



THE MARRIOTT® BRAND

First in Performance. First in Preference. First in Potential.

Marriott
HOTELS & RESORTS



Cover:
JW Marriott® Hotel Lima, Peru

This Page:
Berlin Marriott Hotel, Germany



No other hotel brand can match Marriott's long-standing leadership.

By any important measure, Marriott® Hotels & Resorts is the world's foremost hotel brand. Marriott dominates its segment in preference among all types of travelers. Marriott Rewards® is the No. 1 loyalty program in the industry. Marriott technology is recognized as best-of-breed. Marriott innovation shows in a myriad of details, from in-room technology to guest services.

Most importantly to the investor, Marriott leadership adds up to consistent performance that produces outstanding bottom-line results. ■



From top line to bottom line,

Marriott's award-winning One Yield system and processes optimizes revenue for transient business using sophisticated demand forecasting. Starting in 2008, the next generation Consolidated Inventory and Total Yield will optimize total hotel revenue across all transient and group rooms, meeting space and catering business.



Marriott is consistently

first in

every measure of leadership.

Proven Performance. It starts at the top, with proven revenue per available room (RevPAR) premiums over competitors, reflecting both higher occupancies and rates. It tracks down to the bottom line, where Marriott's focus on profitability results in total hotel returns that triumph over the competition.¹ For Marriott, outstanding performance is not a trend, it's a track record – the product of stable management and proven practices.

Consistent Innovation. Leadership means innovation, and today's Marriott is defining the hotel experience for a new generation of travelers. New, highly accessible technology supports the Marriott guest's achievement focus, from wireless access in the public spaces to new flat-screen TVs with front panel jacks to accommodate computers, MP3 players and other digital devices. And at the end of the day, guests settle into new "Revive[®]" bedding that's the luxurious heart of every Marriott room worldwide. ■

RevPAR[®] Index^{**}

113.2 United States

110.0 United Kingdom and Ireland

119.9 Continental Europe

Data not available for competitive sets in the Caribbean, Latin America, and the Asia Pacific regions.

* Revenue per available room

** Figures in excess of 100 reflect a market share premium.

Source: United States RevPAR Index results by Smith Travel Research Services, year-to-date March 2006. Competitive set of managed and franchised hotels opened and operating at least one full year or longer (Starview Comparable). See franchise offering circular for franchise-specific analysis.

Source: Outside the U.S. RevPAR Index results are compiled by Marriott using data from the *Hotel Benchmark Survey* by Deloitte, year-end 2005.

BUSINESS CASE



¹ Based on analysis of Smith Travel Research data and Hilton comparable owned hotels, Starwood same-store owned hotels, and Marriott managed comparable hotels. 2005 earnings releases for each company.

Far and away,

*3:1 leisure customer
preference over next
closest competitor*



Marriott is the

first choice

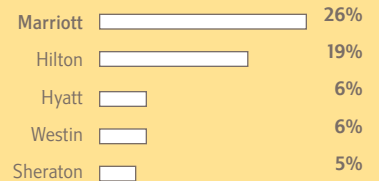
for business, meetings and leisure travel.

Preferred by Travelers. Guest preference for the Marriott brand is simply overwhelming. Business traveler preference for Marriott is 7 percent higher than the closest competitor, and greater than the following three competitors combined. Leisure travelers prefer Marriott more than 3:1 to the next closest competitive brand, and both corporate and association meeting planners put Marriott in first place. Such overwhelming guest satisfaction is driven by Marriott's "spirit to serve,"[®] an uncompromising mindset that helps to create experiences that exceed the expectations of the achievement-oriented guest.

