



INVESTOR PRESENTATION

November 2015

Forward Looking Statements and non-GAAP Measures



This investor presentation, and the related discussion, contains forward-looking statements. These include statements about Host Hotels & Resorts' plans, strategies, financial performance, prospects or future events. Forward-looking statements are not guarantees of future performance. They involve known and unknown risks, uncertainties and assumptions and many of the factors that will determine these items are beyond our ability to control or predict. Consequently, our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking or listening for words such as "approximates," "believes," "expects," "anticipates," "intends," "plans," "would," "may" or similar expressions in these slides or in the related discussion. Factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include, but are not limited to, (i) changes in national and local economic and business conditions that will affect occupancy rates at our hotels and the demand for hotel products and services; (ii) operating risks associated with the hotel business, including the effect of increasing labor cost; (iii) risks associated with our ability to complete acquisitions and dispositions and develop new properties and the risks that acquisitions and new developments may not perform in accordance with our expectations; (iv) our ability to maintain our properties in a first-class manner, including meeting capital expenditures requirements, and the effect of renovations, including temporary closures, on our hotel occupancy and financial results; (v) our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; and (vi) those factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 under the heading "Risk Factors," which is available on our website: www.hosthotels.com. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this presentation is as of September 30, 2015 unless otherwise noted, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or to changes in the Company's expectations.

This investor presentation, and the related discussion, also contain certain non-GAAP financial measures, which should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with generally accepted accounting principles ("GAAP"). Please refer to the Appendix of this presentation for a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP and definitions and calculation methodologies used for other defined terms used in this presentation.

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The premier lodging real estate company



Grand Hyatt Washington



The Ritz-Carlton, Naples



Marriott Marquis San Diego Marina &
Manchester Grand Hyatt San Diego



Hotel Arts Barcelona⁽¹⁾

(1) Hotel Arts Barcelona, owned through a joint venture

Our Vision



To be the preeminent owner of high-quality lodging real estate

Our assets will be at the epicenter of dynamic, growing markets, that provide individuals with the best opportunity to connect for both business and leisure demand. We will seek to continually enhance our portfolio by utilizing thoughtful and innovative asset management techniques and efficient capital recycling. Through capital appreciation and growing dividends, our goal is to generate superior, long-term risk-adjusted returns throughout all lodging cycles that inspire confidence and loyalty from our stockholders, partners, employees and the communities in which we operate.

Our Long-term Objective



Host Hotels & Resorts seeks to provide strong returns to its stockholders by enhancing the value of its industry-leading portfolio by:

- Increasing hotel cash flow, thereby increasing FFO per share and our annual dividend
- Improving portfolio quality and multiple by recycling capital into higher-quality and faster growing assets
- Accomplishing these goals with one of the strongest balance sheets in the REIT industry⁽¹⁾

(1) As of September 30, 2015, Host was the only one of the Lodging Real Estate Investment Trust ("REIT") peers to maintain an investment grade rating for its senior unsecured debt. In addition, Host has the second lowest leverage out of the Blue Chip REITs and the lowest leverage of the Lodging REIT peers based on information reported by those companies. See Appendix for calculation of Host leverage and listing of Blue Chip and Lodging REIT peers.

Our Near-term Priorities



- Simplify our portfolio and strategy
 - Simplify the portfolio through divestitures of small scale international exposure and focus the company on the U.S. and European gateway markets
 - Asset sales – continue to dispose non-core assets and opportunistically sell into strong transaction markets with approximately \$1.0 billion in asset value currently on the market⁽¹⁾
- Create value within the portfolio
 - Complete capital investments designed to enhance profitability and improve asset values
 - Generate operational top-line and bottom-line growth with existing and new operators
- Deliver strong stockholder returns
 - Execute on stock repurchase program
 - Deliver strong FFO per share growth
- Maintain a strong balance sheet
 - Maintain leverage ratio at 2.5x – 3.0x which allows us to execute our strategy throughout the lodging cycle

(1) Asset value based on preliminary sale price estimates. The sales process is inherently uncertain and for this reason no assurance can be provided as to the actual price or timing of these dispositions.

In order to achieve our objective, we rely on the following fundamental “EPIC” values:

- **Excellence** – We have a Passion for Excellence in everything we do. We value initiative and creativity, and believe our focus and discipline are essential to everyday Excellence.
- **Partnership** – We are Dedicated to Partnership and hold a deep respect for the talents and roles of others. We succeed through teamwork and communication.
- **Integrity** – We are Committed to Integrity and ethical behavior – to fulfilling our responsibilities and commitments. We are honest with ourselves and with others.
- **Community** – We are One with our Community – our many communities. We recognize our responsibility to others, and the balance in our lives reflects the importance of caring for others internally and externally.

Management Team



W. Edward Walter – President Chief Executive Officer and Director

Mr. Walter has been the President and Chief Executive Officer and served on the Board of Directors since October 2007. He joined the Company in 1996 as Senior Vice President for Acquisitions, and has held a variety of positions, including Chief Financial Officer. Prior to joining the Company, Mr. Walter was a partner with Trammell Crow Residential Company and the President of Bailey Capital Corporation. He serves on the Board of Directors of AvalonBay Communities, Inc. and is chairman of its Compensation Committee and a member of the Investment and Finance Committee. He currently serves as a member of the Board of Governors and served as a past Chairman of the National Association of Real Estate Investment Trusts. He is also on the board of The Real Estate Roundtable, and is an officer and serves on the board of the Federal City Council. He serves on the board and is the Past Chairman of the National Kidney Foundation, and is on the board of the Friendship Public Charter School, one of the largest charter school systems in the District of Columbia. He is also on the faculty at Georgetown University's McDonough School of Business and a member of the Board of Visitors at Georgetown University Law Center.



Gregory J. Larson – Executive Vice President, Chief Financial Officer

Mr. Larson joined the Company in October 1993 as Senior Manager of Partnerships and was promoted to Director of Acquisitions in 1996. Mr. Larson joined the Treasury group as Vice President of Corporate Finance in 1998, assumed leadership of the Investor Relations department in 2000, was promoted to Senior Vice President in 2002, and was elected Treasurer in 2005. In 2007 Mr. Larson was selected to lead the corporate strategy and fund management business and elected to Executive Vice President and was elected Chief Financial Officer in May 2013. Prior to joining the Company, Mr. Larson served in various accounting positions with Marriott International, Inc. and worked in public accounting.



Elizabeth A. Abdoo – Executive Vice President, General Counsel and Secretary

Ms. Abdoo joined the Company in June 2001 as Senior Vice President and General Counsel and became Executive Vice President in February 2003. She was elected Secretary in August 2001. Prior to joining the Company, Ms. Abdoo served as Senior Vice President and Assistant General Counsel of Orbital Sciences Corporation from 1996 to May 2001.



Minaz Abji – Executive Vice President, Asset Management

Mr. Abji joined the Company in 2003 as Executive Vice President Asset Management. Prior to joining the Company, Mr. Abji was President of Canadian Hotel Income Properties REIT, a Canadian REIT located in Vancouver, British Columbia where he began working in August 1998. Mr. Abji previously worked for Starwood Hotels and Resorts Canada (which purchased Westin) as area managing director from October 1994 to August 1998. He was a general manager for Westin from 1986 to August 1998.

Management Team



Joanne G. Hamilton – Executive Vice President, Human Resources

Ms. Hamilton joined the Company as Executive Vice President, Human Resources in January 2010. Prior to joining the Company, she was the Chief Human Resource Officer for Beers + Cutler, an accounting and consulting firm based in Vienna, Virginia from 2007 to 2010. Prior to joining Beers + Cutler, Ms. Hamilton served as Senior Vice President of Human Resources for Spirent PLC, a global telecommunications company, from 2002 to 2007. Prior to that time, Ms. Hamilton was Senior Vice President at Visual Networks and Vice President of Human Resources at Telecommunications Techniques Corporation.



James F. Risoleo – Executive Vice President, Managing Director Investments – Europe & West Coast

Mr. Risoleo joined the Company in 1996 as Senior Vice President for Acquisitions, and he was elected Executive Vice President and Chief Investment Officer in 2000. Effective in 2012, he became managing director of the Company's European business activities and was responsible for acquisitions and dispositions for the Company's European Joint Venture. In 2015, Mr. Risoleo also assumed leadership for all of the Company's West Coast Investment activities. Prior to joining the Company, Mr. Risoleo served as Vice President of Development for Interstate Hotels Corporation, then the nation's largest independent hotel management Company. Before joining Interstate, he was Senior Vice President at Westinghouse Financial Services.



Nathan S. Tyrrell – Managing Director, Investments – East Coast

Mr. Tyrrell joined the Company's finance department in 2005 and worked on numerous transactions including public offerings, secured loans in the U.S., Europe and Canada and the Company's joint venture in Asia. In 2015, Mr. Tyrrell joined the Investments group as the Managing Director. Mr. Tyrrell had served as Senior Vice President, Treasurer of the company since 2010. Mr. Tyrrell led the Company's strategic planning efforts and has been a member of the investment committee since 2012. Prior to joining the Company, Mr. Tyrrell worked in finance and development at the Rouse Company, a publicly traded REIT based in Columbia, Maryland. Mr. Tyrrell also worked in investment banking for Alex Brown in Baltimore and London, focusing on real estate and mergers and acquisitions.



Brian G. Macnamara – Senior Vice President, Corporate Controller

Mr. Macnamara joined the Company in February 1996 and was promoted to Vice President, Assistant Corporate Controller in February 2007, and was elected Senior Vice President, Corporate Controller in September 2007. Prior to serving as Assistant Corporate Controller, Mr. Macnamara served as Vice President, Financial Reporting and Corporate Real Estate. Prior to joining the Company, Mr. Macnamara worked at the Securities & Exchange Commission and Deloitte & Touche.

Board of Directors



Name	Director Since	Principal Occupation	Skills & Expertise
Mary L. Baglivo	2013	Vice President for Global Marketing and Chief Marketing Officer Northwestern University	<ul style="list-style-type: none"> • Global marketing, advertising and branding experience • Strategic planning expertise • Extensive business and leadership experience of large complex companies, including as Chair and CEO of the Americas at Saatchi & Saatchi Worldwide



Sheila C. Bair	2012	President Washington College	<ul style="list-style-type: none"> • Extensive expertise in banking and finance as a result of her services as Chair of the FDIC • Recognized leader and author on financial policy issues • Broad government and regulatory experience both from her service at the FDIC as well as prior service in senior positions at the NYSE, CFTC and the U.S. Department of the Treasury • Audit committee financial expert
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Terence C. Golden	1995	Chairman Bailey Capital Corporation	<ul style="list-style-type: none"> • In-depth knowledge of real estate, hospitality and construction industries through service as our President and CEO for five years and in senior management positions at The Oliver Carr Company and Trammell Crow Residential Companies • Extensive accounting and financial management experience • Business leader who brings knowledge and experience of operations, finance, and other aspects of our industry and business to the Board
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Ann McLaughlin Korologos	1993	Former Chair RAND Corporation Board of Trustees	<ul style="list-style-type: none"> • Significant experience as a director of large, diversified, global public companies • Recognized expertise and leadership in the oversight of public companies (including specific experience in compensation, audit, diversity, governance, and social responsibility oversight) • Through her high level U.S. Government service, she also provides knowledge of labor issues, international affairs and expertise in providing leadership to complex business organizations • Public policy, social responsibility and succession issues expertise • Vast knowledge of and long-term experience with the Company, serving as a director since 1993
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Board of Directors



Name	Director Since	Principal Occupation	Skills & Expertise
Richard E. Marriott	1979	Chairman of the Board Host Hotels & Resorts, Inc.	<ul style="list-style-type: none"> Comprehensive knowledge of the Company and unique perspective and insight into the hospitality industry based on a 50 year history with the Company and Marriott International During his tenure, Mr. Marriott has served in various executive capacities, was elected to the Board of Directors in 1979, and has served as our Chairman since 1993 Long history of successful management of the Company



John B. Morse Jr.	2003	Retired Vice President and CFO The Washington Post Company	<ul style="list-style-type: none"> Substantial financial expertise that includes extensive knowledge of the complex financial and operational issues facing large companies In-depth understanding of accounting principles and financial reporting rules and regulations acquired in the course of serving as the CFO of The Washington Post Company and his years as a partner at PricewaterhouseCoopers Board oversight expertise as an audit committee financial expert and a member of the audit committees of other public company boards
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Walter C. Rakowich	2012	Retired Chief Executive Officer Prologis	<ul style="list-style-type: none"> Significant real estate and financial experience, including extensive knowledge of the issues facing large international real estate investment trusts From 1998 to 2012, Mr. Rakowich served, over time, as chief financial officer, chief operating officer and chief executive officer of Prologis, a real estate investment trust focused on industrial real estate with extensive international operations Extensive experience in accounting through his years at Pricewaterhouse Audit committee financial expert
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Gordon H. Smith	2009	President & Chief Executive Officer The National Association of Broadcasters	<ul style="list-style-type: none"> High-level U.S. government experience and leadership as a United States Senator Extensive knowledge of public policy, international affairs and trade and law Significant business experience and knowledge of finance and accounting obtained through his management of Smith Frozen Foods, a leading producer of frozen foods
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W. Edward Walter	2007	President & Chief Executive Officer Host Hotels & Resorts, Inc.	<ul style="list-style-type: none"> See bio under management team.
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Why Invest in HST?



- Impressive, unmatched portfolio of premium assets in prime locations
- Long-term stock outperformance⁽¹⁾ with impressive growth in Adjusted FFO per share, Adjusted EBITDA and dividends
- Outstanding trading liquidity
- Significant value creation opportunities within the portfolio
- Best lodging REIT balance sheet to execute our strategy in all cycles
- Highly regarded management team

(1) Represents outperformance in total stockholder return from December 31, 2007 through October 31, 2015 of Host as compared to the average of the Lodging REIT peers in existence for the entirety of this period. See Appendix for a chart showing this comparison and a listing of Lodging REIT peers.

Our Strategy to Create Superior Stockholder Returns



Superior Portfolio

Own a geographically-diverse portfolio of superior hotels located in major urban centers and resort destinations with relatively higher barriers to entry

Disciplined Capital Allocation

Allocate and recycle capital with discipline to seek to earn returns that exceed our risk-adjusted cost of capital and actively return capital to stockholders

Strong Asset Management Capabilities

Continuously create value in our existing portfolio through intelligent asset management and capital investment

Powerful and Flexible Capital Structure

Maintain a powerful, flexible capital structure that allows us to execute our strategy throughout the lodging cycle

Employer of Choice and Responsible Corporate Citizen

Offering bright and sustainable futures

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Offering bright and sustainable futures

Superior Portfolio



We maintain a well-balanced allocation geographically, targeting top urban markets and resort locations.

Targeted Focus

We have invested – and will continue to invest – in locations which we believe have strong demand generators that appeal to multiple customer segments, achieve premium rates and have relatively higher barriers to entry.



Balanced Exposure

We have made tremendous strides over the years in the way of enhancing our portfolio through recycling out of lower-quality, non-core assets and into premier assets within major urban markets and resort locations.



Superior Portfolio

As a result, we maintain a portfolio of premier assets within the top markets domestically and internationally.

Superior Portfolio

Portfolio Breakdown

Our Portfolio			Properties	Rooms	% of Revenues ⁽¹⁾
Consolidated	Domestic	U.S.	94	54,142	94%
	International	Canada	2	849	1%
		Asia-Pacific	6	1,297	1%
		Latin America	6	1,480	1%
	Total		108	57,768	97%
Joint Venture	Euro JV		10	3,893	2%
	Asia JV		3	727	*
	U.S. JV		2	1,663	1%
	Total		15	6,283	3%
Total properties			123	64,051	100%

*Less than 1%

(1) Revenues as of September 30, 2015. Percentages have been adjusted to reflect our pro-rata share of joint ventures and partnerships and exclude revenues from properties sold through October 31, 2015.



W New York - Union Square



Hyatt Regency Maui Resort and Spa

Superior Portfolio

Diversified Exposure



San Francisco Marriott Marquis



Renaissance Paris Vendôme Hotel ⁽²⁾



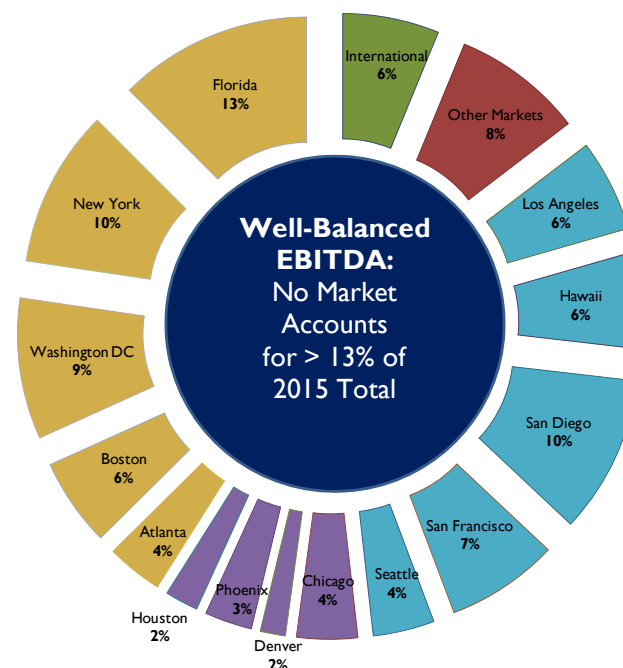
The Ritz-Carlton, Naples



Swissôtel Chicago

The Portfolio⁽¹⁾

By Market



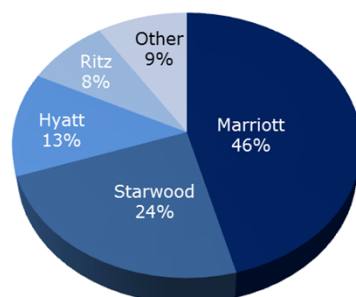
(1) Markets represents our total portfolio based on YTD September 2015 Hotel EBITDA. Results have been adjusted to exclude EBITDA from properties sold through October 31, 2015 and reflect only our pro-rata share of joint ventures and partnerships. See Appendix for reconciliation of these measures to comparable GAAP measures.
(2) Renaissance Paris Vendôme owned through a joint venture

Superior Portfolio



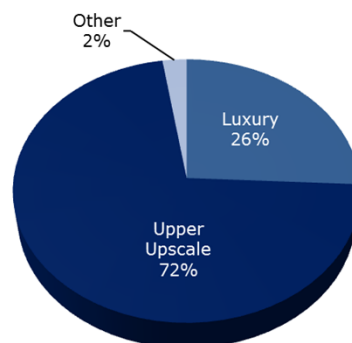
Diversified Exposure⁽¹⁾

By Brand



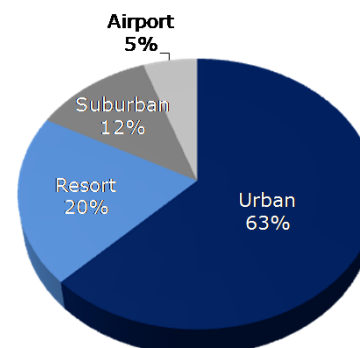
One of the largest owners of Marriott, Starwood and Hyatt properties

By Hotel Segment



Predominantly an upper-upscale and luxury owner

By Location Type



Large exposure to urban and resort locations

(1) Charts represent total portfolio revenues based on YTD September 2015 revenues. Results have been adjusted for our pro-rata share of revenues from joint ventures and partnerships and to exclude revenues from properties sold through October 31, 2015.

Superior Portfolio



Types of Assets

Iconic Resorts

- Iconic resorts in irreplaceable locations
- Strong airlift and limited supply growth
- Superior amenities operated by premier operators



8 Hotels

Irreplaceable Convention Destination Hotels

- Group-oriented destination hotel assets in urban and resort markets
- Extensive and high-caliber meeting facilities; many connected to prominent convention centers



15 Hotels

Signature City-Center Hotels

- High barrier to entry urban/coastal markets
- Prime locations with multiple demand drivers, both for business and leisure travelers



Prime Suburban and Advantaged Airport Hotels

- Market leaders in prime suburban locations
- Airport hotels connected to the terminal and / or convenient location on airport grounds



Superior Portfolio



Iconic Resorts

10 Signature Hotels / 5,255 Rooms / 108-Holes of Golf / 416,500 SF of Meeting Space



The Ritz-Carlton, Naples



Hotel Arts Barcelona



The Ritz-Carlton, Amelia Island



Fairmont Kea Lani, Maui



The Phoenician, A Luxury Collection Resort



Fort Lauderdale Marriott Harbor Beach Resort & Spa



The Westin Kierland Resort & Spa

Luxury Resorts

- | | |
|--|--|
| • The Ritz-Carlton, Naples | • The Ritz-Carlton, Amelia Island |
| • The Ritz-Carlton Golf Resort, Naples | • The Phoenician, a Luxury Collection Resort |
| • Hotel Arts Barcelona ⁽¹⁾ | • Fairmont Kea Lani, Maui |

Upper-Upscale Resorts

- | | |
|--|-------------------------------------|
| • Coronado Island Marriott | • The Westin Kierland Resort & Spa |
| • Fort Lauderdale Marriott Harbor Beach Resort & Spa | • Hyatt Regency Maui Resort and Spa |

(1) Hotel owned through a joint venture

Superior Portfolio



Irreplaceable Convention Destination Hotels

15 Signature Assets / 50% Group Mix⁽¹⁾ / 1.7 Million SF of Meeting Space



New York Marriott Marquis



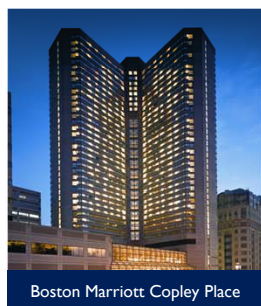
Manchester Grand Hyatt San Diego



Sheraton Boston Hotel



Grand Hyatt Washington



Boston Marriott Copley Place



San Francisco Marriott Marquis



Marriott Marquis San Diego Marina



Orlando World Center Marriott

Urban Core Group Focused Hotels

- | | |
|--|---|
| • New York Marriott Marquis
1,966 Rooms | • Sheraton New York Times Square Hotel
1,780 Rooms |
| • Grand Hyatt Washington
897 Rooms | • Hyatt Regency Washington on Capitol Hill
837 Rooms |
| • The Westin Seattle
891 Rooms | • San Francisco Marriott Marquis
1,500 Rooms |
| • Marriott Marquis San Diego Marina
1,360 Rooms | • Manchester Grand Hyatt San Diego
1,628 Rooms |
| • Boston Marriott Copley Place
1,144 Rooms | • Sheraton Boston Hotel
1,220 Rooms |
| • New Orleans Marriott
1,333 Rooms | • San Antonio Marriott Rivercenter
1,001 Rooms |
| • Sheraton San Diego Hotel & Marina
1,053 Rooms | |

Destination Group Focused Hotels

- | | |
|--|--|
| • JW Marriott Desert Springs Resort & Spa
884 Rooms | • Orlando World Center Marriott
2,004 Rooms |
|--|--|

(1) Represents YTD September 2015 group room nights as percentage of total demand for these 15 signature assets

Superior Portfolio



Signature City-Center Hotels 49 Signature Assets

Seattle

W Seattle
The Westin Seattle

San Francisco

The Axiom Hotel
San Francisco Marriott Fisherman's Wharf

Denver

The Westin Denver Downtown

Phoenix

The Camby, an Autograph Collection Hotel

Hawaii

Hyatt Place Waikiki Beach

Houston

St. Regis Houston
JW Marriott Houston

Chicago

The Westin Chicago River North
Swissôtel Chicago
Embassy Suites Chicago Downtown
Magnificent Mile
Courtyard Chicago Downtown/River North



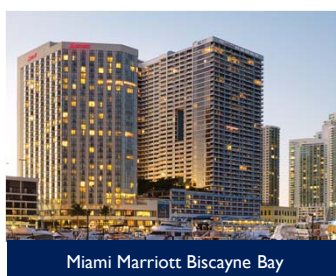
Hyatt Regency Washington on Capitol Hill



The Westin Chicago River North



JW Marriott Rio de Janeiro



Miami Marriott Biscayne Bay



The Westin Palace, Madrid⁽¹⁾



The Westin Denver Downtown

International

JW Marriott Rio de Janeiro
JW Marriott Mexico City
Calgary Marriott Downtown
Toronto Marriott Downtown Eaton Center
Hilton Melbourne South Wharf
Sheraton Berlin Grand Hotel Esplanade⁽¹⁾

Le Méridien Piccadilly⁽¹⁾
Renaissance Paris Vendôme⁽¹⁾
The Westin Palace, Madrid⁽¹⁾
Renaissance Amsterdam Hotel⁽¹⁾
Brussels Marriott Hotel Grand Place⁽¹⁾
Sheraton Stockholm Hotel⁽¹⁾

Other U.S. Cities

The Westin Cincinnati
The Westin Indianapolis
Minneapolis Marriott City Center
San Antonio Marriott Riverwalk
Hyatt Place Nashville Downtown⁽¹⁾
Sheraton Memphis Downtown Hotel

(1) Hotels owned through joint ventures

Boston

Hyatt Regency Cambridge, Overlooking Boston

New York

W New York - Union Square
W New York
The Westin New York Grand Central
New York Marriott Downtown

Philadelphia

The Logan, a Curio Collection Hotel

Washington DC

JW Marriott Washington, DC
The Westin Georgetown, Washington D.C.
Washington Marriott at Metro Center
The Ritz-Carlton Tysons Corner
Residence Inn Arlington Pentagon City
Key Bridge Marriott

