

TRAVEL AND HOSPITALITY

Marriott expands luxury presence by acquiring ILG for \$4.7B

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Marriott's acquisition of ILG significantly increases its global luxury presence. Image credit: Marriott International

By STAFF REPORTS

Global hotel group Marriott Vacations Worldwide Corp. is acquiring luxury hotel group ILG along with all of ILG's properties.

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The acquisition was valued at around \$4.7 billion and comprises all of ILG's outstanding shares. Under the new cash-and-stock acquisition, all of ILG's properties will be integrated in Marriott's network of hotels around the world.

"This transaction will combine two of the premier global vacation ownership companies to create a more diversified company with significantly enhanced marketing potential and scale to drive sales growth and value for both MVW and ILG shareholders," said Stephen P. Weisz, president/CEO of Marriott Vacations Worldwide, in a statement.

"With ILG, we will bring together six world-class vacation ownership brands under one licensing relationship with Marriott International, which will enable us to leverage high-value marketing and sales channels, including those provided by Marriott International's platforms, and enhance the benefits of our access to Marriott International's loyalty programs, call transfer and hotel linkage programs," he said.

"We will also diversify our vacation ownership business with the addition of the Hyatt Vacation Ownership platform, providing exciting growth opportunities outside of the Marriott and Vistana platforms.

"Additionally, with ILG's leading exchange networks, we will gain recurring, high-margin revenue streams."

Foley & Lardner LLP advised **Marriott Vacations Worldwide** as lead timeshare and exchange counsel in the transaction. Orlando, FL-based partner Bill Guthrie led the team, with assistance from Orlando partners Dan Bachrach and Matt Jassak.

Global expansion

Marriott is one of the largest hotel groups in the world with a massive stable of luxury hotels around the world.

Now the brand is expanding its luxury presence even further by acquiring **ILG**.

ILG offers luxury vacation experiences, operating more than 40 properties as well as exchange networks that comprise nearly 2 million members and more than 3,000 resorts.

By absorbing ILG, Marriott says it will be the largest licensor of luxury hotels and resorts in the entire world.

Marriott currently licenses seven major luxury hotel brands: Marriott Vacation Club, Grand Residences by Marriott, Ritz-Carlton Destination Club, Sheraton Vacation Club, Westin Vacation Club, St. Regis Residence Club and Hyatt Residence Club.

Marriott will also extend its loyalty program to all new properties that it has acquired through the agreement with ILG.



The Sheraton Steamboat Resort Villas. Image credit: ILG

"We are very pleased to achieve this outcome for shareholders, as it provides them with immediate and compelling cash value and the opportunity to meaningfully participate in the long-term growth potential of a powerful combined company," said Craig M. Nash, chairman and president/CEO of ILG, in a statement. "The strategic rationale for this transaction is clear.

"Combining these two highly complementary businesses will create an industry leader with enhanced scale and a broader product portfolio that will have great benefits for our members, owners and guests," he said. "Thanks to the dedication and hard work of our more than 10,000 talented associates around the world, we have been able to successfully adapt to changing industry dynamics throughout our history, and this transaction is another step in that evolution.

"MVW associates share the same values and goals that we have championed for so long, and we are confident that MVW and ILG are as strong a cultural fit as they are strategic."