



/SECOND ADD -- DCW001 -- Host Marriott Corporation Earnings/

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HOST MARRIOTT CORPORATION

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA
(unaudited, in millions)

	Quarter ended		Year-to-date ended	
	Sept. 9, 2005	Sept. 10, 2004	Sept. 9, 2005	Sept. 10, 2004
Net income (loss)	\$ (5)	\$ (47)	\$ 92	\$ (61)
Interest expense	94	108	317	356
Depreciation and amortization	85	83	254	242
Income taxes (a)	(15)	(10)	23	(2)
Discontinued operations (b)	1	4	2	11
EBITDA (c)	160	138	688	546
(Gains) losses on dispositions (a)	-	-	(83)	(20)
Amortization of deferred gains	(1)	(5)	(7)	(10)
Consolidated partnership adjustments:				
Minority interest (income) expense	-	(4)	12	(2)
Distributions to minority partners	-	(1)	(3)	(5)
Equity investment adjustments:				
Equity in (earnings) losses of affiliates	-	4	1	12
Distributions received from equity investments	1	1	2	2
Adjusted EBITDA of Host LP (c)	160	133	610	523
Distributions to minority interest partners of Host LP	(2)	-	(4)	-
Adjusted EBITDA of Host Marriott (c)	\$ 158	\$ 133	\$ 606	\$ 523

- (a) Income taxes and gains on dispositions include \$28 million and \$69 million, respectively, for year-to-date 2005 due to the sale of 85% of our interest in CBM Joint Venture LLC.
- (b) Reflects the interest expense, depreciation and amortization and income taxes included in discontinued operations.
- (c) See the notes to the financial information for discussion of non-GAAP measures.

HOST MARRIOTT CORPORATION

Reconciliation of Net Income Available to Common Stockholders to Funds From Operations per Diluted Share for Full Year 2005 Forecasts (a)
(unaudited, in millions, except per share amounts)

	Low-end of Range Full Year 2005 Forecast		
	Income (Loss)	Shares	Per Share Amount
Forecast net income available to common stockholders	\$ 135	353.0	\$ 0.38
Adjustments:			
Depreciation and amortization	366	-	1.04
Gain on dispositions, net of taxes	(97)	-	(0.28)

Partnership adjustments	9	-	0.02
FFO of minority partners of Host LP (b)	(20)	-	(0.05)
Adjustment for dilutive securities:			
Assuming distribution of common share granted under the comprehensive stock plan less shares assumed purchased at average market price	-	2.4	(0.01)
Assuming conversion of Exchangeable Senior Debentures	19	27.9	(0.03)
Assuming conversion of Convertible Subordinated Debentures	32	30.9	-
FFO per diluted share (c)	\$444	414.2	\$1.07

	High-end of Range Full Year 2005 Forecast		
	Income (Loss)	Shares	Per Share Amount
Forecast net income available to common stockholders	\$149	353.0	\$0.42
Adjustments:			
Depreciation and amortization	366	-	1.04
Gain on dispositions, net of taxes	(97)	-	(0.28)
Partnership adjustments	9	-	0.02
FFO of minority partners of Host LP (b)	(21)	-	(0.06)
Adjustment for dilutive securities:			
Assuming distribution of common share granted under the comprehensive stock plan less shares assumed purchased at average market price	-	2.4	(0.01)
Assuming conversion of Exchangeable Senior Debentures	19	27.9	(0.03)
Assuming conversion of Convertible Subordinated Debentures	32	30.9	-
FFO per diluted share (c)	\$457	414.2	\$1.10

See the notes following the table reconciling net income to EBITDA and Adjusted EBITDA for assumptions relating to the full year 2005 forecasts.

