

MARRIOTT INTERNATIONAL INC /MD/

Form S-4

December 22, 2015

Table of Contents

As filed with the Securities and Exchange Commission on December 22, 2015

Registration No. 333-

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

MARRIOTT INTERNATIONAL, INC.

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

7011  
(Primary Standard Industrial  
Classification Code Number)

52-2055918  
(I.R.S. Employer  
Identification Number)

**10400 Fernwood Road**

**Bethesda, Maryland 20817**

**(301) 380-3000**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**Edward A. Ryan, Esq.**

**Executive Vice President and General Counsel**

**Marriott International, Inc.**

**10400 Fernwood Road**

**Bethesda, Maryland 20817**

**(301) 380-6979**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copies to:*

**Stephen I. Glover, Esq.**

**Kenneth S. Siegel, Esq.**

**Scott A. Barshay, Esq.**

**Jonathan L. Corsico, Esq.**

**Chief Administrative Officer and General  
Counsel**

**Damien R. Zoubek, Esq.**

**Gibson, Dunn & Crutcher LLP**

**Starwood Hotels & Resorts Worldwide, Inc.**

**O. Keith Hallam, III, Esq.**

**1050 Connecticut Avenue, N.W.**

**Cravath, Swaine & Moore LLP**

**Washington, D.C. 20036**

**One StarPoint**

**Worldwide Plaza**

**Stamford, Connecticut 06902**

**825 Eighth Avenue**

**(202) 955-8500**

**(203) 964-6000**

**New York, New York  
10019-7475**

**(212) 474-1000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the closing of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

**Table of Contents**

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed	Amount of registration fee
			maximum aggregate offering price	
Class A Common Stock, \$0.01 par value	157,224,590 shares (1)	N/A	\$8,998,916,149.60 (2)	\$906,190.85 (3)

(1) Represents the maximum number of shares of Marriott International, Inc. ( Marriott ) Class A Common Stock ( Marriott common stock ) estimated to be issuable upon the completion of the Combination Transactions (as defined and further described in this joint proxy statement/prospectus), equal to the product of (a) the sum of (i) 168,723,333 shares of Starwood Hotels & Resorts Worldwide, Inc. ( Starwood ) common stock outstanding on December 18, 2015, and (ii) 2,172,960 shares of Starwood common stock issuable pursuant to the conversion of

SLC Operating Limited Partnership Units and the exercise or settlement of Starwood equity-based awards outstanding on December 18, 2015, that are or may become issuable upon exercise or settlement, as the case may be, before completion of the Combination Transactions and (b) the exchange ratio of 0.920 shares of Marriott common stock for each share of Starwood common stock.

- (2) Calculated pursuant to Rule 457(f)(1) and Rule 457(c) under the Securities Act of 1933, as amended (the Securities Act ), solely for the purpose of calculating the registration fee based on the average of the high and low prices for Starwood common stock (the securities to be cancelled in the Combination Transactions) as reported on the New York Stock Exchange on December 18, 2015 (\$66.34 per share), multiplied by the estimated number of shares (157,224,590) that may be exchanged or converted for the securities registered. Pursuant to Rule 457(f)(3) under the Securities Act, the amount of cash that may be payable by Marriott to holders of Starwood common stock has been deducted from the proposed maximum aggregate offering price, which amount of cash was calculated by multiplying (i) the cash consideration of \$2.00 per share of Starwood common stock by (ii) the estimated number of shares (157,224,590) that may be exchanged or converted for the securities registered. The completion of the spin-off of Starwood's Vistana vacation ownership business ( Vistana ), or, if the spin-off of Vistana and Vistana's subsequent merger with a wholly owned subsidiary of Interval Leisure Group, Inc. is not consummated, the completion of another spin-off, split-off or analogous distribution of Vistana or the sale of Vistana by Starwood, is a condition to the closing of the Combination Transactions. Therefore, \$1,116,913,971, the proposed maximum aggregate offering price in the Form S-4, as amended or supplemented from time to time, filed by Interval Leisure Group, Inc. on December 15, 2015 in connection with its pending acquisition of Vistana, based on the book value of all shares of Vistana common stock to be exchanged in the merger (for which a registration fee has already been paid), has been deducted from the proposed maximum aggregate offering price of securities to be registered by Marriott.
- (3) Calculated by multiplying the estimated aggregate offering price of securities to be registered by Marriott by 0.0001007.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.**

**Table of Contents**

**The information in this joint proxy statement/prospectus is not complete and may be changed. Marriott International, Inc. may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission, of which the joint proxy statement/prospectus is a part, is declared effective. This joint proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer, solicitation or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 22, 2015**

**PROPOSED BUSINESS COMBINATION YOUR VOTE IS VERY IMPORTANT**

Starwood Hotels & Resorts Worldwide, Inc. ( Starwood ) and Marriott International, Inc. ( Marriott ) have entered into an Agreement and Plan of Merger, dated as of November 15, 2015 (the merger agreement ), providing for the acquisition of Starwood by Marriott through a series of business combinations (the Combination Transactions ). After the completion of the Combination Transactions, Starwood will be an indirect wholly owned subsidiary of Marriott.

If the Combination Transactions are completed, Starwood stockholders will receive 0.920 shares (the exchange ratio ) of Marriott Class A Common Stock ( Marriott common stock ) and \$2.00 in cash, without interest (together with the Marriott common stock to be received by Starwood stockholders, the merger consideration ), for each share of Starwood common stock that they own. The exchange ratio is fixed and will not be adjusted to reflect stock price changes before the completion of the Combination Transactions. Based on the closing price of Marriott common stock of \$72.74 on November 13, 2015, the last trading day before public announcement of the merger agreement, the merger consideration represented an implied value of \$68.92 per share of Starwood common stock. Based on the closing price of Marriott common stock of \$ on , 2016, the latest practicable date before the printing of this joint proxy statement/prospectus, the merger consideration represented an implied value of \$ per share of Starwood common stock.

Starwood stockholders will separately receive consideration from the previously announced spin-off of Starwood s vacation ownership business Vistana Signature Enterprises, Inc. ( Vistana, such business, the Vistana business and such spin-off, the Vistana spin-off ), and Vistana s subsequent merger with a wholly owned subsidiary of Interval Leisure Group, Inc. ( ILG and such transactions, the Vistana-ILG transactions ). The completion of the Vistana spin-off or, if the Vistana-ILG transactions are not consummated, the completion of another spin-off, split-off or analogous distribution of Vistana or the sale of Vistana by Starwood, is a condition to the closing of the Combination Transactions. Starwood has entered into definitive agreements relating to the Vistana-ILG transactions. Accordingly, Marriott will not acquire Vistana in connection with the Combination Transactions. For more information about Vistana, the Vistana business, the Vistana-ILG transactions and the consideration Starwood stockholders will receive, see the Registration Statement on Form S-4 (registration number 333-208567), as amended or supplemented from time to time, filed with the Securities and Exchange Commission by ILG on December 15, 2015.

The value of the merger consideration will fluctuate with the market price of Marriott common stock. Starwood common stock is currently traded on the New York Stock Exchange (the NYSE ) under the symbol HOT and Marriott common stock is currently traded on the NASDAQ Global Select Market ( NASDAQ ) and the Chicago Stock Exchange under the symbol MAR. **We urge you to obtain current market quotations for Starwood common stock and Marriott common stock before you determine how to vote on the proposals set forth in this joint proxy statement/prospectus.**

Starwood and Marriott will each hold special meetings of their respective stockholders in connection with the proposed Combination Transactions. **Your vote is very important; please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Starwood or Marriott special meeting, as applicable. The Starwood board of directors unanimously recommends that Starwood stockholders vote FOR each of the proposals being submitted to a vote of Starwood stockholders at the Starwood special meeting. The Marriott board of directors unanimously recommends that Marriott stockholders vote FOR each of the proposals being submitted to a vote of Marriott stockholders at the Marriott special meeting.**

**Table of Contents**

The accompanying joint proxy statement/prospectus contains detailed information about Starwood, Marriott, the special meetings, the merger agreement and the Combination Transactions. **You should read this joint proxy statement/prospectus carefully and in its entirety before voting, including the section entitled Risk Factors beginning on page 31.** We look forward to the successful combination of Starwood and Marriott.

Sincerely,

Arne M. Sorenson

Adam Aron

President and Chief Executive Officer

Chief Executive Officer

Marriott International, Inc.

Starwood Hotels & Resorts Worldwide, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**This joint proxy statement/prospectus is dated \_\_\_\_\_, 2016 and is first being mailed to Starwood and Marriott stockholders on or about \_\_\_\_\_, 2016.**



Table of Contents

**Starwood Hotels & Resorts Worldwide, Inc.**

**One StarPoint**

**Stamford, Connecticut 06902**

**(203) 964-6000**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON \_\_\_\_\_, 2016**

To the Stockholders of Starwood Hotels & Resorts Worldwide, Inc.:

A special meeting of stockholders (the Starwood special meeting ) of Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation ( Starwood ), will be held at \_\_\_\_\_ local time on \_\_\_\_\_, 2016 at \_\_\_\_\_, for the following purposes:

to consider and vote on the proposal to approve the transactions contemplated by the Agreement and Plan of Merger, dated as of November 15, 2015 (the merger agreement ), by and among Starwood, Marriott International, Inc., a Delaware corporation ( Marriott ), Solar Merger Sub 1, Inc., a wholly owned direct subsidiary of Starwood ( Holdco ), Solar Merger Sub 2, Inc., a wholly owned direct subsidiary of Holdco ( Starwood Merger Sub ), Mars Merger Sub, Inc., a wholly owned direct subsidiary of Marriott ( Marriott Corporate Merger Sub ), and Mars Merger Sub, LLC, a wholly owned direct subsidiary of Marriott ( Marriott LLC Merger Sub ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part. Those transactions include the merger of Starwood Merger Sub with and into Starwood, with Starwood continuing as the surviving corporation and a wholly owned subsidiary of Holdco (the Starwood Merger ), and the merger of Marriott Corporate Merger Sub with and into Holdco, with Holdco continuing as the surviving corporation and a wholly owned subsidiary of Marriott (the Initial Holdco Merger ), under which Starwood stockholders will receive 0.920 shares of Marriott common stock (the exchange ratio ) and \$2.00 in cash, without interest, for each share of Starwood common stock that they own immediately before the Combination Transactions (which we refer to as the Starwood combination transactions proposal ); and

to consider and vote on the proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Starwood's named executive officers in connection with the Combination Transactions, as described in the accompanying joint proxy statement/prospectus of which this notice is a part (which we refer to as the Starwood advisory compensation proposal ).

Starwood will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy

statement/prospectus of which this notice is a part for further information on the business to be transacted at the Starwood special meeting.

**The Starwood board of directors ( Starwood s Board ) has unanimously approved the Combination Transactions and the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the Combination Transactions, are advisable and in the best interests of Starwood and its stockholders. Starwood s Board unanimously recommends that Starwood stockholders vote FOR each of the proposals being submitted to a vote of Starwood stockholders at the Starwood special meeting.**

**Table of Contents**

Starwood's Board has fixed the close of business on \_\_\_\_\_, 2016 as the record date for determining Starwood stockholders entitled to receive notice of, and to vote at, the Starwood special meeting or any adjournments or postponements thereof. Only holders of record of Starwood common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Starwood special meeting. The approval of the Starwood combination transactions proposal requires the affirmative vote of a majority of the total number of shares of Starwood common stock outstanding and entitled to vote on the proposal. Failures to vote and broker non-votes will have the same effect as votes against the Starwood combination transactions proposal. The approval of the Starwood advisory compensation proposal requires the affirmative vote of a majority of all the votes cast, either in person or represented by proxy, at the Starwood special meeting, although such vote will not be binding on Starwood, Starwood's Board or Marriott. Failures to vote and broker non-votes are not considered votes cast for the purposes of the Starwood advisory compensation proposal and will have no effect on this proposal. A list of the names of Starwood stockholders of record will be available at the Starwood special meeting for examination by any stockholder present at such meeting. Votes to abstain will have the same effect as votes against the proposals.