Preferred by Owners and Franchisees. It's not just guests who express overwhelming satisfaction with the Marriott brand – 81 percent of franchisees and 76 percent of owners said their Marriott International relationship met or exceeded their expectations. And, owners prefer Marriott as their first choice manager by 13:1 over Starwood and 26:1 over Hilton.¹ ■

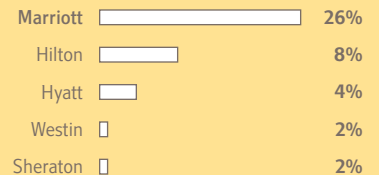
First Choice Preference

Business Travelers



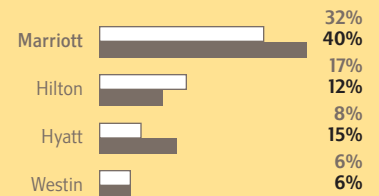
Source: Harris Interactive 2005 Portfolio U.S. Frequent Traveler Tracking.

Leisure Travelers



Source: Harris Interactive 2004 Portfolio U.S. Traveler Tracking.

Meeting Planners



■ Corporate ■ Association

Source: M/A/R/C Research, 2004 U.S. Meeting Planner Tracking Study.

BUSINESS CASE

6 out of 10
full-service business
travelers stayed at a
Marriott hotel in the
past 12 months.

Source: Harris Interactive 2005 Portfolio Frequent Traveler Tracking. U.S. Information Only.

¹ 2005 Marriott Owner and Franchise Satisfaction study conducted by a third party.

Choose the



Marriott's powerful reservation engine – including MARSHA, Marriott.com and a seasoned worldwide sales and marketing organization – drives the lion's share of room nights to Marriott properties.



brand that's

first in

loyalty, first in reservations, first in Internet bookings.

Unparalleled Reservation Strength. Benefit from the the industry's foremost sales channels, which deliver 61 percent of paid room nights in the U.S. and Canada, and 44 percent elsewhere.¹ These room nights are delivered at the lowest cost-per-reservation of any major competitor.² Marriott's MARSHA Reservation System also leads the industry in global distribution system productivity. Marriott's global sales and marketing organization is a powerful force driving room nights, meetings and corporate business.

Leading in Loyalty. Guest preference for Marriott translated into more paid room nights for Marriott properties. Marriott Rewards is the industry's most preferred loyalty program, with nearly 24 million members worldwide. Eighty-five percent of members will go out of their way to stay within the Marriott portfolio.³

Unsurpassed Online. Marriott has aggressively leveraged the power of the Internet to generate room-night sales. Marriott.com is the No. 1 website for Internet hotel bookings, and the No. 3 travel website overall. The numbers speak to Marriott.com's formidable online presence: In 2005, over 20.2 million room nights representing US\$2.7 billion gross in revenue were booked through the site. Marriott.com is localized for 16 international markets, and eight languages to support Marriott's presence worldwide. ■

Marriott Rewards

24 Million
Members
NEARLY

43%
of total paid
room nights

Source: 2005 year-end
Marriott Global Reservation
Sales and Customer Care
Contribution to Brand
Occupancy Report.

Marriott.com

\$2.7
Billion in
Gross Revenue
(in US\$)

BUSINESS CASE

GROSS ROOM NIGHTS¹

U.S. and Canada



● Delivered by Marriott Channels

Outside U.S. and Canada



● Delivered by Marriott Channels

¹ Year-end 2005 data. Includes toll-free numbers, global distribution systems, Marriott.com and area reservation sales offices.

² ChannelTRAK survey, 2005.

³ 2004 Wirthlin Survey, U.S. Rewards members.



First in Every Way That Counts.

Whatever the yardstick — top- and bottom-line financial performance, customer preference, loyalty, reservation delivery, owner/franchisee satisfaction — Marriott Hotels & Resorts is clearly the industry leader. It's a position sustained by the "spirit to serve" culture, by constant innovation to elevate both the guest experience and financial performance, and by a brand vision focused on the needs of established and upcoming generations of business and leisure travelers. An investment in Marriott is an investment in leadership — an investment based not on a trend, but on a track record of proven performance, proven brand equity and proven potential. ■



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