HOST MARRIOTT CORPORATION

Reconciliation of Net Income to EBITDA and Adjusted EBITDA for Full Year 2005 Forecasts (a)
(unaudited, in millions)

	Full Year 2005	
	Low-end of Range	High-end of Range
Net income	\$166	\$180
Interest expense	446	446
Depreciation and amortization	370	370
Income taxes	33	33
EBITDA	1,015	1,029
Gains on dispositions	(128)	(128)
Consolidated partnership adjustments:		
Minority interest expense	16	17
Distributions to minority partners	(5)	(5)
Equity investment adjustments:		
Equity in losses of affiliates	-	-
Distributions received from equity investments	2	2
Adjusted EBITDA of Host LP	900	915
Distributions to minority interest		

partners of Host LP	(6)	(6)
Adjusted EBITDA of Host Marriott	\$894	\$909

(a) The amounts shown in these reconciliations are based on management's estimate of operations for 2005. These tables are forward-looking and as such contain assumptions by management based on known and unknown risks, uncertainties and other factors which may cause the actual transactions, results, performance, or achievements to be materially different from any future transactions, results, performance or achievements expressed or implied by this table. General economic conditions, competition and governmental actions will affect future transactions, results, performance and achievements. Although we believe the expectations reflected in this reconciliation are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviations will not be material.

The full year 2005 forecasts were based on the following assumptions:

- Comparable hotel RevPAR will increase 8.0% to 9.0% for the full year and for the low and high ends of the forecasted range, respectively.
- Comparable hotel adjusted operating profit margins will increase 130 basis points and 150 basis points for the full year for the low and high ends of the forecasted range, respectively.
- Approximately \$242 million of hotels will be sold during 2005.
- Approximately \$285 million of acquisitions will be made during 2005.
- Approximately \$650 million of debt has been, or will be, refinanced or prepaid and approximately \$100 million of Class B preferred stock has been redeemed during 2005. Charges, net of the minority interest benefit, totaling approximately \$36 million, or \$.09 of FFO per diluted share, in call premiums and the acceleration of deferred financing costs associated with the debt repayments and the redemption of the Class B preferred stock will be incurred for the full year.
- Fully diluted shares will be 414.2 million for the full year.

(b) Represents FFO attributable to the minority interests in Host LP.

(c) FFO per diluted share in accordance with NAREIT is adjusted for the effects of dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans, those preferred OP Units held by minority partners, other minority interests that have the option to convert their limited partnership interest to common OP Units, the Convertible Subordinated Debentures and the Exchangeable Senior Debentures. No effect is shown for securities if they are anti-dilutive.

HOST MARRIOTT CORPORATION
Schedule of Comparable Hotel

Adjusted Operating Profit Margin for Full Year 2005 Forecast (a)
(unaudited, in millions, except hotel statistics)

Full Year 2005 Forecast	
Low-end	High-end
of range	of range

Percent change in Comparable Hotel RevPAR	8.0%	9.0%
Operating profit margin under GAAP (b)	13.3%	13.6%
Comparable hotel adjusted operating profit margin (c)	23.9%	24.1%
Comparable hotel sales		
Room	\$2,150	\$2,170
Other	1,356	1,369
Comparable hotel sales (d)	3,506	3,539
Comparable hotel expenses		
Rooms and other departmental costs	1,501	1,515
Management fees, ground rent and other costs	1,167	1,171
Comparable hotel expenses (e)	2,668	2,686
Comparable hotel adjusted operating profit	838	853
Non-comparable hotel results, net	106	106
Office buildings and limited service properties, net	4	4
Depreciation and amortization	(367)	(367)
Corporation and other expenses	(67)	(67)
Operating profit	\$514	\$529

(a) See the notes to the financial information for discussion of non-GAAP measure, reporting periods and comparable hotel results. Also, see the notes following the table reconciling net income to EBITDA and Adjusted EBITDA for assumptions relating to the full year 2005 forecasts. Forecasted comparable hotel results include assumptions on the number of hotels that will be included in our comparable hotel set in 2005. We have assumed that 98 hotels will be classified as comparable as of December 31, 2005, reflecting dispositions in 2005 and certain other forecasted major renovations. No assurances can be made as to the hotels that will be in the comparable hotel set for 2005.