**Your vote is very important. Whether or not you expect to attend in person, we urge you to submit a proxy to vote your shares as promptly as possible by either (1) accessing the Internet website specified on your proxy card and following the on-screen instructions; (2) calling the toll-free number specified on your proxy card; or (3) signing, dating and mailing your proxy card in the envelope provided as soon as possible, so that your shares may be represented and voted at the Starwood special meeting.**

The enclosed joint proxy statement/prospectus provides a detailed description of the Combination Transactions and the merger agreement. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions concerning the Combination Transactions or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Starwood common stock, please contact Starwood's proxy solicitor:

D.F. King & Co., Inc

48 Wall Street

New York, NY 10005

866-721-1211 (Call Toll Free)

212-269-5550 (Call Collect)

By Order of the Board of Directors of Starwood,

**Kenneth S. Siegel**

*Corporate Secretary*

Stamford, Connecticut

, 2016

Table of Contents

**Marriott International, Inc.**

**10400 Fernwood Road**

**Bethesda, Maryland 20817**

**(301) 380-3000**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON \_\_\_\_\_, 2016**

To the Stockholders of Marriott International, Inc.:

We are pleased to invite you to attend the special meeting of stockholders of Marriott International, Inc. ( **Marriott** ), a Delaware corporation, which will be held at the JW Marriott Hotel, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004 on \_\_\_\_\_, 2016 at \_\_\_\_\_, local time, for the following purposes:

to consider and vote on the proposal to issue shares of Marriott common stock to Starwood stockholders under the Agreement and Plan of Merger (the **merger agreement** ), dated as of November 15, 2015, by and among Marriott, Starwood Hotels & Resorts Worldwide, Inc. ( **Starwood** ) and certain of their direct and indirect subsidiaries, a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part (the **Marriott stock issuance proposal** ); and

to vote upon the proposal to adjourn the Marriott special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the foregoing proposal (the **Marriott adjournment proposal** ).

Marriott will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournments or postponements thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information on the business to be transacted at the Marriott special meeting.

**Marriott's board of directors ( **Marriott's Board** ) has unanimously approved the merger agreement and the Combination Transactions and determined that the merger agreement and the transactions contemplated thereby, including the Combination Transactions and the issuance of shares of Marriott common stock to Starwood stockholders under the merger agreement, are advisable and in the best interests of Marriott and its stockholders. Marriott's Board unanimously recommends that Marriott stockholders vote **FOR** each of the proposals being submitted to a vote of stockholders at the Marriott special meeting.**

Marriott's Board has fixed the close of business on \_\_\_\_\_, 2016 as the record date (the **Record Date** ) for determining Marriott stockholders entitled to receive notice of, and to vote at, the Marriott special meeting or any adjournments or postponements thereof. Only holders of record of Marriott common stock at the close of business on

the Record Date are entitled to receive notice of, and to vote at, the Marriott special meeting. The presence, either in person or represented by proxy, of persons entitled to vote a majority of the voting power of Marriott common stock that is entitled to vote at the special meeting is necessary to constitute a quorum for the transaction of business at the special meeting. To ensure that your vote is recorded, please provide your voting instructions as soon as possible, even if you plan to attend the special meeting in person. We encourage you to vote via the Internet or by telephone. You also have the option of voting by completing, signing, dating and returning the proxy card that accompanied the printed materials. Submitting your vote via the Internet or by telephone or proxy card will not affect your right to vote in person if you decide to attend the special meeting.

**Table of Contents**

The adoption of the Marriott stock issuance proposal and the adoption of the Marriott adjournment proposal, if necessary or appropriate, each requires the affirmative vote of holders of a majority of the shares of Marriott common stock present in person or represented by proxy at the Marriott special meeting and entitled to vote on the proposal. Votes to abstain will have the same effect as votes against the proposals. Shares held by Marriott stockholders who are not present in person or represented by proxy at the Marriott special meeting and broker non-votes, if any, will have no effect on the outcome of any vote on the Marriott stock issuance proposal or any vote on the Marriott adjournment proposal. A list of the names of Marriott stockholders of record will be available for ten days before the Marriott special meeting for any purpose germane to the special meeting, between the hours of 10:00 a.m. and 3:00 p.m., local time, at Marriott's headquarters, 10400 Fernwood Road, Bethesda, Maryland 20817. The Marriott stockholder list will also be available at the Marriott special meeting for examination by any stockholder present at such meeting.

**Your vote is very important. Whether or not you expect to attend in person, we urge you to submit a proxy to vote your shares as promptly as possible by either (1) logging onto the Internet website specified on your proxy card and following the prompts on your proxy card; (2) dialing the telephone number specified on your proxy card and listening for further directions; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Marriott special meeting.**

The enclosed joint proxy statement/prospectus provides a detailed description of the merger agreement and the Combination Transactions as well as a description of the issuance of shares of Marriott common stock to Starwood stockholders under the merger agreement. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes carefully and in their entirety. If you have any questions concerning the merger agreement, the Combination Transactions or this joint proxy statement/prospectus; would like additional copies of this document; or need help voting your shares of Marriott common stock, please contact Marriott's proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

By Telephone: 212-929-5500 or 800-322-2885

By Fax: 212-929-0308

By Order of the Board of Directors of Marriott,

Bancroft S. Gordon

*Corporate Secretary*

Bethesda, Maryland

, 2016

**Table of Contents**

**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about Starwood and Marriott from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a listing of the documents incorporated by reference into this joint proxy statement/prospectus, see the section entitled *Where You Can Find More Information*. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this document through the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov) or by requesting them in writing or by telephone at the appropriate address below:

By Mail: Corporate Secretary  
 Marriott International, Inc.  
 10400 Fernwood Road  
 Department 52/862  
 Bethesda, Maryland 20817

By Mail: Corporate Secretary  
 Starwood Hotels & Resorts Worldwide, Inc.  
 One StarPoint  
 Stamford, CT 06902

By Telephone: (301) 380-3000

By Telephone: (203) 964-6000

You may also obtain documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from D.F. King & Co., Inc., Starwood's proxy solicitor, or MacKenzie Partners, Inc., Marriott's proxy solicitor, at the following addresses and telephone numbers:

For Marriott

For Starwood

Stockholders:

Stockholders:

MacKenzie Partners, Inc.  
 105 Madison Avenue  
 New York, NY 10016

D.F. King & Co., Inc.  
 48 Wall Street  
 New York, NY 10005

By Telephone: 212-929-5500 or 800-322-2885

866-721-1211 (Call Toll Free)

By Fax: 212-929-0308

212-269-5550 (Call Collect)

**To receive timely delivery of the documents in advance of the special meetings, you should make your request no later than five business days before the date of the respective meeting, or no later than , 2016 for**

**the Starwood special meeting or , 2016 for the Marriott special meeting.**



---

Table of Contents

**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the SEC) by Marriott, constitutes a prospectus of Marriott under Section 5 of the Securities Act of 1933, as amended (the Securities Act), for the shares of Marriott common stock to be issued to Starwood stockholders under the merger agreement. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Starwood and Marriott under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act). It also constitutes a notice of meeting for the special meeting of Starwood stockholders and a notice of meeting for the special meeting of Marriott stockholders.

No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus and neither Starwood nor Marriott takes any responsibility for, and cannot provide any assurances as to the reliability of, any other information that others may give you. This joint proxy statement/prospectus is dated [redacted], 2016. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to Starwood stockholders or Marriott stockholders nor the issuance by Marriott of shares of common stock under the merger agreement will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person as to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus about Marriott has been provided by Marriott and information contained in this joint proxy statement/prospectus about Starwood has been provided by Starwood.**

All references in this joint proxy statement/prospectus to Starwood refer to Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation; all references in this joint proxy statement/prospectus to Marriott refer to Marriott International, Inc., a Delaware corporation; all references in this joint proxy statement/prospectus to Holdco refer to Solar Merger Sub 1, Inc., a Maryland corporation and a wholly owned direct subsidiary of Starwood; all references in this joint proxy statement/prospectus to Starwood Merger Sub refer to Solar Merger Sub 2, Inc., a Maryland corporation and a wholly owned direct subsidiary of Holdco; all references in this joint proxy statement/prospectus to Marriott Corporate Merger Sub refer to Mars Merger Sub, Inc., a Maryland corporation and a wholly owned direct subsidiary of Marriott; all references in this joint proxy statement/prospectus to Marriott LLC Merger Sub refer to Mars Merger Sub, LLC, a Delaware limited liability company and a wholly owned direct subsidiary of Marriott; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to we, our and us refer to Starwood and Marriott collectively; and, unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of November 15, 2015, by and among Marriott, Starwood, Holdco, Starwood Merger Sub, Marriott Corporate Merger Sub, and Marriott LLC Merger Sub, a copy of which is included as Annex A to this joint proxy statement/prospectus.

**Table of Contents****Table of Contents**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE COMBINATION TRANSACTIONS AND SPECIAL MEETINGS</u>	1
<u>SUMMARY</u>	8
<u>The Companies</u>	8
<u>The Combination Transactions</u>	9
<u>Consideration to be Received in the Combination Transactions by Starwood Stockholders</u>	9
<u>Material U.S. Federal Income Tax Consequences</u>	10
<u>Recommendation of Starwood's Board</u>	10
<u>Recommendation of Marriott's Board</u>	11
<u>Opinions of the Financial Advisors</u>	11
<u>Interests of Starwood Directors and Executive Officers in the Combination Transactions</u>	13
<u>Interests of Marriott Directors and Executive Officers in the Combination Transactions</u>	14
<u>Board of Directors Following the Combination Transactions</u>	14
<u>Treatment of Starwood Stock Options and Other Equity-Based Awards</u>	14
<u>Regulatory Clearances Required for the Combination Transactions</u>	15
<u>Expected Timing of the Combination Transactions</u>	16
<u>Conditions to Completion of the Combination Transactions</u>	16
<u>Vacation Ownership Business Spin-Off</u>	17
<u>No Solicitation of Alternative Proposals</u>	18
<u>Termination of the Merger Agreement</u>	18
<u>Expenses and Termination Fees</u>	19
<u>No Appraisal Rights</u>	19
<u>Comparison of Stockholder Rights</u>	19
<u>Listing of Shares of Marriott Common Stock; Delisting and Deregistration of Shares of Starwood Common Stock</u>	19
<u>The Starwood Special Meeting</u>	20
<u>The Marriott Special Meeting</u>	20
<u>Litigation Relating to the Combination Transactions</u>	21
<u>Summary Consolidated Financial Data of Starwood</u>	22
<u>Summary Consolidated Financial Data of Marriott</u>	24
<u>Summary Unaudited Pro Forma Condensed Combined Financial Data of Starwood and Marriott</u>	26
<u>Unaudited Comparative Per Share Data</u>	27
<u>Comparative Stock Prices and Dividends</u>	28
<u>RISK FACTORS</u>	31
<u>THE COMPANIES</u>	40
<u>SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS</u>	42
<u>STARWOOD SPECIAL MEETING</u>	44
<u>MARRIOTT SPECIAL MEETING</u>	49
<u>THE COMBINATION TRANSACTIONS</u>	53
<u>Effect of the Combination Transactions</u>	53
<u>Background of the Combination Transactions</u>	54
<u>Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board</u>	73
<u>Opinions of Starwood's Financial Advisors</u>	78

<u>Certain Starwood Financial Forecasts</u>	93
<u>Marriott's Reasons for the Combination Transactions; Recommendation of Marriott's Board</u>	97
<u>Opinion of Marriott's Financial Advisor</u>	100
<u>Certain Prospective Financial Information Used by Marriott</u>	109
<u>Interests of Starwood Directors and Executive Officers in the Combination Transactions</u>	112
<u>Interests of Marriott Directors and Executive Officers in the Combination Transactions</u>	117
<u>Board of Directors of Marriott Following the Combination Transactions</u>	117

