

MARRIOTT INTERNATIONAL INC /MD/
Form 424B5
October 16, 2007
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The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-130212

PRELIMINARY PROSPECTUS SUPPLEMENT

(To prospectus dated December 8, 2005)

Subject to Completion

Preliminary Prospectus Supplement dated October 16, 2007

\$

Marriott International, Inc.

% Series J Notes due 20

We will pay interest on the notes on _____ and _____ of each year, beginning _____, 2008. The notes will mature on _____, 20____. We may redeem some or all of the notes prior to maturity at the redemption prices described in this prospectus supplement. If a change of control repurchase event as described herein occurs, unless we have exercised our option to redeem the notes, we will be required to offer to purchase the notes at the price described in this prospectus supplement, plus accrued and unpaid interest, if any, to the date of purchase.

The notes will be our unsecured obligations and rank equally with all of our other unsecured senior indebtedness. The notes will be issued only in minimum denominations of \$1,000.

Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-5 of this prospectus supplement.

	<u>Per Note</u>	<u>Total</u>
Public offering price (1)	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to Marriott International, Inc.	%	\$

(1) Plus accrued interest from October , 2007, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through The Depository Trust Company on or about October , 2007.

Joint Book Running Managers

Citi

Merrill Lynch & Co.

The date of this prospectus supplement is October , 2007.

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Prospectus

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or any free writing prospectus provided, authorized or used by us. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

As used in this prospectus supplement and the accompanying prospectus, unless the context requires otherwise, we, us, the Company or Marriott means Marriott International, Inc. and its predecessors and consolidated subsidiaries.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document contains two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the notes we are offering by this prospectus supplement. You should read this entire prospectus supplement, as well as the accompanying prospectus, and the documents incorporated by reference. See [Where You Can Find More Information](#).

To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus, the information included or incorporated by reference in this prospectus supplement updates and supersedes the information in the accompanying prospectus. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement.

FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference based on the beliefs and assumptions of our management and on information currently available to us. Forward-looking statements include information about our possible or assumed future results of operations in [Management's Discussion and Analysis of Financial Condition and Results of Operations](#) under the headings [Business and Overview](#) and [Liquidity and Capital Resources](#) included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2006, and in our Quarterly Report on Form 10-Q for the fiscal quarter ended September 7, 2007, and other statements preceded by, followed by or that include the words [believes](#), [expects](#), [anticipates](#), [intends](#), [plans](#), [estimates](#) or similar expressions.

Forward-looking statements are subject to a number of risks and uncertainties which could cause actual results to differ materially from those expressed in these forward-looking statements, including the risks and uncertainties described on page S-5 of this prospectus supplement and other factors described from time to time in our various public filings which we incorporate by reference in this prospectus supplement and in the accompanying prospectus. We therefore caution you not to rely unduly on any forward-looking statements. The forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference speak only as of the date of the document in which the forward-looking statement is made, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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The following summary highlights selected information from this prospectus supplement and may not contain all of the information that is important to you. This prospectus supplement includes the basic terms of the notes we are offering, as well as information regarding our business and financial data. We encourage you to read this prospectus supplement and the accompanying prospectus in their entirety as well as the information incorporated by reference.

The Company

Marriott International, Inc. is one of the world's leading lodging companies. We are a worldwide operator and franchisor of hotels and related lodging facilities. We group our operations into six business segments, North American Full-Service Lodging, North American Limited-Service Lodging, International Lodging, Luxury Lodging, Timeshare and Synthetic Fuel, which represented 43%, 17%, 12%, 12%, 15% and 1%, respectively, of our total sales in the fiscal year ended December 29, 2006.

In our Lodging business, which includes our North American Full-Service, North American Limited-Service, International, Luxury and Timeshare segments, we develop, operate and franchise hotels and corporate housing properties under 13 separate brand names, and we develop, operate and market Marriott timeshare, fractional ownership and whole ownership properties under four separate brand names. Our synthetic fuel operation consists of our interest in four coal-based synthetic fuel production facilities whose operations qualify for tax credits based on Section 45K of the Internal Revenue Code (Section 45K) (Section 29 for fiscal years prior to 2006). The tax credits provided under Section 45K are only available for the production and sale of synthetic fuels produced from coal through December 31, 2007 and we plan to cease operations at our synthetic fuel facilities on or before that date.