Atlanta

The Westin Buckhead Atlanta
Grand Hyatt Atlanta in Buckhead
The Ritz-Carlton Buckhead
JW Marriott Atlanta Buckhead
Atlanta Marriott Suites Midtown

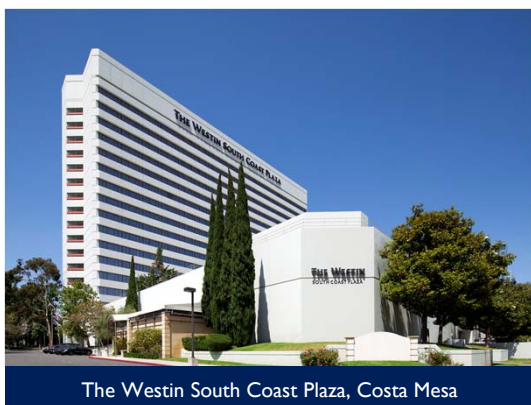
Miami

Miami Marriott Biscayne Bay

Superior Portfolio



Prime Suburban and Advantaged Airport Hotels **19 Signature Assets**



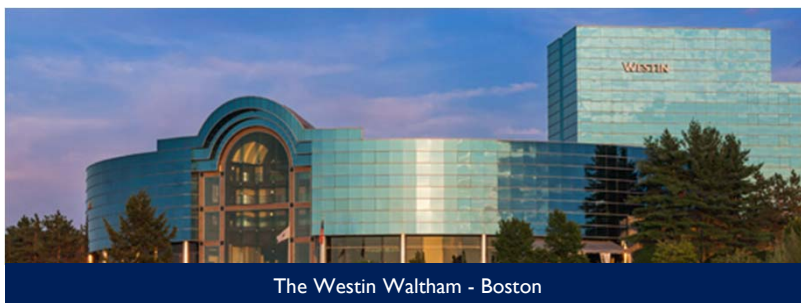
The Westin South Coast Plaza, Costa Mesa



Hyatt Regency San Francisco Airport



Hyatt Regency Reston



The Westin Waltham - Boston

Prime Suburban Hotels

- | | |
|--|---|
| • San Ramon Marriott | • Santa Clara Marriott |
| • Scottsdale Marriott at McDowell Mountain | • Scottsdale Marriott Suites Old Town |
| • The Westin South Coast Plaza, Costa Mesa | • Hyatt Regency Reston |
| • The Ritz-Carlton, Marina del Rey | • Marina del Rey Marriott |
| • Newport Beach Marriott Hotel & Spa | • Newport Beach Marriott Bayview |
| • The Westin Waltham - Boston | • Atlanta Marriott Perimeter Center |
| • Houston Marriott at the Texas Medical Center | • Renaissance Paris La Defense Hotel ⁽¹⁾ |

Advantaged Airport Hotels

- | | |
|---|--|
| • Philadelphia Airport Marriott | • Tampa Airport Marriott |
| • Newark Liberty International Airport Marriott | • Houston Airport Marriott at George Bush Intercontinental |
| • Hyatt Regency San Francisco Airport | |

(1) Hotel owned through joint ventures

Our Strategy to Create Superior Stockholder Returns



Superior Portfolio

Own a geographically-diverse portfolio of superior hotels located in major urban centers and resort destinations with relatively higher barriers to entry

Disciplined Capital Allocation

Allocate and recycle capital with discipline to seek to earn returns that exceed our risk-adjusted cost of capital and actively return capital to stockholders

Strong Asset Management Capabilities

Continuously create value in our existing portfolio through intelligent asset management and capital investment

Powerful and Flexible Capital Structure

Maintain a powerful, flexible capital structure that allows us to execute our strategy throughout the lodging cycle

Employer of Choice and Responsible Corporate Citizen

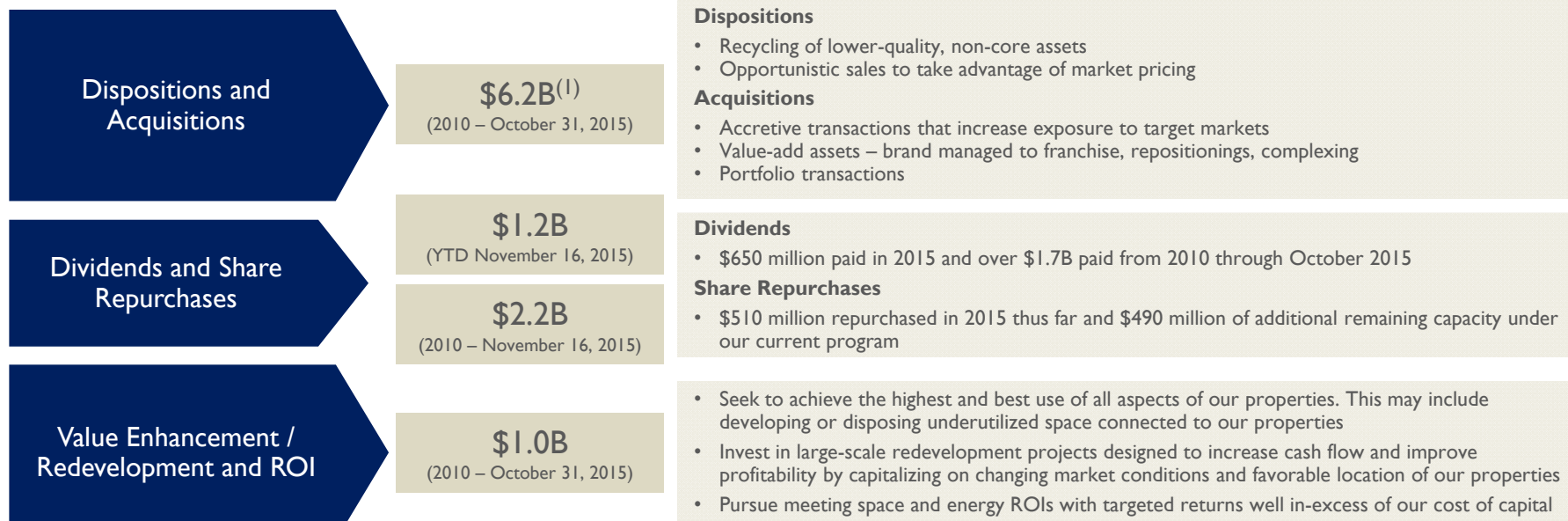
Offering bright and sustainable futures

Disciplined Capital Allocation



Overview

Guided by a disciplined approach to capital allocation with a powerful balance sheet that allows us to execute our strategy regardless of the cycle, we are positioned to make capital decisions around **delivering the greatest value** and **returning capital to stockholders**



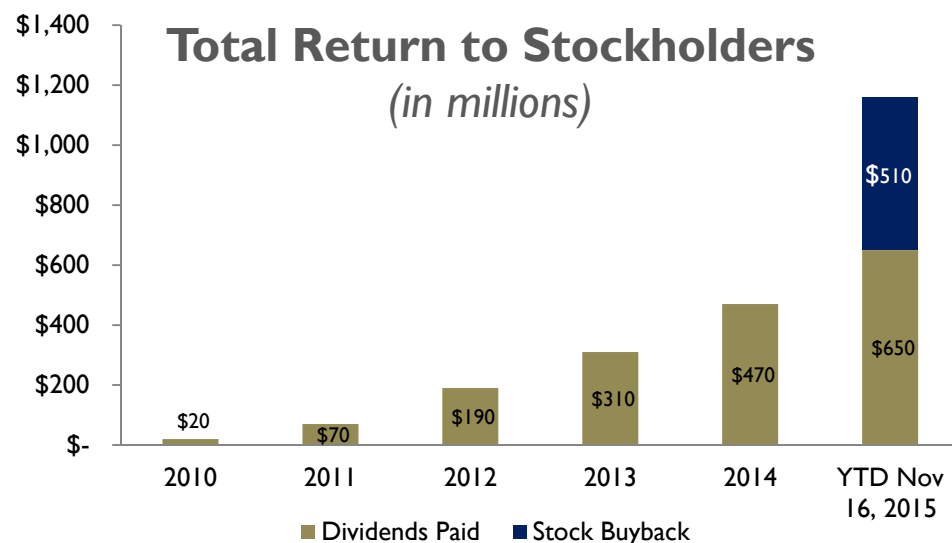
(1) Investment activity includes full purchase price of acquisitions and dispositions of our joint venture transactions. Adjusted for Host pro-rata share of investment or proceeds would be \$4.9 billion of investment activity – \$1.8 billion for dispositions and \$3.1 billion for acquisitions.

Significant Stockholder Returns



Returns to our stockholders

- When our stock price is at a significant discount to NAV, we intend to take advantage of the dislocation and buy back stock. Through November 16, 2015, we have bought back \$510 million and have \$490 million of additional repurchase capacity.
- We have paid a regular quarterly dividend of \$0.20 per quarter for the first three quarters of 2015 and are committed to sustaining a meaningful dividend that is subject to approval by our Board of Directors.
- Since 2010, we have returned **\$2.2 billion** of capital to our stockholders, with nearly \$1.2 billion returned in 2015.



Total Return to Stockholders	
Through November 16, 2015	in millions
Stock repurchases	\$ 510
Dividends paid (\$0.86 per share) ⁽¹⁾	650
Total YTD return to stockholders	\$ 1,160
Remaining capacity under share repurchase program	\$ 490

(1) Includes fourth quarter 2014 dividend paid in January 2015

Disciplined Capital Allocation



Investment Strategy — Earn Returns that Exceed Our Risk-adjusted Cost of Capital

Dispositions

- Continually prune the portfolio of non-core assets with lower growth prospects and/or high capital needs to improve portfolio quality and performance over the long-term
- In robust transaction markets, opportunistically capitalize on disconnect between hold value and private market values and sell assets to take advantage of the strong pricing

Acquisitions

- Seek high-quality and well-located assets in upscale or above segments in premier urban and resort locations
- Opportunistically pursue portfolio or larger redevelopment assets where our scale is a competitive advantage
- Look to invest in locations that we expect to outperform in the long term
- Invest at a premium to our cost of capital to generate superior returns. Target returns of 100 – 150 basis points above our cost of capital

Repositioning and ROI

- Pursue redevelopment projects of existing assets that completely reposition the asset
- Pursue property enhancement projects such as adding rooms and meeting space as well as upgrading food and beverage outlets with a target return of 600 basis points above our cost of capital
- Pursue energy ROIs such as solar power, boilers, and energy management systems targeting returns in excess of 800 basis points above our cost of capital

Disciplined Capital Allocation



Dispositions and Acquisitions

Strong Track Record of Recycling Capital

- We have successfully recycled out of non-core assets, while also investing in accretive assets within our target markets at attractive pricing.
 - ✓ Non-Core – Assets where we believe the potential future growth is constrained, as well as assets located in commoditized locations (i.e. off-terminal airport and suburban locations)
 - ✓ Opportunistic – We have also been able to take advantage of market pricing and sell higher-quality assets in primary markets for prices well in excess of our estimated long-term value of holding the asset
- Since 2010, we have considerably improved the composition of the portfolio in terms of RevPAR and location type.

\$6.2 billion of investment activity
2010 – October 31, 2015

	Dispositions	Acquisitions
Total Value ⁽¹⁾	\$2.3B	\$3.9B
Number of hotels	35	32
Aggregate RevPAR ⁽²⁾	\$109	\$171
Location (by # of hotels)		
% urban and resort	49%	91%
% suburban and airport	51%	9%

- (1) Investment activity includes full purchase price of acquisitions and dispositions of our joint venture transactions. Adjusted for Host pro-rata share of investment or proceeds would be \$4.9 billion of investment activity – \$1.8 billion for dispositions and \$3.1 billion for acquisitions.
- (2) Acquisitions RevPAR based on TTM as of September 30, 2015; dispositions RevPAR based on TTM prior to the respective sale. Aggregate RevPAR statistics exclude one property that closed for all of 2015 and one property that was acquired and subsequently disposed of within one year.

Disciplined Capital Allocation



Dispositions

Recycling of Non-Core Assets While Taking Advantage of Market Pricing \$2.3B in Disposition Activity Since 2010

- **Non-Core** – We have been able to dispose of many non-core assets which are dilutive to the portfolio in terms of (i) RevPAR, (ii) profitability, and (iii) long-term capital requirements
- **Opportunistic Sales** – We also have been able to sell assets in major markets at significant premiums to our hold value to strategic buyers

Breakdown of Dispositions		Aggregate
By Type of Sale	Hotels	RevPAR ⁽³⁾
Non-Core Sales	29	\$98
Convention Hotels	3	\$114
Opportunistic	3	\$208

Dispositions:					Price	Per key
2010 - October 31, 2015	Location	Hotels	Date	Rooms	(\$Ms)	(\$000s)
Sheraton Braintree	Suburban	1	Feb-10	374	9	24
The Ritz-Carlton, Dearborn	Suburban	1	Jun-10	308	3	10
South Bend Marriott	Urban	1	Aug-11	298	6	20
San Francisco Airport Marriott	Airport	1	Mar-12	685	113	165
Hartford Marriott Rocky Hill	Suburban	1	Aug-12	251	7	28
Toronto Airport Marriott	Airport	1	Nov-12	424	32	75
Atlanta Marriott Marquis	Urban	1	Jan-13	1,663	293	176
The Ritz-Carlton, San Francisco	Urban	1	Jun-13	336	161	479
Portland Marriott Downtown Waterfront	Urban	1	Nov-13	503	87	173
Four Seasons Atlanta	Urban	1	Nov-13	244	63	258
Dallas/Addison Marriott Quorum	Suburban	1	Dec-13	547	56	102
Philadelphia Marriott Downtown ⁽¹⁾	Urban	1	Jan-14	1,408	303	215
Courtyard Nashua	Suburban	1	Feb-14	245	10	41
Tampa Marriott Waterside Hotel & Marina	Urban	1	Oct-14	719	199	277
Greensboro High-Point Marriott Airport	Airport	1	Dec-14	299	19	64
Dayton Marriott	Suburban	1	Dec-14	399	21	53
Delta Meadowdale Hotel & Conference Centre	Suburban	1	Mar-15	374	33	88
Sheraton Needham Hotel	Suburban	1	Jun-15	247	54	219
Park Ridge Marriott	Suburban	1	Jun-15	289	17	59
Chicago O'Hare Marriott	Airport	1	Jun-15	470	72	153
Kansas City Airport Marriott	Airport	1	Aug-15	384	9	23
ibis & Novotel Auckland Ellerslie	Suburban	2	Oct-15	247	38	154
Consolidated Dispositions		23		10,714	1,605	150
Joint Venture Dispositions⁽²⁾						
Courtyard Paris La Defense West-Colombes	Suburban	1	Oct-13	150	26	173
Sheraton Skyline Hotel & Conference Centre	Airport	1	Oct-14	350	53	151
Crowne Plaza Hotel Amsterdam City Centre	Urban	1	Jun-15	270	118	437
Four Points by Sheraton Perth	Urban	1	Oct-15	278	67	241
European Joint Venture Portfolio	7 Urban/1 Resort	8	Oct-15	2,309	464	201
JV Dispositions		12		3,357	728	217
Total Dispositions		35		14,071	2,333	166

- (1) Philadelphia Marriott Downtown – We sold an 89% interest in this hotel to a joint venture. Sales price reflects the gross sales price.
- (2) Our ownership interest in these properties ranges between 25% and 33%. Amount presented represents the gross sales price.
- (3) Dispositions RevPAR based on TTM prior to the respective sale. Aggregate RevPAR statistics exclude one property that was acquired and subsequently disposed of within one year.

Disciplined Capital Allocation



Recent dispositions



Sheraton Needham Hotel
Non-core suburban asset



Kansas City Airport Marriott
Non-core airport asset



The Ritz-Carlton, San Francisco
Opportunistic sale

Near-term disposition priorities

- Approximately \$1 billion of assets on the market as of October 31, 2015, including non-core assets and opportunistic sales in certain of our target markets

Disciplined Capital Allocation



Acquisitions

Upgrading the Portfolio Focused on Gateway Cities and Resort Locations

\$3.9B in Acquisition Activity Since 2010

- We have improved the portfolio by investing in:
 - Unique exposure to iconic assets in international gateway markets
 - Primarily all urban locations
 - Mix of select-service and full-service acquisitions

Breakdown of Acquisitions		Aggregate
By Location	Hotels	RevPAR ⁽⁴⁾
Urban / Resort	29	\$173
Suburban	3	\$83

Acquisitions:						Price	Per key
2010 - October 31, 2015	Location	Hotels	Date	Rooms		(\$Ms)	(\$000s)
Le Meridien Piccadilly ⁽¹⁾	Urban	1	Jul-10	266		98	368
Westin Chicago River North	Urban	1	Aug-10	424		165	389
W New York—Union Square	Urban	1	Sep-10	270		188	696
JW Marriott Hotel Rio de Janeiro	Urban	1	Sep-10	245		47	192
New Zealand Portfolio	4 Urban/2 Suburban/1 Resort	7	Feb-11	1,207		145	120
Manchester Grand Hyatt San Diego Hotel	Urban	1	Mar-11	1,625		572	352
The Westin New York Grand Central	Urban	1	Mar-11	775		313.5	405
Hilton Melbourne South Wharf	Urban	1	Apr-11	364		152	418
Grand Hyatt Washington	Urban	1	Jul-12	888		417	470
Hyatt Place Waikiki Beach	Urban	1	May-13	426		138.5	325
Axiom Hotel ⁽²⁾	Urban	1	Jan-14	151		75	497
Yve Hotel Miami	Urban	1	Aug-14	242		58	240
Novotel & ibis Rio de Janeiro Parque Olimpico	Urban	2	Dec-14	405		65	160
The Phoenician, a Luxury Collection Resort	Resort	1	Jun-15	643		400	622
Consolidated Acquisitions		21		7,931		2,834	357
Joint Venture Acquisitions⁽³⁾							
Pullman Bercy Paris	Urban	1	Sep-11	396		132	333
Four Points by Sheraton Perth	Urban	1	Mar-12	278		64	230
Le Meridien Grand Hotel Nuremberg	Urban	1	Jul-12	192		37	193
Pascal Portfolio	4 Urban/1 Suburban	5	Nov-12	1,733		585	338
Sheraton Stockholm Hotel	Urban	1	Aug-13	465		135	290
Hyatt Place Nashville Downtown	Urban	1	Nov-13	255		43	169
Sheraton Berlin Grand Hotel Esplanade	Urban	1	Sep-14	394		102	259
JV Acquisitions		11		3,713		1,098	296
Total Acquisitions		32		11,644		3,932	338

(1) We subsequently sold this hotel to our European joint venture for \$102 million.

(2) Purchase price includes Sephora® lease.

(3) Each of these properties was acquired in a joint venture in which we had ownership interests ranging between 25% to 50%. Amounts presented represent the gross purchase price including our partners equity contributions.

(4) Acquisitions RevPAR based on TTM as of September 30, 2015; Aggregate RevPAR statistics exclude one property that was closed for all of 2015 and one property that was acquired and subsequently disposed of within one year.

Disciplined Capital Allocation



Acquisitions



The Phoenician, a Luxury Collection Resort Acquisition – June 2015	
Renowned Trophy Asset	<ul style="list-style-type: none"> ✓ In-fill site nestled into Camelback Mountain ✓ Recognized as the leading luxury resort in Phoenix ✓ Approximately 300 acres
Attractive Going-In Metrics	<ul style="list-style-type: none"> ✓ Going-in NOI yield on cost of 6.6% pre-renovation and estimated 7.5% post-renovation⁽¹⁾ compare favorably to recent transactions in the local and national market ✓ 31% estimated discount to replacement cost
The Host Advantage	<ul style="list-style-type: none"> ✓ Sale Subject to Starwood Management Agreement – Host's long-standing relationship with Starwood facilitated negotiations ✓ Size of Transaction – At \$400 million, most of our lodging peers could not compete due to their smaller size and over allocation of EBITDA in a single market. Even with the acquisition, Phoenix only represents 3% of our YTD September 2015 EBITDA ✓ Deal Structure – Our experience executing a REIT-entity sale transaction with Starwood proved to be advantageous for both parties ✓ Complexing Opportunity – Multiple synergies were identified with our Westin Kierland (~10 miles north) that could drive immediate improvements in profitability to both assets

(1) Post-renovation results are illustrative only, as actual results are expected to vary based on the NOI, which variations have been material in the past. See Appendix for items that may affect forecast results.

Disciplined Capital Allocation

Value Enhancement

Highest and Best Use of Space

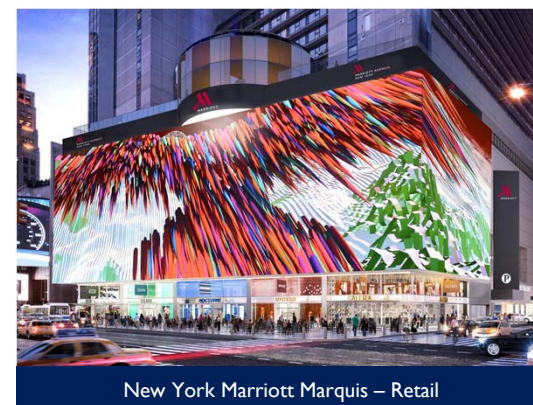
- We continuously reevaluate our existing portfolio to find opportunities to create incremental cash flow and increase the overall value of the investment
- Examples of this include, but are not limited to the following:
 - Monetizing valuable land development opportunities
 - Utilization of the irreplaceable nature of our assets to extract value from a retail, advertising, and outsourcing standpoint

Recent Successes



The Hyatt Maui Timeshare

- Opened Dec. 2014
- 131-unit ground up construction on underutilized oceanfront parking lot
- Investment of \$98 million, including debt outstanding
- **EBITDA of approximately \$12 million in 2016⁽¹⁾**



New York Marriott Marquis – Retail

- 25,000 SF, 100% LED Signage went live in November 2014
- 45,000 SF Broadway-facing retail
- **Stabilized incremental EBITDA of approximately \$17 million annually⁽¹⁾**

(1) Projected EBITDA is illustrative only, as actual results are expected to vary based on the level of demand and other factors, which variations have been material in the past. See Appendix for items that may affect forecast results.

Disciplined Capital Allocation

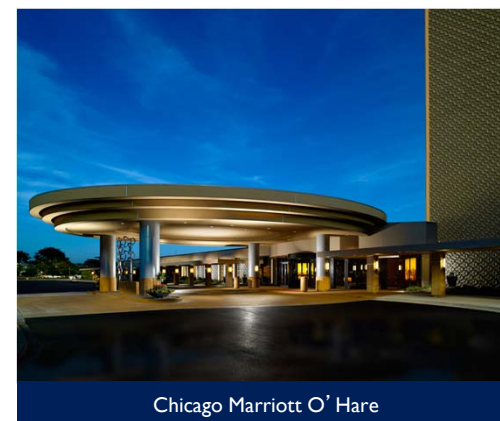


Redevelopment Project – Chicago Marriott O’Hare

Value creation case study: In our disciplined capital allocation efforts, one area of focus is to reinvest in our portfolio and receive returns in excess of our cost of capital. In most cases, returns are well in excess of returns on acquisitions. In the case of the Chicago Marriott O’ Hare, the realized **IRR was 18.6%**.

- Rationale: Property had a greater risk of supply over time and had higher capital requirements than the portfolio average. In 2010, we could have chosen not to complete the required capital expenditures and sell the property for approximately \$21.4 million. Our analysis indicated that by investing approximately \$25 million in both maintenance and ROI capital expenditures, we could substantially increase the NOI at the property and sell at a price well in excess of the estimated \$21.4 million sales price. We completed an extensive renovation (soft and case goods, extensive bath) in 2011, including conversion of an excess restaurant to meeting space and we right-sized the hotel by closing 211 rooms.
- The RevPAR index⁽¹⁾ improved by 22 basis points from 80 in December 2010 (pre-redevelopment) to 102 in December 2013 (post-redevelopment).
- The hotel sold in June 2015 for \$72 million, an attractive premium to our long-term value of holding the asset and further reduced our exposure to suburban assets. In addition, we retained a 10-acre parcel, obtained the Planned Unit Development (“PUD”) and are currently marketing the land for sale.

(1) See Appendix for the definition of RevPAR index



2010 estimated sale price	\$21.4M
2011– 2012 capital investment	25.0M
Total Value	46.4M
June 2015 sold hotel	72.0M
Currently marketing: Estimated land value	12.0M
Total Value	84.0M

Disciplined Capital Allocation

Redevelopment Projects – Other Successful Completions

With a team experienced in complex development, entitlement management and new construction, we are able to leverage our expertise to create value in our existing portfolio. Examples of how we apply our expertise to add value are as follows: (1) determining the best use of the real estate, (2) right-sizing a hotel – i.e. reducing or increasing room counts; and (3) creating flexibility around lobbies and meeting space.

Two additional major projects were undertaken in 2011/2012 at the Sheraton Indianapolis Hotel at Keystone Crossing and the Atlanta Marriott Perimeter Center for a total owner-funded investment of \$32.3 million, which included the conversion of a tower to apartments at the Sheraton Indianapolis Hotel at Keystone Crossing, reducing room count by 165 rooms. The Atlanta Marriott Perimeter Center reduced its room count by 59 rooms and both hotels underwent a complete renovation of guestrooms, lobby, restaurant and meeting space.



Sheraton Indianapolis Hotel at Keystone Crossing

Sheraton Indianapolis Hotel at Keystone Crossing and Atlanta Perimeter Marriott

2010 combined estimated sale price	\$44.6M
2011- 2012 combined capital investment	\$32.3M
Total Value	\$76.9M

Estimated combined IRR⁽¹⁾: 19% – 20%



Atlanta Marriott Perimeter Center

(1) Projected IRR is illustrative only, as actual results are expected to vary based on the sale price achieved, which may vary materially from the price used to estimate the IRR. For this reason, no assurances can be provided as the actual IRR to be achieved. See Appendix for items that may affect forecast results.