**Table of Contents**

<u>Regulatory Clearances Required for the Combination Transactions</u>	117
<u>Exchange of Shares in the Combination Transactions</u>	119
<u>Treatment of Starwood Stock Options and Equity-Based Awards</u>	120
<u>Dividend Policy and Share Repurchases</u>	121
<u>NASDAQ Market Listing of Marriott Common Stock</u>	121
<u>Delisting and Deregistration of Starwood Common Stock</u>	121
<u>No Appraisal Rights</u>	121
<u>Litigation Relating to the Combination Transactions</u>	122
<b><u>THE MERGER AGREEMENT</u></b>	123
<u>Terms of the Combination Transactions; Merger Consideration</u>	123
<u>Completion of the Combination Transactions</u>	124
<u>Conversion of Shares; Exchange of Shares in the Combination Transaction</u>	124
<u>Representations and Warranties</u>	125
<u>Conduct of Business</u>	127
<u>No Solicitation of Alternative Proposals</u>	129
<u>Changes in Board Recommendations</u>	130
<u>Efforts to Obtain Required Stockholder Votes</u>	132
<u>Efforts to Complete the Combination Transactions</u>	132
<u>Indemnification, Exculpation and Insurance</u>	133
<u>Employee Benefits Matters</u>	133
<u>Treatment of Starwood Stock Options and Other Equity-Based Awards</u>	134
<u>Governance</u>	135
<u>Vacation Ownership Business Spin-Off</u>	135
<u>Other Covenants and Agreements</u>	135
<u>Conditions to Completion of the Combination Transactions</u>	136
<u>Termination of the Merger Agreement</u>	137
<u>Expenses and Termination Fees</u>	139
<u>Amendments, Extensions and Waivers</u>	140
<u>No Third-Party Beneficiaries</u>	140
<u>Specific Performance</u>	140
<b><u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u></b>	142
<b><u>ACCOUNTING TREATMENT</u></b>	146
<b><u>STARWOOD AND MARRIOTT UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u></b>	147
<b><u>SHARE OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, MANAGEMENT AND DIRECTORS OF STARWOOD</u></b>	162
<b><u>COMPARISON OF STOCKHOLDER RIGHTS</u></b>	163
<b><u>NO APPRAISAL RIGHTS</u></b>	183
<b><u>LEGAL MATTERS</u></b>	183
<b><u>EXPERTS</u></b>	183
<b><u>FUTURE STOCKHOLDER PROPOSALS</u></b>	184
<b><u>STARWOOD PROPOSAL NO.1 APPROVAL OF COMBINATION TRANSACTIONS</u></b>	185
<b><u>STARWOOD PROPOSAL NO.2 ADVISORY VOTE ON SPECIFIED COMPENSATORY</u></b>	
<b><u>ARRANGEMENTS RELATING TO THE COMBINATION TRANSACTIONS</u></b>	186
<b><u>MARRIOTT PROPOSAL NO.1 APPROVAL OF ISSUANCE OF MARRIOTT COMMON STOCK</u></b>	187
<b><u>MARRIOTT PROPOSAL NO.2 ADJOURNMENT</u></b>	188
<b><u>OTHER MATTERS</u></b>	189
<b><u>HOUSEHOLDING</u></b>	189

<u>WHERE YOU CAN FIND MORE INFORMATION</u>	190
<u>ANNEX A MERGER AGREEMENT</u>	A-1
<u>ANNEX B OPINION OF CITIGROUP GLOBAL MARKETS, INC.</u>	B-1
<u>ANNEX C OPINION OF LAZARD FRÈRES &amp; CO. LLC</u>	C-1
<u>ANNEX D OPINION OF DEUTSCHE BANK SECURITIES INC.</u>	D-1

---

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE COMBINATION TRANSACTIONS AND SPECIAL MEETINGS**

*The following are brief answers to certain questions that you may have about the proposals being considered at the special meeting of Starwood stockholders, which we refer to as the Starwood special meeting, and the special meeting of Marriott stockholders, which we refer to as the Marriott special meeting. We urge you to read carefully this entire joint proxy statement/prospectus, including its Annexes, and the other documents to which this joint proxy statement/prospectus refers or incorporates by reference, because this section does not provide all of the information that might be important to you. Also see the section entitled Where You Can Find More Information beginning on page 190.*

**Q: What is the proposed transaction?**

A: On November 15, 2015, Marriott, Starwood, Holdco, Starwood Merger Sub, Marriott Corporate Merger Sub and Marriott LLC Merger Sub, entered into the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus. The merger agreement provides that Marriott will combine with Starwood in a series of transactions (the Combination Transactions). After completion of the Combination Transactions, Starwood will be an indirect wholly owned subsidiary of Marriott.

If the Combination Transactions are completed, Starwood stockholders will receive 0.920 shares of Marriott Class A common stock, par value \$0.01 per share (Marriott common stock) and such ratio, the exchange ratio) and \$2.00 in cash, without interest, for each share of Starwood common stock, par value \$0.01 per share (Starwood common stock), that they own immediately before the Combination Transactions. The exchange ratio is fixed and will not be adjusted to reflect changes in the price of Starwood common stock or Marriott common stock before the closing of the Combination Transactions.

Starwood stockholders will separately receive consideration from the previously announced spin-off of the Starwood vacation ownership business, Vistana Signature Enterprises, Inc. (Vistana, such business, the Vistana business and such spin-off, the Vistana spin-off), and Vistana's subsequent merger with a wholly owned subsidiary of Interval Leisure Group, Inc. (ILG and such transactions, the Vistana-ILG transactions). The completion of the Vistana spin-off or, if the Vistana-ILG transactions are not consummated, the completion of another spin-off, split-off or analogous distribution of Vistana or the sale of Vistana by Starwood is a condition to the closing of the Combination Transactions. Accordingly, Marriott will not acquire Vistana in connection with the Combination Transactions. For more information about Vistana, the Vistana business, the Vistana-ILG transactions and the consideration to be received by Starwood stockholders, see the Registration Statement on Form S-4 (registration number 333-208567), as amended or supplemented from time to time, filed with the SEC by ILG on December 15, 2015.

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: You are receiving this joint proxy statement/prospectus because you were a stockholder of record of Starwood or Marriott as of the close of business on the record date for the Starwood special meeting or the Marriott special meeting, respectively.

This joint proxy statement/prospectus serves as the proxy statement through which Starwood and Marriott will solicit proxies to obtain the necessary stockholder approvals for the proposed Combination Transactions. It also serves as the prospectus by which Marriott will issue shares of its common stock as consideration to Starwood stockholders in connection with the Combination Transactions.

In order to complete the Combination Transactions, among other things:

Starwood stockholders must approve the transactions contemplated by the merger agreement, including the Starwood Merger and the Initial Holdco Merger (each as described further herein); and

Marriott stockholders must approve the issuance of shares of Marriott common stock to Starwood stockholders under the merger agreement.

**Table of Contents**

Starwood and Marriott will hold separate special meetings of their stockholders to obtain these approvals. This joint proxy statement/prospectus, including its Annexes, contains and incorporates by reference important information about Starwood and Marriott, the Combination Transactions and the special meetings of Starwood and Marriott. You should read all the available information carefully and in its entirety.

Your vote is important. We encourage you to vote as soon as possible.

**Q: When and where will the special meetings be held?**

A: *Starwood Stockholders:* The special meeting of Starwood stockholders will be held at \_\_\_\_\_, on \_\_\_\_\_, 2016 at \_\_\_\_\_, local time.

*Marriott Stockholders:* The special meeting of Marriott stockholders will be held at the JW Marriott Hotel, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004, on \_\_\_\_\_, 2016 at \_\_\_\_\_, local time.

**Q: Who is entitled to vote at the special meetings?**

A: *Starwood Stockholders:* The record date for the Starwood special meeting is \_\_\_\_\_, 2016. Only holders of record of outstanding shares of Starwood's common stock as of the close of business on the record date are entitled to notice of, and to vote at, the Starwood special meeting or any adjournment or postponement of the Starwood special meeting.

*Marriott Stockholders:* The record date for the Marriott special meeting is \_\_\_\_\_, 2016. Only holders of record of outstanding shares of Marriott common stock as of the close of business on the record date are entitled to notice of, and to vote at, the Marriott special meeting or any adjournment or postponement of the Marriott special meeting.

**Q: What constitutes a quorum at the special meetings?**

A: *Starwood Stockholders:* Stockholders entitled to cast a majority of all the votes entitled to be cast at the Starwood special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Starwood special meeting. If a quorum is not present, or if fewer shares of Starwood common stock are voted in favor of each proposal than the number required for its approval, the Starwood special meeting may be adjourned (subject to the conditions set forth in the merger agreement) to allow more time for obtaining additional proxies or votes. At any subsequent reconvening of the Starwood special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn before the subsequent meeting.

Abstentions will be included in the calculation of the number of shares of Starwood common stock represented at the Starwood special meeting for purposes of determining whether a quorum has been achieved. However, broker non-votes will not be included in the calculation of the number of shares of Starwood common stock represented at the Starwood special meeting for purposes of determining whether a quorum has been achieved.



*Marriott Stockholders:* Stockholders entitled to cast a majority of all the votes entitled to be cast at the Marriott special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Marriott special meeting. In the absence of a quorum, Marriott stockholders, by a majority of the votes cast at the meeting by Marriott stockholders entitled to vote and present in person or represented by proxy, may adjourn the meeting to another time or place (subject to the conditions set forth in the merger agreement) without further notice other than by announcement at the Marriott special meeting unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting will be given to each stockholder of record entitled to vote at the meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally notified.

## **Table of Contents**

Abstentions will be included in the calculation of the number of shares of Marriott common stock represented at the Marriott special meeting for purposes of determining whether a quorum has been achieved. However, broker non-votes will not be included in the calculation of the number of shares of Marriott common stock represented at the special meeting for purposes of determining whether a quorum has been achieved.

### **Q: How do I vote if I am a stockholder of record?**

A: If you are a stockholder of record of Starwood or Marriott as of the close of business on the record date for the applicable special meeting, you may vote in person by attending the applicable special meeting, or, to ensure your shares are represented at the applicable special meeting, you may authorize a proxy to vote by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and returning your proxy card in the postage-paid envelope provided.

If you hold shares of Starwood common stock or shares of Marriott common stock in street name through a stock brokerage account or through a bank or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the applicable special meeting. If you hold shares through an employee plan provided by Starwood or Marriott, as applicable, please see the question below: How are my employee plan shares voted?

### **Q: What vote is required to approve each proposal and how are abstentions and broker non-votes treated?**

A: *Starwood Stockholders:* The approval of the Starwood combination transactions proposal requires the affirmative vote of the holders of a majority of all outstanding shares of Starwood common stock entitled to vote on the proposal. The approval of the Starwood advisory compensation proposal requires the affirmative vote of a majority of all the votes cast, either in person or represented by proxy, at the Starwood special meeting although such vote will not be binding on Starwood, the Starwood board of directors ( Starwood s Board ) or Marriott. Failures to vote, votes to abstain and broker non-votes, if any, are treated as follows:

Failures to vote, votes to abstain and broker non-votes, if any, will have the same effect as votes against the Starwood combination transactions proposal.

Failures to vote and broker non-votes, if any, will have no effect on the Starwood advisory compensation proposal. Votes to abstain will have the same effect as votes against the Starwood advisory compensation proposal.

*Marriott Stockholders:* The approval of the Marriott stock issuance proposal and approval of any vote on the Marriott adjournment proposal each requires the affirmative vote of holders of a majority of the shares of Marriott common stock present in person or represented by proxy at the Marriott special meeting and entitled to vote on the proposal. Votes to abstain will have the same effect as votes against the proposals. Shares held by Marriott stockholders who are not present in person or represented by proxy at the Marriott special meeting and broker non-votes, if any, will have no effect on the outcome of any vote on the Marriott stock issuance proposal or any vote on the Marriott adjournment proposal.

**Q: My shares are held in street name by my bank, broker or other nominee. Will my bank, broker or other nominee automatically vote my shares for me?**

A: No. If your shares are held in the name of a bank, broker or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. You are not the record holder of such shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee. As the beneficial holder, unless your bank, broker or other nominee has

**Table of Contents**

discretionary authority over your shares, you generally have the right to direct your bank, broker or other nominee as to how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which your bank, broker or other nominee does not have discretionary authority. This is often called a broker non-vote.

You should therefore provide your bank, broker or other nominee with instructions as to how to vote your shares of Starwood common stock or Marriott common stock, respectively.

Please follow the voting instructions provided by your bank, broker or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Starwood or Marriott or by voting in person at your special meeting unless you first obtain a proxy from your bank, broker or other nominee.

**Q: How are my employee plan shares voted?**

A: *Employees of Starwood:* If you are a participant in the Starwood Savings and Retirement Plan (the Starwood Savings Plan ) or Starwood's Employee Stock Purchase Plan (the Starwood ESPP ), you can cause shares held in your plan account to be voted by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and returning your proxy card in the postage-paid envelope provided.

The trustee of the Starwood Savings Plan or the transfer agent of the Starwood ESPP, as applicable, will then vote the shares in accordance with your instructions. You must provide your voting instructions by \_\_\_\_\_, Eastern Time, on \_\_\_\_\_, 2016. If you participate in the Starwood Savings Plan and your vote is not received by the tabulating agent by that above date or if you sign and return your proxy card without specifying your voting instructions, the trustee for the Starwood Savings Plan will vote your shares in the same proportion as the other shares for which such trustee has received timely voting instructions unless contrary to the Employee Retirement Income Security Act of 1974, as amended. If you participate in the Starwood ESPP and your vote is not received by the tabulating agent by that above date or if you sign and return your proxy card without specifying your voting instructions, the transfer agent of the Starwood ESPP will not vote your shares.

*Employees of Marriott:* If you are a participant in Marriott's Employees' Profit Sharing, Retirement and Savings Plan and Trust, you can cause the number of share equivalents allocated to your plan account to be voted by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and returning your proxy card in the postage-paid envelope provided.

The plan trustee will vote the shares held in your plan account in accordance with your instructions. If you do not provide the plan trustee with instructions by 11:59 p.m., Eastern Time, on \_\_\_\_\_, 2016, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions, unless contrary to the Employee Retirement Income Security Act of 1974, as amended.