We operate or franchise 2,942 lodging properties worldwide, with 527,307 rooms as of the end of the 2007 third quarter, September 7, 2007. At the end of the 2007 third quarter, total unit counts also include 20 projects encompassing 1,700 homes and condominiums where we manage the related home or condominium owners association, typically in conjunction with a hotel or timeshare project. In addition, we provide 1,936 furnished corporate housing rental units. We believe that our portfolio of lodging brands is the broadest of any company in the world and that we are the leader in the quality tier of the vacation timesharing business. Consistent with our focus on management and franchising, we own very few of our lodging properties. Our lodging brands include:

North American Full-Service Lodging Segment	North American Limited-Service Lodging Segment
<i>Marriott Hotels & Resorts</i>	<i>Courtyard by Marriott</i>
<i>Marriott Conference Centers</i>	<i>Fairfield Inn by Marriott</i>
<i>JW Marriott Hotels & Resorts</i>	<i>SpringHill Suites by Marriott</i>
<i>Renaissance Hotels & Resorts</i>	<i>Residence Inn by Marriott</i>
<i>Renaissance ClubSpots</i>	<i>TownePlace Suites by Marriott</i>
	<i>Marriott ExecuStay</i>
International Lodging Segment	Luxury Segment
<i>Marriott Hotels & Resorts</i>	<i>The Ritz-Carlton</i>
<i>JW Marriott Hotels & Resorts</i>	<i>Bulgari Hotels & Resorts</i>
<i>Renaissance Hotels & Resorts</i>	Timeshare Segment
<i>Courtyard by Marriott</i>	<i>Marriott Vacation ClubSM</i>
<i>Fairfield Inn by Marriott</i>	<i>The Ritz-Carlton Club</i>
<i>Residence Inn by Marriott</i>	<i>Grand Residences by Marriott</i>
<i>Ramada International</i>	<i>Horizons by Marriott Vacation Club</i>

Marriott Executive Apartments[®]

Our principal executive offices are located at 10400 Fernwood Road, Bethesda, Maryland 20817. Our telephone number is (301) 380-3000.

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capital expenditures, acquisitions, stock repurchases and repayment of outstanding commercial paper borrowings. We had \$1,021 million in U.S. dollar denominated commercial paper outstanding with a weighted average interest rate of 5.59% on October 12, 2007, and expect to use approximately \$ million of the proceeds from the notes to reduce our commercial paper balances over time as existing U.S. dollar denominated commercial paper borrowings come due. Pending this application of the proceeds of the notes, we intend to invest the net proceeds in short term investment grade securities. See Use of Proceeds.

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The following table presents certain summary financial data for the third fiscal quarter year-to-date periods of 2007 and 2006 and for the five most recent fiscal years, which is from our consolidated financial statements. Since the information in this table is only a summary and does not provide all of the information contained in our financial statements, including the related notes, you should read Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 29, 2006 and our Quarterly Report on Form 10-Q for the fiscal quarter ended September 7, 2007.