Disciplined Capital Allocation

Redevelopment Project – The Westin New York Grand Central

In 2011, we acquired the 774-room New York Helmsley Hotel for \$313.5 million and repositioned the hotel for a net investment of \$73 million. The hotel underwent significant improvements including complete guestroom and guest bath renovations, as well as an upgrade to the ballroom and meeting space including the conversion of a food and beverage outlet to new meeting space. The Westin brand was added to the hotel upon completion in 2012 and the property is now managed by Starwood.

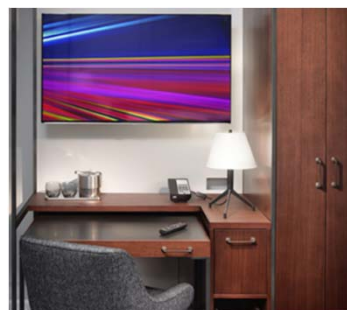
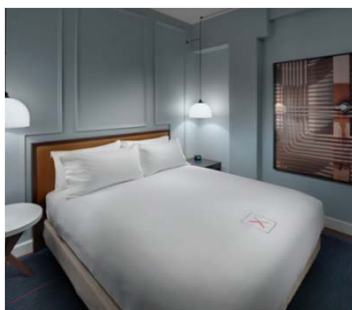
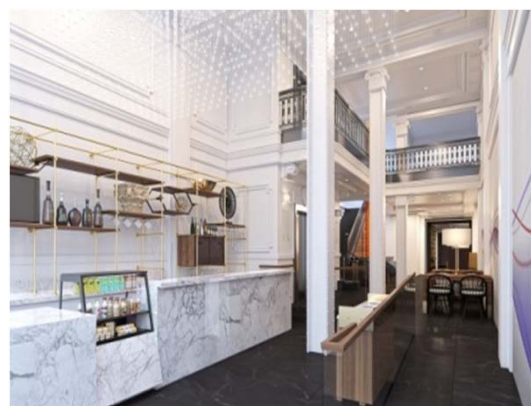
- The RevPAR index⁽¹⁾ improved by 35 points from 78 for the twelve months ending September 2011 to 113 for the twelve months ending September 2015 exceeding our original target of 100
- Increased hotel EBITDA from \$7.5 million in 2011 to forecast \$22 million in 2015. Operational improvements underperformed our expectations due to weakened market conditions for New York



Disciplined Capital Allocation



Redevelopment / ROI – Current Project



Investment: \$39M

2014 EBITDA ~\$2M

2017 projected EBITDA⁽¹⁾ ~ \$5.5M – \$6.5M

Rationale: Value-add acquisition completed in January 2014 for \$75 million which included the Sephora® retail lease valued originally at \$42 million. Based on the subsequent improvement in cap rates for retail space, management estimates the value of the Sephora® lease is approximately \$50 million.

- Expected opening January 2016
- Managed by Kokua Hospitality
- Complete transformational renovation of the 151-room property to reposition as a boutique, independent hotel with an efficient operating model located in the heart of downtown San Francisco

(1) Projected EBITDA is illustrative only, as actual results are expected to vary based on the level of demand and other factors, which variations have been material in the past. Additionally, excludes EBITDA of Sephora® lease. See Appendix for items that may affect forecast results.

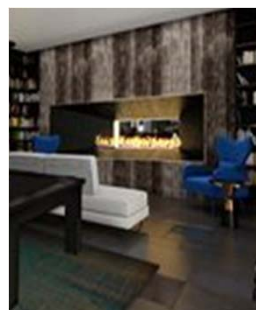
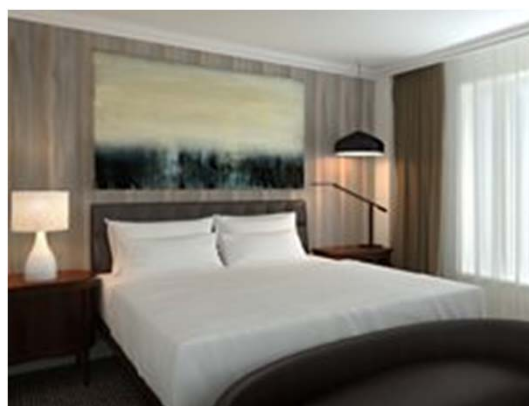
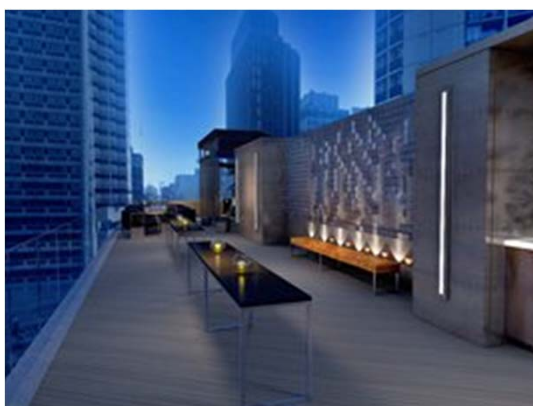
Disciplined Capital Allocation



Redevelopment / ROI – Current Project

**the
Logan**
PHILADELPHIA'S
HOTEL

CURIO
A COLLECTION BY HILTON™



Investment: \$57M

2014 EBITDA ~ \$7M

2017 projected EBITDA⁽¹⁾ ~ \$16M – \$18M

Rationale: Management agreement changes provided the opportunity to convert the Four Seasons Philadelphia to a soft-branded, luxury hotel. This enables us to change the staffing structure which we believe will significantly increase profitability at this hotel.

- Expected opening December 2015
- Operated by Sage Hospitality as part of the Curio – A Collection by Hilton
- Converting the property to a contemporary, soft-branded hotel. The renovation includes the addition of 26 rooms, as well as extensive improvements to the ballroom, meeting space and spa and fitness center, while introducing a new roof-top lounge, high-end coffee bar, new restaurant concept and a new central plant

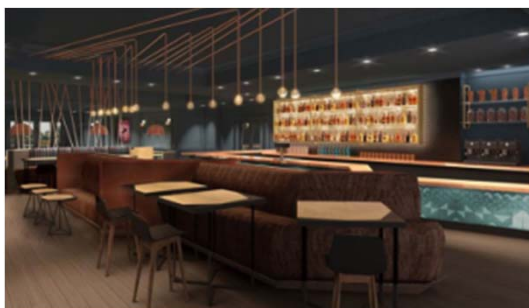
(1) Projected EBITDA is illustrative only, as actual results are expected to vary based on the level of demand and other factors, which variations have been material in the past. See Appendix for items that may affect forecast results.

Disciplined Capital Allocation



Redevelopment / ROI – Current Project

C A M B Y™ AUTOGRAPH COLLECTION®
HOTELS
PHOENIX | HOTEL | BILTMORE



Investment: \$29M

2014 EBITDA ~\$4.5M

2017 projected EBITDA⁽¹⁾ ~\$7.5M – \$8.5M

Rationale: Another opportunity to convert a branded-luxury hotel into a soft-branded, contemporary luxury hotel to improve profitability.

- Expected opening January 2016
- Operated by Destination Hotels as part of Marriott's Autograph Collection Hotels
- In early 2015, we terminated the Ritz-Carlton management agreement and began renovations to convert this hotel to a soft-branded, luxury hotel. Extensive renovations of the hotel are underway and include expanding the spa, improving the fitness center, upgrading the pool experience, refurbishments of the rooms, and a comprehensive reconcept of the food and beverage outlets.

(1) Projected EBITDA is illustrative only, as actual results are expected to vary based on the level of demand and other factors, which variations have been material in the past. See Appendix for items that may affect forecast results.

Disciplined Capital Allocation



Redevelopment / ROI – Additional Current Projects



- **Marriott Marquis San Diego Marina** – Construction of the new Marriott Hall commenced in January 2015. Once complete the new space will boast 180,000 SF of meeting and exhibit space. We anticipate a \$107M investment with a scheduled completion date of mid-2016. The project is expected to generate significant, incremental NOI improvement.



- **Houston Airport Marriott at George Bush Intercontinental** – In conjunction with the extension of the ground lease for 33 years, a complete repositioning of the hotel will include the renovation of guestrooms, bathrooms, lobby, restaurants and meeting space. The project is expected to be completed in December 2015.



- **Hyatt Regency San Francisco Airport** – A comprehensive renovation of the hotel guestrooms, bathrooms, lobby and meeting space which will include the conversion of a restaurant to additional meeting space. The renovation will begin in the fourth quarter of 2015 and is expected to be completed in the second quarter of 2016.



- **Denver Marriott Tech Center Hotel** – In early 2015, we selected Sage Hospitality to manage the hotel pursuant to a Marriott franchise agreement. A transformational renovation of the hotel will include a new lobby and lounge and upgrades to the meeting space and food and beverage platforms. The renovation will begin in late 2015 with an anticipated completion in the third quarter of 2016.

Disciplined Capital Allocation

Redevelopment / ROI – Meeting Space

ROIs Meeting Space (2013 – 2015)

- Converting underutilized space to meeting space is anticipated to provide the portfolio with approximately **\$7.6M in incremental cash flow annually⁽¹⁾ (estimated investment of \$35.4M) from 36 projects at 30 properties**, which represents all major meeting space renovations completed during the time frame.

(1) Projected cash flows are illustrative only, as actual results are expected to vary based on the level of demand and other factors, which variations have been material in the past. Estimated investment amounts may also change due to cost over-runs and other factors. See Appendix for items that may affect forecast results.

Eight 2015 Investments: \$21 Million, Projected Return on Investment⁽¹⁾ of 27%

Property	Title	Start	End
Hyatt Regency Maui Resort and Spa	Additional Meeting Space	Q3 2014	Q1 2015
Hilton Melbourne South Wharf	Restaurant Conversion to Meeting Space	Q3 2014	Q1 2015
Manchester Grand Hyatt San Diego	Laels' Conversion to Meeting Space	Q1 2015	Q2 2015
Grand Hyatt Washington	Additional Meeting Space	Q4 2014	Q2 2015
Calgary Marriott Downtown Hotel	Second Floor Kitchen Conversion to Meeting Space	Q1 2015	Q3 2015
JW Marriott Hotel Rio de Janeiro	Additional Meeting Space	Q3 2015	Q3 2015
Washington Marriott at Metro Center	Conversion Office Space to Meeting Space	Q2 2015	Q3 2015
New Orleans Marriott	4 th Floor Repositioning – Restaurant Conversion to Meeting Space	Q2 2015	Q3 2015

2015 Scheduled Meeting Space Additions



Hyatt Regency Maui Resort and Spa



Hilton Melbourne South Wharf



Manchester Grand Hyatt San Diego

Disciplined Capital Allocation

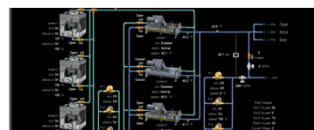


Redevelopment / ROI – Energy

ROIs Energy (2013 – 2015)

- Energy savings initiatives are expected to provide **roughly \$6.3M in annual savings⁽¹⁾ (investment of \$18M)** primarily through water, lighting and thermostat projects across the portfolio
- Steam to gas conversion at the New York Marriott Marquis and Sheraton New York Times Square are expected to provide **annual savings of \$2.4M⁽¹⁾ (investment of \$19.4M)**

(1) Actual utility savings achieved may vary significantly from amounts estimated due to changes in hotel occupancy, usage, weather and other factors. No assurance can be given as to the actual utility savings achieved. See Appendix for items that may affect forecast results.



Sheraton New York Times Square Hotel steam to gas conversion

- Completed – Q4 2014
- Total investment: \$7.6 million; Total estimated annual utility savings: \$1.1 million⁽¹⁾

New York Marriott Marquis steam to gas conversion

- Completed – July 2015
- We estimate the conversion will reduce carbon emissions intensity by at least 20%
- Total investment: \$11.8 million; Total estimated annual utility savings: \$1.3 million⁽¹⁾

Hyatt Regency Maui Resort and Spa and Fairmont Kea Lani, Maui solar power projects

- Projected completion – Hyatt (December 2015); Fairmont (February 2016)
- The combined projects will have over 1MWh of power generation capacity,
- Total investment: \$5.2 million; Total estimated annual utility savings: \$580k⁽¹⁾

The Logan (formerly the Four Seasons Philadelphia) new central plant

- Projected completion – Q1 2016
- A new, highly efficient central plant removes dependency on hot and chilled water purchased from the adjacent building
- Total investment: \$6 million; Total estimated annual utility savings: \$580k⁽¹⁾

Additional ROI examples: Energy and Building Management Systems

- 19 projects approved since 2014
- Total investment: \$5.6 million; Total estimated annual utility savings: \$1.5 million⁽¹⁾

Our Strategy to Create Superior Stockholder Returns



Superior Portfolio

Own a geographically-diverse portfolio of superior hotels located in major urban centers and resort destinations with relatively higher barriers to entry

Disciplined Capital Allocation

Allocate and recycle capital with discipline to seek to earn returns that exceed our risk-adjusted cost of capital and actively return capital to stockholders

Strong Asset Management Capabilities

Continuously create value in our existing portfolio through intelligent asset management and capital investment

Powerful and Flexible Capital Structure

Maintain a powerful, flexible capital structure that allows us to execute our strategy throughout the lodging cycle

Employer of Choice and Responsible Corporate Citizen

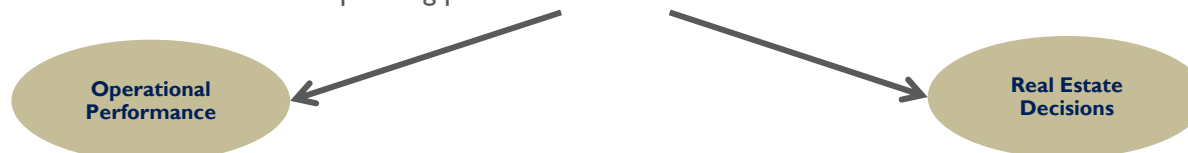
Offering bright and sustainable futures

Strong Asset Management Capabilities

Creating Value within the Portfolio

Asset Management

Goal: Drive operating performance and enhance the value of the real estate.



Support

In addition to a dedicated **Feasibility team** that provides **independent underwriting** of ROIs and value enhancement projects, we have **three additional resources** to support our asset managers.

Business Intelligence

- Industry-leading proprietary system that enables analytics across brands and properties
- Team focused on working with our operators to maximize cash flow across Host's portfolio

Revenue Management

- Team focused on working with our operators to maximize revenues at the brand and individual asset levels

Restaurant and Bar

- Team dedicated to improving restaurant and bar profitability; leading role in food and beverage repositioning and renovation projects

Value-Added

With an **average of 7 to 12 assets** per Asset Manager, our Asset Managers are able to devote more time to initiatives that improve the overall value and profitability of the underlying real estate.

Matching Operator and Asset Type

- Over **47% of our domestic management agreements have contract flexibility⁽¹⁾**
- Seek to maximize performance by installing the right operator for each hotel

Capital Planning

- Develop 10-year capital plans to address property needs and minimize disruption
- Identify and evaluate ROI opportunities

Other Real Estate Enhancements

- Purchase / extend ground lease interests
- Continuously evaluate the highest and best use of the assets

(1) Contract flexibility is based on agreements with (i) negotiated termination rights (such as the ability to terminate upon sale or upon payment of a fee, or to terminate upon sale provided the hotel maintains its brand affiliation via a franchise agreement), (ii) hotels with the management agreements expiring prior to 2032, or (iii) hotels with anticipated performance termination rights over the next 3 years, subject to the managers right to cure. See Appendix for discussion of the management and operating agreement conditions that may affect the timing and flexibility of these contracts

Strong Asset Management Capabilities



Business Intelligence

Philosophy

- Lead Host's financial analytics function to maximize cash flow and facilitate informed business decisions
- Implement portfolio initiatives by leveraging our size to maximize opportunities on two distinct levels

Brand/Manager-Level

Our industry-leading proprietary Business Intelligence (BI) system drives better results through:

- **Brand benchmarking** (ability to benchmark across multiple brands in the portfolio)
- Brand-level executive focus on underperforming assets
- Ensure brand-level programs, technology investment and resource deployment are beneficial to Host

Individual Asset-Level

The asset managers leverage tools and analytics provided by the BI team to identify opportunities to drive profitability at an individual-asset level

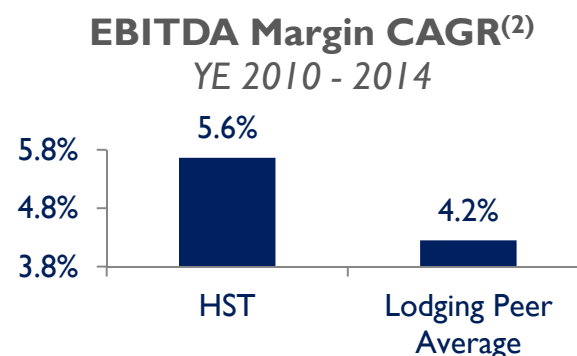
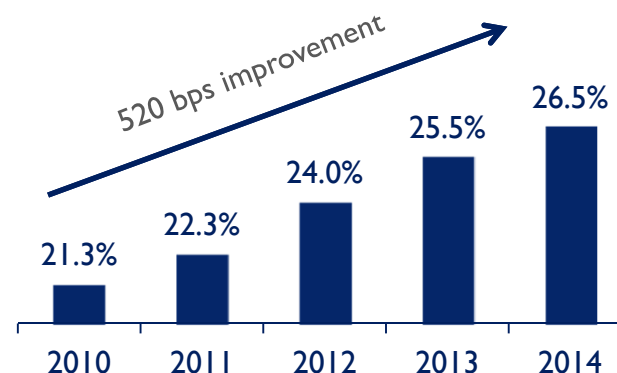
- Establish and monitor **key performance indicators** ("KPIs") annually
- Conduct asset **deep dives** to identify and implement cost saving
- Leverage external consultants skilled in refining and evaluating operating procedures to find new ways to reduce cost and drive profitability

Strong Asset Management Capabilities



Our initiatives have led to strong hotel EBITDA margin improvement for our comparable hotels⁽¹⁾ over the last 5 years.

Our cumulative annual growth has outperformed our Lodging Peers⁽²⁾ during that time.



- (1) Hotel EBITDA margins are based on comparable hotels in each respective year which will vary annually. See Appendix for our definition of comparable properties and the number of hotels included each year, and for reconciliation to comparable GAAP margin.
- (2) See Appendix for listing of Lodging REIT peers and calculation methodology. Peer data is based on company information presented by SNL Financial, Raymond James Equity Research, or Baird Real Estate Research; each of our peers may calculate EBITDA margins differently and this presentation does not account for these differences.

Strong Asset Management Capabilities



Revenue Management

Philosophy

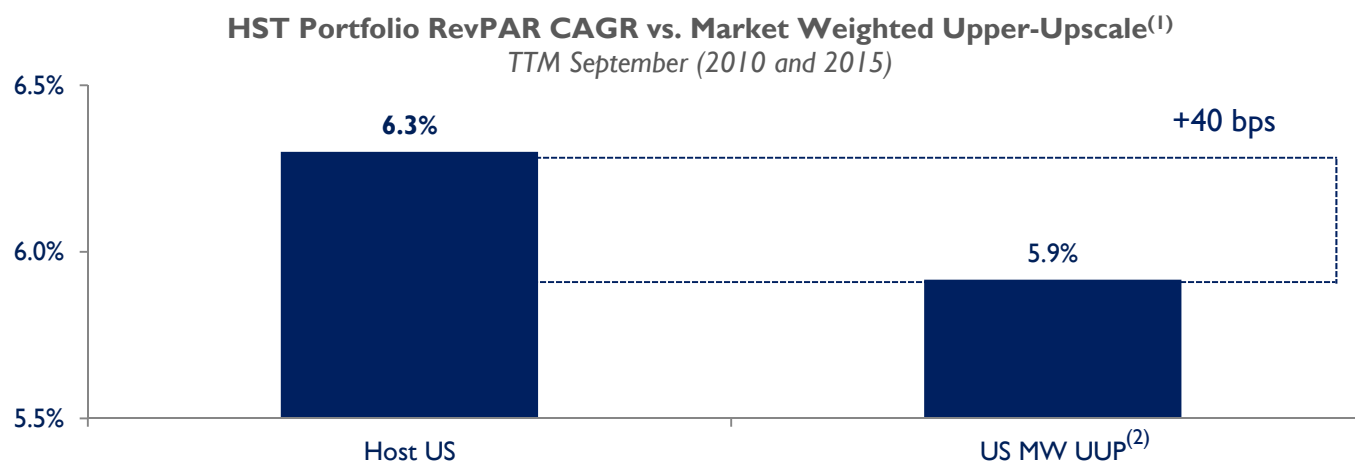
- Implement industry-leading sales, marketing, and revenue management strategies at our hotels to drive profitable and above-market revenue growth
- Increase Host's market share of group business to deliver stronger group revenues, higher transient rates, and incremental banquet revenue

Brand/Manager-Level	Individual Asset-Level	Other Initiatives to Drive Performance
<ul style="list-style-type: none">• Frequent evaluation of each brand's or operator's sales offices to ensure ideal deployment of sales resources• Guide digital and e-commerce strategies that improve RevPAR performance and reduce distribution costs• Ensure brand- and manager-level executive focus on underperforming assets	<ul style="list-style-type: none">• Position each hotel based on unique value proposition• Dedicated sales and marketing veteran on staff to develop single asset-level sales and marketing strategies• Active Asset Management involvement through group sale process• Conduct detailed strategic reviews of hotels and market pricing, segment mix, distribution and merchandising• Develop strategies to maximize banquet, catering and overall group contribution• Improve our hotels' usage of social media to engage customers, develop awareness, enhance marketing, and ensure responsive customer service	<ul style="list-style-type: none">• Work at an industry- and hotel-level to reduce customer acquisition and retention costs• Work with brands or operators to negotiate more favorable and flexible terms with online partners• Develop strategies to drive traffic to the lowest cost channel(s)• Monitor brand programs and costs to ensure appropriate ROI• Drive brand efforts to reduce sales costs and concessions• Improve overall banquet and catering revenue through improved function space management, better group contribution, and advanced analytics

Strong Asset Management Capabilities



Revenue Management – Long-term RevPAR Outperformance

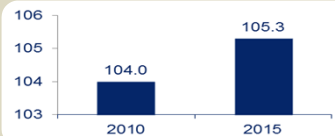


- (1) Represents results for 82 domestic consolidated properties in 2010 and 2015 for which results were available (including period prior to our ownership for acquisitions) and where properties were not subject to major renovation. See Appendix for listing of properties excluded from the domestic portfolio.
- (2) Represents Smith Travel Research data for the upper upscale lodging segment weighted for the 20 major domestic markets.

Strong Asset Management Capabilities

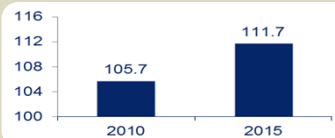


Culmination of Revenue Management Strategies Lead to Major Post-Recession Wins



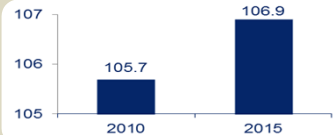
Total RevPAR index⁽¹⁾

- Have consistently outperformed our competitors and **grown market share by 130 bps**
- The improvement is driven by **above-market growth in group volume** which has enabled more aggressive transient pricing



Group occupancy index⁽¹⁾

- Optimal deployment of sales resources and focused engagement with sales teams has resulted in a **600 bps increase in group occupancy index**
- The additional group volume drives increased banqueting revenue, improved demand visibility, and a more stable mix of business



Transient ADR index⁽¹⁾

- Revenue management strategies to improve segment mix and drive higher prices has resulted in a **120 bps increase in transient ADR index**
- Our hotels are less reliant on discounted internet and OTA business. These channels represent about **9% of our total business versus almost 15% for the industry⁽²⁾**

(1) Indices are based on competitive properties identified in the management agreements which are used to evaluate operator performance and may exclude hotels that compete with our properties, including those operating in other lodging segments. Our statistics represent results for the 72 domestic consolidated properties with consistent competitive sets and for which results were available for all periods presented. See Appendix for more information on how these indices are calculated and their limitations. Results are calculated based on TTM data for respective periods.

(2) Industry statistics for all segments is derived from data provided by Kalibri Labs and Distribution Channel Analysis: A Guide for Hotels (AHLA & STR Special Reports).

Strong Asset Management Capabilities



Food and Beverage - Restaurant and Bar Philosophy

- **Partner** with our hotel managers to create relevant restaurant, bar and lounge outlets focusing on efficient operational design, high quality/low maintenance materials and equipment, and flexible space design to allow for the dynamic volume changes of our food and beverage outlets
- **Control** operating costs through sharing best practices, benchmarking outlets across brands and regions and regular financial reviews with a goal to increase departmental profitability for our portfolio
- **Outsource** to high-quality, third-party operators where possible, to drive profitability through rental income and lower hotel labor costs, enhance the guest experience, drive external traffic and create a differentiator from our competitors

Restaurant and Lounge Hotel-Level Profit⁽¹⁾



(1) Represents hotel-level data for the 76 hotels owned for both periods. Hotel-level profit is based on 169 restaurant and lounges.

(2) Projected 2015 hotel-level profit is illustrative only as actual results are expected to vary based on the level of demand, operating costs and other factors, which variations have been material in the past. See Appendix for items that may affect forecast results.