**Q: What will happen if I return my proxy card without indicating how to vote?**

A: *Starwood Stockholders:* If you properly complete and sign your proxy card but do not indicate how your shares of Starwood common stock should be voted on a matter, the shares of Starwood common stock represented by your proxy will be voted as Starwood's Board recommends and, therefore, **FOR** each of the proposals being submitted to a vote of Starwood stockholders at the Starwood special meeting.

## **Table of Contents**

*Marriott Stockholders:* If you properly complete and sign your proxy card but do not indicate how your shares of Marriott common stock should be voted on a matter, the shares of Marriott common stock represented by your proxy will be voted as Marriott's board of directors ( Marriott's Board ) recommends and, therefore, **FOR** each of the proposals being submitted to a vote of Marriott stockholders at the Marriott special meeting.

### **Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?**

A: Yes.

*If you are the holder of record of either Starwood common stock or Marriott common stock:* You can change your vote or revoke your proxy at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

you can grant a new, valid proxy bearing a later date (including by telephone or through the Internet);

if you are a Starwood stockholder, you can send a signed notice of revocation to the Corporate Secretary of Starwood at One StarPoint, Stamford, Connecticut 06902, and if you are a Marriott stockholder, you can send a signed notice of revocation to Computershare Investor Services, P.O. Box 43006, Providence, RI 02940-3078; or

you can attend your special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person. Simply attending the Starwood special meeting or the Marriott special meeting without voting will not revoke any proxy that you have previously given or otherwise change your vote.

If you choose either of the first two methods, your new proxy or your notice of revocation or your new proxy must be received by Starwood or Marriott, as applicable, no later than the beginning of the applicable special meeting. If you have submitted a proxy for your shares by telephone or via the Internet, you may revoke your prior telephone or Internet proxy by any manner described above.

*If you hold shares of either Starwood or Marriott in street name :* If your shares are held in street name, you must contact your bank, broker or other nominee to change your vote.

*If you hold shares in the Starwood Savings Plan or the Starwood ESPP or Marriott's Employees Profit Sharing Retirement and Savings Plan and Trust:* If you hold shares of Starwood common stock in the Starwood Savings Plan or the Starwood ESPP or share equivalents in Marriott's Employees Profit Sharing Retirement and Savings Plan and Trust, you may submit new voting instructions under any one of the three methods described above under the question How are my employee plan shares voted?

### **Q: Do I need to do anything with my shares of common stock other than voting for the proposals at the special meeting?**

A: *Starwood Stockholders:* If you are a Starwood stockholder and the Combination Transactions are consummated, each share of Starwood common stock you hold will be converted automatically into the right to receive 0.920 shares of Marriott common stock and \$2.00 in cash, without interest. No fractional shares of Marriott common stock will be issued to Starwood stockholders in connection with the Combination Transactions. Instead, each former holder of Starwood common stock will receive cash in lieu of any fractional shares of Marriott common stock that he or she would otherwise have been entitled to receive. You will receive instructions at that time about exchanging your shares for shares of Marriott common stock. You do not need to take any action at this time.

Please do not send your Starwood stock certificates with your proxy card.

*Marriott Stockholders:* If you are a Marriott stockholder and the Combination Transactions are consummated, you are not required to take any action with respect to your shares of Marriott common stock.

**Table of Contents**

**Q: Are stockholders entitled to dissenters or appraisal rights?**

A: No. Neither Starwood stockholders nor Marriott stockholders are entitled to dissenters or appraisal rights in connection with the Combination Transactions.

**Q: What happens if I sell my shares of Starwood common stock before the Starwood special meeting?**

A: The record date for the Starwood special meeting is earlier than the date of the Starwood special meeting and the date that the Combination Transactions are expected to be completed. If you transfer your Starwood shares after the Starwood record date but before the Starwood special meeting, you will retain your right to vote at the Starwood special meeting, but will have transferred the right to receive the merger consideration in the Combination Transactions. In order to receive the merger consideration, you must hold your shares through the effective date of the Initial Holdco Merger (as described elsewhere in this joint proxy statement/prospectus).

**Q: What if I hold shares of common stock in both Starwood and Marriott?**

A: If you are a stockholder of both Starwood and Marriott, you will receive two separate packages of proxy materials. A vote cast as a Starwood stockholder will not count as a vote cast as a Marriott stockholder, and a vote cast as a Marriott stockholder will not count as a vote cast as a Starwood stockholder. Therefore, please separately submit a proxy for each of your Starwood and Marriott shareholdings.

**Q: Who can help answer my questions?**

A: Starwood stockholders or Marriott stockholders who have questions about the Combination Transactions, the other matters to be voted on at the special meetings or how to submit a proxy, or who desire additional copies of this joint proxy statement/prospectus or additional proxy cards, should contact:

Marriott Stockholders:  
MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

By Telephone: 212-929-5500 or 800-322-2885

By Fax: 212-929-0308

Corporate Secretary

Starwood Stockholders:  
D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

866-721-1211 (Call Toll Free)

213-369-5550 (Call Collect)

Corporate Secretary



Marriott International, Inc.

Starwood Hotels & Resorts Worldwide, Inc.

10400 Fernwood Road

One StarPoint

Bethesda, Maryland 20817

Stamford, CT 06902

(301) 380-3000

(203) 964-6000

**Q: What are the material U.S. federal income tax consequences of the Combination Transactions to U.S. holders of Starwood common stock?**

A: The obligation of Starwood to effect the Combination Transactions is conditioned on Starwood's receipt of an opinion from Cravath, Swaine & Moore LLP, tax counsel to Starwood, to the effect that, for U.S. federal income tax purposes, (a) the Starwood Merger and the Starwood LLC Conversion (each as defined in the section entitled Summary The Combination Transactions beginning on page 9), taken together, will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Internal Revenue Code of 1986, as amended (the Code) and (b) the Initial Holdco Merger and the Final Holdco Merger (each as defined in the section entitled Summary The Combination Transactions beginning on page 9), taken together, will constitute an integrated plan that will qualify as a reorganization within the meaning of Section 368(a) of the Code.

**Table of Contents**

As a result of the Combination Transactions, Starwood U.S. holders (as defined in the section entitled "Material U.S. Federal Income Tax Consequences" beginning on page 142) will recognize gain, but will not recognize any loss, for U.S. federal income tax purposes, equal to the smaller of (i) the amount of cash received (other than cash received in lieu of a fractional share of Marriott common stock) and (ii) the excess, if any, of (x) the sum of the amount of cash received (including cash received in lieu of a fractional share of Marriott common stock) and the fair market value of the Marriott common stock received in the Combination Transactions (determined at the effective time of the Initial Holdco Merger) over (y) the Starwood U.S. holder's tax basis in the shares of Starwood common stock surrendered in the Combination Transactions. In addition, the Starwood U.S. holder will recognize gain or loss attributable to cash received in lieu of a fractional share of Marriott common stock. Any gain recognized generally will be long-term capital gain, provided certain holding period and other requirements are met.

For more information on the material U.S. federal income tax consequences of the Combination Transactions, see the section entitled "Material U.S. Federal Income Tax Consequences" beginning on page 142. Starwood stockholders are strongly urged to consult with their tax advisors about the tax consequences of the Combination Transactions to them, including the effects of U.S. federal, state and local, foreign and other tax laws.

**Q: What are the material U.S. federal income tax consequences of the Combination Transactions to Marriott stockholders?**

A: Holders of Marriott common stock will not recognize any gain or loss as a result of the Combination Transactions as a result of their ownership of Marriott common stock. Holders of Marriott common stock that also hold Starwood common stock will be subject to the tax consequences described above under "What are the material U.S. federal income tax consequences of the Combination Transactions to U.S. holders of Starwood common stock?" with respect to their ownership of Starwood common stock.

**Table of Contents**

**SUMMARY**

*This summary highlights selected information contained in this joint proxy statement/prospectus and does not contain all the information that may be important to you. Starwood and Marriott urge you to carefully read this joint proxy statement/prospectus in its entirety, as well as the Annexes. Additional, important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus; see the section entitled *Where You Can Find More Information* beginning on page 190.*

**The Companies**

***Starwood***

Starwood, a Maryland corporation, is one of the largest hotel and leisure companies in the world, with more than 1,270 properties providing approximately 363,000 rooms in approximately 100 countries and more than 180,000 employees under its management at its owned and managed properties, vacation ownership resorts and corporate offices. Starwood conducts its hotel and leisure business both directly and through its subsidiaries. On October 27, 2015, Starwood entered into definitive agreements with ILG and Vistana pursuant to which Starwood's vacation ownership business will be spun-off to Starwood stockholders and immediately thereafter will merge with a wholly owned subsidiary of ILG. In connection with the Vistana-ILG transactions, Starwood, Vistana and ILG have entered or will enter into license, affiliation and certain other ancillary agreements.

Starwood's executive offices are located at One StarPoint, Stamford, Connecticut 06902 and its telephone number is (203) 964-6000. Shares of Starwood common stock are listed on the New York Stock Exchange (the "NYSE") and trade under the symbol "HOT".

This joint proxy statement/prospectus incorporates important business and financial information about Starwood that are incorporated by reference; see the section entitled *Where You Can Find More Information* beginning on page 190.

***Solar Merger Sub 1, Inc. and Solar Merger Sub 2, Inc.***

Solar Merger Sub 1, Inc. ("Holdco") and Solar Merger Sub 2, Inc. ("Starwood Merger Sub") are Maryland corporations. Holdco is a wholly owned direct subsidiary of Starwood and Starwood Merger Sub is a wholly owned direct subsidiary of Holdco. Holdco and Starwood Merger Sub were formed solely in contemplation of the Combination Transactions, have not commenced any operations, have only nominal assets and have no liabilities or contingent liabilities, and have not entered into any agreements or arrangements with any third parties other than the merger agreement. Their principal executive offices are located at One StarPoint, Stamford, Connecticut 06902 and their telephone number is (203) 964-6000.

***Marriott***

Marriott, a Delaware corporation, is one of the world's leading lodging companies. Marriott is a worldwide operator, franchisor, and licensor of hotels and timeshare properties in 85 countries and territories under 19 brand names. Marriott also operates, markets, and develops residential properties and provides services to home/condominium owner associations. Marriott operated or franchised 4,364 properties (749,990 rooms) as of the end of the 2015 third quarter, including 41 home and condominium products (4,203 units) for which Marriott manages the related owners associations. Marriott believes that its portfolio of brands is the broadest of any lodging company in the world. Consistent with its focus on management, franchising, and licensing, Marriott owns very few of its lodging properties.



## **Table of Contents**

Marriott's principal executive offices are located at 10400 Fernwood Road, Bethesda, Maryland 20817. Marriott's telephone number is (301) 380-3000. Shares of Marriott common stock are listed on the NASDAQ Global Select Market (NASDAQ) and the Chicago Stock Exchange and trade under the symbol MAR.

This joint proxy statement/prospectus incorporates important business and financial information about Marriott from other documents that are incorporated by reference; see the section entitled Where You Can Find More Information beginning on page 190.

### ***Mars Merger Sub, Inc. and Mars Merger Sub, LLC***

Mars Merger Sub, Inc., a Maryland corporation, and Mars Merger Sub, LLC, a Delaware limited liability company, are direct wholly owned subsidiaries of Marriott that were formed solely in contemplation of the Combination Transactions, have not commenced any operations, have only nominal assets and have no liabilities or contingent liabilities, and have not entered into any agreements or arrangements with any third parties other than the merger agreement. Their principal executive offices are located at 10400 Fernwood Road, Bethesda, Maryland 20817 and their telephone number is (301) 380-3000.

### **The Combination Transactions**

The merger agreement provides that, on the terms and subject to the conditions set forth in the merger agreement and in accordance with the General Corporation Law of the State of Delaware (the DGCL) and the General Corporation Law of the State of Maryland (the MGCL), Marriott will combine with Starwood in the following series of transactions, which are Combination Transactions:

first, Starwood Merger Sub will be merged with and into Starwood (the Starwood Merger), with Starwood surviving the merger as a wholly owned subsidiary of Holdco;

second, Starwood will be converted from a Maryland corporation to a Maryland limited liability company (Starwood LLC) and such conversion, the Starwood LLC Conversion);

third, Marriott Corporate Merger Sub will be merged with and into Holdco, after which Holdco will survive the merger as a wholly owned subsidiary of Marriott (the Initial Holdco Merger);

fourth, Holdco will be merged with and into Marriott LLC Merger Sub, with Marriott LLC Merger Sub surviving the merger as a wholly owned subsidiary of Marriott (the Final Holdco Merger).