(b) Operating profit margin under GAAP is calculated as the operating profit divided by the forecast total revenues per the consolidated statements of operations. See (d) below for forecasted revenues.

(c) Comparable hotel adjusted operating profit margin is calculated as the comparable hotel adjusted operating profit divided by the comparable hotel sales per the table above. We forecasted an increase in margins of 130 to 150 basis points. The comparable hotel adjusted operating profit margin for 2004 was 22.6%, which reflects the results of 98 hotels currently forecasted to be classified as comparable for 2005 as noted above.

(d) The reconciliation of forecast total revenues to the forecast comparable hotel sales is as follows (in millions):

	Full Year 2005	
	Low-end of range	High-end of range
Revenues	\$3,861	\$3,897
Non-comparable hotel sales	(321)	(324)
Hotel sales for the property for which we record rental income, net	50	50
Rental income for office buildings and limited service hotels	(84)	(84)
Comparable hotel sales	\$3,506	\$3,539

(e) The reconciliation of forecast operating costs and expenses to the comparable hotel expenses is as follows (in millions):

	Full Year 2005	
	Low-end of range	High-end of range
Operating costs and expenses	\$3,347	\$3,368
Non-comparable hotel expenses	(215)	(218)
Hotel expenses for the property for which we record rental income	50	50
Rent expense for office buildings and limited service hotels	(80)	(80)
Depreciation and amortization	(367)	(367)
Corporate and other expenses	(67)	(67)
Comparable hotel expenses	\$2,668	\$2,686

HOST MARRIOTT, L.P.

Consolidated Statements of Operations (a)
(unaudited, in millions, except per unit amounts)

	Quarter ended		Year-to-date ended	
	Sept. 9, 2005	Sept. 10, 2004	Sept. 9, 2005	Sept. 10, 2004
Revenues				
Rooms	\$532	\$487	\$1,612	\$1,463
Food and beverage	230	218	785	751
Other	57	55	174	164
Total hotel sales	819	760	2,571	2,378
Rental income	22	21	76	74
Total revenues	841	781	2,647	2,452
Expenses				
Rooms	135	127	392	366
Food and beverage	189	183	592	572
Hotel departmental expenses	243	228	710	666
Management fees	34	29	112	98
Other property-level expenses	69	69	205	206
Depreciation and amortization	85	83	254	242
Corporate and other expenses	16	18	45	43
Total operating costs and expenses	771	737	2,310	2,193
Operating profit	70	44	337	259
Interest income	5	3	17	8
Interest expense	(94)	(107)	(318)	(356)
Net gains on property transactions	-	5	77	10
Gain (loss) on foreign currency and derivative contracts	(1)	(2)	1	(2)
Minority interest income (expense)	-	-	(6)	(3)
Equity in earnings (losses) of affiliates	-	(4)	(1)	(12)
Income (loss) before income taxes	(20)	(61)	107	(96)
Benefit (provision) for income taxes	15	10	(23)	2
Income (loss) from continuing operations	(5)	(51)	84	(94)
Income from discontinued operations (b)	-	1	13	28
Net income (loss)	(5)	(50)	97	(66)
Less: Distributions on preferred units	(6)	(9)	(21)	(28)

Issuance costs of redeemed preferred units	-	(4)	(4)	(4)
Net income (loss) available to common unitholders	\$(11)	\$(63)	\$72	\$(98)
Basic and diluted earnings (loss) per common unit:				
Continuing operations	\$(.03)	\$(.17)	\$.16	\$(.36)
Discontinued operations	-	-	\$.03	\$.08
Basic and diluted earnings (loss) per common unit	\$(.03)	\$(.17)	\$.19	\$(.28)

- (a) Our consolidated statements of operations presented above have been prepared without audit. Certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP have been omitted. The consolidated statements of operations should be read in conjunction with the consolidated financial statements and notes thereto included in our most recent Annual Report on Form 10-K.
- (b) Reflects the results of operations and gain (loss) on sale, net of the related income tax, for four properties sold in the first quarter of 2005, the one property classified as held for sale as of the end of the third quarter of 2005 and nine properties sold in 2004.

