

Business travelers boost Marriott's earnings

By Bloomberg News

Marriott International, the largest publicly traded U.S. hotel chain, said first-quarter earnings rose 31 percent as demand increased from business travelers in such U.S. cities as New York.

Net income climbed to \$136 million, or 43 cents a share, from \$104 million, or 30 cents, a year earlier, the Bethesda-based company said Wednesday in a statement. Analysts' average estimate was 41 cents a share.



The Ritz-Carlton, Lake Tahoe is part of the Marriott family. Photo/LTN file

Marriott, whose brands include Ritz-Carlton, benefited from demand in the United States, buoyed by an improving economy and business-travel spending, said Patrick Scholes, an analyst at SunTrust Robinson Humphrey in New York.

"Domestically, the individual business traveler is doing well, particularly in cities like New York," Scholes said before the results were announced. The greater New York area contributes about 10 percent of Marriott's earnings, he said.

Revenue per available room (revpar), an industry measure of occupancies and rates, climbed 5.8 percent at company-operated hotels in North America. Worldwide, the measure increased 4.6 percent in the first quarter, excluding currency fluctuations.

“Our first-quarter fee revenue exceeded our expectations,” President and Chief Executive Officer Arne Sorenson said.