

Marriott's quarterly net income up 26%

By AP

A recovering economy and demand for hotel rooms helped lift Marriott International Inc.'s first-quarter net income 26 percent.

More people stayed in the company's hotels and paid 3.2 percent more per night.

The Bethesda, Md.-based company earned \$172 million, or 57 cents per share, beating the 51 cents expected by Wall Street analysts surveyed by FactSet. That's up from \$136 million, or 43 cents per share, in the same period last year.

Revenue rose 5 percent to \$3.3 billion, in line with Wall Street's expectations.

Those increases come even after Marriott adjusted its reporting period to have three fewer days in the quarter this year.

The company's revenue per available room – a key industry metric known as RevPAR – rose 6.2 percent in the first quarter, showing both an increase in occupancy rates and how much the hotels can charge for those rooms.

And nearly 6,000 rooms were added during the first quarter, including 3,300 rooms in international markets.

"While hotel industry supply in North America is growing only modestly, particularly in the full-service segment, we are taking a greater share of new hotels being developed around the world, reflecting owners' and franchisees' confidence in our brands and operational strength," CEO Arne M. Sorenson said in a statement.

Marriott doesn't own most of the hotels in its system but makes money off either managing or franchising its 18 brands, which include Ritz-Carlton, Fairfield Inn & Suites, Courtyard, SpringHill Suites and Renaissance.