



Host Marriott to Acquire the Hyatt Regency Maui Resort and Spa For \$321 Million

October 14, 2003

BETHESDA, Md., Oct 14, 2003 /PRNewswire-FirstCall via COMTEX/ -- Host Marriott Corporation (NYSE: HMT) today announced that it has signed an agreement to acquire the 806-room Hyatt Regency Maui Resort and Spa located on 37 acres of fee simple oceanfront property on Kaanapali Beach. The hotel includes 25,000 square feet of indoor meeting and banquet space and over 100,000 square feet of outdoor function space, including Napili Garden, two spacious pool decks, gardens and lawns. The hotel's recently expanded Spa Moana, the only oceanfront full-service spa in Hawaii, has 9,000 square feet of spa facilities, including 11 treatment rooms, a beauty salon, a relaxation lounge and sauna and steam rooms.

The purchase price is \$321 million, or \$398,000 per room, and will be paid in part with proceeds from Host Marriott's recent equity issuance. The hotel's 2003 Earnings Before Interest Expense, Taxes, Depreciation, Amortization (EBITDA) is forecasted to be approximately \$33 million (EBITDA equals forecasted GAAP operating profit of \$23 million plus depreciation expense of \$10 million). The purchase is subject to customary closing conditions and is expected to close by year-end.

Highlights of the Transaction:

- * Located in a strong market with high barriers to entry on the most popular island destination in Hawaii
- * The purchase price represents a 20% discount to the estimated replacement cost
- * Acquired at a 9.7x multiple to forecasted 2003 EBITDA
- * This acquisition will be accretive to the Company's earnings and credit statistics
- * Excellent physical condition due to recent renovations throughout the hotel
- * Fee interest in Hawaii with additional development potential

Christopher J. Nassetta, president and chief executive officer, stated, "We are extremely pleased to add this impressive hotel to our portfolio and our first in the State of Hawaii. This investment is another example of our strategy of acquiring high quality hotels in difficult to replace locations at a discount to replacement cost. In addition to further diversifying our portfolio, Maui has extremely high barriers to entry for new supply. In fact, supply has actually declined due to recent conversions to timeshare. As a result, we believe there is meaningful upside potential over the next several years."

The Hyatt Regency Maui opened in 1980 and is located a short distance from historic Lahaina, which serves as the anchor for Maui's tourism industry. Maui is one of Hawaii's leading destination locations. The Hyatt is the most prominent hotel and the RevPAR leader in Kaanapali.

Host Marriott is a Fortune 500 lodging real estate company, which owns 120 upscale and luxury full-service hotel properties primarily operated under Marriott, Ritz-Carlton, Four Seasons, Hyatt and Hilton brand names.

The seller is an affiliate of Blackstone Real Estate Advisors. Bear, Stearns & Co. Inc. represented Blackstone in connection with the transaction.

This press release contains forward-looking statements within the meaning of federal securities regulations. 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: national and local economic and business conditions that will affect occupancy rates at our hotels and the demand for hotel products and services; operating risks associated with the hotel business; risks associated with the level of our indebtedness and our ability to meet covenants in our debt agreements; relationships with property managers; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; and our ability to continue to satisfy complex rules in order for us to qualify as a REIT for federal income tax purposes. For further information regarding risks and uncertainties associated with our business, please refer to the Company's filings with the Securities and Exchange Commission. 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 October 14, 2003 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.

SOURCE Host Marriott Corporation

Gregory J. Larson, Senior Vice President Investor Relations of
Host Marriott Corporation, +1-240-744-5120

<http://www.hostmarriott.com>