



Blackstone Continues Implementation of Portfolio Strategy

February 2, 2001

BETHESDA, Md., Feb. 2 /PRNewswire/ -- Host Marriott Corporation and The Blackstone Group reported today that Blackstone Real Estate Partners has converted 12,500,000 operating partnership units into common shares, which were sold in a block transaction. These units represented less than thirty percent of Blackstone's total investment in Host Marriott Operating Partnership, which was obtained in connection with Host Marriott's purchase of the Blackstone luxury hotel portfolio in 1998.

Stephen A. Schwarzman, CEO of Blackstone, stated, "We have been pleased with the performance of Host Marriott and continue to be optimistic about the future outlook for the company, particularly given the favorable long-term supply/demand fundamentals in the industry. Host Marriott controls the highest quality portfolio in the lodging sector and is led by a very capable management team. The sale of this portion of our investment is consistent with our goal of providing liquidity to our partners in line with our funds' investment cycles. We have no immediate plans to sell additional shares."

Christopher J. Nassetta, president & chief executive officer of Host Marriott, commented, "This sale should be viewed as consistent with Blackstone's strategy of managing their portfolio to provide, over time, their partners with liquidity. After completion of this sale, Blackstone will still retain more than 30 million operating units or shares in the company and holds a seat on the Host Marriott Board of Directors."

Host Marriott Corporation is a lodging real estate company, which owns 122 upscale and luxury full-service hotel properties primarily operated under Marriott, Ritz-Carlton, Four Seasons, Hyatt, Hilton and Swissotel brand names. Host Marriott, L.P. is the operating partnership of Host Marriott Corporation. For further information on Host Marriott Corporation, please visit the Company's website at <http://www.hostmarriott.com>.

The Blackstone Group, a private investment bank with offices in New York and London, was founded in 1985 by its Chairman, Peter G. Peterson, and its President and CEO, Stephen A. Schwarzman. Blackstone's Real Estate Group has made around 100 separate investments in hotels and other commercial properties with a total transaction value of about \$11 billion. In addition to real estate, The Blackstone Group's core businesses include Mergers and Acquisitions Advisory, Restructuring and Reorganization Advisory, Private Equity Investing, Private Mezzanine Investing, and Liquid Alternative Asset Management. SOURCE Host Marriott Corporation

CONTACT: Greg Larson of Host Marriott Corporation, 301-380-2076/