Total Restaurant and Lounge Profit Growth Focus Areas

Repositionings/Outsourcing

- Continuously reevaluating our offerings to ensure we are providing the right offering for the market and our clients base
- Work with local and nationally-recognized restaurateurs to replace low-profit offerings

Room Service

- Work at a brand- and property-level to provide more attractive offerings, lower operating costs, and increase profitability
- New concepts / offerings piloted at **8 properties**
- Greater distribution to be determined based on sustained success of pilot programs

Strong Asset Management Capabilities



Food and Beverage — Repositioning and Outsourcing Success

Over the last 3 years invested approximately \$65M at 22 hotels which is expected to generated additional profit of \$11M⁽²⁾ (**17% cash-on-cash return**)

Bill's Bar & Burger
New York Marriott Downtown



- **Investment:** \$3.2M in 2013
- **Profit improvement⁽¹⁾:** \$2.6M

Cast and Plow
The Ritz-Carlton, Marina Del Rey



- **Investment:** \$2.5M in 2014
- **Profit improvement⁽²⁾:** \$1.5M

Falls Pool Bar & Grill
Orlando World Center Marriott



- **Investment:** \$1.9M in 2014
- **Profit improvement⁽²⁾:** \$1.0M

Ko at
Fairmont Kea Lani, Maui



- **Investment:** \$3.8M in 2012
- **Profit improvement⁽²⁾:** \$1.2M

(1) Reflects the incremental profit improvement between full-year 2014 performance and the full-year performance prior to the outsourcing.

(2) Reflects the incremental profit improvement between 2015 forecast performance and the full year performance prior to the respective repositioning. Projected 2015 profit is illustrative only as actual results are expected to vary based on the level of demand, operating costs and other factors, which variations have been material in the past. See Appendix for items that may affect forecast results.

Our Strategy to Create Superior Shareholder Returns



Superior Portfolio

Own a geographically-diverse portfolio of superior hotels located in major urban centers and resort destinations with relatively higher barriers to entry

Disciplined Capital Allocation

Allocate and recycle capital with discipline to seek to earn returns that exceed our risk-adjusted cost of capital and actively return capital to stockholders

Strong Asset Management Capabilities

Continuously create value in our existing portfolio through intelligent asset management and capital investment

Powerful and Flexible Capital Structure

Maintain a powerful, flexible capital structure that allows us to execute our strategy throughout the lodging cycle

Employer of Choice and Responsible Corporate Citizen

Offering bright and sustainable futures

Powerful and Flexible Capital Structure



Financing Strategy

Strong balance sheet – low leverage

- We believe that a strong balance sheet is a key competitive advantage that affords us a lower cost of capital and positions us for external growth. While we may issue debt at any time, generally we will target a leverage ratio of 2.5x to 3.0x and aim to maintain an investment grade rating on our senior unsecured debt. We believe the investment grade rating and lower leverage will deliver the most consistent access to capital, thereby providing us with the necessary flexibility to take advantage of opportunities throughout the lodging cycle.

Financial flexibility and balanced maturity schedule

- We seek to structure our debt profile to allow us to access different forms of financing, primarily senior notes and mortgage debt, particularly outside of the U.S. Generally, this means we look to minimize the number of assets that are encumbered by mortgage debt, minimize near-term maturities and maintain a balanced maturity schedule. Only 8 hotels are encumbered by mortgage debt.
- Our target for floating rate debt exposure is 20 - 35% of our total debt.

Strong dividend and generating cash flow

- Our dividend policy is to distribute 100% of our taxable income over time, which is dependent primarily on our operational results, as well as tax gains and losses from property sales. We have paid a regular quarterly dividend of \$0.20 per quarter for the first nine months of 2015 and we are committed to sustaining a meaningful dividend that is subject to approval by our Board of Directors.
- Strong operational performance combined with our refinancing efforts on strengthening our balance sheet to meaningfully decrease our interest expense has generated significant cash flows.

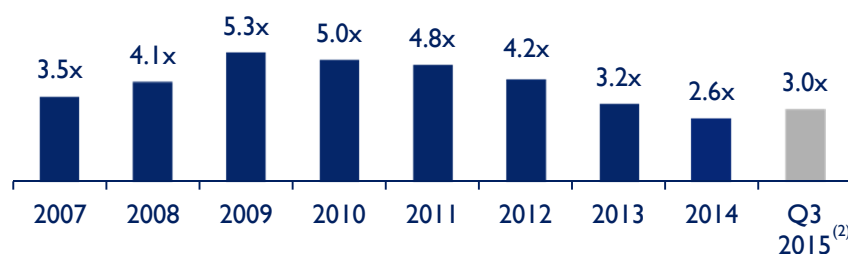
Powerful and Flexible Capital Structure



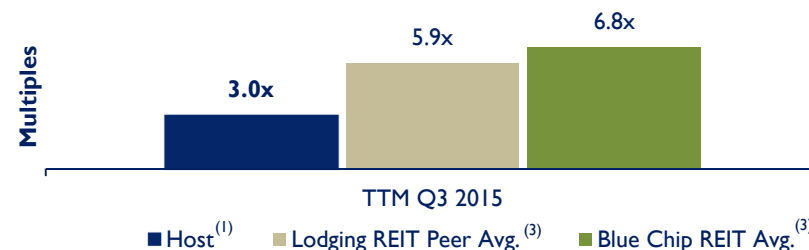
Strong Balance Sheet – Low Leverage

We believe that the **foundation of a strong company is a low level of leverage and a balanced and flexible maturity schedule**. Since the last recession, we have successfully reduced our leverage, which has improved the credit rating and lowered our cost of capital to reduce some of the impact of lodging and economic cycles on earnings and cash flow.

(Net Debt + Preferred) / EBITDA⁽¹⁾
Host



(Net Debt + Preferred) / EBITDA
Host vs. Lodging REITs vs. Blue Chip REITs



Investment Grade Since 2013

Ratings Agency	Senior Unsecured Rating	Outlook	Date of Last Ratings Action
Moody's	Baa2	Stable	March 16, 2015
Standard & Poor's	BBB	Stable	January 23, 2014

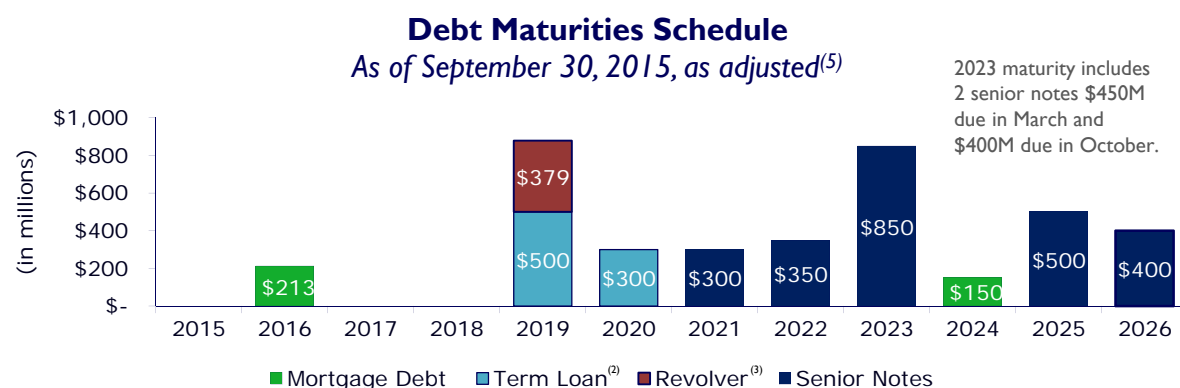
- (1) (Net Debt + Preferred) / EBITDA or leverage is calculated using Host's credit facility definition. See Appendix for comparable GAAP measure and reconciliations for Host.
- (2) Leverage ratio is as of end of the third quarter and does not take into consideration the effects of a number of transactions that occurred subsequent to quarter end.
- (3) Based on data reported in company data and SEC filings. Companies may calculate EBITDA and other ratio components differently and this presentation does not account for these differences. See Appendix for listing of Lodging REIT and Blue Chip peers and calculation methodology.

Powerful and Flexible Capital Structure



Balanced Maturity Schedule

As a seasoned issuer of senior notes and exchangeable debentures, we primarily rely on unsecured debt for capital needs as we believe that the flexibility of senior unsecured debt is **important to maintain liquidity throughout the economic cycles**. 96% of our hotels (as measured by revenues) are unencumbered by mortgages. **Only 5% of our debt is due within the next 3 years** as compared to 48% for our Lodging REIT peers⁽¹⁾. We look to minimize near-term maturities and maintain a balanced maturity schedule.



As of September 30, 2015, as adjusted ⁽⁵⁾	
Weighted Average Maturity	6.2 years
Debt Balance	\$3.9B
Weighted Average Interest Rate	3.7%
% of Floating Rate Debt	33%
Fixed Charge Coverage Ratio ⁽⁴⁾	6.3x

- (1) Based on third quarter 2015 10-Q for these companies as filed with the SEC.
- (2) Credit facility revolver (currently due 2018) and 2014 term loan (currently due 2017) may be extended to 2019, subject to certain conditions.
- (3) 2015 term loan (currently due 2020) has remaining capacity of \$200 million.
- (4) Consolidated Fixed Charge Coverage is calculated using Host's credit facility definition and is as of September 30, 2015 without adjustment. See Appendix for comparable GAAP measure and reconciliations.
- (5) Balances as of September 30, 2015 are adjusted to reflect financing transactions, including refinancing of senior notes and repayment or exchange of Exchangeable Senior Debentures, as previously announced through October 30, 2015. See Appendix for more information on these adjustments.

Powerful and Flexible Capital Structure

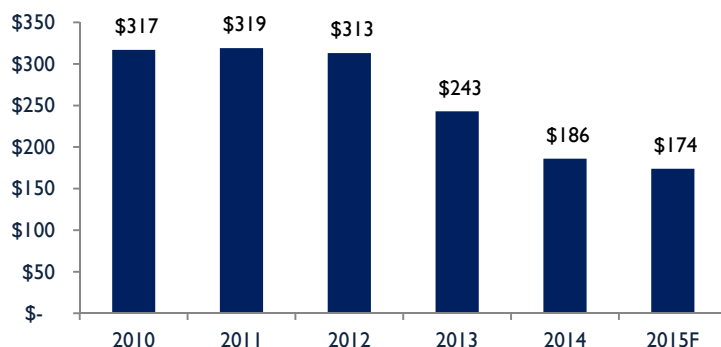


Generating Strong Cash Flow

Meaningful Reduction to Interest Expense

Over the past 5 years, we have meaningfully reduced our debt balance and systematically decreased our weighted average interest rate by 250 basis points to 3.7%, decreased our cash interest expense by 45% and cut our percentage of secured debt in half. We have increased our fixed charge coverage ratio by 430 basis points and decreased our leverage ratio by 200 basis points.

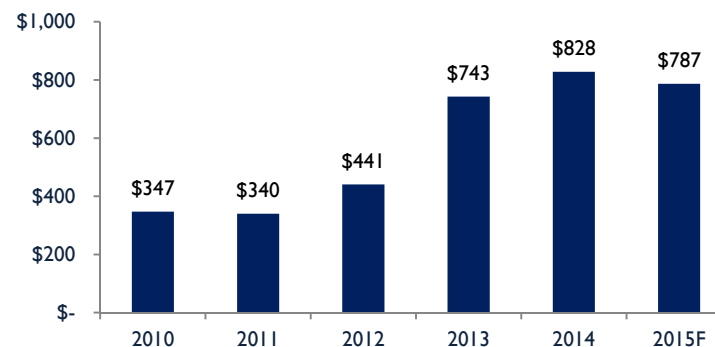
Cash Interest Expense⁽¹⁾



Generating Strong Adjusted Cash from Operations

The combination of the strong operating performance and the benefits from these efforts have resulted in strong cash flow generation. Based on the mid-point of our guidance for 2015 we expect to **generate \$787 million of cash before dividends**.

Adjusted Cash from Operations⁽¹⁾

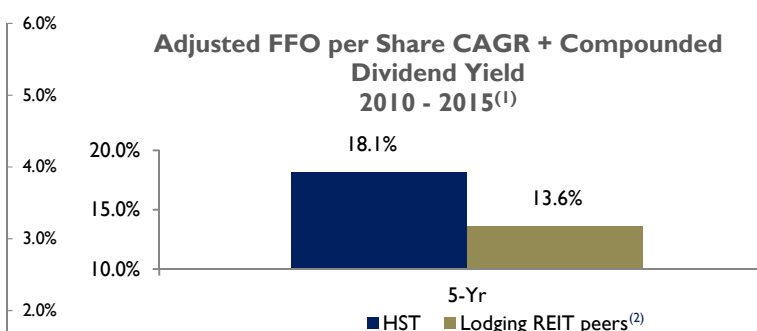
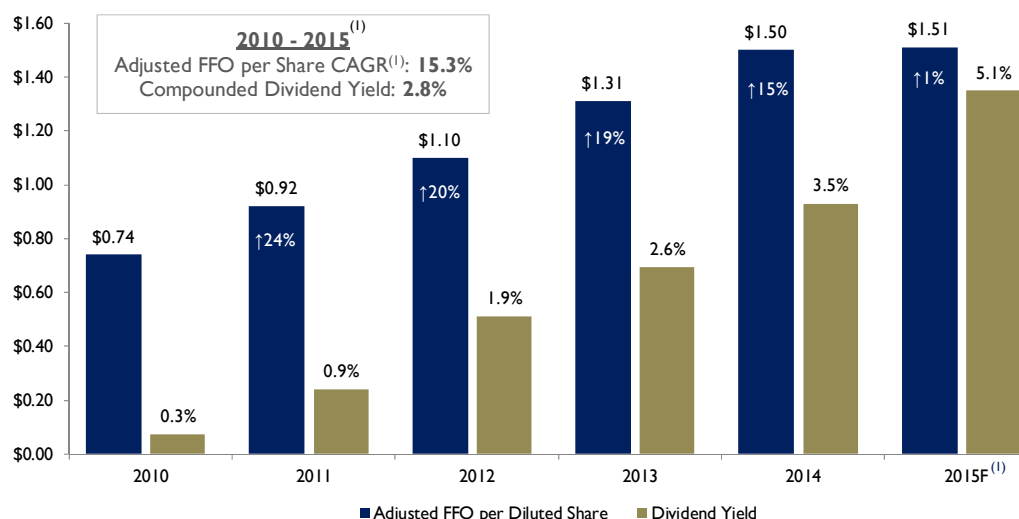


(1) See Appendix for comparable GAAP measure and reconciliations. 2015 forecast amounts are based on midpoint of our guidance issued on October 29, 2015. See Appendix for forecast assumptions.

Adjusted FFO per Diluted Share and Dividend Growth



- Adjusted FFO per share CAGR for 2010 – 2015 is 15.3%
- Compounded 2010 to 2015 annual dividend yield is 2.8%
- Combined 5-year cumulative annual Adjusted FFO and dividend yield of 18.1%



Our cumulative Adjusted FFO per share growth combined with our dividend yield growth over the last 5 years exceed our peers by 450 basis points⁽²⁾

- (1) Presentation of 2015 hypothetical dividend is for illustrative purposes only based on Host's dividend of \$0.60 declared through the first three quarters of 2015 and an assumed fourth quarter dividend of \$0.20 per share. The fourth quarter dividend is subject to Board approval and there can be no assurance that the Board will authorize a dividend at the level assumed. To date, no additional dividends have been declared for 2015. The Adjusted FFO per diluted share represents the mid-point of our October 29, 2015 guidance. See Appendix for reconciliations, additional information, and forecast assumptions.
- (2) Adjusted FFO may be calculated differently by each of our Lodging REIT peers and this presentation does not account for these differences. Lodging REIT peers that did not exist for the entirety of the period or with negative Adjusted FFO per share were excluded. See Appendix for additional information.

Our Strategy to Create Superior Shareholder Returns



Superior Portfolio

Own a geographically-diverse portfolio of superior hotels located in major urban centers and resort destinations with relatively higher barriers to entry

Disciplined Capital Allocation

Allocate and recycle capital with discipline to seek to earn returns that exceed our risk-adjusted cost of capital and actively return capital to stockholders

Strong Asset Management Capabilities

Continuously create value in our existing portfolio through intelligent asset management and capital investment

Powerful and Flexible Capital Structure

Maintain a powerful, flexible capital structure that allows us to execute our strategy throughout the lodging cycle

Employer of Choice and Responsible Corporate Citizen

Offering bright and sustainable futures

Employer of Choice and Responsible Corporate Citizen



Offering Bright and Sustainable Futures



- ✓ Consistently recognized for our company's performance and corporate culture⁽¹⁾
- ✓ Recruitment / retention of top industry talent
- ✓ Focused and individualized approach to training and development; tuition assistance
- ✓ Competitive compensation and benefits
- ✓ Employee-driven volunteerism and social events

(1) See Appendix for detailed list of recognitions

Employer of Choice and Responsible Corporate Citizen



Corporate Responsibility

Contributing to a Sustainable Future



12%

OUR GOAL BY 2017 IS TO REDUCE OUR ENERGY USE AND GREENHOUSE GAS EMISSIONS BY 12%.



140+

IN 2014, WE SUPPORTED OVER 140 CHARITABLE AND PHILANTHROPIC ORGANIZATIONS AND DONATED OVER 675 HOURS OF COMMUNITY SERVICE.



15%

OUR GOAL BY 2017 IS TO REDUCE OUR WATER USE BY 15%.

Strategic Approach

- Enhanced Corporate Responsibility (CR) framework focused on three key themes: Responsible Investment, Environmental Stewardship and Corporate Citizenship
- Developed policies and procedures to support and execute on each theme

Governance

- Board of Directors and Executive-level program oversight

2014 Performance

- Implemented **over 100 sustainability projects** to improve the environmental and financial performance of our properties
- Exceeded our 2017 environmental targets: **since 2008, reduced energy and greenhouse gas emissions by 18.2% per square foot** and available room (goal is 12%); **reduced water consumption by 14.7% per occupied room** (goal is 15%)
- **Supported over 140 charities**, 100 of which were employee-selected; and 200+ employees volunteered over 675 hours of community service

Employer of Choice and Responsible Corporate Citizen



Corporate Responsibility

Corporate Responsibility Recognition / Certification



First Host LEED® (Silver EBOM) certified property – the Hyatt Regency Maui Resort and Spa



2014 NAREIT Lodging / Resorts Leader in the Light Award Winner



2015 CDP Climate A List



2015 Green Star



2015 Regional Sector Leader for Hotels and 2015 Regional Leader

Our Major Markets

EBITDA by Major Markets	63
Major Markets	64

The premier lodging real estate company



The Camby, an Autograph Collection Hotel

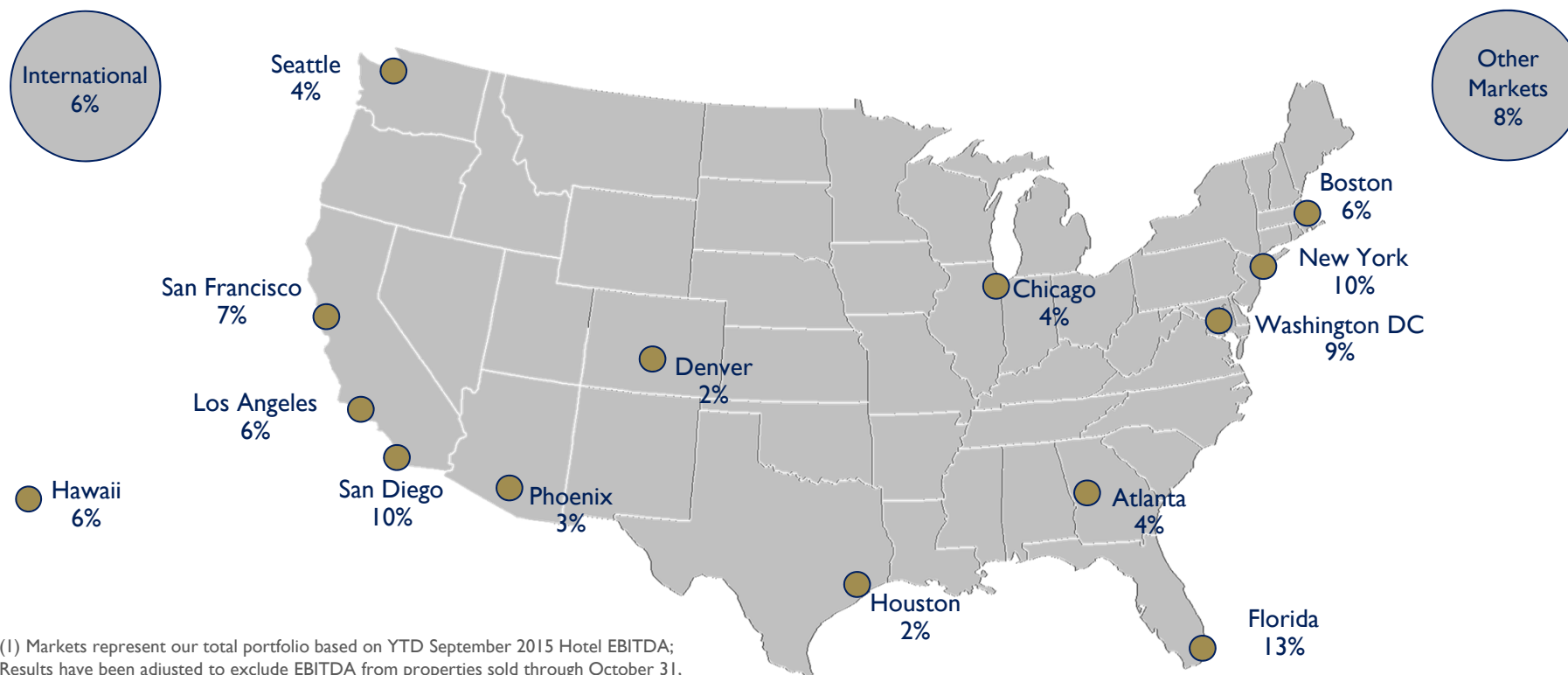


The Westin Seattle



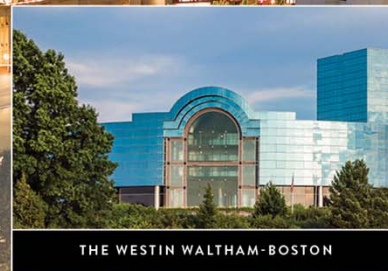
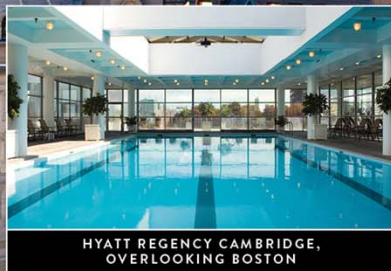
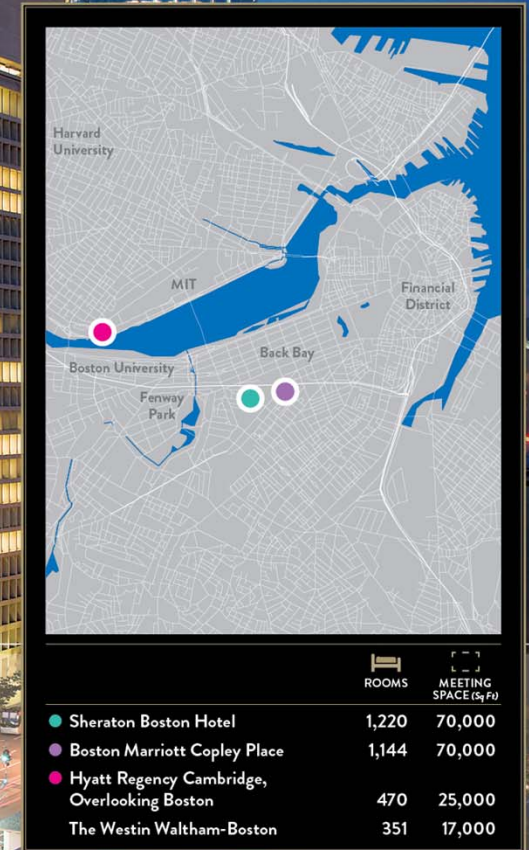
Hyatt Place Waikiki Beach

EBITDA by Major Markets⁽¹⁾



(1) Markets represent our total portfolio based on YTD September 2015 Hotel EBITDA; Results have been adjusted to exclude EBITDA from properties sold through October 31, 2015 and reflect only our pro-rata share of joint ventures and partnerships. See Appendix for reconciliation of these measures to comparable GAAP measures.