As a result of the Combination Transactions, (a) Marriott LLC Merger Sub will remain a wholly owned subsidiary of Marriott, (b) Starwood LLC (formerly known as Starwood) will become a wholly owned direct subsidiary of Marriott LLC Merger Sub, (c) Starwood Merger Sub will cease to exist, (d) Marriott Corporate Merger Sub will cease to exist and (e) Holdco will cease to exist.

A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference herein. Please carefully read the merger agreement as it is the legal document that governs the Combination Transactions. For more information on the Combination Transactions, see the section entitled The

Combination Transactions beginning on page 53.

**Consideration to be Received in the Combination Transactions by Starwood Stockholders**

Each share of Starwood common stock that is issued and outstanding immediately before the effective time of the Initial Holdco Merger (which will have previously converted into the right to receive shares of Holdco common stock in the Starwood Merger) will be converted into the right to receive (i) 0.920 shares of Marriott common stock and (ii) \$2.00 in cash, without interest (such shares and cash, together with any cash in lieu of

## **Table of Contents**

fractional shares of Marriott common stock paid in accordance with the merger agreement, are referred to as the merger consideration ). The exchange ratio is fixed and will not be adjusted based upon changes in the price of Starwood common stock or Marriott common stock before the completion of the Combination Transactions. As a result, the value of the shares of Marriott common stock that Starwood stockholders will receive in connection with the Combination Transactions will not be known before the Combination Transactions are completed and will fluctuate as the price of Marriott common stock fluctuates. No fractional shares of Marriott common stock will be issued to Starwood stockholders in connection with the Combination Transactions. Instead, Starwood stockholders will be entitled to receive cash in lieu of any fractional shares of Marriott common stock that they would otherwise be entitled to receive.

## **Material U.S. Federal Income Tax Consequences**

The obligation of Starwood to effect the Combination Transactions is conditioned on Starwood's receipt of an opinion from Cravath, Swaine & Moore LLP, tax counsel to Starwood, to the effect that, for U.S. federal income tax purposes, (a) the Starwood Merger and the Starwood LLC Conversion, taken together, will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code and (b) the Initial Holdco Merger and the Final Holdco Merger, taken together, will constitute an integrated plan that will qualify as a reorganization within the meaning of Section 368(a) of the Code.

As a result of the Combination Transactions, Starwood U.S. holders (as defined in the section entitled Material U.S. Federal Income Tax Consequences beginning on page 142) will recognize gain, but will not recognize any loss, for U.S. federal income tax purposes, equal to the smaller of (i) the amount of cash received (other than cash received in lieu of a fractional share of Marriott common stock) and (ii) the excess, if any, of (x) the sum of the amount of cash received (including cash received in lieu of a fractional share of Marriott common stock) and the fair market value of the Marriott common stock received in the Combination Transactions (determined at the effective time of the Initial Holdco Merger) over (y) the Starwood U.S. holder's tax basis in the shares of Starwood common stock surrendered in the Combination Transactions. In addition, the Starwood U.S. holder will recognize gain or loss attributable to cash received in lieu of a fractional share of Marriott common stock. Any gain recognized generally will be long-term capital gain, provided certain holding period and other requirements are met.

The discussion of the material U.S. federal income tax consequences to Starwood U.S. holders contained in this joint proxy statement/prospectus is intended to provide only a general summary and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the Combination Transactions. The discussion does not address tax consequences that may vary with, or are dependent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws. For more information on the material U.S. federal income tax consequences of the Combination Transactions, see the section entitled Material U.S. Federal Income Tax Consequences beginning on page 142.

**Starwood stockholders are strongly urged to consult with their tax advisors about the tax consequences of the Combination Transactions to them, including the effects of U.S. federal, state and local, foreign and other tax laws.**

Holders of Marriott common stock will not recognize any gain or loss as a result of the Combination Transactions as a result of their ownership of Marriott common stock.

## **Recommendation of Starwood's Board**

After careful consideration, Starwood's Board, at a meeting held on November 15, 2015, unanimously approved and declared advisable the merger agreement, the Combination Transactions and all of the other



## **Table of Contents**

transactions contemplated by the merger agreement, declared that it is in the best interests of Starwood and its stockholders that Starwood enter into the merger agreement and consummate the Combination Transactions and all of the other transactions contemplated by the merger agreement, directed that the merger agreement be submitted to a vote at a meeting of Starwood stockholders and recommended that Starwood stockholders vote their shares in favor of the transactions contemplated by the merger agreement. Accordingly, Starwood's Board unanimously recommends that Starwood stockholders vote **FOR** the Starwood combination transactions proposal and vote **FOR** the Starwood advisory compensation proposal.

In evaluating the Combination Transactions, Starwood's Board consulted with and received the advice of Starwood's outside legal and financial advisors, held discussions with Starwood's management and considered a number of factors that it believed supported its decision to enter into the merger agreement. These factors included, but were not limited to, those listed in The Combination Transactions Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board beginning on page 73.

### **Recommendation of Marriott's Board**

After careful consideration, Marriott's Board, at a meeting held on November 15, 2015, determined that the merger agreement, the issuance of shares of Marriott common stock in the Initial Holdco Merger and the other transactions contemplated thereby are advisable, fair to and in the best interest of Marriott and its stockholders, authorized and approved the merger agreement, the issuance of shares of Marriott common stock in the Initial Holdco Merger and the other transactions contemplated thereby by a unanimous vote of its directors and adopted resolutions directing that the Marriott stock issuance proposal be submitted to Marriott stockholders for their consideration. Accordingly, Marriott's Board unanimously recommends that Marriott stockholders vote **FOR** the Marriott stock issuance proposal.

In evaluating the Combination Transactions, Marriott's Board consulted with and received the advice of Marriott's outside legal and financial advisors, held discussions with Marriott's management and considered a number of factors that it believed supported its decision to enter into the merger agreement. These factors included, but were not limited to, those listed in The Combination Transactions Marriott's Reasons for the Combination Transactions; Recommendation of Marriott's Board beginning on page 97.

### **Opinions of the Financial Advisors**

#### ***Opinions of Starwood's Financial Advisors***

##### *Opinion of Citigroup Global Markets Inc.*

On November 15, 2015, Citigroup Global Markets Inc. ( Citi ) rendered its oral opinion to Starwood's Board, which was confirmed by delivery of a written opinion dated November 15, 2015, to the effect that, as of such date and based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications set forth in the written opinion, each as described in greater detail in the section entitled The Combination Transactions Opinions of Starwood's Financial Advisors Opinion of Citigroup Global Markets Inc. beginning on page 78, the merger consideration to be paid to Starwood stockholders (other than (i) holders of any shares of Starwood common stock to be converted into the right to receive shares of Holdco common stock to be held in the treasury of Holdco and (ii) holders of Starwood equity-based awards to be converted into the right to receive Holdco equity-based awards, in each case in connection with the Starwood Merger (collectively, the excluded holders )) in the Combination Transactions pursuant to the merger agreement was fair, from a financial point of view, to such stockholders. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to Starwood's Board in connection with its evaluation of the Combination Transactions and was limited to the fairness, from a financial

point of view, as of the date of Citi's opinion, to Starwood stockholders (other than excluded holders) of the merger consideration to

---

**Table of Contents**

be paid to such stockholders in the Combination Transactions pursuant to the merger agreement. **Citi's opinion does not address any other aspects or implications of the Combination Transactions and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the Combination Transactions. The summary of Citi's opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. We encourage you to read the full text of Citi's written opinion, which is attached to this joint proxy statement/prospectus as Annex B and sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the scope of review undertaken.**

For a description of the opinion that Starwood's Board received from Citi, see the section entitled "The Combination Transactions Opinions of Starwood's Financial Advisors Opinion of Citigroup Global Markets Inc." beginning on page 78.

*Opinion of Lazard Frères & Co. LLC*

On November 15, 2015, Lazard Frères & Co. LLC ( "Lazard" ) rendered its oral opinion to Starwood's Board, subsequently confirmed in writing, that, as of such date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the merger consideration to be paid to Starwood stockholders (other than excluded holders) in the Combination Transactions pursuant to the merger agreement was fair, from a financial point of view, to such stockholders.

The full text of Lazard's written opinion, dated November 15, 2015, which sets forth, among other things, the assumptions made, procedures followed, factors considered and qualifications and limitations on the review undertaken by Lazard in connection with its opinion, is attached to this joint proxy statement/prospectus as Annex C and is incorporated into this joint proxy statement/prospectus by reference. We encourage you to read Lazard's opinion and the section entitled "The Combination Transactions Opinions of Starwood's Financial Advisors Opinion of Lazard Frères & Co. LLC" beginning on page 81 carefully and in their entirety. **Lazard's opinion was directed to and for the benefit of Starwood's Board (in its capacity as such) for the information and assistance of Starwood's Board in connection with its evaluation of the Combination Transactions and only addressed the fairness, from a financial point of view, to Starwood stockholders (other than excluded holders) of the merger consideration to be paid to such stockholders in the Combination Transactions pursuant to the merger agreement as of the date of Lazard's opinion, and Lazard's opinion did not address any other aspect of the Combination Transactions. Lazard's opinion was not intended to and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the Combination Transactions or any matter relating thereto.**

For a description of the opinion that Starwood's Board received from Lazard, see the section entitled "The Combination Transactions Opinions of Starwood's Financial Advisors Opinion of Lazard Frères & Co. LLC" beginning on page 81.

*Opinion of Marriott's Financial Advisor*

Deutsche Bank Securities Inc. ( "Deutsche Bank" ) has acted as financial advisor to Marriott in connection with the Combination Transactions. At the November 15, 2015 meeting of Marriott's Board, Deutsche Bank rendered its oral opinion to Marriott's Board, subsequently confirmed by delivery of a written opinion dated November 15, 2015, to the effect that, as of the date of such opinion, and based upon and subject to the assumptions, limitations, qualifications and conditions described in Deutsche Bank's opinion, the merger consideration was fair, from a financial point of view, to Marriott.

The full text of Deutsche Bank's written opinion, dated November 15, 2015, which sets forth the assumptions made, procedures followed, matters considered and limitations, qualifications and conditions on the

## **Table of Contents**

review undertaken in connection with the opinion, is included in this document as Annex D and is incorporated herein by reference. The summary of Deutsche Bank's opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion. Deutsche Bank's opinion was addressed to, and for the use and benefit of, Marriott's Board in connection with its evaluation of the Combination Transactions. Deutsche Bank's opinion does not constitute a recommendation as to how any holder of Marriott common stock should vote on the Marriott stock issuance proposal or any other matter. Deutsche Bank's opinion was limited to the fairness of the merger consideration, from a financial point of view, to Marriott as of the date of the opinion and Deutsche Bank did not express any opinion as to the underlying decision by Marriott to engage in the Combination Transactions or the relative merits of the Combination Transactions as compared to any alternative transactions or business strategies.

For a description of the opinion that Marriott's Board received from Deutsche Bank, see the section entitled "The Combination Transactions Opinion of Marriott's Financial Advisor" beginning on page 100.

## **Interests of Starwood Directors and Executive Officers in the Combination Transactions**

In considering the recommendation of Starwood's Board about the Starwood combination transactions proposal and Starwood advisory compensation proposal, Starwood stockholders should be aware that Starwood's directors and executive officers (and certain of Starwood's former executive officers) have interests in the Combination Transactions that are different from, or in addition to, those of Starwood stockholders generally. Starwood's Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and in recommending that Starwood stockholders vote in favor of the Starwood combination transactions proposal and Starwood advisory compensation proposal. These interests include, among others:

Starwood stock options and other equity-based awards (other than performance share awards and deferred stock units) will convert into Marriott awards of the applicable type and will otherwise generally be subject to their existing terms and conditions (including accelerated vesting of unvested awards upon a qualifying termination following the effective time of the Initial Holdco Merger);

Starwood performance share awards will convert into Marriott time-based restricted stock units based on the deemed achievement of performance targets at the greater of target or actual performance as of the effective time of the Initial Holdco Merger and will otherwise generally be subject to their existing terms and conditions (including accelerated vesting of unvested awards upon a qualifying termination following the effective time of the Initial Holdco Merger);

Starwood deferred stock units held by non-employee directors who do not continue to serve on Marriott's Board following the effective time of the Initial Holdco Merger will be settled for the merger consideration in accordance with the terms of the stock unit and the director's applicable deferral election;

Starwood's executive officers are party to employment agreements or severance agreements that provide for severance and other benefits in the case of qualifying terminations of employment in connection with or following a change in control (which will include the Initial Holdco Merger);

Starwood is eligible to grant retention awards in an aggregate amount not to exceed \$40 million; and

Starwood's directors and executive officers are entitled to continued indemnification and insurance coverage. **For a more complete discussion of the interests of the directors and executive officers of Starwood in the Combination Transactions, see the section entitled The Combination Transactions Interests of Starwood Directors and Executive Officers in the Combination Transactions beginning on page 112.**

## **Table of Contents**

### **Interests of Marriott Directors and Executive Officers in the Combination Transactions**

In considering the recommendation of Marriott's Board to vote **FOR** the Marriott stock issuance proposal, Marriott stockholders should be aware that certain members of Marriott's Board and certain executive officers of Marriott may have interests in the Combination Transactions that may be in addition to, or different from, their interests as Marriott stockholders. These interests may create the appearance of conflicts of interest. Marriott's Board was aware of these potential conflicts of interest during its deliberations on the merits of the Combination Transactions and in making its decision to approve the merger agreement and the Combination Transactions.