HOST MARRIOTT, L.P.
Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA for
Host Marriott, L.P.
(unaudited, in millions)

	Quarter ended		Year-to-date ended	
	Sept. 9, 2005	Sept. 10, 2004	Sept. 9, 2005	Sept. 10, 2004
Net income (loss)	\$(5)	\$(50)	\$97	\$(66)
Interest expense	94	107	318	356
Depreciation and amortization	85	83	254	242
Income taxes (a)	(15)	(10)	23	(2)
Discontinued operations (b)	1	4	2	11
EBITDA (c)	160	134	694	541
Gains on dispositions (a)	-	-	(83)	(20)
Amortization of deferred gains	(1)	(5)	(7)	(10)
Consolidated partnership adjustments:				
Minority interest (income) expense	-	-	6	3
Distributions to minority partners	-	(1)	(3)	(5)
Equity investment adjustments:				
Equity in (earnings) losses of affiliates	-	4	1	12
Distributions received from equity investments	1	1	2	2
Adjusted EBITDA of Host LP (c)	\$160	\$133	\$610	\$523

- (a) Income taxes and gains on dispositions include \$28 million and \$69 million, respectively, for year-to-date 2005 due to the sale of 85% of our interest in CBM Joint Venture LLC.
- (b) Reflects the interest expense, depreciation and amortization and income taxes included in discontinued operations.
- (c) See the notes to the financial information for discussion of non-GAAP measures.

HOST MARRIOTT, L.P.
Reconciliation of Net Income to EBITDA and Adjusted EBITDA
for Full Year 2005 Forecasts for Host Marriott, L.P. (a)
(unaudited, in millions)

	Full Year 2005	
	Low-end of range	High-end of range
Net income	\$175	\$190
Interest expense	447	447
Depreciation and amortization	370	370
Income taxes	33	33
EBITDA	1,025	1,040
Gains on dispositions	(128)	(128)
Consolidated partnership adjustments:		
Minority interest expense	6	6
Distributions to minority partners	(5)	(5)
Equity investment adjustments:		
Equity in losses of affiliates	-	-
Distributions received from equity investments	2	2
Adjusted EBITDA of Host LP	\$900	\$915

(a) The amounts shown in these reconciliations are based on management's estimate of operations for 2005. These tables are forward-looking and as such contain assumptions by management based on known and unknown risks, uncertainties and other factors which may cause the actual transactions, results, performance, or achievements to be materially different from any future transactions, results, performance or achievements expressed or implied by this table. General economic condition, competition and governmental actions will affect future transactions, results performance and achievements. Although we believe the expectations in this reconciliation are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviations will not be material. For purposes of the full year forecasts, we have utilized the same, previously detailed assumptions as those utilized for the full year forecasts for Host Marriott Corporation.

HOST MARRIOTT CORPORATION
Reconciliation of Net Income Available to Common Stockholders to
Funds From Operations per Diluted Share for Full Year 2006 Forecasts (a)
(unaudited, in millions, except per share amounts)

	Low-end of Range Full Year 2006 Forecast		
	Income (Loss)	Shares	Per Share Amount
Forecast net income available to common stockholders	\$150	353.2	\$0.42
Adjustments:			
Depreciation and amortization	388	-	1.10
Gain on dispositions, net of taxes	(4)	-	(0.01)
Partnership adjustments	7	-	0.02
FFO of minority partners of Host LP (b)	(29)	-	(0.08)
Adjustment for dilutive securities:			
Assuming distribution of common share granted under the comprehensive stock plan less shares assumed purchased at average market price	-	3.1	(0.01)