BOSTON



NEW YORK



	ROOMS	MEETING SPACE (sq ft)
● New York Marriott Marquis	1,966	101,000
● Sheraton New York Times Square Hotel	1,780	60,000
● The Westin New York Grand Central	774	15,000
● W New York	696	9,000
● New York Marriott Downtown	513	14,000
● W New York - Union Square	270	7,000
Newark Liberty International Airport Marriott	591	30,000
Sheraton Parsippany Hotel	370	35,000



NEW YORK MARRIOTT MARQUIS

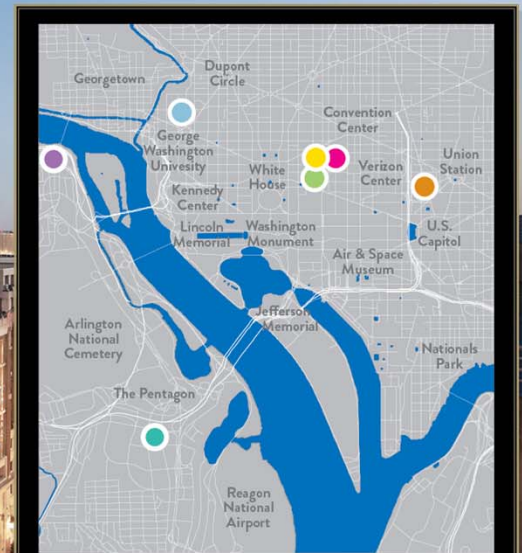


THE WESTIN NEW YORK GRAND CENTRAL

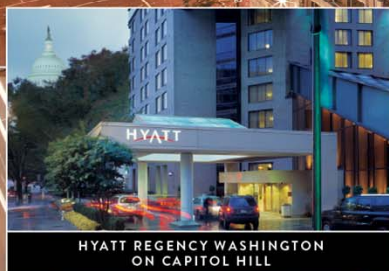


SHERATON NEW YORK TIMES SQUARE HOTEL

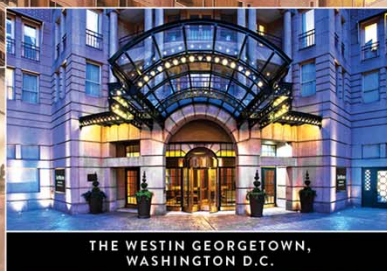
WASHINGTON DC



	ROOMS	MEETING SPACE (sq. ft.)
● Grand Hyatt Washington	897	44,000
● Hyatt Regency Washington on Capitol Hill	837	38,000
● JW Marriott Washington, DC	775	37,000
● Washington Marriott at Metro Center	459	12,000
● The Westin Georgetown, Washington D.C.	267	12,000
● Key Bridge Marriott	582	17,000
● Residence Inn Arlington Pentagon City	299	5,000
● The Ritz-Carlton, Tysons Corner	398	30,000
● Hyatt Regency Reston	518	32,000
● Westfields Marriott Washington Dulles	336	40,000
● Gaithersburg Marriott		
● Washingtonian Center	284	9,300



HYATT REGENCY WASHINGTON ON CAPITOL HILL

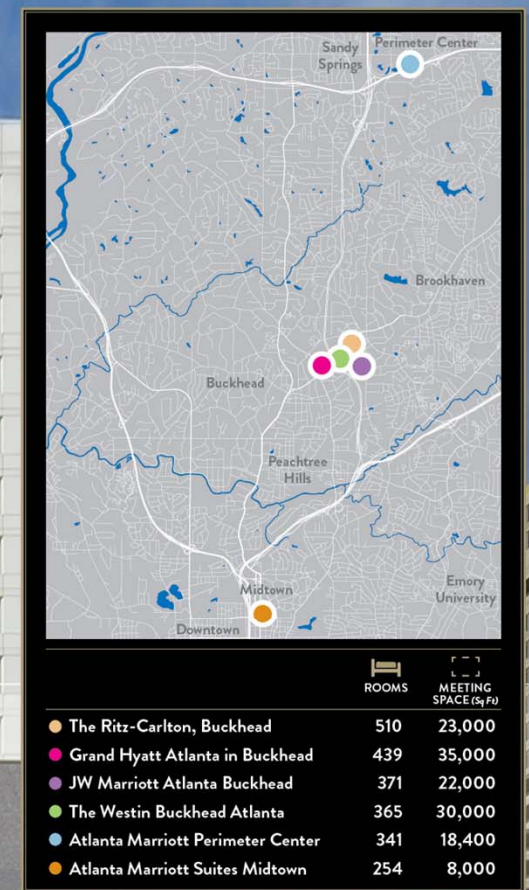


THE WESTIN GEORGETOWN, WASHINGTON D.C.

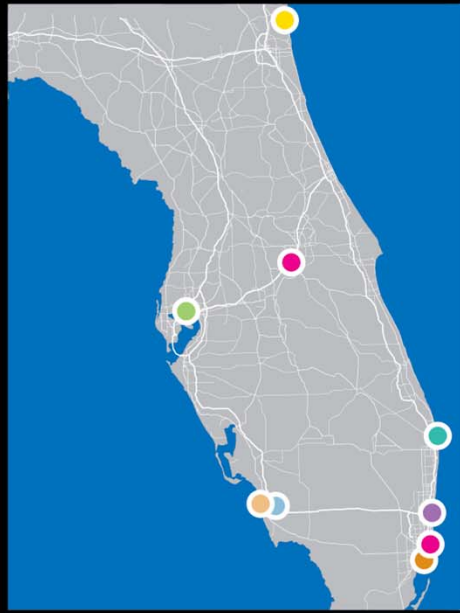


JW MARRIOTT WASHINGTON, DC

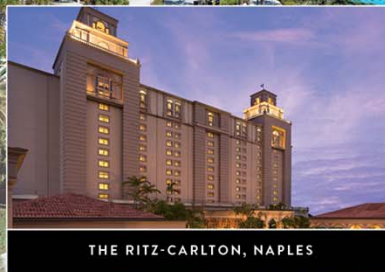
ATLANTA



FLORIDA



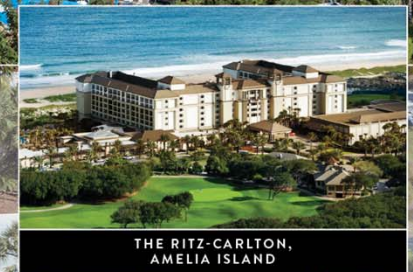
	ROOMS	MEETING SPACE (sq ft)
Orlando World Center Marriott	2,004	450,000
Fort Lauderdale Marriott Harbor Beach Resort & Spa	650	100,000
Miami Marriott Biscayne Bay	600	20,000
The Ritz-Carlton, Naples	450	42,000
The Ritz-Carlton, Amelia Island	446	48,000
Tampa Airport Marriott	298	22,000
The Ritz-Carlton Golf Resort, Naples	295	16,000
YVE Hotel Miami	243	1,000
Hilton Singer Island Oceanfront Resort	222	6,000



THE RITZ-CARLTON, NAPLES



MIAMI MARRIOTT BISCAYNE BAY

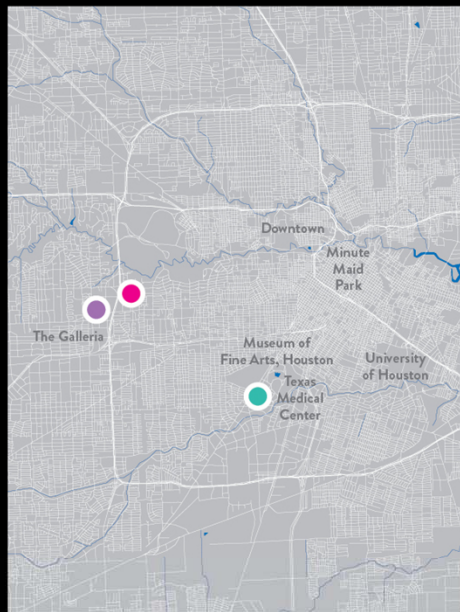


THE RITZ-CARLTON, AMELIA ISLAND

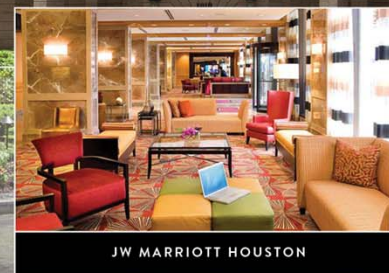
CHICAGO



HOUSTON



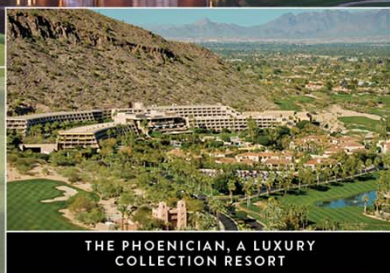
	ROOMS	MEETING SPACE (sq ft)
● The St. Regis Houston	232	10,000
● JW Marriott Houston	516	41,000
● Houston Marriott Medical Center	394	8,500
Houston Airport Marriott at George Bush Intercontinental	573	30,000



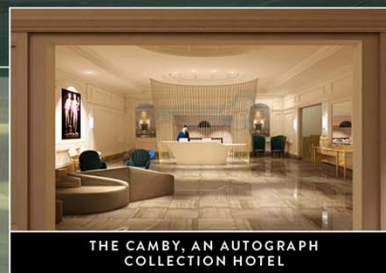
PHOENIX



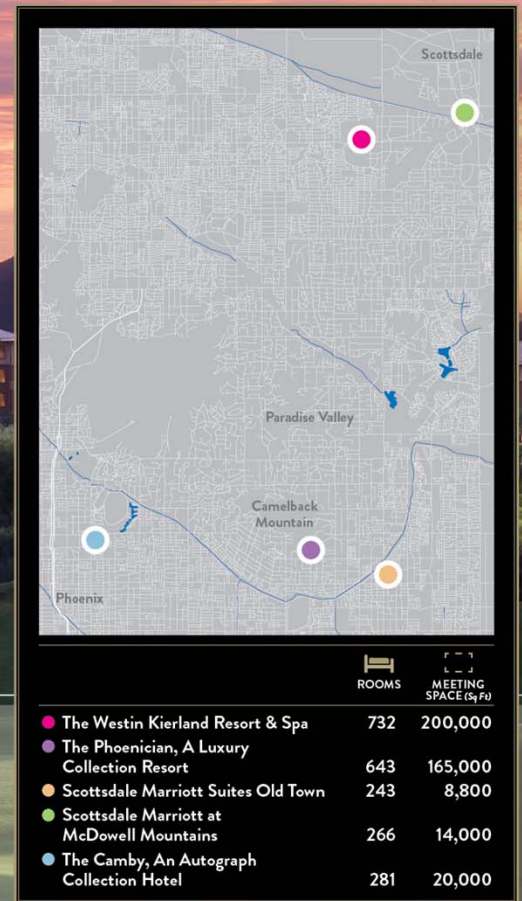
SCOTTSDALE MARRIOTT SUITES OLD TOWN



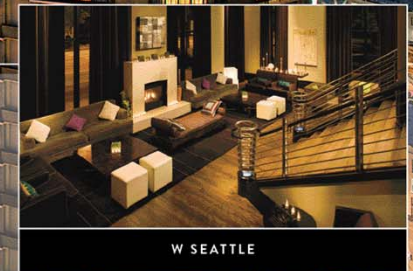
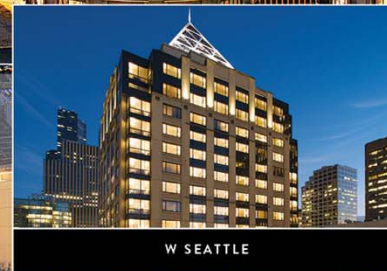
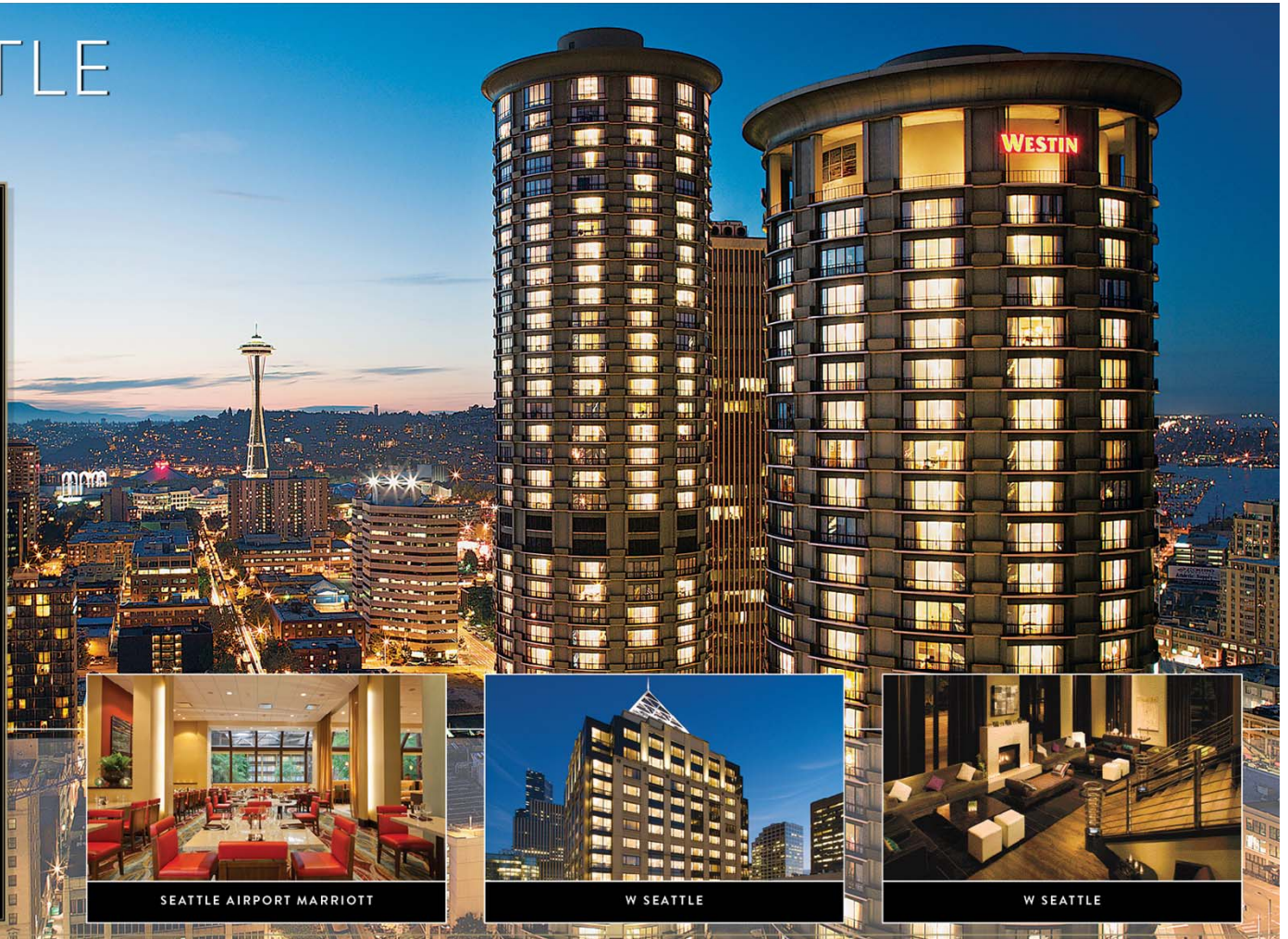
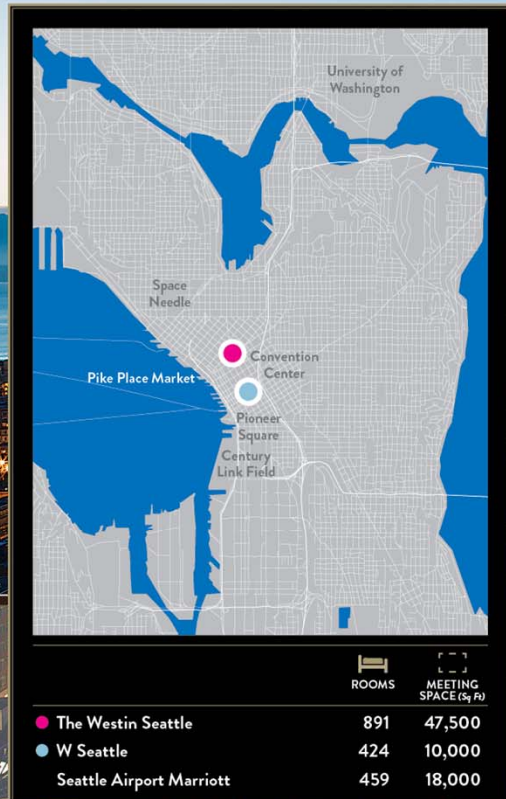
THE PHOENICIAN, A LUXURY COLLECTION RESORT



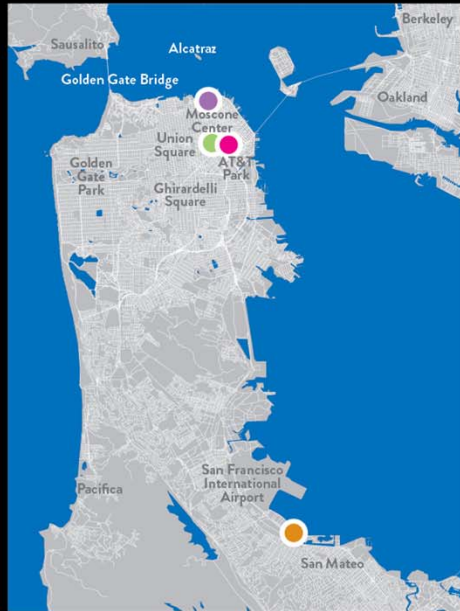
THE CAMBY, AN AUTOGRAPH COLLECTION HOTEL



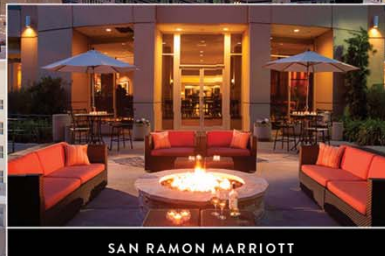
SEATTLE



SAN FRANCISCO



	ROOMS	MEETING SPACE (sq ft)
● San Francisco Marriott Marquis	1,500	117,000
● San Francisco Marriott Fisherman's Wharf	285	7,000
● Hyatt Regency San Francisco Airport	789	53,000
● Axiom Hotel	151	1,000
● Santa Clara Marriott	759	27,000
● San Ramon Marriott	368	16,500



SAN RAMON MARRIOTT

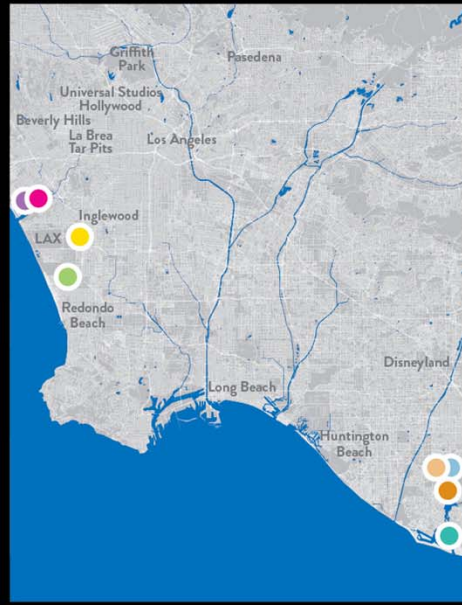


HYATT REGENCY SAN FRANCISCO AIRPORT



SAN FRANCISCO MARRIOTT
FISHERMAN'S WHARF

LOS ANGELES



	ROOMS	MEETING SPACE (sq ft)
● The Ritz-Carlton, Marina del Rey	304	30,000
● Marina del Rey Marriott	370	18,000
● Newport Beach Marriott Hotel & Spa	532	25,000
● The Westin South Coast Plaza, Costa Mesa	390	35,000
● The Westin Los Angeles Airport	740	51,000
● Manhattan Beach Marriott	385	25,000
● Costa Mesa Marriott	253	3,200
● Newport Beach Marriott Bayview	254	3,800



THE WESTIN LOS ANGELES AIRPORT



NEWPORT BEACH MARRIOTT HOTEL & SPA



THE WESTIN SOUTH COAST PLAZA, COSTA MESA

SAN DIEGO

SHERATON SAN DIEGO HOTEL & MARINA

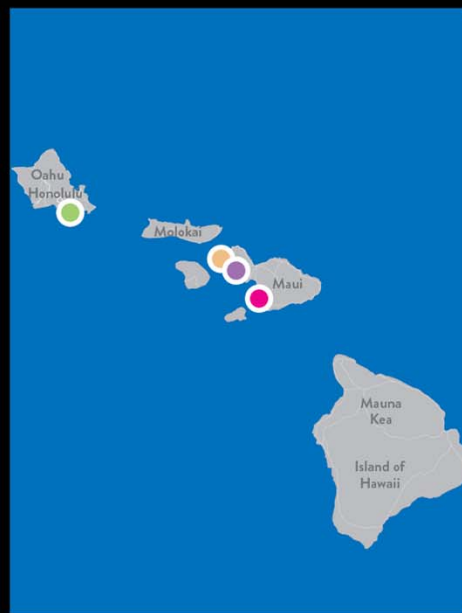
MARRIOTT MARQUIS SAN DIEGO MARINA

CORONADO ISLAND MARRIOTT RESORT & SPA

Map Labels: Sea World, Qualcomm Stadium, San Diego Airport, San Diego Zoo, Gaslamp Quarter, PETCO Park, Convention Center, Coronado.

	ROOMS	MEETING SPACE (sq ft)
Manchester Grand Hyatt San Diego	1,628	136,000
Marriott Marquis San Diego Marina	1,360	135,000
Sheraton San Diego Hotel & Marina	1,053	120,000
San Diego Marriott Mission Valley	350	28,000
Coronado Island Marriott Resort & Spa	300	25,000

HAWAII



	ROOMS	MEETING SPACE (sq. ft.)
● The Fairmont Kea Lani, Maui	450	36,000
● Hyatt Regency Maui Resort & Spa	806	125,000
● Hyatt Place Waikiki Beach	426	4,300
● Hyatt Ka'anapali Beach, A Hyatt Residence Club ⁽¹⁾	131	n/a

⁽¹⁾ Timeshare project owned through a joint venture.



HYATT PLACE WAIKIKI BEACH

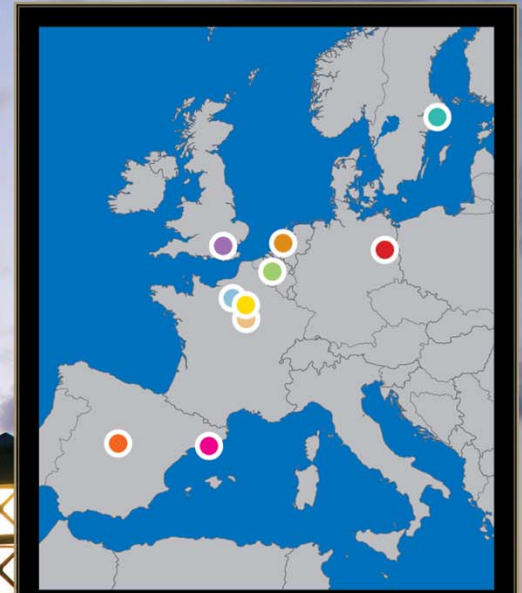


THE FAIRMONT KEA LANI, MAUI

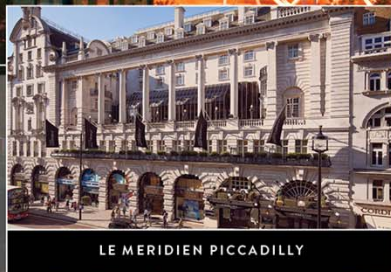


HYATT KA'ANAPALI BEACH,
A HYATT RESIDENCE CLUB⁽¹⁾

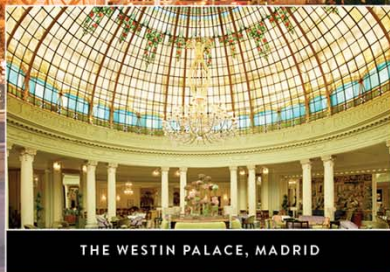
EUROPE JOINT VENTURE



	ROOMS	MEETING SPACE (sq. ft.)
● Hotel Arts Barcelona	483	32,000
● Le Meridien Piccadilly	280	9,900
● The Westin Palace, Madrid	467	34,000
● Paris Marriott Rive Gauche Hotel & Conference Center	757	52,000
● Renaissance Paris Vendome Hotel	97	260
● Brussels Marriott Hotel Grand Place	221	6,800
● Renaissance Paris La Defense Hotel	327	7,500
● Renaissance Amsterdam Hotel	402	16,000
● Sheraton Stockholm Hotel	465	4,000
● Sheraton Berlin Grand Hotel Esplanade	394	9,500



LE MERIDIEN PICCADILLY



THE WESTIN PALACE, MADRID



RENAISSANCE PARIS VENDOME HOTEL

APPENDIX

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Key Terms and Statistics

DEFINED TERMS

Cash-on-cash return – The cash return for the first year of operations from a respective investment. It is calculated as the incremental increase in cash flow from operations as a result of the project, including any cost savings, divided by the Investment.

CAGR – Compound Annual Growth Rate. The mean annual growth rate of an investment over a specified period of time longer than one year.

Cap Rate – Capitalization Rate, calculated as Net Operating Income (NOI) divided by sales price.

Investment – Our investment of cash, land or other property. Amount is net of debt assumed or investments made by partners.

IRR – Internal rate of return.

Multiple or EBITDA Multiple – Sales price divided by Hotel-level EBITDA

NAV – Net Asset Value, representing the underlying market value of assets, net of liabilities.

Net Operating Income (NOI) – NOI for a specific hotel or capital expenditure project is calculated as the hotel or entity level operating profit less an estimate for the annual contractual reserve requirements for renewal and replacement expenditures.

Preferred – Preferred shares.

Price – Sales price plus amounts distributed to seller from the furniture, fixtures and equipment (FF&E) replacement fund.

Replacement Cost – The cost to develop a new hotel in the same lodging segment based on current estimated costs.

RevPAR – The product of the average daily room rate charged and the average daily occupancy achieved.