Each of the current members of Marriott's Board will continue as a director of Marriott following the completion of the Combination Transactions and will hold office from and after the completion of the Combination Transactions until his or her successor is duly elected and qualified or until his or her earlier death, resignation, retirement or removal.

Additionally, all of Marriott's current executive officers will continue to serve in their current positions following the completion of the Combination Transactions.

**For a more complete discussion of the interests of the directors and executive officers of Marriott in the Combination Transactions, see the section entitled *The Combination Transactions Interests of Marriott Directors and Executive Officers in the Combination Transactions* beginning on page 117.**

### **Board of Directors Following the Combination Transactions**

Upon the effective time of the Initial Holdco Merger, Marriott's Board will be expanded from its current size of 11 members to 14 members. All 11 members of the pre-Combination Transactions Marriott board of directors will remain on the post-Combination Transactions Marriott board of directors, and three members of the pre-Combination Transactions Starwood board of directors as mutually agreed by all of the parties will be appointed to the post-Combination Transactions Marriott board of directors upon the effective time of the Initial Holdco Merger.

**For a more complete discussion of the directors and executive officers of Marriott after the Combination Transactions, see the section entitled *The Merger Agreement Governance* beginning on page 135.**

### **Treatment of Starwood Stock Options and Other Equity-Based Awards**

Each Starwood stock option and other equity-based award that is outstanding as of the effective time of the Starwood Merger will first be converted into Holdco stock options and other equity-based awards on a one-for-one basis at the effective time of the Starwood Merger and will then be converted into Marriott stock options and other equity-based awards at the effective time of the Initial Holdco Merger with the following end result:

Each Starwood stock option will be converted into a Marriott stock option, with generally the same terms and conditions that applied to the Starwood stock option before conversion (including accelerated vesting of unvested awards upon a qualifying termination following the effective time). The number of shares of Marriott common stock subject to each converted stock option will be determined by multiplying the number of shares of Starwood common stock subject to the original Starwood stock option by the equity award exchange ratio, rounded down to the nearest whole share. The exercise price of each converted stock option will be determined by dividing the exercise price of the original Starwood stock option by the equity award exchange ratio, rounded up to the nearest whole cent. The equity award exchange ratio means (1) the

exchange ratio (0.920) plus (2) the quotient



## **Table of Contents**

obtained by dividing \$2.00 by the average of the volume weighted average price of a share of Marriott common stock on each of the five consecutive trading days ending with the second complete trading day immediately before the closing date of the Combination Transactions.

Each Starwood restricted stock award will be converted into a Marriott restricted stock award, with generally the same terms and conditions as were applicable to the Starwood restricted stock award prior to conversion (including accelerated vesting of unvested awards upon a qualifying termination following the effective time of the Initial Holdco Merger). The number of shares of Marriott common stock subject to each converted restricted stock award will be determined by multiplying the number of shares of Starwood common stock subject to the original Starwood restricted stock award by the equity award exchange ratio, rounded up or down to the nearest whole share as applicable.

Each Starwood restricted stock unit award will be converted into a Marriott restricted stock unit award, with generally the same terms and conditions that applied to the Starwood restricted stock unit award before conversion (including accelerated vesting of unvested awards upon a qualifying termination following the effective time of the Initial Holdco Merger). The number of shares of Marriott common stock subject to each converted restricted stock unit award will be determined by multiplying the number of shares of Starwood common stock subject to the original Starwood restricted stock unit award by the equity award exchange ratio, rounded up or down to the nearest whole share as applicable.

Each Starwood performance share award will be converted into a Marriott restricted stock unit award, with generally the same terms and conditions that applied to the Starwood performance share award before conversion (excluding performance conditions but including accelerated vesting of unvested awards upon a qualifying termination following the effective time of the Initial Holdco Merger). The number of shares of Marriott common stock subject to each such restricted stock unit award will be determined by multiplying the number of shares of Starwood common stock subject to the original Starwood performance share award that each holder would be eligible to receive based on deemed achievement of performance targets at the greater of target or actual performance as of the effective time of the Initial Holdco Merger by the equity award exchange ratio, rounded up or down to the nearest whole share as applicable.

Each Starwood deferred stock unit award will be converted into a Marriott deferred stock unit award, with generally the same terms and conditions that applied to the Starwood deferred stock unit award before conversion. The number of shares of Marriott common stock subject to each converted deferred stock unit award will be determined by multiplying the number of shares of Starwood common stock subject to the original Starwood deferred stock unit award by the equity award exchange ratio, rounded up or down to the nearest whole share as applicable.

## **Regulatory Clearances Required for the Combination Transactions**

The Combination Transactions are subject to the requirements of the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), which prevents Starwood and Marriott from completing the Combination Transactions until the applicable waiting period under the HSR Act is terminated or expires; the European Union Council Regulation (EC) No. 139/2004, as amended, and accompanying regulations, which require

notification to and approval by the European Commission in order to complete the Combination Transactions; the Chinese Anti-Monopoly Law of 2008, which requires notification to and approval by the Ministry of Commerce of the People's Republic of China; and the laws of other applicable foreign jurisdictions in which Starwood and/or Marriott currently operate, including, but not limited to, Canada, Colombia, India, Mexico, South Africa and Turkey. In addition, the possibility of pre-closing filings in other countries is under review, Marriott will likely be required to make post-closing filings in certain other countries,

## **Table of Contents**

and Marriott will likely engage with competition authorities in other jurisdictions in which a formal regulatory filing is not required. While Starwood and Marriott expect to obtain all required regulatory clearances, we cannot assure you that these regulatory clearances will be obtained; that they will not involve the imposition of additional conditions on the completion of the Combination Transactions, including the requirement to divest assets, or that they will not require changes to the terms of the merger agreement. These conditions or changes could result in the conditions to the Combination Transactions not being satisfied. We cannot assure you that a challenge to the Combination Transactions will not be made or that, if a challenge is made, it will not succeed.

## **Expected Timing of the Combination Transactions**

Starwood and Marriott currently expect the closing of the Combination Transactions to occur in mid-2016. However, as the Combination Transactions are subject to the satisfaction or waiver of conditions described in the merger agreement, it is possible that factors outside the control of Marriott and Starwood could result in the Combination Transactions being completed at an earlier time, a later time or not at all.

## **Conditions to Completion of the Combination Transactions**

The respective obligations of Starwood and Marriott to complete the Combination Transactions are subject to the satisfaction or waiver of the following conditions:

the approval of the Starwood combination transactions proposal by the holders of a majority of all outstanding shares of Starwood common stock;

the approval of the Marriott stock issuance proposal by the holders of a majority of the votes cast at the Marriott special meeting in favor;

the termination or expiration of any applicable waiting period under the HSR Act;

the receipt of all authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any governmental entity necessary under any antitrust law;

the absence of any judgment, order, law or other legal restraint by a court or other governmental entity of competent jurisdiction that prevents the consummation of the Combination Transactions;

the SEC having declared effective the registration statement of which this joint proxy statement/prospectus forms a part;

the approval for listing by NASDAQ of the shares of Marriott common stock issuable in the Initial Holdco Merger; and

the completion of the Vistana spin-off or, if the Vistana-ILG transactions are not consummated, the completion of another spin-off, split-off or analogous distribution of Vistana or the sale of Vistana by Starwood.

Each of Starwood's and Marriott's obligations to complete the Combination Transactions is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of the other party related to its capital structure being true and correct in all respects as of the closing date, which will be the third business day after all conditions to the completion of the Combination Transactions have been satisfied or waived, unless the parties to the merger agreement agree to a different date (the Closing Date) (except to the extent such representations and warranties expressly relate to a specific date, in which case such representations and warranties shall be true and correct as of such date), except, in each case, for *de minimis* inaccuracies;

## **Table of Contents**

certain representations and warranties of the other party relating to organization, standing, corporate power, authority, inapplicability of state anti-takeover statutes and its wholly owned subsidiaries party to the merger agreement being true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to a specific date, in which case such representations and warranties shall be true and correct as of such date);

the representation and warranty of the other party relating to the absence of facts, circumstances, effects, changes, events or developments that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect of the other party being true and correct as of the Closing Date;

each other representation and warranty (without giving effect to any limitation as to materiality or material adverse effect or any provisions contained therein relating to preventing or materially delaying the consummation of any of the transactions contemplated by the merger agreement) being true and correct as of the Closing Date (except to the extent such representations and warranties relate to a specific date in which case such representations and warranties must be true and correct as of such date), except where the failure of such representations and warranties to be so true and correct does not have, and would not reasonably be expected to have, individually or in the aggregate with respect to all such failures, a material adverse effect on such party;

the other party having performed in all material respects all obligations required to be performed by it under the merger agreement;

the receipt of an officer's certificate executed by an authorized officer of the other party certifying that conditions in the five preceding bullet points have been satisfied; and

for Starwood, Starwood's receipt of an opinion from Cravath, Swaine & Moore LLP, tax counsel to Starwood, to the effect that, for U.S. federal income tax purposes, (a) the Starwood Merger and the Starwood LLC Conversion, taken together, will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code and (b) the Initial Holdco Merger and the Final Holdco Merger, taken together, will constitute an integrated plan that will qualify as a reorganization within the meaning of Section 368(a) of the Code.

For more information about conditions to the completion of the Combination Transactions and a complete list of such conditions, see the section entitled "The Merger Agreement Conditions to Completion of the Combination Transactions" beginning on page 136.

## **Vacation Ownership Business Spin-Off**

Starwood has entered into definitive agreements and other documents (the "Vistana documents") governing the proposed spin-off of Vistana and its subsequent merger with a wholly owned subsidiary of ILG. Starwood must use its reasonable best efforts to take or cause to be taken all actions, and to do or cause to be done all things necessary, proper or advisable, to consummate the Vistana-ILG transactions as promptly as practicable on the terms and conditions described in the Vistana documents. If Starwood fails to consummate the Vistana-ILG transactions for any reason, Starwood must use its reasonable best efforts to take or cause to be taken all actions, and to do or cause to be done all things necessary, proper or advisable, to consummate and make effective an alternative disposition of Vistana

in the most expeditious manner practicable, whether pursuant to a transaction with another third party or otherwise pursuant to a distribution or exchange of capital stock of Vistana to Starwood stockholders.

The obligations of Starwood and Marriott to complete the Combination Transactions under the merger agreement are subject to the prior consummation of the Vistana spin-off or, if the Vistana-ILG transactions are

## **Table of Contents**

not consummated, another spin-off, split-off or analogous distribution of Vistana or any sale of Vistana by Starwood as described in the section entitled "The Merger Agreement - Conditions to Completion of the Combination Transactions" beginning on page 136. Consequently, Marriott will not be acquiring the Vistana business in connection with the Combination Transactions. For more information about the Vistana-ILG transactions, the Vistana business and the consideration to be received by Starwood stockholders, see the Registration Statement on Form S-4 (registration number 333-208567), as amended or supplemented from time to time, filed with the SEC by ILG on December 15, 2015.

## **No Solicitation of Alternative Proposals**

The merger agreement precludes Starwood and Marriott from soliciting or engaging in discussions or negotiations with a third party with respect to any proposal for a competing transaction, including the acquisition of a significant interest in Starwood's or Marriott's capital stock or assets. However, if Starwood or Marriott receives an unsolicited proposal from a third party for a competing transaction that Starwood's Board or Marriott's Board, as applicable, among other things, determines in good faith (after consultation with its legal and financial advisors) (i) is reasonably likely to lead to a proposal that is superior to the Combination Transactions and (ii) did not result from a breach of the non-solicitation obligations set forth in the merger agreement, then Starwood or Marriott, as applicable, may furnish non-public information to and enter into discussions with, and only with, that third party and its representatives and financing sources about such competing transaction.

For more information on the limitations on Starwood and Marriott and their boards to consider other proposals, see the section entitled "The Merger Agreement - No Solicitation of Alternative Proposals" beginning on page 129.

## **Termination of the Merger Agreement**

Starwood and Marriott may mutually agree to terminate the merger agreement before completing the Combination Transactions, even after obtaining stockholder approval.