	Fiscal Quarter(2)		Fiscal Year(3)				
	Q3, 2007 Year-to-Date	Q3, 2006 Year-to-Date	2006	2005	2004	2003	2002
(in millions, except per share data and ratios)							
Income Statement Data:							
Revenues(1)	\$ 9,154	\$ 8,299	\$ 12,160	\$ 11,550	\$ 10,099	\$ 9,014	\$ 8,415
Operating income(1)	\$ 684	\$ 706	\$ 1,011	\$ 555	\$ 477	\$ 377	\$ 321
Income from continuing operations	\$ 520	\$ 497	\$ 717	\$ 668	\$ 594	\$ 476	\$ 439
Discontinued operations				1	2	26	(162)
Income before cumulative effect of a change in accounting principle(4)	520	497	717	669	596	502	277
Cumulative effect of change in accounting principle, net of tax(4)		(109)	(109)				
Net income	\$ 520	\$ 388	\$ 608	\$ 669	\$ 596	\$ 502	\$ 277
Per Share Data(6):							
Diluted earnings per share from continuing operations	\$ 1.29	\$ 1.14	\$ 1.66	\$ 1.45	\$ 1.24	\$ 0.97	\$ 0.87
Diluted earnings (loss) per share from discontinued operations						0.05	(0.32)
Diluted loss per share from cumulative effect of change in accounting principle, net of tax		(0.25)	(0.25)				
Diluted earnings per share	\$ 1.29	\$ 0.89	\$ 1.41	\$ 1.45	\$ 1.24	\$ 1.02	\$ 0.55
Cash dividends declared per share	\$ 0.2125	\$ 0.1775	\$ 0.2400	\$ 0.2000	\$ 0.1650	\$ 0.1475	\$ 0.1375
Balance Sheet Data (at end of period):							
Total assets	\$ 9,110	\$ 8,314	\$ 8,588	\$ 8,530	\$ 8,668	\$ 8,177	\$ 8,296
Long-term debt (1)	2,701	1,622	1,818	1,681	836	1,391	1,553
Shareholders' equity	1,651	2,702	2,618	3,252	4,081	3,838	3,573
Other Data:							
Base management fees(1)	417	380	553	497	435	388	379
Incentive management fees(1)	243	185	281	201	142	109	162
Franchise fees(1)	303	269	390	329	296	245	232
Ratio of earnings to fixed charges(5)	3.7x	5.4x	4.9x	4.3x	4.7x	3.6x	3.2x

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- (1) Balances reflect our Senior Living Services and Distribution Services businesses as discontinued operations.
 - (2) The third quarter year-to-date periods included 36 weeks. The third fiscal quarter 2007 ended on September 7, 2007 and the third fiscal quarter 2006 ended on September 8, 2006.
 - (3) All fiscal years included 52 weeks, except for 2002, which included 53 weeks.
 - (4) We adopted Statement of Position 04-2 Accounting for Real Estate Time-Sharing Transactions, in our 2006 first quarter which we reported in our Consolidated Statement of Income as a cumulative effect of change in accounting principle.
 - (5) See Ratio of Earnings to Fixed Charges for an explanation of the calculation of these ratios.
 - (6) All per share amounts in the table above have been adjusted to reflect the June 9, 2006, stock split effected in the form of a stock dividend.

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RISK FACTORS

You should consider carefully the following risks and all of the information set forth or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risks and uncertainties described under the heading Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2006, and in our Quarterly Report on Form 10-Q for the fiscal quarter ended September 7, 2007, before investing in the notes offered by this prospectus supplement.

We depend on cash flow of our subsidiaries to make payments on our securities.

Marriott International, Inc. is in part a holding company. Our subsidiaries conduct a significant percentage of our consolidated operations and own a significant percentage of our consolidated assets. Consequently, our cash flow and our ability to meet our debt service obligations depend in large part upon the cash flow of our subsidiaries and the payment of funds by the subsidiaries to us in the form of loans, dividends or otherwise. Our subsidiaries are not obligated to make funds available to us for payment of our debt securities or preferred stock dividends or otherwise. In addition, their ability to make any payments will depend on their earnings, the terms of their indebtedness, business and tax considerations and legal restrictions. The notes effectively rank junior to all liabilities of our subsidiaries. In the event of a bankruptcy, liquidation or dissolution of a subsidiary and following payment of its liabilities, the subsidiary may not have sufficient assets remaining to make payments to us as a shareholder or otherwise. The indenture governing the notes does not limit the amount of unsecured debt which our subsidiaries may incur. In addition, we and our subsidiaries may incur secured debt and enter into sale and leaseback transactions, subject to certain limitations. See Description of the Series J Notes Certain Covenants.

A liquid trading market for the notes may not develop.

There is no existing trading market for the notes. We have been advised by the underwriters for this offering that they presently intend to make a market in the notes after the consummation of the offering contemplated by this prospectus supplement, although they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. The liquidity of any market for the notes will depend upon the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. A liquid trading market may not develop for the notes. As a result, the market price of the notes could be adversely affected.

