



Marriott International Announces Sale of Four Hotels for \$274 Million to New Joint Venture Between Marriott and Blackacre Capital

MARRIOTT INTERNATIONAL ANNOUNCES SALE OF FOUR HOTELS FOR \$274 MILLION TO NEW JOINT VENTURE BETWEEN MARRIOTT AND BLACKACRE CAPITAL

Marriott Expects Sales of Hotels and Senior Communities of at Least \$870 Million in 2000

WASHINGTON, D.C. - Sept. 28, 2000 - Marriott International, Inc. (NYSE:MAR) today announced the sale of the Worthington Renaissance hotel (Fort Worth TX), the Los Angeles Airport Marriott (Los Angeles CA), the Atlanta Marriott Alpharetta (Atlanta GA), and the Frenchman's Reef Marriott Beach Resort (St. Thomas, USVI) to Capital Hotel Investments LLC, a newly formed joint venture between Marriott International and affiliates of Blackacre Capital Management LLC ("Blackacre"), for approximately \$274 million.

Marriott International will continue to operate the four hotels under long-term management agreements. In addition, Blackacre contributed the historic Eden Roc Resort and Spa on Miami Beach to the joint venture. Marriott International will manage the Eden Roc as part of the Renaissance Hotel Group. Capital Hotel Investments LLC also has agreed to acquire two additional Marriott hotels upon completion of development. In addition to its equity investment in Capital Hotel Investments, Marriott International has also furnished the joint venture with a subordinated debt facility. Beyond its initial portfolio assets, Capital Hotel Investments anticipates acquiring additional full service hotels pursuant to a strategic alliance agreement with Marriott International with respect to additional investments in certain Marriott branded hotel projects.

"We are pleased to complete this initial transaction with Blackacre and we are excited about working together on future opportunities," said Arne M. Sorenson, executive vice president and chief financial officer of Marriott International. "We expect our joint venture to own a minimum of \$500 million of hotels managed by Marriott and we are committed to working with Blackacre to expand the portfolio of hotels substantially above this level. Our strategic alliance with Blackacre should create tremendous opportunities for Marriott and for Blackacre."

Ron Kravit, managing director of Blackacre noted, "Our venture with Marriott International is an excellent opportunity to work closely with a top notch, world class operator of real estate assets with whom we anticipate sourcing a steady pipeline of attractive investment opportunities."

Mr. Sorenson added, "With this transaction, Marriott International continues to execute successfully a key element of our strategy: aggressively growing the portfolio of hotels managed by Marriott International and owned by others. This year, we have sold a total of 34 hotels and senior living communities with an aggregate sales price of approximately \$654 million. In addition, we have agreements to sell an additional ten hotels by year end 2000. These ten hotels are currently under development, and have an aggregate sales price of approximately \$217 million. In each instance, we have retained rights to manage the properties under long-term agreements."

BLACKACRE CAPITAL MANAGEMENT LLC is a private real estate investment management firm formed in August 1994. Blackacre is affiliated with Cerebrus 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.

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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.