



Marriott International and AC Hotels Sign Agreement to Form Hotel Joint Venture and New Co-Brand 'AC by Marriott'

New Brand To Pursue Growth in Europe and Latin America

MADRID and BETHESDA, Md., Oct 07, 2010 /PRNewswire via COMTEX News Network/ -- The Spanish hotel group AC Hotels, chaired by Antonio Catalan, and Marriott International, Inc. (NYSE: MAR), chaired by J.W. Marriott, Jr., have reached a preliminary agreement to form a joint venture that will manage and franchise a new lodging co-brand across Europe and Latin America - "AC by Marriott."

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The new co-brand will combine the strengths of AC Hotels and Marriott International. "AC by Marriott" will incorporate the concept and business model of AC Hotels' urban-style four-star hotel product, characterized by a unique blend of quality, comfort, design and technology, with Marriott International's global systems, distribution, and sales platforms, particularly Marriott Rewards, one of the world's largest hospitality loyalty programs with 33 million members. The combination will permit Marriott's customers access under the Marriott Rewards program to a portfolio of Spain's leading business and urban-leisure hotels, enable AC's guests to earn Marriott Rewards points for travel at Marriott branded hotels around the world, and provide both companies with a platform for future growth.

"AC by Marriott" will focus on becoming a market leader in Europe and Latin America in the urban, four-star hotel category. At the launch of the joint venture, more than ninety (90) existing AC hotels in Spain, Italy and Portugal are expected to be re-branded "AC by Marriott" and enter into long term management or franchise agreements with the joint venture. The hotels will continue to be owned by affiliates of AC Hotels and other third parties.

Future hotels would be added to the portfolio under both management contracts and franchise agreements. The joint venture will be led by Antonio Catalan and his current team from AC Hotels headquarters in Madrid, with support on key functions from Marriott's team in Europe, headed by Marriott's European President Amy McPherson.

Formation of the joint venture is subject to negotiation of definitive transaction documents and customary closing conditions for transactions of this type, including obtaining any necessary consent. The parties anticipate closing in calendar year 2010, with the new AC by Marriott brand to launch in 2011.

About AC Hotels

Founded in 1998 by Antonio Catalan, AC Hotels currently has a portfolio of over 90 hotels in ownership, leasing or management, in Spain, Italy and Portugal, encompassing more than 9,500 rooms.

About Marriott International

MARRIOTT INTERNATIONAL, INC. (NYSE: MAR) is a leading lodging company with more than 3,500 lodging properties in 70 countries and territories. Marriott International operates and franchises hotels under the *Marriott*, *JW Marriott*, *The Ritz-Carlton*, *The Autograph Collection*, *Renaissance*, *Residence Inn*, *Courtyard*, *TownePlace Suites*, *Fairfield Inn*, *SpringHill Suites* and *Bulgari* brand names; develops and operates vacation ownership resorts under the *Marriott Vacation Club*, *The Ritz-Carlton Destination Club*, and *Grand Residences by Marriott* brands; licenses and manages whole-ownership residential brands, including *The Ritz-Carlton Residences*, *JW Marriott Residences* and *Marriott Residences*; operates *Marriott Executive Apartments*; provides furnished corporate housing through its *Marriott ExecuStay* division; and operates conference centers. The company is headquartered in Bethesda, Maryland, USA, and had approximately 137,000 employees at 2009 year-end. It is recognized by FORTUNE(R) as one of the best companies to work for, and by *Newsweek* as one of the greenest big companies in America. In fiscal year 2009, Marriott International reported sales from continuing operations of nearly \$11 billion. For more information or reservations, please visit our web site at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com.

Note: This press release contains "forward-looking statements" within the meaning of United States federal securities laws, including statements about the expected timing for closing, the joint venture's future operations, , the size of the future AC by Marriott hotel portfolio, and similar references to anticipated future events or 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 ability of the parties to finalize definitive transaction documents, any changes to the joint venture that may be reflected in the definitive documents, or delay in or failure to obtain any necessary consent; any which could delay or prevent formation of the joint venture or cause "AC by Marriott" to operate differently than as described in this press release. These statements are made as of October 7, 2010, and the parties undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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SOURCE Marriott International, Inc.

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