RevPAR Index – RevPAR Index measures a hotel's fair market share of their competitive set's revenue per available room within a given market by dividing the property's RevPAR by the average RevPAR of the competitive set. If a hotel is capturing its fair market share, the index will be 100; if capturing less than its fair market share, a hotel's index will be less than 100; and if capturing more than its fair market share, a hotel's index will be greater than 100. For each property, the market competitive set is based on the set agreed to with the manager and is included within the respective property's management agreement. The competitive set can be used for various purposes, including for determining the hotel general manager's compensation as well as owner's performance based termination rights under the hotel management agreement. Therefore, it represents an arm's length negotiated set of hotels which the parties agree represent the hotel's most direct competition. However, it does not necessarily represent all the hotels against which the hotel competes and may exclude hotels in other segments (e.g., select service hotels) even though those hotels may compete with the hotel for certain customers. The index approach is also used to calculate Group Occupancy Index and Transient ADR Index in a similar manner.

Key Terms and Statistics

TTM – Trailing twelve months.

NON-GAAP FINANCIAL MEASURES

Included in this presentation are certain “non-GAAP financial measures,” which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. They are as follows: (i) FFO and FFO per diluted share (both NAREIT and Adjusted), (ii) EBITDA, (iii) Adjusted EBITDA, (iv) comparable hotel EBITDA margin, (v) cash interest expense, and (vi) Adjusted Cash from Operations. Additionally, we have presented leverage and fixed charge coverage ratios, which are used to determine compliance with financial covenants under our credit facility, that are not calculated and presented in accordance with GAAP. The following discussion defines these measures and presents why we believe they are useful supplemental measures of our performance.

NAREIT FFO and NAREIT FFO per Diluted Share

We present NAREIT FFO and NAREIT FFO per diluted share as non-GAAP measures of our performance in addition to our earnings per share (calculated in accordance with GAAP). We calculate NAREIT FFO per diluted share as our NAREIT FFO (defined as set forth below) for a given operating period, as adjusted for the effect of dilutive securities, divided by the number of fully diluted shares outstanding during such period, in accordance with NAREIT guidelines. NAREIT defines FFO as net income (calculated in accordance with GAAP) excluding gains and losses from sales of real estate, the cumulative effect of changes in accounting principles, real estate-related depreciation, amortization and impairments and adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect our pro rata share of the FFO of those entities on the same basis.

We believe that NAREIT FFO per diluted share is a useful supplemental measure of our operating performance and that the presentation of NAREIT FFO per diluted share, when combined with the primary GAAP presentation of earnings per share, provides beneficial information to investors. By excluding the effect of real estate depreciation, amortization, impairments and gains and losses from sales of depreciable real estate, all of which are based on historical cost accounting and which may be of lesser significance in evaluating current performance, we believe that such measures can facilitate comparisons of operating performance between periods and with other REITs, even though NAREIT FFO per diluted share does not represent an amount that accrues directly to holders of our common stock. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. As noted by NAREIT in its April 2002 “White Paper on Funds From Operations,” since real estate values have historically risen or fallen with market conditions, many industry investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. For these reasons, NAREIT adopted the FFO metric in order to promote an industry-wide measure of REIT operating performance.

Adjusted FFO per Diluted Share

We also present Adjusted FFO per diluted share when evaluating our performance because management believes that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. Management historically has made the adjustments detailed below in evaluating our performance, in our annual budget process and for our compensation programs. We believe that the presentation of Adjusted FFO per diluted share, when combined with both the primary GAAP presentation of earnings per share

Key Terms and Statistics

and FFO per diluted share as defined by NAREIT, provides useful supplemental information that is beneficial to an investor's complete understanding of our operating performance. We adjust NAREIT FFO per diluted share for the following items, which may occur in any period, and refer to this measure as Adjusted FFO per diluted share:

- Gains and Losses on the Extinguishment of Debt – We exclude the effect of finance charges and premiums associated with the extinguishment of debt, including the acceleration of the write-off of deferred financing costs associated with the original issuance of the debt being redeemed or retired and incremental interest expense incurred during the refinancing period. We also exclude the gains on debt repurchases and the original issuance costs associated with the retirement of preferred stock. We believe that these items are not reflective of our ongoing finance costs.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.

In unusual circumstances, we may also adjust NAREIT FFO for gains or losses that management believes are not representative of the Company's current operating performance. For example, in the first quarter of 2013, management excluded the \$11 million gain from an eminent domain claim for which we received the cash proceeds in 2007, but, pending the resolution of certain contingencies, was not recognized until 2013. Typically, gains from the disposition of non-depreciable property are included in the determination of NAREIT and Adjusted FFO.

EBITDA

Earnings before Interest Expense, Income Taxes, Depreciation and Amortization ("EBITDA") is a commonly used measure of performance in many industries. Management believes EBITDA provides useful information to investors regarding our results of operations because it helps us and our investors evaluate the ongoing operating performance of our properties after removing the impact of the Company's capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other lodging REITs, hotel owners who are not REITs and other capital-intensive companies. Management uses EBITDA to evaluate property-level results and as one measure in determining the value of acquisitions and dispositions and is widely used by management in the annual budget process and for our compensation programs.

Adjusted EBITDA

Historically, management has adjusted EBITDA when evaluating the performance of Host Inc. and Host LP because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance and that the presentation of Adjusted EBITDA, when combined with the primary GAAP presentation of net income, is beneficial to an investor's complete understanding of our operating performance. Adjusted EBITDA also is a relevant measure in calculating certain credit ratios as discussed below. We adjust EBITDA for the following items, which may occur in any period, and refer to this measure as Adjusted EBITDA:

- Real Estate Transactions – We exclude the effect of gains and losses, including the amortization of deferred gains, recorded on the disposition or acquisition of depreciable assets and property insurance gains in our consolidated statement of operations because we believe that

Key Terms and Statistics

including them in Adjusted EBITDA is not consistent with reflecting the ongoing performance of our assets. In addition, material gains or losses from the depreciated book value of the disposed assets could be less important to investors given that the depreciated asset book value often does not reflect the market value of real estate assets as noted above.

- **Equity Investment Adjustments** – We exclude the equity in earnings (losses) of affiliates as presented in our consolidated statement of operations because it includes our pro rata portion of the depreciation, amortization and interest expense related to such investments, which are excluded from EBITDA. We include our pro rata share of the Adjusted EBITDA of our equity investments as we believe this reflects more accurately the performance of our investments. The pro rata Adjusted EBITDA of equity investments is defined as the EBITDA of our equity investments adjusted for any gains or losses on property transactions multiplied by our percentage ownership in the partnership or joint venture.
- **Consolidated Partnership Adjustments** – We deduct the non-controlling partners' pro rata share of Adjusted EBITDA of our consolidated partnerships as this reflects the non-controlling owners' interest in the EBITDA of our consolidated partnerships. The pro rata Adjusted EBITDA of non-controlling partners is defined as the EBITDA of our consolidated partnerships adjusted for any gains or losses on property transactions multiplied by the non-controlling partners' percentage ownership in the partnership or joint venture.
- **Cumulative Effect of a Change in Accounting Principle** – Infrequently, the Financial Accounting Standards Board promulgates new accounting standards that require the consolidated statement of operations to reflect the cumulative effect of a change in accounting principle. We exclude these one-time adjustments because they do not reflect our actual performance for that period.
- **Impairment Losses** – We exclude the effect of impairment expense recorded because we believe that including them in Adjusted EBITDA is not consistent with reflecting the ongoing performance of our remaining assets. In addition, we believe that impairment expense, which is based on historical cost book values, is similar to gains and losses on dispositions and depreciation expense, both of which are excluded from EBITDA.
- **Acquisition Costs** – Under GAAP, costs associated with completed property acquisitions are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the company.
- **Litigation Gains and Losses** – Effective April 1, 2013, we have excluded the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business, which we adopted effective January 1, 2011. We believe that including these items is not consistent with our ongoing operating performance.

In unusual circumstances, we may also adjust EBITDA for gains or losses that management believes are not representative of the Company's current operating performance. For example, in the first quarter of 2013, management excluded the \$11 million gain from an eminent domain claim for land for which we received the cash proceeds in 2007, but, pending the resolution of certain contingencies, was not recognized until 2013. Typically, gains from the disposition of non-depreciable property are included in the determination of Adjusted EBITDA.

Credit Facility Leverage and Fixed Charge Coverage Ratios

Host's credit facility contains certain financial covenants, including allowable leverage and fixed charge coverage ratios, which are determined using EBITDA as calculated under the terms of our credit facility ("Adjusted Credit Facility EBITDA"). The leverage ratio is defined as net debt plus preferred equity to Adjusted Credit Facility EBITDA. The fixed charge coverage ratio is defined as Adjusted Credit Facility EBITDA divided by fixed charges,

Key Terms and Statistics

which include interest expense, required debt amortization payments, cash taxes and preferred stock payments. These calculations are based on pro forma results for the prior four fiscal quarters, giving effect to transactions such as acquisitions, dispositions and financings as if they occurred at the beginning of the period. Under the terms of the credit facility, interest expense excludes items such as the gains and losses on the extinguishment of debt, deferred financing charges related to the senior notes or the credit facility, amortization of debt premiums or discounts that were recorded at issuance of a loan to establish its fair value and non-cash interest expense, all of which are included in interest expense on our consolidated statement of operations.

Additionally, total debt used in the calculation of our leverage ratio is based on a “net debt” concept, under which cash and cash equivalents in excess of \$100 million are deducted from our total debt balance. In this presentation we have presented our credit facility leverage and fixed charge coverage ratios which are considered non-GAAP financial measures. Management believes these financial ratios provide useful information to investors regarding our ability to access the capital markets and in particular debt financing.

Cash Interest Expense

We present Cash Interest Expense when evaluating our performance because management believes that the exclusion of certain items from interest expense as calculated under GAAP provides useful supplemental information to investors regarding payment obligations under debt agreements. Management historically has made the adjustments detailed below to provide investors with a measure of the level of required cash expenditures associated with our outstanding debt without regard to cost associated with refinancing activity or non-cash expense. We believe that the presentation of Cash Interest Expense, when combined with the primary GAAP presentation, provides useful supplemental information related to our capital structure. We adjust GAAP interest expense for the following items, which may occur in any period, and refer to this measure as Cash Interest Expense:

- Non-cash interest expense for exchangeable debentures – We separately account for the liability and equity components of our exchangeable debentures in order to reflect the fair value of the liability component based on our non-convertible borrowing cost at the date of issuance. The discount is amortized over the expected life of the debt to interest expense but does not impact cash interest expense.
- Amortization for deferred financing cost – These costs represent cash payments made at the time of issuance and are amortized over the life of the debt. The amount and timing of these costs is dependent upon the level of financing activities and therefore, management does not believe they are reflective of the run-rate for interest expense.
- Debt extinguishment costs - These costs represent cash payments for premiums associated with prepayment of debt prior to maturity and the acceleration of previously unrecognized deferred financing costs. The amount and timing of these is dependent upon the level of financing activities and therefore, management does not believe they are reflective of the run-rate for interest expense.
- Changes in accrued interest – Represents the change in accrued interest on our balance sheet based on the timing of the payment of interest.

Adjusted Cash from Operations

We also present Adjusted Cash from Operations when evaluating our performance because management believes that the adjustment of certain additional items described below provides useful supplemental information to investors regarding the growth in cash flow from operations. We believe that the presentation of Adjusted Cash from Operations, when combined with the primary GAAP presentation of cash provided by operating activities from our consolidated statement of cash flows, provides useful supplemental information of cash available for acquisitions, capital expenditures,

Key Terms and Statistics

payment of dividends, stock repurchases and other corporate purposes. We adjust cash provided by operating activities for the following items, which may occur in any period, and refer to this measure as Adjusted Cash from Operations:

- Renewal and replacement capital expenditures (R&R) – Under the terms of our contracts with our managers we are required to provide cash for regular maintenance capital expenditures which we define as R&R. For this reason, we deduct these required cash expenditures in determining Adjusted Cash From Operations. These amounts are shown in cash from investing activities in our statement of cash flows.
- Cash debt extinguishment costs and incremental interest expense - These costs represent cash payments for premiums associated with prepayment of debt prior to maturity and cash interest expense during the period subsequent to the issuance of the new debt and prior to the repayment of the old debt. The amount and timing of these is dependent upon the level of financing activities and therefore, management does not believe they are reflective of the run-rate for interest expense.

Limitations on the Use of Non-GAAP Financial Measures

We calculate NAREIT FFO per diluted share in accordance with standards established by NAREIT, which may not be comparable to measures calculated by other companies who do not use the NAREIT definition of FFO or do not calculate FFO per diluted share in accordance with NAREIT guidance. In addition, although FFO per diluted share is a useful measure when comparing our results to other REITs, it may not be helpful to investors when comparing us to non-REITs. We also calculate Adjusted FFO per diluted share, which is not in accordance with NAREIT guidance and may not be comparable to measures calculated by other REITs. EBITDA, Adjusted EBITDA and Adjusted Credit Facility EBITDA, as presented, may not be comparable to measures calculated by other companies. This information should not be considered as an alternative to net income, operating profit, cash from operations or any other operating performance measure calculated in accordance with GAAP. Cash expenditures for various long-term assets (such as renewal and replacement capital expenditures), interest expense (for EBITDA, Adjusted EBITDA and Adjusted Credit Facility EBITDA purposes only) and other items have been and will be made and are not reflected in the NAREIT FFO per diluted share, Adjusted FFO per diluted share, EBITDA, Adjusted EBITDA, and Adjusted Credit Facility EBITDA presentations. Our consolidated statement of operations and cash flows include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures. Additionally, NAREIT FFO per diluted share, Adjusted FFO per diluted share, EBITDA, Adjusted EBITDA and Adjusted Credit Facility EBITDA should not be considered as a measure of our liquidity or indicative of funds available to fund our cash needs, including our ability to make cash distributions. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. In addition, NAREIT FFO per diluted share and Adjusted FFO per diluted share do not measure, and should not be used as a measure of, amounts that accrue directly to stockholders' benefit.

We calculate Cash Interest Expense and Adjusted Cash from Operations as noted above. These measures should not be considered as an alternative to interest expense or cash provided by operating activities determined in accordance with GAAP. Cash expenditures for various long-term assets (such as acquisitions and return on investment expenditures), debt prepayment costs, stock repurchases, payment of dividends and other items have been, and will be made, and are not included in GAAP cash flow from operations. Our consolidated statements of operations and cash flows include these items, all of which should be considered when evaluating our performance, as well as the usefulness of these and other non-GAAP financial measures. These items should not be considered as a measure of our liquidity or indicative of funds available to fund our cash needs, including the ability to make cash distributions, without consideration of the impact of the items excluded from these calculations to the extent they are material to operating decisions.

Key Terms and Statistics

Comparable Hotel Property Level Operating Results

We present certain operating results for our hotels, such as hotel revenues, expenses, EBITDA (and the related margin) on a comparable hotel, or “same store,” basis as supplemental information for investors. See “Comparable Hotel Operating Statistics” below for a description of how we determine our comparable hotels. Our comparable hotel results present operating results for hotels owned during the entirety of the periods being compared without giving effect to any acquisitions or dispositions, significant property damage or large scale capital improvements incurred during these periods. We present comparable hotel EBITDA to help us and our investors evaluate the ongoing operating performance of our comparable properties after removing the impact of the Company’s capital structure (primarily interest expense), and its asset base (primarily depreciation and amortization). Corporate-level costs and expenses are also removed to arrive at property-level results. We believe these property-level results provide investors with supplemental information into the ongoing operating performance of our comparable hotels. Comparable hotel results are presented both by region and for the Company’s comparable properties in the aggregate. We eliminate depreciation and amortization because, even though depreciation and amortization are property-level expenses, these non-cash expenses, which are based on historical cost accounting for real estate assets, implicitly assume that the value of real estate assets diminishes predictably over time. As noted earlier, because real estate values have historically risen or fallen with market conditions, many real estate industry investors have considered presentation of historical cost accounting for operating results to be insufficient by themselves.

As a result of the elimination of corporate-level costs and expenses and depreciation and amortization, the comparable hotel operating results we present do not represent our total revenues, expenses, operating profit or net income and should not be used to evaluate our performance as a whole. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our consolidated statements of operations include such amounts, all of which should be considered by investors when evaluating our performance.

We present these hotel operating results on a comparable hotel basis because we believe that doing so provides investors and management with useful information for evaluating the period-to-period performance of our hotels and facilitates comparisons with other hotel REITs and hotel owners. In particular, these measures assist management and investors in distinguishing whether increases or decreases in revenues and/or expenses are due to growth or decline of operations at comparable hotels (which represent the vast majority of our portfolio) or from other factors, such as the effect of acquisitions or dispositions. While management believes that presentation of comparable hotel results is a “same store” supplemental measure that provides useful information in evaluating our ongoing performance, this measure is not used to allocate resources or to assess the operating performance of each of these hotels, as these decisions are based on data for individual hotels and are not based on comparable hotel results. For these reasons, we believe that comparable hotel operating results, when combined with the presentation of GAAP operating profit, revenues and expenses, provide useful information to investors and management.

LODGING AND BLUE CHIP REIT PEER GROUPS

Our investor presentation includes comparisons to other Lodging REITs and large non-lodging REITs (Blue Chip REITs) for certain balance sheet metrics including leverage, defined as net debt plus preferred equity to EBITDA, as well as operating metrics such compound average growth rate and comparable hotel EBITDA margin growth (the latter for Lodging REITs only). Management believes that these companies are representative of the broader lodging and real estate industry and, therefore, are useful to investors in evaluating our performance. However, as each of these measures are non-GAAP performance measures, the calculation of any of these metrics for the companies may vary and may not be comparable

Key Terms and Statistics

to how Host calculates these metrics. Because each company may make different adjustments, the comparison is only an approximation and the presentation may not account for these differences. These companies may calculate EBITDA and other ratio components differently in the determination of their reported leverage ratios; however, we believe this methodology is generally consistent with leverage ratios commonly used by research analysts in the lodging industry. The leverage ratio (net debt plus preferred equity/EBITDA) for the Lodging and Blue Chip REITs presented herein is based on information reported by these companies.

Additionally, metrics for specific time periods may not include the entirety of the peer group outlined below. For example, certain of the Lodging REITs will be excluded if not in existence for the entirety of the period being evaluated. Where the entirety of the peer group is not included we have noted the exclusion in the footnotes to the reconciliations supporting the calculation methodology. The information presented for the Lodging and Blue Chip REITs should not be considered as an alternative to net income, operating profit, cash from operations or any other operating performance measure calculated in accordance with GAAP. The information was obtained from publicly available information, including the companies' filings with the SEC.

Lodging REITs – Lodging REIT companies in our comparison set are based on the next ten largest lodging REITs by market capitalization (excluding REITs with a high portfolio concentration of limited service hotels which are not comparable to Host's portfolio) and include:

- RLJ RLJ Lodging Trust
- LHO LaSalle Hotel Properties
- DRH Diamondrock Hospitality Co.
- CHSP Chesapeake Lodging Trust
- SHO Sunstone Hotel Investors Inc.
- AHT Ashford Hospitality Trust, Inc.
- PEB Pebblebrook Hotel Trust
- RHP Ryman Hospitality Properties, Inc.
- BEE Strategic Hotels & Resorts, Inc.
- FCH FelCor Lodging Trust Incorporated

Blue Chip REITs – Blue-chip REIT companies in our comparison set are based on what we believe are the 11 most comparable blue-chip REITs (based on the largest market capitalization for domestic REITs) and include:

- PSA Public Storage, Inc.
- HCP HCP, Inc.
- VTR Ventas, Inc.
- SPG Simon Property Group
- AVB AvalonBay Communities
- BXP Boston Properties
- EQR Equity Residential
- HCN Health Care REIT Inc.
- PLD Prologis
- VNO Vornado Realty Trust
- GGP General Growth Properties

Key Terms and Statistics

COMPARABLE HOTEL OPERATING STATISTICS

To facilitate a comparison of our operations, we present certain operating statistics (i.e., RevPAR, average daily rate and average occupancy) and operating results (revenues, expenses, hotel EBITDA and associated margins) for the periods included in this presentation on a comparable hotel basis. Because these statistics and operating results relate only to our hotel properties, they exclude results for our non-hotel properties and other real estate investments. We define our comparable hotels as properties:

- (i) that are owned or leased by us and the operations of which are included in our consolidated results, whether as continuing operations or discontinued operations, for the entirety of the reporting periods being compared; and
- (ii) that have not sustained substantial property damage or business interruption, or undergone large-scale capital projects (as further defined below) during the reporting periods being compared.

The hotel business is capital-intensive and renovations are a regular part of the business. Generally, hotels under renovation remain comparable hotels. A large scale capital project that would cause a hotel to be excluded from our comparable hotel set is an extensive renovation of several core aspects of the hotel, such as rooms, meeting space, lobby, bars, restaurants and other public spaces. Both quantitative and qualitative factors are taken into consideration in determining if the renovation would cause a hotel to be removed from the comparable hotel set, including unusual or exceptional circumstances such as: a reduction or increase in room count, rebranding, a significant alteration of the business operations, or the closing of the hotel during the renovation.

We do not include an acquired hotel in our comparable hotel set until the operating results for that hotel have been included in our consolidated results for one full calendar year. For example, we acquired The Phoenician, A Luxury Collection Resort, in June 2015. The hotel will not be included in our comparable hotels until January 1, 2017. Hotels that we sell are excluded from the comparable hotel set once the transaction has closed. Similarly, hotels are excluded from our comparable hotel set from the date that they sustain substantial property damage or business interruption or commence a large-scale capital project. In each case, these hotels are returned to the comparable hotel set when the operations of the hotel have been included in our consolidated results for one full calendar year after completion of the repair of the property damage or cessation of the business interruption, or the completion of large-scale capital projects, as applicable.

Accordingly, comparable hotel sets will vary from year-to-year. For the specific hotels considered comparable for 2010 through 2014, see the reconciliation from net income to comparable hotel EBITDA.

PORTFOLIO BY MARKET AND PROPERTY TYPE

We evaluate the operating performance of our comparable hotels based on both market and property type. These divisions are generally consistent with groupings recognized in the lodging industry.

Our markets consist of the following:

Domestic

- Boston –Greater Boston Metropolitan area;

Key Terms and Statistics

- New York – Greater New York Metropolitan area, including northern New Jersey;
- Washington, D.C. –Metropolitan area, including the Maryland and Virginia suburbs;
- Atlanta – Atlanta Metropolitan area;
- Florida – All Florida locations;
- Chicago – Chicago Metropolitan area;
- Denver – Denver Metropolitan area;
- Houston – Houston Metropolitan area;
- Phoenix – Phoenix Metropolitan area, including Scottsdale;
- Seattle – Seattle Metropolitan area;
- San Francisco – Greater San Francisco Metropolitan area, including San Jose;
- Los Angeles – Greater Los Angeles area, including Orange County;
- San Diego –San Diego Metropolitan area;
- Hawaii – All Hawaii locations;
- Other – Select cities in California, Indiana, Louisiana, Minnesota, Missouri, Ohio, Pennsylvania, Tennessee, and Texas;

International

- Asia-Pacific –Australia and New Zealand;
- Canada – Toronto and Calgary; and
- Latin America –Brazil, Chile and Mexico.

Our property types consist of the following:

- Urban—Hotels located in primary business districts of major cities;
- Suburban—Hotels located in office parks or smaller secondary markets;
- Resort/Conference—Hotels located in resort/conference destinations such as Arizona, Florida, Hawaii and Southern California; and
- Airport—Hotels located at or near airports

ITEMS THAT MAY AFFECT FORECAST RESULTS, PROJECTIONS AND OTHER ESTIMATES

Certain items included in this investor presentation such as forecast EBITDA for acquired hotels, expected incremental EBITDA from capital expenditure projects, including redevelopment and repositioning of hotels, meeting space and restaurants and estimated internal rate of return (IRR) require the company to make assumptions about the future performance of our hotels that may affect forecast results. In determining these forecasts, we evaluate a number of operating performance metrics, including occupancy, room rate, mix of group and transient customers, as well as market specific estimates of demand drivers. Additionally, based on like hotels in our portfolio, we have estimated costs such as utilities, marketing, general overhead costs, and management fees. For certain of our projects, where we have closed or substantially disrupted current year operations, or where we have changed operators, historical operating data is not predictive of future results and there can be no assurances that we will achieve these 2016 forecasts due to potential delays in the renovations, less than expected demand or a slower than expected ramp-up in operations.

Key Terms and Statistics

The following items may also affect our expected results from operations.

Supply and Demand - Our industry is influenced by the cyclical relationship between the supply of and demand for hotel rooms. Lodging demand growth typically is related to the vitality of the overall economy, in addition to local market factors that stimulate travel to specific destinations. In particular, trends in economic indicators such as GDP growth, business investment and employment growth are key indicators of the relative strength of lodging demand.

Competition – The lodging industry is highly competitive. Competition often is specific to individual markets and is based on a number of factors, including location, brand, guest facilities and amenities, level of service, room rates and the quality of accommodations. The lodging industry is viewed as consisting of six different segments, each of which caters to a discrete set of customer tastes and needs: luxury, upper upscale, upscale, midscale (with and without food and beverage service) and economy. The classification of a property is based on lodging industry standards, which take into consideration many factors such as guest facilities and amenities, level of service and quality of accommodations. While our hotels primarily compete with other hotels in the luxury and upper upscale segments, they also may compete with hotels in other lower-tier segments. In addition, many management contracts for our hotels do not prohibit our managers from converting, franchising or developing other hotel properties in our markets. As a result, our hotels compete with other hotels that our managers may own, invest in, manage or franchise.

See slide 2 in this presentation for additional risks and uncertainties that may affect forecast results.

Reconciliation of Hotel EBITDA to Hotel Net Income by Market

The following table presents the reconciliation of hotel EBITDA by market to net income.

