



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

October 12, 2005

Year-to-date ended September 9, 2005

	Average Daily Rate	Average Occupancy Percentages	RevPAR
Pacific	\$170.81	77.9%	\$133.11
Florida	177.40	74.8	132.65
Mid-Atlantic	195.12	79.1	154.29
North Central	129.17	67.1	86.67
DC Metro	177.98	78.3	139.41
Atlanta	150.30	68.2	102.50
South Central	133.74	76.7	102.60
New England	151.15	71.4	107.98
Mountain	111.24	64.4	71.62
International	131.45	72.2	94.95
All Regions	163.17	74.5	121.55

Year-to-date ended September 10, 2004

	Average Daily Rate	Average Occupancy Percentages	RevPAR	Percent Change in RevPAR
Pacific	\$160.32	75.6%	\$121.26	9.8%
Florida	166.53	73.5	122.33	8.4
Mid-Atlantic	178.16	77.6	138.28	11.6
North Central	119.33	68.6	81.82	5.9
DC Metro	160.16	75.5	120.87	15.3
Atlanta	145.56	68.7	99.97	2.5
South Central	125.32	76.4	95.78	7.1
New England	145.56	73.2	106.57	1.3
Mountain	104.33	60.4	63.04	13.6
International	120.72	72.8	87.83	8.1
All Regions	151.75	73.4	111.44	9.1

Comparable Hotels by Property Type (a)

As of September 9, 2005

	No. of Properties	No. of Rooms
Urban	39	22,874
Suburban	34	12,492
Airport 16	16	7,328
Resort/Convention	10	6,388
All Types	99	49,082

Quarter ended September 9, 2005

	Average Daily Rate	Average Occupancy Percentages	RevPAR
Urban	\$168.27	78.4%	\$131.96

Suburban	130.54	71.3	93.02
Airport 16	115.45	78.5	90.63
Resort/Convention	185.81	70.9	131.68
All Types	153.38	75.6	115.98

Quarter ended September 10, 2004

	Average Occupancy	Percent Change in RevPAR	Average Daily Rate	Percent- ages RevPAR	RevPAR
Urban	77.2%	7.4%	\$159.22	77.2%	\$122.90
Suburban	69.3	10.2	121.76	69.3	84.43
Airport 16	76.5	9.8	107.88	76.5	82.54
Resort/Convention	72.0	6.3	171.88	72.0	123.84
All Types	74.4	8.0	144.24	74.4	107.34

As of September 9, 2005

	No. of Properties	No. of Rooms
Urban	39	22,874
Suburban	34	12,492
Airport	16	7,328
Resort/Convention	10	6,388
All Types	99	49,082

Year-to-date ended September 9, 2005

	Average Daily Rate	Average Occupancy Percentages	RevPAR
Urban	\$176.35	77.5%	\$136.69
Suburban	131.87	68.6	90.44
Airport	120.53	76.0	91.62
Resort/Convention	220.93	73.5	162.49
All Types	163.17	74.5	121.55

Year-to-date ended September 10, 2004

	Average Occupancy	Percent Change in RevPAR	Average Daily Rate	Percent- ages RevPAR	RevPAR
Urban	75.9%	9.7%	\$164.23	75.9%	\$124.62
Suburban	67.5	9.3	122.47	67.5	\$82.71
Airport	75.6	8.0	112.22	75.6	84.85
Resort/Convention	73.8	7.4	204.98	73.8	151.35
All Types	73.4	9.1	151.75	73.4	111.44

(a) See the notes to financial information for a discussion of reporting periods and comparable hotel results.

	Quarter ended		Year-to-date ended	
	Sept. 9, 2005	Sept. 10, 2004	Sept. 9, 2005	Sept. 10, 2004
Number of hotels	99	99	99	99
Number of rooms	49,082	49,082	49,082	49,082
Percent change in Comparable Hotel RevPAR	8.0%	-	9.1%	-
Operating profit margin under GAAP (b)	8.3%	5.6%	12.7%	10.6%
Comparable hotel adjusted operating profit margin (c)	20.2%	18.4%	23.8%	22.1%
Comparable hotel sales				
Room	\$489	\$452	\$1,491	\$1,371
Food and beverage	221	208	754	717
Other	54	51	167	157
Comparable hotel sales (d)	764	711	2,412	2,245
Comparable hotel expenses				
Room	125	119	364	345
Food and beverage	182	174	568	545
Other	34	34	103	99
Management fees, ground rent and other costs	269	253	802	760
Comparable hotel expenses (e)	610	580	1,837	1,749
Comparable hotel adjusted operating profit	154	131	575	496
Non-comparable hotel results, net (f)	17	14	61	49
Office buildings and limited service properties, net (g)	-	-	-	(1)
Depreciation and amortization	(85)	(83)	(254)	(242)
Corporate and other expenses	(16)	(18)	(45)	(43)
Operating profit	\$70	\$44	\$337	\$259

(a) See the notes to the financial information for discussion of non-GAAP measures, reporting periods and comparable hotel results.

(b) Operating profit margin under GAAP is calculated as the operating profit divided by the total revenues per the consolidated statements of operations.

(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.

