



Host Marriott to Acquire The Fairmont Kea Lani Maui for \$355 Million

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BETHESDA, Md., Jun 7, 2004 /PRNewswire-FirstCall via COMTEX/ -- Host Marriott Corporation (NYSE: HMT) today announced that it has signed an agreement to acquire The Fairmont Kea Lani Maui which is located in the exclusive Wailea Resort area. The resort features 450 suites comprised of 413 spacious 2-room suites with five-fixture bathrooms and 37 two and three bedroom beachfront villa units each of which has a private swimming pool. The resort is located on 21 acres of fee simple beachfront property on Wailea's Polo Beach. The resort facilities comprise six restaurants, a spa and fitness center, three pools and numerous retail outlets. The resort includes over 11,000 square feet of indoor meeting space and an additional 20,000 square feet of outdoor function space. The Fairmont Kea Lani Maui represents the Company's first property managed by Fairmont Hotels & Resorts.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040324/HOSTMARRIOTTLOGO>)

The purchase price is \$355 million. The resort's 2004 Earnings Before Interest Expense, Taxes, Depreciation, Amortization (EBITDA) is forecasted to be approximately \$30 million (EBITDA equals forecasted GAAP operating profit of \$23 million plus depreciation expense of \$7 million). The purchase is subject to customary closing conditions and is expected to close in August.

Christopher J. Nassetta, president and chief executive officer, stated, "We are extremely pleased to announce this acquisition. This resort will represent our second acquisition in Hawaii and our first in Wailea, which we believe to be a high growth market and the top market in Hawaii. The expected strong growth rate should produce long-term yields that significantly exceed our weighted-average cost of capital. This resort will be the first Fairmont- managed resort in our portfolio and we look forward to partnering with Fairmont to further build on the exceptional reputation of The Fairmont Kea Lani Maui. This investment is representative of our strategy of acquiring high quality assets in difficult to replace locations with significant barriers to entry."

Host Marriott Corporation is a Fortune 500 lodging real estate company, which owns 111 upscale and luxury full-service hotel properties primarily operated under Marriott, Ritz-Carlton, Hyatt, Four Seasons, Hilton and Westin brand names.

SOURCE Host Marriott Corporation

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