4.8% | $229.66 | 4.3% |
| Renaissance Hotels, Resorts and Suites | $81.81 | 12.6% | 61.8% | 6.2% | $132.34 | 1.4% |
| Composite - Full-Service | $94.84 | 10.7% | 65.6% | 5.9% | $144.48 | 0.8% |
| Residence Inn | $69.30 | -0.7% | 72.8% | 1.0% | $95.25 | -2.0% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Courtyard | $60.58 | 0.9% | 65.3% | 1.9% | $92.78 | -2.1% |
| TownePlace Suites | $42.70 | 0.8% | 67.4% | -1.5% | $63.37 | 3.0% |
| Composite - Select-Service & Extended-Stay | $61.80 | 0.4% | 67.5% | 1.5% | $91.51 | -1.8% |
| Composite - All | $81.76 | 7.4% | 66.4% | 4.2% | $123.15 | 0.6% |

Fourth Quarter Year-to-Date

| | REVPAR | | Occupancy | | Average Daily Rate | |
|---|---|---|---|---|---|---|
| Brand | 2002 | vs. 2001(2) | 2002 | vs. 2001 | 2002 | vs. 2001 |
| Marriott Hotels, Resorts and Suites | $96.25 | -4.8% | 70.1% | 0.0% | $137.28 | -4.8% |
| The Ritz-Carlton | $154.21 | -4.3% | 66.1% | 0.6% | $233.40 | -5.2% |
| Renaissance Hotels, Resorts and Suites | $85.80 | -4.5% | 65.1% | -0.9% | $131.77 | -3.2% |
| Composite - Full-Service | $99.51 | -4.8% | 69.1% | -0.1% | $144.07 | -4.7% |
| Residence Inn | $74.87 | -7.9% | 76.9% | -0.6% | $97.36 | -7.2% |
| Courtyard | $65.26 | -7.9% | 69.1% | -2.1% | $94.47 | -5.1% |
| TownePlace Suites | $46.08 | -6.5% | 73.4% | 0.2% | $62.78 | -6.8% |
| Composite - Select-Service & Extended-Stay | $66.65 | -7.8% | 71.5% | -1.5% | $93.16 | -5.9% |
| Composite - All | $86.47 | -5.7% | 70.1% | -0.6% | $123.43 | -4.9% |

(1) Composite - All statistics include properties for the Marriott Hotels, Resorts and Suites, Renaissance Hotels, Resorts and Suites, The Ritz-Carlton, Courtyard, Residence Inn, TownePlace Suites, Fairfield Inn, and SpringHill Suites brands. Select-Service and Extended-Stay composite statistics include properties for the Courtyard, Residence Inn, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.

(2) Percentage change in REVPAR vs. 2001 includes the impact of the 53rd week. REVPAR variance vs. 2001 excluding the 53rd week follows:

| Brand | 4th Qtr vs. 2001 | 4th Qtr YTD vs. 2001 |
|---|---|---|
| Marriott Hotels, Resorts and Suites | 13.5% | -3.9% |
| The Ritz-Carlton | 13.2% | -4.3% |
| Renaissance Hotels, Resorts and Suites | 16.0% | -3.6% |
| Composite - Full-Service | 13.8% | -3.8% |
| Residence Inn | 1.5% | -7.2% |
| Courtyard | 4.3% | -6.9% |
| TownePlace Suites | 3.5% | -5.6% |
| Composite - Select-Service & Extended-Stay | 3.4% | -6.9% |
| Composite - All | 10.5% | -4.8% |

North American Comparable Systemwide Properties(1)

| | Fourth Quarter | | | | | |
|---|---|---|---|---|---|---|
| | REVPAR | | Occupancy | | Average Daily Rate | |
| Brand | 2002 | vs. 2001 | 2002 | vs. 2001 | 2002 | vs. 2001 |
| Marriott Hotels, Resorts and Suites | $84.91 | 9.6% | 65.3% | 5.7% | $130.10 | 0.1% |
| The Ritz-Carlton | $141.22 | 13.2% | 61.5% | 4.8% | $229.66 | 4.3% |
| Renaissance Hotels, Resorts and Suites | $74.92 | 12.8% | 60.7% | 6.2% | $123.49 | 1.4% |
| Composite - Full-Service | $86.94 | 10.1% | 64.4% | 5.7% | $135.01 | 0.4% |
| Residence Inn | $67.81 | -1.3% | 72.7% | 0.6% | $93.32 | -2.1% |
| Courtyard | $60.33 | 1.7% | 65.8% | 2.0% | $91.71 | -1.4% |
| Fairfield Inn | $38.56 | 1.7% | 61.5% | 0.7% | $62.74 | 0.6% |
| TownePlace Suites | $42.38 | 3.7% | 67.3% | 1.4% | $62.98 | 1.5% |
| SpringHill Suites | $48.52 | 4.1% | 64.0% | 2.0% | $75.83 | 0.8% |
| Composite - Select-Service & Extended-Stay | $56.09 | 0.9% | 66.6% | 1.3% | $84.18 | -1.1% |
| Composite - All | $69.93 | 5.8% | 65.6% | 3.3% | $106.55 | 0.5% |