We may not be able to repurchase the notes upon a change of control repurchase event.

Upon the occurrence of specific kinds of change of control events accompanied by a below investment grade rating event, we will be required to offer to purchase all of the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase, unless we had previously exercised our right to redeem the notes. If we experience such a change of control and rating downgrade, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the notes. Our failure to purchase the notes as required under the terms of the notes would result in a default, which could have material adverse consequences for us and the holders of the notes. See Description of the Series J Notes Change of Control.

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We estimate that the net proceeds from this offering of notes, after deducting the underwriting discount and estimated expenses of this offering, will be approximately \$ million. We intend to use these net proceeds for general corporate purposes, including working capital, capital expenditures, acquisitions, stock repurchases and repayment of outstanding commercial paper borrowings. We had \$1,021 million in U.S. dollar denominated commercial paper outstanding with a weighted average interest rate of 5.59% on October 12, 2007, and expect to use approximately \$ million of the proceeds from the notes to reduce our commercial paper balances over time as existing U.S. dollar denominated commercial paper borrowings come due. Pending this application of the proceeds of the notes, we intend to invest the net proceeds in short term investment grade securities.

RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges for the periods indicated is as follows:

Third Quarter		Fiscal Year				
Year-to-Date						
2007	2006	2006	2005	2004	2003	2002
3.7x	5.4x	4.9x	4.3x	4.7x	3.6x	3.2x

In calculating the ratio of earnings to fixed charges, earnings represent income from continuing operations before income taxes and minority interest (i) plus (income)/loss for equity method investees, fixed charges, distributed income of equity method investees and minority interest in pre-tax loss and (ii) minus interest capitalized. Fixed charges represent interest (including amounts capitalized) and that portion of rental expense deemed representative of interest.

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DESCRIPTION OF THE SERIES J NOTES

General

The notes are governed by a document called the Indenture. The Indenture is a contract between us and The Bank of New York, as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank, which acts as Trustee. The Indenture and its associated documents contain the full legal text of the matters described in this section. The Indenture and the notes are governed by New York law. A copy of the Indenture has been filed with the Securities and Exchange Commission (SEC). See Where You Can Find More Information for information on how to obtain a copy.

Because this section is a summary, it does not describe every aspect of the notes. This summary is subject to and qualified in its entirety by reference to all the provisions of the Indenture, including definitions of certain terms used in the Indenture. For example, in this section we use capitalized words to signify defined terms that have been given special meaning in the Indenture. We describe in this prospectus supplement the meaning of some terms defined in the Indenture. You should refer to the Indenture for the meanings of all of the defined terms. We also include references in parentheses to certain sections of the Indenture. Whenever we refer to particular sections or defined terms of the Indenture in this prospectus supplement, such sections or defined terms are incorporated by reference here.

Terms

The notes will be our general unsecured and senior obligations and will initially be limited to \$ aggregate principal amount. The notes will mature on , 20 . The notes will rank equally with all of our other unsecured and unsubordinated debt. We will issue the notes under the Indenture. We may, without the consent of the existing holders of the notes, issue additional notes having the same terms so that the existing notes and the additional notes form a single series under the Indenture.

The notes will bear interest at a rate of % per annum from October , 2007. We will pay interest on the notes on and of each year, beginning , 2008, to the person listed as the holder of the note, or any predecessor note, in the security register at the close of business on the preceding or , as the case may be. These dates are the regular record dates.

Marriott International, Inc. is a legal entity separate and distinct from its subsidiaries. Our subsidiaries are not obligated to make required payments on the notes. Accordingly, Marriott's rights and the rights of holders of the notes to participate in any distribution of the assets or income from any subsidiary is necessarily subject to the prior claims of creditors of the subsidiary. The Indenture does not limit the amount of unsecured debt which our subsidiaries may incur. In addition, we and our subsidiaries may incur secured debt and enter into sale and leaseback transactions, subject to the limitations described under Certain Covenants.

The notes will not be entitled to the benefit of any sinking fund or other mandatory redemption provisions.

The Trustee

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