In addition, either Starwood or Marriott may terminate the merger agreement, even after obtaining stockholder approval:

if the Initial Holdco Merger is not consummated by December 31, 2016;

if the approval of the Starwood combination transactions proposal will not have been obtained by reason of the failure to obtain the required vote at a duly convened Starwood stockholders meeting or any adjournment or postponement thereof;

if the approval of the Marriott stock issuance proposal will not have been obtained by reason of the failure to obtain the required vote at a duly convened Marriott stockholders meeting or any adjournment or postponement thereof;

if any legal restraint is in effect preventing the consummation of the Combination Transactions, and such restraint has become final and nonappealable, or if any governmental entity that must grant regulatory

approval of the Combination Transactions under the terms of the merger agreement has denied such approval and such denial has become final and nonappealable; or

if the other party has breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach or failure to perform (i) would give rise to the failure of the applicable condition to consummate the Combination Transactions and (ii) is incapable of being cured by such party or is not cured within 30 days after receiving written notice.



## **Table of Contents**

In addition, either Starwood or Marriott may terminate the merger agreement:

at any time before the Starwood special meeting or the Marriott special meeting, respectively, if the board of directors of the other party (i) has failed to include in this joint proxy statement/prospectus its recommendation without modification or qualification that the stockholders approve the Starwood combination transactions proposal or the Marriott stock issuance proposal, as applicable, (ii) has failed to publicly reaffirm its recommendation of the Starwood combination transactions proposal or the Marriott stock issuance proposal, as applicable, within 10 business days after the date of any alternative transaction with a third party or any material modification thereto is first commenced, published or sent, or (iii) withdraws or modifies in any adverse manner, or proposes publicly to withdraw or modify in any adverse manner, its approval or recommendation with respect to the Combination Transactions, or approves or recommends, or proposes publicly to approve or recommend, any alternative transaction with a third party; or

at any time before obtaining Starwood stockholder approval or Marriott stockholder approval, respectively, in order to enter into a binding agreement providing for a superior proposal under the provisions described under The Merger Agreement Changes in Board Recommendations.

See the section entitled The Merger Agreement Termination of the Merger Agreement beginning on page 137 for a discussion of these and other rights of each of Starwood and Marriott to terminate the merger agreement.

## **Expenses and Termination Fees**

Generally, each party is required to pay all fees and expenses incurred by it in connection with the transactions contemplated by the merger agreement. However, the merger agreement provides that, upon termination of the merger agreement under certain circumstances, Starwood may be obligated to pay Marriott, or Marriott may be obligated to pay Starwood, a termination fee of \$400 million. See the section entitled The Merger Agreement Expenses and Termination Fees beginning on page 139 for a more complete discussion of the circumstances under which termination fees will be required to be paid.

## **No Appraisal Rights**

Neither Starwood stockholders, under Maryland law, nor Marriott stockholders, under Delaware law, are entitled to appraisal rights in connection with the Combination Transactions.

## **Comparison of Stockholder Rights**

Starwood stockholders receiving the merger consideration will have different rights once they become stockholders of Marriott due to differences between the states of incorporation of Starwood and Marriott and the governing corporate documents of Starwood and Marriott. For more information about the comparison of stockholder rights, see the section entitled Comparison of Stockholder Rights beginning on page 163.

## **Listing of Shares of Marriott Common Stock; Delisting and Deregistration of Shares of Starwood Common Stock**

Application will be made to NASDAQ to have the shares of Marriott common stock issued in connection with the Combination Transactions approved for listing on NASDAQ, where Marriott common stock currently is traded under the symbol MAR. If the Combination Transactions are completed, Starwood common stock will be delisted from the NYSE and there will no longer be a trading market for such stock. In addition, Starwood common stock will be deregistered under the Exchange Act, and Starwood will no longer file periodic reports with the SEC.

## **Table of Contents**

For more information on the listing of shares of Marriott common stock and the delisting and deregistration of shares of Starwood common stock, see the section entitled "The Combination Transactions - NASDAQ Market Listing of Marriott Common Stock" beginning on page 121 and "The Combination Transactions - Delisting and Deregistration of Starwood Common Stock" beginning on page 121.

### **The Starwood Special Meeting**

The Starwood special meeting is scheduled to be held at \_\_\_\_\_, on \_\_\_\_\_, 2016, at \_\_\_\_\_, local time. At the Starwood special meeting, Starwood stockholders will be asked to consider and vote on:

the Starwood combination transactions proposal; and

the Starwood advisory compensation proposal.

Only holders of record of Starwood common stock at the close of business on \_\_\_\_\_, 2016, the record date for the Starwood special meeting, will be entitled to notice of, and to vote at, the Starwood special meeting or any adjournments or postponements thereof. At the close of business on the record date, \_\_\_\_\_ shares of Starwood common stock were issued and outstanding and held by \_\_\_\_\_ holders of record.

Holders of record of Starwood common stock on the record date are entitled to one vote per share at the Starwood special meeting on each proposal. A list of stockholders of Starwood will be available at the special meeting for examination by any stockholder of record present at the special meeting. At the close of business on the Starwood record date, directors and executive officers of Starwood and their affiliates were entitled to vote shares of Starwood common stock, or approximately \_\_\_\_\_ % of the shares of Starwood common stock outstanding on that date. Starwood currently expects that Starwood's directors and executive officers will vote their shares in favor of each proposal being submitted to a vote of Starwood stockholders at the Starwood special meeting, although none of them has entered into any agreement obligating them to do so.

The approval of the Starwood combination transactions proposal requires the affirmative vote of the holders of a majority of all shares of Starwood common stock outstanding and entitled to vote thereon. The approval of the Starwood advisory compensation proposal requires the affirmative vote of a majority of all the votes cast, either in person or represented by proxy, at the Starwood special meeting, although such vote will not be binding on Starwood, Starwood's Board or Marriott.

### **The Marriott Special Meeting**

The Marriott special meeting will be held at the JW Marriott Hotel, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004, on \_\_\_\_\_, 2016 at \_\_\_\_\_, local time. At the Marriott special meeting, and any adjournments or postponements thereof, Marriott stockholders will be asked to consider and vote on:

the Marriott stock issuance proposal; and

the Marriott adjournment proposal, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the foregoing proposal.

Marriott's Board has fixed the close of business on \_\_\_\_\_, 2016 as the record date for determination of Marriott stockholders entitled to notice of, and to vote at, the Marriott special meeting and any adjournment thereof. Approval of the Marriott stock issuance proposal and the Marriott adjournment proposal, if necessary or appropriate, both require the affirmative vote of the holders of a majority of the shares of Marriott common stock present and entitled to vote either in person or by proxy on the matter at the Marriott special meeting. As of the close of business on the record date for the Marriott special meeting, there were \_\_\_\_\_ shares of Marriott common stock outstanding.

## **Table of Contents**

For additional information about the Marriott special meeting, see the section entitled "Marriott Special Meeting" beginning on page 49.

## **Litigation Relating to the Combination Transactions**

Starwood's Board has received two demand letters from purported stockholders alleging that Starwood's Board breached its fiduciary duties in connection with its approval of the Combination Transactions and demanding that Starwood's Board conduct an investigation and take other actions. Starwood's Board has established a demand review committee, which is reviewing and investigating the allegations with the assistance of independent counsel.

Between November 18, 2015 and December 18, 2015, seven lawsuits challenging the Combination Transactions were filed on behalf of purported stockholders of Starwood in the Circuit Court for Baltimore City, Maryland, captioned *Smukler v. Marriott International, Inc., et al.*, Case No. 24-C-15-005744; *Standen v. Starwood Hotels & Resorts Worldwide, Inc., et al.*, Case No. 24-C-15-006019; *Joshua G. Kohnstamm Trust v. Starwood Hotels & Resorts Worldwide, Inc., et al.*, Case No. 24-C-15-006783; *Himstreet v. Aron, et al.*, Case No. 24-C-15-006855; *Christner v. Starwood Hotels & Resorts Worldwide, Inc., et al.*, Case No. 24-C-15-006959; *French v. Starwood Hotels & Resorts Worldwide, Inc., et al.*, Case No. 24-C-15-006962; and *Daftary v. Aron, et al.*, Case No. 24-C-15-006988. The complaints name some combination of Starwood's directors, Starwood, Holdco, Starwood Merger Sub, Marriott, Marriott Corporate Merger Sub, Marriott LLC Merger Sub, and others, as defendants. The complaints allege that (i) Starwood's directors breached their fiduciary duties in connection with the Combination Transactions by, among other things, agreeing to an allegedly unfair price and allegedly unreasonable deal protection devices; and (ii) the other defendants aided and abetted these alleged breaches of fiduciary duty. The complaints each seek an injunction preventing the defendants from consummating the Combination Transactions, as well as other remedies, including, in certain cases, compensatory damages. On December 18, 2015, the Starwood and Marriott defendants each filed a motion to dismiss the four actions that were then appearing on the court's docket: *Smukler*, *Standen*, *Joshua G. Kohnstamm Trust* and *Himstreet*.

Starwood and Marriott believe that each of these seven lawsuits is without merit and intend to defend them vigorously.

Starwood and Marriott expect that similar lawsuits may be filed, and that similar demand letters may be received by Starwood, Marriott and their respective boards of directors, in the future.

**Table of Contents****Summary Consolidated Financial Data of Starwood**

The following table presents a summary of Starwood's selected historical financial data derived from its last five years of financial statements. This disclosure does not include the effects of the Combination Transactions and includes the Vistana business for all periods presented. The financial data for each of the years ended December 31, 2014, 2013 and 2012 is derived from Starwood's audited consolidated financial statements included in Starwood's Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference in this joint proxy statement/prospectus. The financial data for each of the fiscal years ended December 30, 2011 and December 31, 2010 is derived from Starwood's audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The financial data for Starwood as of September 30, 2015 and for the nine months ended September 30, 2015 and September 30, 2014 is derived from Starwood's unaudited condensed consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the nine months ended September 30, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The unaudited financial data presented has been prepared on a basis consistent with Starwood's audited consolidated financial statements. These financial statements are unaudited, but, in the opinion of Starwood's management, such unaudited financial data reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

Historical results are not necessarily indicative of the results that may be expected for any future period or any future date. Because this information is only a summary and does not provide all of the information contained in Starwood's financial statements, including the related notes, this selected consolidated financial data should be read in conjunction with Starwood's Annual Report on Form 10-K for the year ended December 31, 2014, and Starwood's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015. See the section entitled "Where You Can Find More Information" beginning on page 190.

(\$ in millions, except per share data)	Nine Months Ended		Fiscal Year				
	September 30, 2015	2014	2014	2013	2012	2011	2010
<b>Income Statement Data:</b>							
Revenues	\$ 4,330	\$ 4,490	\$ 5,983	\$ 6,115	\$ 6,321	\$ 5,624	\$ 5,071
Operating income	\$ 549	\$ 641	\$ 883	\$ 925	\$ 912	\$ 630	\$ 600
Income from continuing operations attributable to Starwood	\$ 323	\$ 398	\$ 643	\$ 565	\$ 470	\$ 502	\$ 310
Net income attributable to Starwood	\$ 323	\$ 399	\$ 633	\$ 635	\$ 562	\$ 489	\$ 477
<b>Per Share Data:</b>							
Diluted earnings per share from continuing operations attributable to Starwood stockholders	\$ 1.90	\$ 2.10	\$ 3.46	\$ 2.92	\$ 2.39	\$ 2.57	\$ 1.63

Diluted earnings per share attributable to Starwood stockholders	\$ 1.90	\$ 2.11	\$ 3.40	\$ 3.28	\$ 2.86	\$ 2.51	\$ 2.51
Cash dividends declared per share	\$ 1.125	\$ 3.00	\$ 4.00	\$ 1.35	\$ 1.25	\$ 0.50	\$ 0.30

**Table of Contents**

(\$ in millions, except per share data)	Nine Months Ended		Fiscal Year				
	September 30, 2015	2014	2014	2013	2012	2011	2010
<b>Balance Sheet Data (at period end):</b>							
Total assets	\$ 8,185	\$ 8,426	\$ 8,659	\$ 8,762	\$ 8,855	\$ 9,560	\$ 9,776
Long-term debt	\$ 1,874	\$ 2,163	\$ 2,398	\$ 1,265	\$ 1,273	\$ 2,194	\$ 2,848
Long-term securitized vacation ownership debt	\$ 137	\$ 191	\$ 176	\$ 258	\$ 383	\$ 402	\$ 367
Stockholders (deficit) equity	\$ 1,254	\$ 2,150	\$ 1,528	\$ 3,363	\$ 3,142	\$ 2,955	\$ 2,486
<b>Other Data:</b>							
Management Fees, Franchise Fees and Other Income	\$ 759	\$ 763	\$ 1,057	\$ 965	\$ 888	\$ 814	\$ 712



**Table of Contents****Summary Consolidated Financial Data of Marriott**

The following table presents a summary of Marriott's selected historical financial data and other operating information. The selected historical financial data was derived from its last five years of financial statements. This disclosure does not include the effects of the Combination Transactions. The selected historical financial data for each of the years ended December 31, 2014 and 2013 and the fiscal year ended December 28, 2012 is derived from Marriott's audited consolidated financial statements included in Marriott's Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference in this joint proxy statement/prospectus. The selected historical financial data for each of the fiscal years ended December 30, 2011 and December 31, 2010 is derived from Marriott's audited consolidated financial statements for such years, which have not been incorporated by reference into this joint proxy statement/prospectus.