| | Fourth Quarter Year-to-Date | | | | | |
|---|---|---|---|---|---|---|
| | REVPAR | | Occupancy | | Average Daily Rate | |
| Brand | 2002 | vs. 2001 | 2002 | vs. 2001 | 2002 | vs. 2001 |
| Marriott Hotels, Resorts and Suites | $89.30 | -4.4% | 68.4% | 0.3% | $130.65 | -4.8% |
| The Ritz-Carlton | $154.21 | -4.3% | 66.1% | 0.6% | $233.40 | -5.2% |
| Renaissance Hotels, Resorts and Suites | $78.56 | -3.8% | 63.6% | -0.5% | $123.43 | -3.0% |
| Composite - Full-Service | $91.59 | -4.4% | 67.6% | 0.2% | $135.57 | -4.6% |
| Residence Inn | $73.47 | -6.2% | 76.8% | -0.5% | $95.68 | -5.6% |
| Courtyard | $65.13 | -5.9% | 69.7% | -1.2% | $93.41 | -4.3% |
| Fairfield Inn | $42.59 | -1.3% | 66.0% | -0.3% | $64.48 | -0.8% |
| TownePlace Suites | $45.80 | -2.3% | 72.4% | 2.0% | $63.28 | -4.9% |
| SpringHill Suites | $53.14 | -0.2% | 68.2% | 1.6% | $77.96 | -2.5% |
| Composite - Select-Service & Extended-Stay | $60.86 | -5.0% | 70.8% | -0.5% | $85.92 | -4.3% |
| Composite - All | $74.62 | -4.7% | 69.4% | -0.2% | $107.58 | -4.4% |

(1) Composite - All statistics include properties for the Marriott Hotels, Resorts and Suites, Renaissance Hotels, Resorts and Suites, The Ritz-Carlton, Courtyard, Residence Inn, TownePlace Suites, Fairfield Inn, and SpringHill Suites brands. Select-Service and Extended-Stay composite statistics include properties for the Courtyard, Residence Inn, TownePlace Suites, Fairfield Inn and SpringHill Suites brands.

| Total Lodging Products(1) | | |
|---|---|---|
| | Number of Properties | Number of Rooms/Suites |

| Brand | Jan. 3, 2003 | vs. Dec. 28, 2001 | Jan. 3, 2003 | vs. Dec. 28, 2001 |
|---|---|---|---|---|
| **Full-Service Lodging** | | | | |
| Marriott Hotels, Resorts and Suites | 450 | +26 | 165,200 | +7,088 |
| The Ritz-Carlton | 51 | +6 | 16,566 | +1,740 |
| Renaissance Hotels, Resorts and Suites | 126 | +3 | 45,799 | +1,026 |
| Ramada International | 146 | +13 | 21,230 | +2,048 |
| **Select-Service Lodging** | | | | |
| Courtyard | 587 | +34 | 84,356 | +5,571 |
| Fairfield Inn | 503 | +23 | 48,214 | +2,319 |
| SpringHill Suites | 98 | +14 | 11,209 | +1,617 |
| **Extended-Stay Lodging** | | | | |
| Residence Inn | 428 | +36 | 50,573 | +4,510 |
| TownePlace Suites | 104 | +5 | 10,704 | +443 |
| Marriott Executive Apartments | 11 | - | 2,007 | +111 |
| **Timeshare** | | | | |
| Marriott Vacation Club International | 45 | -3 | 6,973 | +826 |
| Horizons by Marriott Vacation Club International | 2 | - | 146 | - |
| The Ritz-Carlton Club | 4 | +1 | 204 | +98 |
| Marriott Grand Residence Club | 2 | +1 | 248 | +49 |
| Total | 2,557 | +159(2) | 463,429 | +27,446(2) |

(1) Total Lodging Products excludes the 4,316 corporate housing rental units.
(2) Includes the re-opening of the 504 room Marriott World Financial Center hotel in New York City.

IRPR#1

SOURCE Marriott International, Inc.

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/Company News On-Call: http://www.prnewswire.com/gh/cnoc/comp/532963.html

http://www.marriott.com