Assuming conversion of Exchangeable Senior Debentures	19	28.7	(0.07)
Assuming conversion of Convertible Subordinated Debentures	32	30.9	(0.02)
FFO per diluted share (c)	\$563	415.9	\$1.35

	High-end of Range Full Year 2006 Forecast		
	Income (Loss)	Shares	Per Share Amount
Forecast net income available to common stockholders	\$188	353.2	\$0.53
Adjustments:			
Depreciation and amortization	388	-	1.10
Gain on dispositions, net of taxes	(4)	-	(0.01)
Partnership adjustments	10	-	0.03
FFO of minority partners of Host LP (b)	(31)	-	(0.09)
Adjustment for dilutive securities:			
Assuming distribution of common share granted under the comprehensive stock plan less shares assumed purchased at average market price	-	3.1	(0.01)
Assuming conversion of Exchangeable Senior Debentures	19	28.7	(0.07)
Assuming conversion of Convertible Subordinated Debentures	32	30.9	(0.03)
FFO per diluted share (c)	\$602	415.9	\$1.45

See the notes following the table reconciling net income to EBITDA and Adjusted EBITDA for the full year 2006 forecasts.

HOST MARRIOTT CORPORATION
Reconciliation of Net Income to EBITDA and Adjusted EBITDA for Full Year
2006 Forecasts (a)
(unaudited, in millions)

	Full Year 2006	
	Low-end of Range	High-end of Range
Net income	\$174	\$212
Interest expense	425	425
Depreciation and amortization	390	390
Income taxes	9	9
EBITDA	998	1,036
Gains on dispositions	(4)	(4)
Consolidated partnership adjustments:		
Minority interest expense	17	19
Distributions to minority partners	(6)	(6)
Equity investment adjustments:		
Equity in losses of affiliates	(1)	(1)
Distributions received from equity investments	1	1
Adjusted EBITDA of Host LP	1,005	1,045
Distributions to minority interest partners of Host LP	(9)	(9)
Adjusted EBITDA of Host Marriott	\$996	\$1,036

(a) The 2006 forecasts were based on the following assumptions:

-- Comparable hotel RevPAR will increase 7.0% to 9.0% for the low

- and high ends of the forecasted range, respectively;
- Comparable hotel adjusted operating profit margins will increase 125 basis points and 175 basis points for the low and high ends of the forecasted range, respectively;
- No acquisitions or dispositions;
- No significant debt issuances; and
- Fully diluted shares will be 415.9 million.

The amounts shown in the forecasts are based on these and other assumptions, as well as management's estimate of operations for 2006. These forecasts are forward-looking and are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause actual transactions, results and performance to differ materially from those expressed or implied by these forecasts. Although the Company believes the expectations reflected in the forecasts are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that the results will not be materially different than those expressed above. Risks that may affect these assumptions and forecasted results include, but are not limited to, the following:

- the level of RevPAR and margin growth may change significantly as the result of the completion of individual hotel budgets with the operators of the Company's hotels later this year;
- the amount and timing of acquisitions and dispositions of hotel properties is inherently difficult to predict and can substantially affect financial results in various respects, including such items as depreciation and amortization and gains (losses) on dispositions;
- the level of capital expenditures may change significantly as the result of completion of individual hotel budgets with the operators of the Company's hotels later this year; any increase or decrease in capital expenditures will directly affect the level of depreciation expense and net income; and
- other risks and uncertainties associated with our business described herein and in the Company's filings with the SEC.

- (b) Represents FFO attributable to the minority interests in Host LP.
- (c) FFO per diluted share in accordance with NAREIT is adjusted for the effects of dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans, those preferred OP Units held by minority partners, other minority interests that have the option to convert their limited partnership interest to common OP Units, the Convertible Subordinated Debentures and the Exchangeable Senior Debentures. No effect is shown for securities if they are anti-dilutive.

SOURCE Host Marriott Corporation