The selected historical financial data for Marriott as of September 30, 2015 and for the nine months ended September 30, 2015 and September 30, 2014 are derived from Marriott's unaudited condensed consolidated financial statements and related notes contained in its Quarterly Report on Form 10-Q for the nine months ended September 30, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The unaudited financial data presented have been prepared on a basis consistent with Marriott's audited consolidated financial statements. These financial statements are unaudited, but, in the opinion of Marriott's management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

Historical results are not necessarily indicative of the results that may be expected for any future period or any future date. Because this information is only a summary and does not provide all of the information contained in Marriott's financial statements, including the related notes, this selected consolidated financial data should be read in conjunction with Marriott's Annual Report on Form 10-K for the year ended December 31, 2014, and Marriott's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015. See the section entitled "Where You Can Find More Information" beginning on page 190.

(\$ in millions, except per share data)	Nine Months Ended September 30,		Fiscal Year				
	2015	2014	2014	2013 <sup>(1)</sup>	2012	2011 <sup>(2)</sup>	2010 <sup>(2)</sup>
<b>Income Statement Data:</b>							
Revenues	\$ 10,780	\$ 10,237	\$ 13,796	\$ 12,784	\$ 11,814	\$ 12,317	\$ 11,691
Operating income	\$ 1,040	\$ 868	\$ 1,159	\$ 988	\$ 940	\$ 526	\$ 695
Income from continuing operations attributable to Marriott	\$ 657	\$ 556	\$ 753	\$ 626	\$ 571	\$ 198	\$ 458
Net income attributable to Marriott	\$ 657	\$ 556	\$ 753	\$ 626	\$ 571	\$ 198	\$ 458
<b>Per Share Data:</b>							
Diluted earnings per share from continuing operations attributable to	\$ 2.38	\$ 1.86	\$ 2.54	\$ 2.00	\$ 1.72	\$ 0.55	\$ 1.21

Marriott stockholders

Diluted earnings per share attributable to Marriott stockholders	\$ 2.38	\$ 1.86	\$ 2.54	\$ 2.00	\$ 1.72	\$ 0.55	\$ 1.21
Cash dividends declared per share	\$ 0.70	\$ 0.57	\$ 0.77	\$ 0.64	\$ 0.49	\$ 0.3875	\$ 0.2075

**Table of Contents**

(\$ in millions)	Nine Months Ended September 30,		Fiscal Year				
	2015	2014	2014	2013 <sup>(1)</sup>	2012	2011 <sup>(2)</sup>	2010 <sup>(2)</sup>
<b>Balance Sheet Data (at period end):</b>							
Total assets	\$ 6,153	\$ 6,847	\$ 6,865	\$ 6,794	\$ 6,342	\$ 5,910	\$ 8,983
Long-term debt	\$ 3,689	\$ 3,521	\$ 3,457	\$ 3,147	\$ 2,528	\$ 1,816	\$ 2,691
Stockholders (deficit) equity	\$ (3,589)	\$ (1,842)	\$ (2,200)	\$ (1,415)	\$ (1,285)	\$ (781)	\$ 1,585
<b>Other Data:</b>							
Base management fees	\$ 526	\$ 509	\$ 672	\$ 621	\$ 581	\$ 602	\$ 562
Franchise fees	\$ 652	\$ 560	\$ 745	\$ 666	\$ 607	\$ 506	\$ 441
Incentive management fees	\$ 238	\$ 220	\$ 302	\$ 256	\$ 232	\$ 195	\$ 182
<b>Total fees</b>	<b>\$ 1,416</b>	<b>\$ 1,289</b>	<b>\$ 1,719</b>	<b>\$ 1,543</b>	<b>\$ 1,420</b>	<b>\$ 1,303</b>	<b>\$ 1,185</b>
<b>Fee Revenue-Source:</b>							
North America <sup>(3)</sup>	\$ 1,116	\$ 1,006	\$ 1,319	\$ 1,186	\$ 1,074	\$ 970	\$ 878
Total Outside North America <sup>(4)</sup>	\$ 300	\$ 283	\$ 400	\$ 357	\$ 346	\$ 333	\$ 307
<b>Total fees</b>	<b>\$ 1,416</b>	<b>\$ 1,289</b>	<b>\$ 1,719</b>	<b>\$ 1,543</b>	<b>\$ 1,420</b>	<b>\$ 1,303</b>	<b>\$ 1,185</b>

- (1) In 2013, Marriott changed to a calendar year-end reporting cycle. Earlier fiscal years ended on the Friday closest to December 31.
- (2) In 2011, Marriott spun-off its former timeshare operations and timeshare development business ( MVW ). For periods before the 2011 spin-off, Marriott continues to include its former timeshare segment in its historical financial results as a component of continuing operations because of its significant continuing involvement in MVW s future operations. Additionally, in 2011, Marriott incurred timeshare strategy impairment charges.
- (3) Represents fee revenue from the United States (but not Hawaii before 2011) and Canada.
- (4) Represents fee revenue outside of North America, as defined in footnote (3) above.

**Table of Contents****Summary Unaudited Pro Forma Condensed Combined Financial Data of Starwood and Marriott**

The following table shows summary unaudited pro forma condensed combined financial information for the financial condition and results of operations of the combined company after giving effect to the Combination Transactions. This information has been prepared using the acquisition method of accounting under U.S. GAAP, under which the assets and liabilities of Starwood will be recorded by Marriott at their respective fair values as of the date the Combination Transactions are completed. The summary unaudited pro forma condensed combined balance sheet information is presented as if the Combination Transactions had occurred on September 30, 2015. The unaudited pro forma condensed combined statements of income information for the nine months ended September 30, 2015 and the year ended December 31, 2014 are presented as if the Combination Transactions occurred on January 1, 2014, the beginning of the earliest period presented.

This summary unaudited pro forma condensed combined financial information does not reflect any cost savings from operating efficiencies, synergies or other restructuring, or associated costs to achieve such savings, that may result from the Combination Transactions. Further, this information does not reflect the effect of any regulatory actions that may impact the combined company when the Combination Transactions are completed. This information has been derived from and should be read in conjunction with the more detailed unaudited pro forma condensed combined financial statements of the combined company appearing elsewhere in this joint proxy statement/prospectus and the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the summary unaudited pro forma condensed combined financial statements were based on and should be read in conjunction with the historical consolidated financial statements and related notes of both Starwood and Marriott for the applicable periods, which have been incorporated in this joint proxy statement/prospectus by reference. See the section entitled "Where You Can Find More Information" beginning on page 190 and the section entitled "Starwood and Marriott Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 147.

This summary unaudited pro forma condensed combined financial information has been presented for informational purposes only and is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the Combination Transactions been completed as of the dates indicated. In addition, summary unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company. The unaudited summary pro forma combined financial data is based upon currently available information and estimates and assumptions that Marriott's management believes are reasonable as of the date hereof. Any of the factors underlying these estimates and assumptions may change or prove to be materially different, and the estimates and assumptions may not be representative of facts existing at the Closing Date of the Combination Transactions.

<i>(\$ in millions, except per share data)</i>	<b>Nine Months Ended</b>	
	<b>September 30,</b>	<b>Year Ended</b>
	<b>2015</b>	<b>December 31, 2014</b>
<b>Summary Unaudited Pro Forma Condensed Combined Income Statement Data:</b>		
Revenues	\$ 14,373	\$ 18,839
Operating income	\$ 1,414	\$ 1,793
Net income (loss) attributable to Marriott / Starwood	\$ 896	\$ 1,267

**Per Share Data:**

Diluted earnings per share attributable to Marriott / Starwood stockholders	\$	2.07	\$	2.80
--	----	------	----	------

**Summary Unaudited Pro Forma Condensed Combined  
Income Balance Sheet Data:**

Total assets	\$	25,995
Long-term debt	\$	5,591
Stockholders (deficit) equity	\$	7,837

**Table of Contents****Unaudited Comparative Per Share Data**

The historical per share information of each of Starwood and Marriott presented below is derived from the audited consolidated financial statements of each company as of, and for the year ended, December 31, 2014 and the unaudited condensed consolidated financial statements of each company as of, and for the nine months ended, September 30, 2015. The unaudited pro forma combined per Marriott common share data presented below gives effect to the Combination Transactions under the acquisition method of accounting, as if the Combination Transactions had occurred on January 1, 2014, the first day of Marriott's fiscal year ended December 31, 2014, in the case of net income, and at September 30, 2015, in the case of book value per share data, and assuming that each outstanding share of Starwood common stock had been converted into shares of Marriott common stock based on the exchange ratio. The unaudited pro forma combined per Marriott common share data is derived from the unaudited condensed consolidated financial statements of each of Marriott and Starwood as adjusted for the Vistana spin-off as of, and for the nine months ended, September 30, 2015 and the audited consolidated financial statements for each of Marriott and Starwood as adjusted for the Vistana spin-off for the year ended December 31, 2014. The unaudited pro forma combined per Starwood equivalent share data presented below shows the effect of the Combination Transactions from the perspective of a holder of Starwood common stock. The unaudited pro forma combined per Starwood equivalent share data was calculated by multiplying the unaudited pro forma combined per Marriott common share amounts by the exchange ratio. The following information should be read in conjunction with the audited consolidated financial statements of Starwood and Marriott, which are incorporated by reference in this joint proxy statement/prospectus, and the financial information contained in the section entitled "Starwood and Marriott Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 147. The unaudited pro forma combined information below is not necessarily indicative of the operating results or financial position that would have occurred if the Combination Transactions had been completed as of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. In addition, the unaudited pro forma combined information does not purport to indicate balance sheet data or results of operations data as of any future date or for any future period.

	<b>Nine Months Ended September 30, 2015</b>	<b>Year Ended December 31, 2014</b>
<b>Marriott Historical Data Per Common Share</b>		
Income from continuing operations		
Basic	\$ 2.43	\$ 2.60
Diluted	\$ 2.38	\$ 2.54
Dividends declared per common share	\$ 0.70	\$ 0.77
Book value per share <sup>(1)</sup>	\$ (13.94)	\$ (7.86)

	<b>Nine Months Ended September 30, 2015</b>	<b>Year Ended December 31, 2014</b>
<b>Starwood Historical Data Per Common Share</b>		

Income from continuing operations

Basic	\$	1.91	\$	3.49
Diluted	\$	1.90	\$	3.46
Dividends declared per common share	\$	1.125	\$	4.00
Book value per share <sup>(1)</sup>	\$	7.39	\$	8.83

**Table of Contents**

	<b>Nine Months Ended September 30, 2015</b>	<b>Year Ended December 31, 2014</b>
<b>Marriott Pro Forma Combined Data Per Common Share</b>		
Income from continuing operations		
Basic	\$ 2.10	\$ 2.85
Diluted	\$ 2.07	\$ 2.80
Dividends declared per common share <sup>(2)</sup>	N/A	N/A
Book value per share <sup>(1)</sup>	\$ 18.99	N/A

	<b>Nine Months Ended September 30, 2015</b>	<b>Year Ended December 31, 2014</b>
<b>Starwood Pro Forma Equivalent Data Per Common Share</b>		
Income from continuing operations		
Basic	\$ 1.93	\$ 2.62
Diluted	\$ 1.90	\$ 2.58
Dividends declared per common share <sup>(2)</sup>	N/A	N/A
Book value per share <sup>(1)</sup>	\$ 17.47	N/A

(1) Amount is calculated by dividing stockholders' deficit or stockholders' equity by common stock, as applicable, outstanding.

(2) Pro forma dividends per common share is not presented as the dividend policy for the combined company which will be determined by Marriott's Board following the completion of the Combination Transactions.

**Comparative Stock Prices and Dividends**

Presented below are Starwood's and Marriott's historical per share data for the periods indicated below. Starwood common stock is currently traded on the NYSE under the symbol HOT, and Marriott common stock is currently traded on NASDAQ and the Chicago Stock Exchange under the symbol MAR.



**Table of Contents**