Year-to-date ended September 30, 2015						
Market ⁽¹⁾	Hotel Net Income ⁽²⁾	Plus: Depreciation	Plus: Interest Expense ⁽²⁾	Less: Income tax ⁽²⁾	Equals: Hotel EBITDA	Percent of Total EBITDA
Boston	\$ 34.8	\$ 28.4	\$ —	\$ —	\$ 63.2	6%
New York	18.3	95.2	—	—	113.5	10%
Washington, D.C.	49.5	49.0	2.8	—	101.3	9%
Atlanta	20.7	19.5	—	—	40.2	4%
Florida	85.3	50.8	2.7	—	138.8	13%
Chicago	24.1	19.5	—	—	43.6	4%
Denver	11.3	6.8	—	—	18.1	2%
Houston	12.4	11.3	—	—	23.7	2%
Phoenix	15.9	18.0	—	—	33.9	3%
Seattle	24.3	14.4	—	—	38.7	4%
San Francisco	53.2	27.5	—	—	80.7	7%
Los Angeles	39.7	20.2	—	—	59.9	6%
San Diego	58.0	54.9	—	—	112.9	10%
Hawaii	43.7	26.1	—	—	69.8	6%
Other ⁽³⁾	30.5	59.6	2.3	0.2	92.6	8%
International ⁽³⁾	20.4	31.0	15.4	2.0	68.8	6%
Total	\$ 542.1	\$ 532.2	\$ 23.2	\$ 2.2	\$ 1,099.7	100%
Operations for sold hotels	1.1	6.4	0.8	—	8.3	
Partnership adjustment	(0.9)	(7.0)	(5.4)	(2.2)	(15.5)	
Gain on sale of property and corporate level income/expense	(136.9)	3.1	154.2	12.7	33.1	
Total	\$ 405.4	\$ 534.7	\$ 172.8	\$ 12.7	\$ 1,125.6	

(1) These markets represent our total portfolio as of September 30, 2015. Results have been adjusted to exclude properties sold through October 31, 2015 and to reflect only our pro-rata share of joint ventures and partnerships Hotel EBITDA.

(2) Certain items from our statement of operations are not allocated to individual regions, including interest on our senior notes, the majority of corporate and other expenses, the results of our office buildings, gains on property insurance settlements, and the benefit (provision) for income taxes. These items are included in gain on sale of property and corporate level income/expense. Interest on mortgage debt is allocated to the respective regions.

(3) Income tax related to the Other and International markets reflect our pro-rata share of tax at our joint venture properties.

Schedule of Special Termination Rights for Management and Other Agreements

All of our hotels are brand-managed or managed by independent operators pursuant to management or operating agreements, with certain brand-managed hotels also being subject to separate license agreements addressing matters pertaining to operation under the designated brand, and nearly all hotels managed by independent operators being subject to such separate license or franchise agreements with applicable brands. Under these agreements, the managers generally have sole responsibility and exclusive authority for all activities necessary for the day-to-day operation of the hotels. The initial term of our management and operating agreements generally is 10 to 25 years, often with one or more renewal terms at the option of the manager. However, the term of agreements with independent operators is generally shorter and with more flexible early termination rights than those with brand managers. Currently there are eight domestic hotels that have less than sixteen years remaining on their existing term, with no renewal options available.

The majority of our agreements require the manager to attain specified economic performance criteria in order to i) complete the current term of the agreement, and/or ii) condition the manager's right to exercise specified renewal options. Based on historical and forecast operating results, management believes that four of these properties will not meet specific performance tests over the next 3 years, and as a result are, or will be, terminable.

A management agreement can influence the value of the property which it encumbers based on the fee structure and flexibility of the agreement. While the brand affiliation of a property may provide value for a hotel, the ability to dispose of a property unencumbered by a management agreement or brand affiliation can increase the value for prospective purchasers. We often will seek to renegotiate the terms of an agreement to provide greater value to the associated asset. As such, in addition to containing customary performance-based or other termination clauses, certain of our agreements provide specific, negotiated termination rights that can lead to the flexibility of the agreement. With respect to our Marriott and Starwood portfolios, these termination rights are applicable to fourteen and eight properties, respectively, subject to timing and other limitations. We also have similar termination rights applicable to ten other hotels. The termination rights with respect to our Marriott and Starwood portfolios also are restricted by (i) the number of agreements that may be terminated over any annual or other period (e.g., two per year without maintaining brand affiliation and up to six per year in the aggregate without or with maintaining brand affiliation); (ii) imposed limitations on the number of agreements terminated as measured by EBITDA; (iii) requirements that a certain number of properties continue to maintain the brand affiliation; or (iv) be limited to a specific pool of assets. These termination rights can take a number of different forms, including termination of agreements upon sale that leave the property unencumbered by any management or franchise agreement; termination upon sale provided that the property maintains its affiliation with such brand following the sale pursuant to a license or franchise agreement, as well as termination without sale or other condition, which may require the payment of a fee.

The following table presents a summary of the properties with termination rights:

	As of October 31, 2015 ⁽¹⁾
Properties with negotiated termination rights ⁽²⁾	32
Properties with management agreements with no operator extensions remaining ⁽³⁾	8
Properties with anticipated performance termination rights ⁽⁴⁾	4
	<u>44</u>

(1) Represents 44 of our 94 domestic hotels.

(2) Represents operating agreements which expire between 2019 and 2048 and that can be cancelled either by the payment of a fee, conversion to a franchise, or that are terminable upon sale.

(3) Represents operating agreements which expire between 2020 and 2031 with no further extensions.

(4) Based on historical and forecast operating results, management believes that these four properties will not meet specific performance tests and as a result, are, or will be, terminable over the next 3 years. However, the operators of two of the properties have certain rights to cure the default.

Comparison of Cumulative Comparable Hotel EBITDA Margin Growth to Lodging REITs

The following tables present compound annual growth rate (“CAGR”) of comparable hotel EBITDA margins of Host compared to the average CAGR of comparable hotel EBITDA margins of the Lodging REITs. We define our comparable hotels as properties that are owned or leased by us for the entirety of the reporting periods being compared. We do not include an acquired hotel in our comparable hotel set until the operating results for that hotel have been included in our consolidated results for one full calendar year. See the Key Terms and Statistics for more information on our comparable hotels and the calculation of comparable hotel EBITDA margin. The hotel EBITDA margins for the Lodging REITs are obtained from publicly available information and filings with the SEC for the respective companies. The presentation is for illustrative purposes only as the determination of hotel EBITDA margins of the Lodging REITs, or what they consider to be comparable hotels, may vary between companies and this presentation does not account for these differences. Additionally, individual company’s comparable hotel EBITDA margin growth may exceed the average in certain of the periods presented.

Comparable Hotel EBITDA Margin CAGR	
	2010-2014
Host.....	5.6%
Lodging REIT average ⁽¹⁾	4.2%
Spread to peers.....	140 bps

⁽¹⁾ Lodging REIT average excludes PEB, CHSP and RHP, as detailed below.

The following presents the cumulative comparable hotel EBITDA margins for Host and the Lodging REITs.

Comparable Hotel EBITDA Margin		
	2014	2010
Host Hotels & Resorts, Inc. (HST) ⁽¹⁾	26.5%	21.3%
LaSalle Hotel Properties (LHO).....	33.2%	29.1%
Strategic Hotels & Resorts, Inc. (BEE).....	25.1%	19.5%
Sunstone Hotel Investors Inc. (SHO)	30.2%	24.7%
Diamondrock Hospitality Co. (DRH).....	29.5%	24.5%
FelCor Lodging Trust Incorporated (FCH).....	28.1%	24.0%
Ashford Hospitality Trust, Inc. (AHT) ⁽²⁾	31.7%	27.1%
Pebblebrook Hotel Trust (PEB).....	31.9%	21.9%
Chesapeake Lodging Trust (CHSP).....	32.9%	31.1%
RLJ Lodging Trust (RLJ)	35.6%	32.3%
Average of Lodging REIT peers ⁽³⁾	30.9%	26.0%
Average excluding PEB, CHSP ⁽⁴⁾	30.5%	25.9%

(1) See following page for reconciliation of comparable hotel EBITDA to net income of Host.

(2) AHT reported its 2010 results on a pro-forma basis assuming all hotels were owned as of the beginning of the year.

(3) Represents the average hotel EBITDA margin of the lodging REITs excluding RHP, as it became a REIT in 2012.

(4) We have excluded two additional companies from the defined Lodging REIT group for this presentation as management believes that their results are not comparable. Pebblebrook Hotel Trust and Chesapeake Lodging Trust were significantly expanding their portfolios during this five year period and therefore their margin growth rate is not comparable. RHP is also excluded as noted above.

Comparison of Cumulative Comparable Hotel EBITDA Margin Growth to Lodging REITs

The following reconciles net income to our comparable hotel EBITDA and hotel EBITDA margin growth for our comparable hotels for 2010 – 2014 (in millions, except hotel statistics):

	Year ended				
	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Number of hotels.....	106	105	103	104	108
Number of rooms.....	55,252	55,278	54,804	57,203	59,125
Revenues per GAAP.....	\$ 5,354	\$ 5,166	\$ 5,286	\$ 4,998	\$ 4,437
Operating profit per GAAP.....	\$ 710	\$ 512	\$ 383	\$ 324	\$ 223
Operating profit margin ⁽¹⁾	13.3%	9.9%	7.2%	6.5%	5.0%
Comparable hotel EBITDA margin ⁽¹⁾	26.5%	25.5%	24.0%	22.3%	21.3%
Comparable hotel revenues					
Room.....	\$ 3,270	\$ 3,051	\$ 2,849	\$ 2,709	\$ 2,591
Food and beverage.....	1,418	1,347	1,314	1,334	1,285
Other.....	285	272	265	272	273
Comparable hotel revenues ⁽²⁾	<u>4,973</u>	<u>4,670</u>	<u>4,428</u>	<u>4,315</u>	<u>4,149</u>
Comparable hotel expenses					
Room.....	874	817	768	745	717
Food and beverage.....	1,025	983	977	988	957
Other.....	139	139	149	157	156
Management fees, ground rent and other costs.....	1,617	1,541	1,473	1,464	1,437
Comparable hotel expenses ⁽³⁾	<u>3,655</u>	<u>3,480</u>	<u>3,367</u>	<u>3,354</u>	<u>3,267</u>
Comparable hotel EBITDA	<u>1,318</u>	<u>1,190</u>	<u>1,061</u>	<u>961</u>	<u>882</u>
Non-comparable hotel results, net ⁽⁴⁾	136	140	183	132	52
Depreciation and amortization.....	(701)	(697)	(751)	(652)	(592)
Interest expense.....	(214)	(304)	(373)	(371)	(384)
Provision for income taxes.....	(14)	(21)	(31)	1	31
Gain on sale of property and corporate level income/expenses.....	222	17	(26)	(87)	(121)
Net income (loss)	<u>\$ 747</u>	<u>\$ 325</u>	<u>\$ 63</u>	<u>\$ (16)</u>	<u>\$ (132)</u>

Comparison of Cumulative Comparable Hotel EBITDA Margin Growth to Lodging REITs

(1) Operating profit margins per GAAP are calculated by dividing the applicable operating profit by the related revenue amount. Comparable hotel EBITDA margins are calculated using amounts presented in the above table.

(2) The reconciliation of total revenues per the consolidated statements of operations to the comparable hotel revenues is as follows (in millions):

	Year ended				
	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Revenues per the consolidated statements of operations for the year ended	\$ 5,354	\$ 5,166	\$ 5,286	\$ 4,998	\$ 4,437
Non-comparable hotel revenues	(437)	(548)	(677)	(513)	(164)
Hotel revenues for which we record rental income, net.....	56	52	51	51	48
Revenues for hotels leased from HPT ⁽⁵⁾	—	—	(232)	(221)	(172)
Comparable hotel revenues	<u>\$ 4,973</u>	<u>\$ 4,670</u>	<u>\$ 4,428</u>	<u>\$ 4,315</u>	<u>\$ 4,149</u>

(3) The reconciliation of operating costs per the consolidated statements of operations to the comparable hotel expenses is as follows (in millions):

	Year ended				
	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Operating costs and expenses per the consolidated statements of operations for the year ended	\$ 4,644	\$ 4,654	\$ 4,903	\$ 4,674	\$ 4,214
Non-comparable hotel expenses.....	(301)	(408)	(494)	(381)	(112)
Hotel expenses for which we record rental income	56	52	51	51	48
Expense for hotels leased from HPT ⁽⁵⁾	—	—	(235)	(227)	(183)
Depreciation and amortization.....	(701)	(697)	(751)	(652)	(592)
Corporate and other expenses.....	(43)	(121)	(107)	(111)	(108)
Comparable hotel expenses	<u>\$ 3,655</u>	<u>\$ 3,480</u>	<u>\$ 3,367</u>	<u>\$ 3,354</u>	<u>\$ 3,267</u>

(4) Non-comparable hotel results, net, includes the following items: (i) the results of operations of our non-comparable hotels whose operations are included in our consolidated statements of operations as continuing operations, (ii) gains on property insurance settlements (iii) the results of our office buildings and (iv) the difference between the number of days of operations reflected in the comparable hotel results and the number of days of operations reflected in the consolidated statement of operations.

(5) The lease terminated on December 31, 2012.

Comparison of Cumulative Comparable Hotel EBITDA Margin Growth to Lodging REITs

Comparable hotels as of September 30, 2015 - Of the 110 hotels that we owned on September 30, 2015, 99 have been classified as comparable hotels. The operating results of the following hotels that we owned as of September 30, 2015 are excluded from comparable hotel results for these periods:

- The Camby Hotel (previously The Ritz-Carlton, Phoenix), removed in the third quarter of 2015 (business disruption due to rebranding, including closure of the hotel in July 2015 for extensive renovation work);
- Sheraton Santiago Hotel & Convention Center and San Cristobal Tower, Santiago, removed in the second quarter of 2015 (business interruption due to extensive guestroom renovation and reconfiguration, which requires temporary closure of a significant portion of the guestrooms);
- The Logan (previously the Four Seasons Philadelphia), removed in the first quarter of 2015 (business interruption due to rebranding, including closure of the hotel in order to expedite renovation efforts);
- Houston Airport Marriott at George Bush Intercontinental, removed in the first quarter of 2015 (business interruption due to complete repositioning of the hotel, including guest room renovations and the closure of two restaurants to create a new food and beverage outlet and lobby experience);
- Marriott Marquis San Diego Marina, removed in the first quarter of 2015 (business interruption due to the demolition of the existing conference center and new exhibit hall);
- The Phoenician (acquired in June 2015);
- YVE Hotel Miami (acquired as the b2 miami downtown hotel in August 2014);
- Axiom Hotel (acquired as the Powell Hotel in January 2014);
- Novotel Rio de Janeiro Parque Olimpico (opened in the fourth quarter of 2014); and
- ibis Rio de Janeiro Parque Olimpico (opened in the fourth quarter of 2014).

The operating results of five hotels disposed of in 2015 are not included in comparable hotel results for the 2015 period presented herein.

Comparable hotels for 2014 - Of the 114 hotels that we owned on December 31, 2014, 106 have been classified as comparable hotels. The operating results of the following hotels that we owned as of December 31, 2014 are excluded from comparable hotel results for these periods:

- The Ritz-Carlton, Naples, removed in the third quarter of 2013 (business interruption due to closure of the hotel during extensive renovations that were substantially completed in October 2013, including renovations of 450 rooms, including 35 suites, restaurant, façade and windows);
- Hyatt Place Waikiki Beach (acquired in May 2013);
- Orlando World Center Marriott, removed in the third quarter of 2012 (business interruption due to extensive renovations that were substantially completed in July 2013, including façade restoration, the shutdown of the main pool and a complete restoration and enhancement of the hotel, including new water slides and activity areas, new pool, dining facilities and the renovation of one tower of guestrooms, meeting space and restaurants);
- Novotel Rio de Janeiro Parque Olimpico (opened in the fourth quarter of 2014);
- ibis Rio de Janeiro Parque Olimpico (opened in the fourth quarter of 2014);
- YVE Hotel Miami (acquired as the b2 miami downtown hotel in August 2014);
- Axiom Hotel (acquired as the Powell Hotel in January 2014); and
- Novotel Christchurch Cathedral Square in Christchurch, New Zealand (business interruption due to closure of the hotel following an earthquake in February 2011 and the subsequent extensive renovations, which hotel reopened in August 2013).

Comparison of Cumulative Comparable Hotel EBITDA Margin Growth to Lodging REITs

The operating results of five hotels disposed of in 2014 are not included in comparable hotel results for the 2014 period presented herein.

Comparable hotels for 2013 - Of the 115 hotels that we owned on December 31, 2013, 105 have been classified as comparable hotels. The operating results of the following hotels that we owned or leased as of December 31, 2013 are excluded from comparable hotel results for these periods:

- The Ritz-Carlton, Naples, removed in the third quarter of 2013 (business interruption due to closure of the hotel during extensive renovations, which included renovations of 450 rooms, including 35 suites, restaurant, façade and windows);
- Hyatt Place Waikiki Beach (acquired in May 2013);
- Grand Hyatt Washington (acquired in July 2012);
- The Westin New York Grand Central (business interruption due to re-branding of the hotel and extensive renovations that were substantially completed by December 2012, including the renovation of 774 guest rooms, lobby, public and meeting spaces, fitness center, restaurant and bar);
- Two hotels in Christchurch, New Zealand (business interruption due to closure of the hotels following an earthquake in February 2011 and the subsequent extensive renovations, which hotels reopened August 2013 and September 2012);
- Orlando World Center Marriott, removed in the third quarter of 2012 (business interruption due to extensive renovations, which included façade restoration, the shutdown of the main pool and a complete restoration and enhancement of the hotel, including new water slides and activity areas, new pool, dining facilities and the renovation of one tower of guestrooms, meeting space and restaurants);
- Atlanta Marriott Perimeter Center, removed in the third quarter of 2011 (business interruption due to extensive renovations that were completed in April 2012, including renovation of the guest rooms, lobby, bar and restaurant and the demolition of one tower of the hotel);
- Chicago Marriott O'Hare, removed in the third quarter of 2011 (business interruption due to extensive renovations that were completed in April 2012, including renovating every aspect of the hotel and shutting down over 200 rooms); and
- Sheraton Indianapolis Hotel at Keystone Crossing, removed in the first quarter of 2011 (business interruption due to extensive renovations that were completed in January 2013, including the conversion of one tower of the hotel into apartments, reducing the room count, and the renovation of the remaining guest rooms, lobby, bar and meeting space).

The operating results of five hotels disposed of in 2013 are not included in comparable hotel results for the 2013 period presented herein.

Comparable hotels for 2012 - Of the 119 hotels that we owned on December 31, 2012, 103 have been classified as comparable hotels. The operating results of the following hotels that we owned as of December 31, 2012 are excluded from comparable hotel results for these periods:

- Grand Hyatt Washington (acquired in July 2012);
- Hilton Melbourne South Wharf (acquired in April 2011);
- The Westin New York Grand Central (acquired in March 2011);
- Manchester Grand Hyatt San Diego (acquired in March 2011);
- The portfolio of seven hotels in New Zealand (acquired in February 2011);
- Orlando World Center Marriott, removed in the third quarter of 2012 (business interruption due to extensive renovations, which include façade restoration, the shutdown of the main pool and a complete restoration and enhancement of the hotel, including new water slides and activity areas, new pool, dining facilities and the renovation of one tower of guestrooms, meeting space and restaurants);
- Atlanta Marriott Perimeter Center, removed in the third quarter of 2011 (business interruption due to extensive renovations that were completed in April 2012, including renovation of the guest rooms, lobby, bar and restaurant and the demolition of one tower of the hotel);

Comparison of Cumulative Comparable Hotel EBITDA Margin Growth to Lodging REITs

- Chicago Marriott O'Hare, removed in the third quarter of 2011 (business interruption due to extensive renovations that were completed in April 2012, including renovating every aspect of the hotel and shutting down over 200 rooms);
- Sheraton Indianapolis Hotel at Keystone Crossing, removed in the first quarter of 2011 (business interruption due to extensive renovations that were completed in January 2013, including the conversion of one tower of the hotel into apartments, reducing the room count, and the renovation of the remaining guest rooms, lobby, bar and meeting space); and
- San Diego Marriott Marquis & Marina (business interruption due to extensive renovations, which included the renovation of every aspect of the hotel and required the entire hotel to be closed for a period of time).

The operating results of (i) three hotels that we have disposed of in 2012, (ii) the Le Méridien Piccadilly, which was transferred to the European joint venture in 2011, and (iii) the 53 Courtyard by Marriott properties leased from Hospitality Properties Trust ("HPT"), which lease terminated on December 31, 2012, are not included in comparable hotel results for the 2012 period presented herein.

Comparable hotels for 2011 - Of the 121 hotels that we owned on December 31, 2011, 104 have been classified as comparable hotels. The operating results of the following hotels that we owned or leased as of December 31, 2011 are excluded from comparable hotel results for these periods:

- Hilton Melbourne South Wharf (acquired in April 2011);
- The Westin New York Grand Central (acquired in March 2011);
- Manchester Grand Hyatt San Diego (acquired in March 2011);
- The portfolio of seven hotels in New Zealand (acquired in February 2011);
- JW Marriott, Rio de Janeiro (acquired in September 2010);
- W New York-Union Square (acquired in September 2010);
- Westin Chicago River North (acquired in August 2010);
- Atlanta Marriott Perimeter Center, removed in the third quarter of 2011 (business interruption due to significant renovations that were completed in April 2012, including renovation of the guest rooms, lobby, bar and restaurant and the demolition of one tower of the hotel);
- Chicago Marriott O'Hare, removed in the third quarter of 2011 (business interruption due to significant renovations that were completed in April 2012, including renovating every aspect of the hotel and shutting down over 200 rooms);
- Sheraton Indianapolis Hotel at Keystone Crossing, removed in the first quarter of 2011 (business interruption due to significant renovations that were completed in January 2013, including the conversion of one tower of the hotel into apartments, reducing the room count, and the renovation of the remaining guest rooms, lobby, bar and meeting space); and
- San Diego Marriott Marquis & Marina (business interruption due to significant renovations, which included the renovation of every aspect of the hotel and required the entire hotel to be closed for a period of time).

The operating results of the Le Méridien Piccadilly, which was transferred to the European Joint Venture, and of the one hotel we disposed of in 2011, as well as the 53 Courtyard by Marriott properties leased from HPT, are not included in comparable hotel results for the 2011 period presented herein.

Comparison of Cumulative Comparable Hotel EBITDA Margin Growth to Lodging REITs

Comparable hotels for 2010 - Of the 113 hotels that we owned on December 31, 2010, 108 have been classified as comparable hotels. The operating results of the following hotels that we owned or leased as of December 31, 2010 are excluded from comparable hotel results for these periods:

- Le Méridien Piccadilly (acquired leasehold interest in July 2010);
- Westin Chicago River North (acquired in August 2010);
- W New York, Union Square (acquired in September 2010);
- JW Marriott, Rio de Janeiro (acquired in September 2010); and
- San Diego Marriott Hotel & Marina (business interruption due to significant renovations).

The operating results of the two hotels we disposed of during 2010, as well as the 53 Courtyard by Marriott properties leased from HPT, are not included in comparable hotel results for the 2010 period presented herein.

Comparable Host Portfolio for Revenue Management Statistics

To facilitate a comparison of our operations, we present certain operating statistics RevPAR CAGR, RevPAR index, Group Occupancy index and Transient ADR index for the periods included in this presentation on a comparable hotel basis. Because these statistics relate only to our hotel properties, they exclude results for our non-hotel properties and other real estate investments. We define our comparable hotels consistent with our definition presented in Key Terms and Statistics of this Appendix with the following additional changes:

- (i) that have consistent competitive sets (as defined in our management agreements) and for which the results of those competitive properties are available; and
- (ii) (for purposes of RevPAR Index, Group Occupancy Index and Transient ADR Index) for properties that report the mix of customer business (i.e. group, transient and contract business).

Accordingly, comparable hotel sets will vary from year-to-year. For the specific hotels considered comparable for 2010 and year to date 2015, see the reconciliation from net income to comparable hotel EBITDA.

