Host Hotels & Resorts, Inc. Announces the Acquisition of the 1 Hotel South Beach

February 19, 2019

BETHESDA, Md., Feb. 19, 2019 (GLOBE NEWSWIRE) -- Host Hotels & Resorts, Inc. (NYSE: HST), the nation's largest lodging real estate investment trust (the "Company"), today announced that on February 14, 2019, it acquired the fee simple interest in the 429-room 1 Hotel South Beach in Miami Beach, Florida for approximately $610 million.

This iconic and irreplaceable luxury resort reopened in 2015 following a transformational $300 million repositioning renovation and is rated in the top-10 U.S. hotels by Conde Nast Traveler and recently rated the #1 hotel in Miami Beach by TripAdvisor.

Based on the 2019 budget, the purchase price equates to an EBITDA multiple of 13x.(1)

The 1.1 million square foot, LEED-certified resort has a premium location in the vibrant South Beach area of Miami Beach and over 600 linear feet of ocean frontage with direct beach access. The resort is the centerpiece of a mixed-use complex that features an additional 155 luxury branded 1 Homes condominium units; all owners of these units may participate in a rental program through the resort.

1 Hotel South Beach features 160,000 square feet of dynamic and flexible meeting space, eight food and beverage outlets, spa, gym, four elevated pools with ocean views and 23,000 square feet of luxury retail space.

James F. Risoleo, President and Chief Executive Officer, said, "This is an extraordinary resort of an iconic and irreplaceable nature located on prime, beachfront real estate in the South Beach area of Miami Beach. The hotel has no near-term capex needs and carries a RevPAR of over $488, making it one of the top three in our portfolio. Our ability to convert high EBITDA multiple asset sales of non-core, high-capex and profitability challenged hotels into a resort of this caliber, materially improving our overall portfolio, is an excellent example of disciplined and prudent capital recycling."

The aggregate consideration of approximately $610 million includes the issuance of Class A Common Units of Host Hotels & Resorts, L.P. with an aggregate value of approximately $2.6 million and Class G Preferred Units with an aggregate value of approximately $23.4 million.

(1) The purchase price equates to a multiple of 20x 2019 budgeted GAAP net income. The difference between budgeted net income and EBITDA is depreciation expense of $16 million.

About Host Hotels & Resorts

Host Hotels & Resorts, Inc. is an S&P 500 company and is the largest lodging real estate investment trust and one of the largest owners of luxury and upper-upscale hotels. The Company currently owns 88 properties in the United States and five properties internationally totaling approximately 52,000 rooms. The Company also holds non-controlling interests in six domestic and one international joint ventures. Guided by a disciplined approach to capital allocation and aggressive asset management, the Company partners with premium brands such as Marriott®, Ritz-Carlton®, Westin®, Sheraton®, W®, St. Regis®, The Luxury Collection®, Hyatt®, Fairmont®, Hilton®, Swissôtel®, ibis® and Novotel®, as well as independent brands in the operation of properties in over 50 major markets. For additional information, please visit the Company's website at www.hosthotels.com.

About 1 Hotels:

As a luxury lifestyle hotel brand inspired by nature, 1 Hotels cultivates the best of sustainable design and architecture, together with extraordinary comfort and an unrivaled level of service. 1 Hotels, which launched in 2015 with the opening of exclusive properties in Miami's South Beach and Manhattan's Central Park, followed by Brooklyn, located on Pier 1, in February 2017, is inspired by a simple idea: those who travel the world also care about it. 1 Hotels upholds this vision by channeling nature through design and culinary partnerships, while connecting with the local community and taking sustainable steps to make a big difference. Additional information can be found at www.1hotels.com.

About SH Hotels & Resorts:

SH Hotels & Resorts, an affiliate of global private investment firm Starwood Capital Group, is a hotel brand management company that operates 1 Hotels, a nature-inspired lifestyle brand that launched in 2015 with properties in South Beach and Manhattan; and Baccarat Hotels & Resorts, a luxury brand that made its debut in March 2015 with the opening of its flagship property in New York, with projects under development in Doha and Bordeaux. Leveraging its marketing, design, operational and technological expertise, SH Hotels & Resorts is the force behind some of the most groundbreaking and dynamic hotel brands in the world. Additional information can be found at www.shhotelsandresorts.com.

Note: This press release contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements include forecast results and are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "plan," "predict," "project," "will," "continue" and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks include, but are not limited to: changes in national and local economic and business conditions and other factors such as natural disasters, pandemics and weather that will affect occupancy rates at our hotels and the demand for hotel products and services; the impact of geopolitical developments outside the U.S. on lodging demand; volatility in global financial and credit markets; operating risks associated with the hotel business; risks and limitations in our operating flexibility associated with the level of our indebtedness and our ability to meet covenants in our debt agreements; risks associated with our relationships with property managers and joint venture partners; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; the effects of hotel renovations on our hotel occupancy and financial results; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; 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; our ability to continue to satisfy complex rules in order for us to remain a REIT for federal income tax purposes; risks associated with our ability to effectuate our dividend policy, including factors such as operating results and the economic outlook influencing our board's decision whether to pay further dividends at levels previously disclosed or to use available cash to make special dividends; and other risks and uncertainties associated with our business described in the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. 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 release is as of February 19, 2019, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

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Gee Lingberg
Senior Vice President
240.744.5275

Host Hotels & Resorts, Inc.