

Marriott CEO Says International Markets Still Strong but U.S. Weaker than Expected

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Marriott International, Inc. (NYSE:MAR) chairman and chief executive officer J.W. Marriott, Jr. today said that company's international lodging business continued to be strong but that softer demand trends were affecting the U.S. market.

Speaking at appearances connected with the New York University International Hospitality Industry Investment Conference, Mr. Marriott noted that year-to-date through April, the company's international revenue per available room (RevPAR) increased nearly 10 percent on a constant dollar basis. He also said it was encouraging for Marriott's profit performance that over a third of the company's incentive management fees were derived from international properties.

According to Mr. Marriott, in the U.S., the company continues to see weak weekend leisure demand and is beginning to see softer mid-week demand. Group business is impacted by fewer last minute group bookings.

Given these trends, Mr. Marriott said that, while the company expects its worldwide RevPAR in the second quarter to increase at the low end of the 3 to 5 percent growth range, the company is likely to report second quarter North American RevPAR growth of approximately 2 percent, compared to prior company guidance of 3 to 5 percent.

He noted that as expected in a weaker demand environment, the company's revenue market share is improving.

While Mr. Marriott did not update RevPAR guidance for the full year 2008, he indicated that given recent trends, he would be surprised if North American RevPAR strengthened in the second half of the year.

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