Comparable Set for Long-Term RevPAR Outperformance

	TTM September		
	2015	2010	CAGR
Host RevPAR	\$ 172.57	\$ 127.39	6.3%
US MW UUP RevPAR.....	\$ 152.45	\$ 114.68	5.9%
Variance	13.2%	11.1%	40 bps

The comparable set for the comparison Host RevPAR CAGR to the United States Market Weighted Upper-Upscale segment, includes the 82 domestic consolidated hotels with comparable operating environments in 2010 and 2015 and excludes all international consolidated properties. For purposes of this comparison we have additionally excluded the following domestic properties undergoing significant renovations in 2015 from our comparable set as defined previously in this Appendix:

- Grand Hyatt Washington
- JW Marriott Washington, D.C.
- New Orleans Marriott
- San Antonio Marriott Riverwalk
- The Westin Cincinnati

Comparable Host Portfolio for Revenue Management Statistics

Comparable Set for RevPAR Index and Business Mix

The comparable set for the comparison of the Host Portfolio to the Industry for RevPAR index, Group Occupancy and Transient ADR, includes the 72 domestic consolidated hotels with comparable operating environments in 2010 and 2015 and excludes all international consolidated properties. For purpose of this comparison we have additionally excluded the following domestic properties because they did not have consistent competitive sets or report the mix of customers necessary to calculate the relevant index from our comparable set as defined previously in this Appendix:

- Properties whose operators do not report segment data
 - Denver Marriott West
 - Hyatt Place Waikiki Beach
 - Manhattan Beach Marriott
- Properties whose competitive set changed between 2010 and 2015
 - The Fairmont Kea Lani, Maui
 - Grand Hyatt Washington
 - Hyatt Regency Washington on Capitol Hill
 - JW Marriott Desert Springs Resort & Spa
 - Marina del Rey Marriott
 - Scottsdale Marriot at McDowell Mountains
 - New Orleans Marriott
 - New York Marriott Downtown
 - Orlando World Center Marriott
 - Residence Inn Pentagon City
 - W New York
 - The Westin Mission Hills Resort & Spa

Reconciliation of Credit Facility Leverage Ratio to GAAP Leverage Ratio

The following tables present the calculation of our leverage ratio using GAAP measures and as used in the financial covenants of the credit facility (in millions, except ratios):

	GAAP Leverage Ratio								
	September 30, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Debt.....	\$ 4,278	\$ 3,992	\$ 4,759	\$ 5,411	\$ 5,753	\$ 5,477	\$ 5,837	\$ 5,876	\$ 5,515
Net income (loss) ...	663	747	325	63	(16)	(132)	(258)	414	734
GAAP Leverage Ratio	6.5x	5.3x	14.6x	85.9x	N/M	N/M	N/M	14.2x	7.5x

N/M Not meaningful

	Leverage Ratio per Credit Facility								
	September 30, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Net debt ⁽¹⁾	\$ 4,121	\$ 3,468	\$ 4,039	\$ 5,074	\$ 5,011	\$ 4,453	\$ 4,354	\$ 5,489	\$ 5,166
Adjusted Credit Facility EBITDA ⁽²⁾	1,386	1,326	1,253	1,198	1,039	887	820	1,340	1,477
Leverage Ratio	3.0x	2.6x	3.2x	4.2x	4.8x	5.0x	5.3x	4.1x	3.5x

(1) The following presents the reconciliation of debt to net debt per our credit facility definition (in millions):

	September 30, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Debt.....	\$ 4,278	\$ 3,992	\$ 4,759	\$ 5,411	\$ 5,753	\$ 5,477	\$ 5,837	\$ 5,876	\$ 5,515
Net discount on exchangeable debentures and assumed debt....	1	13	29	44	58	44	120	72	105
Contingent obligations	81	128	94	21	11	11	—	—	—
Debt related to outside parties ...	(92)	(94)	(95)	(90)	(89)	(68)	(67)	(67)	(89)
Preferred stock ^(a)	—	—	—	—	—	—	—	—	—
Less: Unrestricted cash over \$100 million	(147)	(571)	(748)	(312)	(722)	(1,011)	(1,536)	(392)	(365)
Net debt per credit facility definition.	\$ 4,121	\$ 3,468	\$ 4,039	\$ 5,074	\$ 5,011	\$ 4,453	\$ 4,354	\$ 5,489	\$ 5,166

(a) Preferred stock is not included in the calculation of net debt per our credit facility agreement.

Reconciliation of Credit Facility Leverage Ratio to GAAP Leverage Ratio

(2) The following presents the reconciliation of net income (loss) to Adjusted Credit Facility EBITDA (in millions):

	September 30, 2015 ^(a)	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Net income (loss).....	\$ 663	\$ 747	\$ 325	\$ 63	\$ (16)	\$ (132)	\$ (258)	\$ 414	\$ 734
Interest expense	223	214	304	373	371	384	379	375	444
Depreciation and amortization	712	695	696	662	647	591	597	557	517
Income taxes	10	14	21	31	(1)	(31)	(39)	(3)	3
Discontinued operations	—	—	15	32	—	—	8	23	—
EBITDA	1,608	1,670	1,361	1,161	1,001	812	687	1,366	1,698
(Gain) loss on dispositions	(183)	(233)	(98)	(48)	—	2	(35)	(24)	(163)
Acquisition costs	1	2	1	7	5	10	—	—	—
Recognition of deferred gain on land condemnation	—	—	(11)	—	—	—	—	—	—
Amortization of deferred gains	—	—	—	(4)	(7)	—	(4)	(4)	(6)
Litigation loss	(2)	(61)	8	—	—	—	—	—	—
Gain on property insurance settlement	(4)	(1)	—	(2)	—	—	—	—	(22)
Non-cash impairment expense	—	6	1	60	8	—	131	3	—
Partnership EBITDA adjustments	(3)	19	44	16	11	10	19	24	14
Adjusted EBITDA	1,417	1,402	1,306	1,190	1,018	834	798	1,365	1,521
Pro forma EBITDA - Acquisitions	33	2	4	18	11	20	—	—	—
Pro forma EBITDA - Dispositions	(17)	(24)	(30)	(1)	(3)	5	(4)	(1)	(8)
Restricted stock expense and other non-cash items	15	18	12	14	14	43	15	2	3
Other adjustments ^(b)	—	(13)	3	8	25	4	41	—	—
Non-cash partnership adjustments	(62)	(59)	(42)	(31)	(26)	(19)	(30)	(26)	(39)
Adjusted Credit Facility EBITDA	<u>1,386</u>	<u>1,326</u>	<u>\$ 1,253</u>	<u>\$ 1,198</u>	<u>\$ 1,039</u>	<u>\$ 887</u>	<u>\$ 820</u>	<u>\$ 1,340</u>	<u>\$ 1,477</u>

(a) In accordance with the credit facility covenants, amounts represent the TTM as of September 30, 2015.

(b) Includes other adjustments required by the credit facility covenants. Significant adjustments include the reversal of a \$41 million loss for the San Antonio ground lease litigation in 2009 prior to our adoption of adjusting EBITDA for litigation gains and losses, and a \$15 million loss for a forfeited security deposit in 2011.

Reconciliation of Credit Facility Leverage Ratio to GAAP Leverage Ratio

Leverage Ratios of Blue Chip REITs and Lodging REITs Peer Groups

The following tables present the leverage ratios of Blue Chip REITs and Lodging REITs peer groups:

Lodging REIT Peers		Blue Chip REITs	
	September 30, 2015		September 30, 2015
Host Hotels & Resorts, Inc. (HST)	3.0x	Host Hotels & Resorts, Inc. (HST)	3.0x
		Simon Property Group, Inc. (SPG).....	5.7x
Ashford Hospitality Trust, Inc. (AHT)	11.7x	General Growth Properties, Inc. (GGP)	8.6x
RLJ Lodging Trust (RLJ)	4.0x	Equity Residential (EQR)	6.2x
LaSalle Hotel Properties (LHO)	4.2x	Public Storage (PSA)	2.6x
Ryman (RHP)	5.1x	Prologis, Inc. (PLD)	10.6x
Strategic Hotels & Resorts, Inc. (BEE)	5.3x	HCP, Inc. (HCP)	9.0x
Sunstone Hotel Investors Inc. (SHO).....	3.6x	Boston Properties, Inc. (BXP)	5.8x
FelCor Lodging Trust Incorporated (FCH)	8.5x	Ventas, Inc. (VTR).....	6.2x
Diamondrock Hospitality Co. (DRH)	4.1x	Health Care REIT, Inc. (HCN).....	6.3x
Pebblebrook Hotel Trust (PEB).....	7.0x	AvalonBay Communities, Inc. (AVB).....	5.2x
Chesapeake Lodging Trust (CHSP)	5.4x	Vornado Realty Trust (VNO).....	8.2x
Average of Lodging REIT peers	5.9x	Average of Blue Chip REIT peers	6.8x

**Reconciliation of Credit Facility Fixed Charge Coverage Ratio to GAAP Fixed Charge Coverage Ratio
and Debt Balance As of September 30, 2015, As Adjusted**

Fixed Charge Coverage Ratio

The following tables present the calculation of our fixed charge coverage ratio using GAAP measures and as used in the financial covenants of the credit facility (in millions, except ratios):

	GAAP Fixed Charge Coverage Ratio			Fixed Charge Coverage Ratio per Credit Facility	
	September 30, 2015 ⁽¹⁾	December 31, 2010		September 30, 2015 ⁽¹⁾	December 31, 2010
Net Income (Loss).....	\$ 663	\$ (132)	Adjusted Credit Facility EBITDA⁽²⁾	\$ 1,386	\$ 887
Interest Expense ⁽³⁾	223	384	Less: 5% of Hotel Property Gross Revenue.	(272)	(230)
GAAP Fixed Charge Coverage Ratio	3.0x	(0.3x)	Fixed Charge Coverage Ratio EBITDA.....	\$ 1,114	\$ 657

(1) In accordance with the credit facility covenants, amounts represent the TTM as of September 30, 2015.

(2) See Reconciliation of Credit Facility Leverage Ratio to GAAP Leverage Ratio for detail calculation.

(3) The following table reconciles GAAP interest expense to interest expense per our credit facility definition to fixed charges (in millions, except ratios):

	September 30, 2015	December 31, 2010
GAAP Interest expense.....	\$ 223	\$ 384
Debt extinguishment costs	(21)	(21)
Amortization of premiums (discounts) on exchangeable debentures and assumed loans	(21)	(30)
Deferred financing cost amortization.....	(7)	(9)
Capitalized interest.....	5	3
Interest attributable to minority partners.....	(5)	(4)
Interest on contingent obligations.....	2	—
Pro forma interest adjustments	(7)	(13)
Interest expense per credit facility definition	169	310
Scheduled amortization payments	—	13
Cash taxes on ordinary income.....	8	4
Fixed Charges	\$ 177	\$ 327
Fixed Charge Coverage Ratio EBITDA/Fixed Charges	6.3x	2.0x

Debt Balance as of September 30, 2015, As Adjusted

The following table reflects adjustments to our debt balance to reflect financing transactions, including refinancing of senior notes and repayment or exchange of Exchangeable Senior Debentures, as previously announced through October 31, 2015 (in millions):

Balance at September 30, 2015.....	\$ 4,278
Draws on the credit facility	170
Issuance of the 4.5% Series F senior notes.....	400
Repayment of mortgage debt for dispositions	(15)
Redemption of the 6% Series V senior notes.....	(500)
Redemption of the 2.5% Exchangeable Senior Debentures	(391)
Balance as adjusted.....	\$ 3,942

Reconciliation of Cash Interest Expense to GAAP Measure

The following table reconciles cash interest expense to the GAAP interest expense (in millions):

	2015F ⁽¹⁾	2014	2013	2012	2011	2010
GAAP Interest expense.....	\$ 236	\$ 214	\$ 304	\$ 373	\$ 371	\$ 384
Discount/premium amortization.....	(13)	(16)	(15)	(18)	(32)	(34)
Deferred financing cost amortization.....	(8)	(8)	(10)	(12)	(11)	(12)
Non-cash debt extinguishment costs ⁽²⁾	(11)	(2)	(13)	(9)	(4)	(1)
Cash debt extinguishment costs	(30)	(2)	(23)	(21)	(5)	(20)
Cash interest expense ⁽³⁾	\$ 174	\$ 186	\$ 243	\$ 313	\$ 319	\$ 317

(1) Forecast interest expense for 2015 is based on outstanding debt as of September 30, 2015, as adjusted for announced transactions through October 30, 2015. See Debt Balance as of September 30, 2015, As Adjusted for detail of these transactions. This forecast assumes no additional financing transactions.

(2) Represents the accelerated amortization of deferred financing costs and original issue (discounts) premiums due to debt extinguishments.

(3) Cash interest disregards timing of cash payments due to changes in the accrued interest liability.

Reconciliation of Cash from Operations to Adjusted Cash from Operations

The following table reconciles cash provided by operating activities per GAAP to Adjusted Cash from Operations (in millions):

	2015F ⁽²⁾	2014	2013	2012	2011	2010
Cash provided by operating activities ⁽¹⁾	\$ 1,105	\$ 1,150	\$ 1,019	\$ 781	\$ 661	\$ 520
Renewal and replacement expenditures ⁽¹⁾	(353)	(324)	(303)	(366)	(327)	(195)
Cash debt extinguishment costs and incremental interest	35	2	27	26	6	22
Adjusted Cash from Operations	\$ 787	\$ 828	\$ 743	\$ 441	\$ 340	\$ 347

(1) Amounts shown for 2010 through 2014 are as presented in Host's Consolidated Statement of Cash Flows as filed with the SEC.

(2) The following presents the inputs used to determine forecast cash provided by operating activities and adjusted cash from operations (in millions):

	2015 Forecast ^(a)
Net income	\$ 532
Interest expense	236
Depreciation and amortization	713
Income taxes	17
EBITDA	1,498
Gain on dispositions	(76)
Acquisition costs	1
Partnership EBITDA adjustments	(30)
Adjusted EBITDA	1,393
Cash interest, including debt extinguishment costs	(215)
Cash taxes	(13)
Adjustments for partnerships	(36)
Changes in other	(24)
Cash from Operations	1,105
Renewal & replacement capital expenditures	(353)
Cash debt extinguishment costs and incremental interest	35
Adjusted Cash from Operations	\$ 787

(a) Forecast for 2015 is based on the mid-point of our guidance issued on October 29, 2015. The forecast is based on the below assumptions:

- Total comparable hotel RevPAR in constant US\$ will increase 4.0% to 4.5% for the low and high end of the forecast range. Comparable hotel RevPAR for our domestic portfolio will increase 4.0% to 4.5% for the low and high end of the forecast range, respectively, while comparable hotel RevPAR for our international properties in constant US\$, which excludes the effect of changes in foreign currency, will increase 1.0% to 2.0% for the low and high end of the forecast range. However, the effect of estimated changes in foreign currency has been reflected in the forecast of net income, EBITDA, earnings per diluted share and Adjusted FFO per diluted share.
- Comparable hotel EBITDA margins will increase 20 basis points to 30 basis points for the low and high ends of the forecasted range, respectively, which includes the effect of the adoption of the 11th Edition of USALI in 2015 that will reduce margin growth by approximately 20 basis points.
- Interest expense includes approximately \$21 million related to non-cash interest expense for exchangeable senior debentures, amortization of original issue discounts and deferred financing fees and \$40 million of debt extinguishment costs related to the refinancing of senior notes.
- We expect to spend approximately \$275 million to \$290 million on ROI/redevelopment and acquisition capital expenditures and approximately \$345 million to \$360 million on renewal and replacement expenditures.

Adjusted FFO and Dividend Yield Comparison of Host to Lodging REITs and Reconciliation of Net Income to FFO per Diluted Share

The following tables presents our compound annual growth rate (“CAGR”) of Adjusted FFO and dividend yield compared to the average CAGR of Adjusted FFO and dividend yield of the Lodging REIT peers as included in their respective filings with the SEC or in other publically available company data. Adjusted FFO is a term as defined by Host and is based on the NAREIT FFO adjusted for certain items such as gains/(losses) on debt extinguishments, acquisition costs and other non-recurring items. See Key Terms and Statistics – Non-GAAP Financial Measures above. The Lodging REITs and Blue Chip REITs may present NAREIT FFO, or have similarly adjusted measures, which they may refer to as FFO, Core FFO, Normalized FFO, Company FFO or similar titles. These measures are non-GAAP measures, and are based on definitions of each respective company. The calculation of this measure may vary between companies as each company may make different adjustments to FFO. Therefore, the comparison is only an approximation and does not account for differences between the calculation methodology of Host and the peer groups. Also, the comparison is of Host’s Adjusted FFO growth rate versus the average growth rate of the peer groups and not a comparison of the actual FFO results themselves. In addition, individual companies may perform better than the average in any of the periods presented. For the Adjusted FFO of Host, we have presented the reconciliation to a comparable GAAP measure. The following presents a comparison of Host’s Adjusted FFO CAGR per diluted share and compound annual dividend yield to the average FFO CAGR and dividend yield of the Lodging REITs:

	5-Year		
	Adjusted FFO/Share CAGR ⁽¹⁾	Dividend Yield	Adjusted FFO/Share + Dividend Yield CAGR ⁽²⁾
HST	15.3%	2.8%	18.1%
Lodging REIT peers ⁽²⁾	10.4%	3.2%	13.6%
Spread to peers (bps)			450

(1) CAGR represents the compound annual growth rate for the period being presented, which is the average year-over-year growth rate of the company’s FFO over a specified period of time compounded annually.

(2) Lodging REIT peers excludes RLJ, CHSP, PEB, RHP, BEE and FCH, as they did not exist for the full five-year period or had negative FFO/share for one or more of the periods presented. The following presents Adjusted FFO per diluted share and dividends declared for the Lodging REITs:

	Adjusted FFO/Share		Dividends Declared Per Share					Average Stock Price				
	2010	2015F ^(a)	2011	2012	2013	2014	2015F ^(a)	2011	2012	2013	2014	2015 ^(a)
Host Hotels & Resorts, Inc. (HST)	\$ 0.74	\$ 1.51	\$ 0.14	\$ 0.30	\$ 0.46	\$ 0.75	\$ 0.80	\$ 15.46	\$ 15.61	\$ 17.69	\$ 21.51	\$ 15.81
LaSalle Hotel Properties (LHO)	1.41	2.84	0.44	0.71	0.96	1.41	1.73	24.39	26.80	27.47	34.68	28.39
Sunstone Hotel Investors Inc. (SHO)	0.57	1.30	—	—	0.10	0.51	0.20	8.48	10.05	12.43	14.42	13.23
Diamondrock Hospitality Co. (DRH)	0.63	1.02	0.32	0.32	0.34	0.41	0.50	9.95	9.78	10.05	12.86	11.05
Ashford Hospitality Trust, Inc. (AHT)	1.50	1.40	0.27	0.30	0.36	0.47	0.48	9.91	8.63	11.80	10.63	6.10

(a) 2015 Adjusted FFO/share for Host represents the mid-point of our October 29, 2015 guidance. Host 2015 hypothetical dividend is for illustrative purposes only based on Host’s dividend of \$0.60 declared through the first three quarters of 2015 and an assumed fourth quarter dividend of \$0.20 per share. The fourth quarter dividend is subject to Board approval and there can be no assurance that the Board will authorize a dividend at the level assumed; to date, no additional dividends have been declared for 2015. Adjusted FFO/share for peer group represents the average consensus estimates for full year 2015. 2015 dividend for peer group represents actual declared dividends for Q1-Q3 2015 and assumes Q4 dividend equal to Q3 dividend. 2015 stock price for all entities represents closing price on September 30, 2015.

Adjusted FFO and Dividend Yield Comparison of Host to Lodging REITs and Reconciliation of Net Income to FFO per Diluted Share

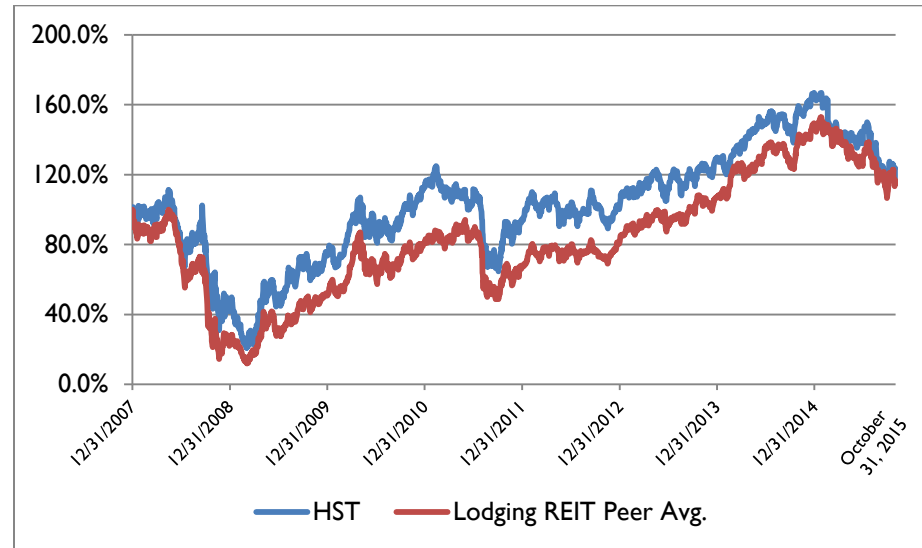
The following presents the reconciliation of Host's net income (loss) to adjusted funds from operations per diluted share (in millions, except per share amounts):

	2015F ⁽¹⁾	2014	2013	2012	2011	2010
Net income (loss)	\$ 532	\$ 747	\$ 325	\$ 63	\$ (16)	\$ (132)
Less: Net (income) loss attributable to non-controlling interests.....	(12)	(15)	(8)	(2)	1	2
Dividends on preferred stock.....	—	—	—	—	—	(4)
Issuance costs of redeemed preferred stock.....	—	—	—	—	—	(4)
Net income (loss) attributable to Host Inc.	<u>520</u>	<u>732</u>	<u>317</u>	<u>61</u>	<u>(15)</u>	<u>(138)</u>
Adjustments:						
(Gain) loss on dispositions, net of taxes.....	(76)	(232)	(97)	(48)	—	2
Gain on property insurance settlement.....	—	(1)	—	(2)	—	—
Amortization of deferred gains and other property transactions, net of taxes.....	—	—	—	(4)	(7)	—
Depreciation and amortization.....	710	692	703	691	645	591
Non-cash impairment loss.....	—	6	1	60	8	—
Equity investment adjustments:						
Equity in (earnings) losses of affiliates.....	(66)	(26)	17	(2)	(4)	1
Pro rata FFO of equity investments.....	39	51	26	20	15	3
Consolidated partnership adjustments:						
FFO adjustment for non-controlling partnerships.....	(9)	(9)	(8)	(7)	(6)	—
FFO adjustments for non-controlling interests of Host L.P.....	(6)	(6)	(8)	(10)	(10)	(7)
NAREIT FFO	<u>1,112</u>	<u>1,207</u>	<u>951</u>	<u>759</u>	<u>626</u>	<u>452</u>
Adjustments to NAREIT FFO:						
Loss on debt extinguishment.....	46	4	40	35	10	26
Acquisition costs.....	1	3	1	10	8	10
Recognition of deferred gain on land condemnation.....	—	—	(11)	—	—	—
Litigation (gain) loss.....	—	(61)	8	—	5	4
Loss attributable to non-controlling interests.....	(1)	—	—	(1)	—	(1)
Adjusted FFO	<u>\$ 1,158</u>	<u>\$ 1,153</u>	<u>\$ 989</u>	<u>\$ 803</u>	<u>\$ 649</u>	<u>\$ 491</u>
For calculation on a per share basis:						
Assuming conversion of Exchangeable Senior Debentures.....	\$ 22	\$ 27	\$ 26	\$ 31	\$ 30	\$ 13
Assuming deduction of interest-redeemed/exchanged 2004 Debentures.....	—	—	—	—	2	—
Diluted NAREIT FFO	<u>\$ 1,134</u>	<u>\$ 1,234</u>	<u>\$ 977</u>	<u>\$ 790</u>	<u>\$ 658</u>	<u>\$ 465</u>
Diluted Adjusted FFO	<u>\$ 1,180</u>	<u>\$ 1,180</u>	<u>\$ 1,015</u>	<u>\$ 834</u>	<u>\$ 681</u>	<u>\$ 504</u>
Diluted weighted average shares outstanding - EPS	755.1	786.8	747.9	719.6	693.0	656.1
Diluted weighted average shares outstanding - NAREIT FFO and Adjusted FFO	780.9	786.8	777.4	760.0	739.5	680.2
Earnings (loss) per diluted share	\$.69	\$.96	\$.42	\$.08	\$ (.02)	\$ (.21)
NAREIT FFO per diluted share	\$ 1.45	\$ 1.57	\$ 1.26	\$ 1.04	\$.89	\$.68
Adjusted FFO per diluted share	\$ 1.51	\$ 1.50	\$ 1.31	\$ 1.10	\$.92	\$.74

(1) Forecast for 2015 is based on the mid-point of our guidance issued on October 29, 2015. See Reconciliation of Cash from Operations to Adjusted Cash from Operations for forecast assumptions.

Total Stockholder Return Comparison of Host to Lodging REITs

The following graph compares the total stockholder returns on Host's common stock against its Lodging REIT peers from December 31, 2007 through October 31, 2015. The graph assumes the initial investment valued at 100%.



	At December 31,								October 31,
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Host Hotels & Resorts, Inc. (HST).....	100%	47%	74%	113%	94%	102%	130%	164%	124%
Lodging REIT peers average ⁽¹⁾	100%	26%	51%	81%	67%	82%	107%	145%	117%

⁽¹⁾ Lodging REIT peers excludes RLJ, CHSP, PEB and RHP as they were not in existence for the entirety of the periods presented. The average return for the Lodging REIT peers is based on the following results:

	At December 31,								October 31,
	2007	2008	2009	2010	2011	2012	2013	2014	2015
LaSalle Hotel Properties (LHO)	100%	38%	72%	91%	85%	91%	115%	157%	118%
Sunstone Hotel Investors Inc. (SHO)	100%	41%	59%	68%	54%	71%	89%	113%	100%
Diamondrock Hospitality Co. (DRH)	100%	36%	62%	89%	74%	71%	94%	125%	101%
Ashford Hospitality Trust, Inc. (AHT)	100%	18%	73%	153%	132%	182%	224%	313%	231%
Strategic Hotels & Resorts, Inc. (BEE)	100%	11%	12%	34%	34%	41%	60%	85%	90%
FelCor Lodging Trust Incorporated (FCH).....	100%	13%	26%	51%	22%	34%	59%	79%	60%

Awards and Recognitions

The following recognitions reflect our focus on disciplined financial management and commitment to a positive corporate environment:

- CDP Global A List (2015)
- Climate Disclosure Leadership Index & Climate Performance Leadership Index (2015)
- GRESB Global and Regional Sector Leaders for Hotels & Green Star (2015)
- NAREIT Lodging/Resorts Leader in the Light award (2014)
- America's Greenest Companies – Newsweek (2015)
- S&P 500/Fortune 500 (2015)
- Fortune Worlds Most Admired Company (2014)
- Corporate Volunteer Service Award from the Corporate Volunteer Council of Montgomery Country (2012)