(d) The reconciliation of total revenues per the consolidated statements of operations to the comparable hotel sales is as follows:

Quarter ended	Year-to-date ended
Sept.	Sept.

	9, 2005	10, 2004	9, 2005	10, 2004
Revenues per the consolidated statements of operations	\$841	\$781	\$2,647	\$2,452
Revenues of hotels held for sale	3	2	8	7
Non-comparable hotel sales	(72)	(62)	(224)	(181)
Hotel sales for the property for which we record rental income, net	10	8	35	31
Rental income for office buildings and limited service hotels	(18)	(18)	(54)	(53)
Adjustment for hotel sales for comparable hotels to reflect Marriott's fiscal year for Marriott-managed hotels	-	-	-	(11)
Comparable hotel sales	\$764	\$711	\$2,412	\$2,245

- (e) The reconciliation of operating costs per the consolidated statements of operations to the comparable hotel expenses is as follows (in millions):

	Quarter ended		Year-to-date ended	
	Sept. 9, 2005	Sept. 10, 2004	Sept. 9, 2005	Sept. 10, 2004
Operating costs and expenses per the consolidated statements of operations	\$771	\$737	\$2,310	\$2,193
Operating cost of hotels held for sale	3	2	7	6
Non-comparable hotel expenses	(55)	(48)	(162)	(133)
Hotel expenses for the property for which we record rental income	10	8	35	32
Rent expense for office buildings and limited service hotels	(18)	(18)	(54)	(54)
Adjustment for hotel expenses for comparable hotels to reflect Marriott's fiscal year for Marriott-managed hotels	-	-	-	(10)
Depreciation and amortization	(85)	(83)	(254)	(242)
Corporate and other expenses	(16)	(18)	(45)	(43)
Comparable hotel expenses	\$610	\$580	\$1,837	\$1,749

- (f) Non-comparable hotel results, net, includes the following items: (i) the results of operations of our non-comparable hotels whose operations are included in our consolidated statement of operations as continuing operations and (ii) the difference between the number of days of operations reflected in the comparable hotel results and the number of days of operations reflected in the consolidated statements of operations. For further detail, see "Notes to Financial Information."
- (g) Represents rental income less rental expense for limited service properties and office buildings. For further detail, see footnote (b) to the consolidated statements of operations.

HOST MARRIOTT CORPORATION
Other Financial and Operating Data
(unaudited, in millions, except per share amounts)

	September 9, 2005	December 31, 2004
Equity		
Common shares outstanding	353.3	350.3
Common shares and minority held common OP Units outstanding	373.3	371.3
Preferred OP Units outstanding	.02	.02
Class B Preferred shares outstanding (a)	-	4.0
Class C Preferred shares outstanding	6.0	6.0
Class D Preferred shares outstanding (a)	-	.03
Class E Preferred shares outstanding	4.0	4.0
Security pricing (per share price)		
Common (b)	\$17.65	\$17.30
Class B Preferred (a) (b)	\$-	\$25.80
Class C Preferred (b)	\$26.10	\$26.37
Class E Preferred (b)	\$27.19	\$27.45
Convertible Preferred Securities (c)	\$57.85	\$57.25
Exchangeable Senior Debentures (d)	\$1,122.50	\$1,156.00
Dividends declared per share for calendar year		
Common (e)	\$.29	\$.05
Class A Preferred (f)	\$-	\$1.38
Class B Preferred (a)	\$.87	\$2.50
Class C Preferred (e)	\$1.88	\$2.50
Class D Preferred (a)	\$.87	\$2.50
Class E Preferred (e)	\$1.66	\$1.37
Debt		
Series B senior notes, with a rate of 7 7/8% due August 2008	\$136	\$304
Series E senior notes, with a rate of 8 3/8% due February 2006	-	300
Series G senior notes, with a rate of 9 1/4% due October 2007 (g)	237	243
Series I senior notes, with a rate of 9 1/2% due January 2007 (h)	455	468
Series K senior notes, with a rate of 7 1/8% due November 2013	725	725
Series M senior notes, with a rate of 7% due August 2012 (i)	346	346
Series O senior notes, with a rate of 6 3/8% due March 2015 (j)	650	-
Exchangeable Senior Debentures, with a rate of 3.25% due April 2024	492	491
Senior notes, with an average rate of 9.7%, maturing through 2012	13	13
Total senior notes	3,054	2,890
Mortgage debt (non-recourse) secured by \$2.8 billion of real estate assets, with an average interest rate of 7.7% at September 9, 2005 and December 31, 2004, respectively	1,858	2,043
Credit facility (k)	-	-
Convertible Subordinated Debentures, with a rate of 6 3/4% due December 2026	492	492

Other	97	98
Total debt	\$5,501	\$5,523
Percentage of fixed rate debt	85%	85%
Weighted average interest rate	7.0%	7.1%
Weighted average debt maturity	6.9 years	6.6 years

	Quarter ended		Year-to-date ended	
	Sept. 9, 2005	Sept. 10, 2004	Sept. 9, 2005	Sept. 10, 2004
Hotel Operating Statistics for All Full-Service Properties (1)				
Average daily rate	\$155.59	\$142.30	\$164.46	\$148.53
Average occupancy	74.5%	74.0%	73.7%	73.3%
RevPAR	\$115.97	\$105.32	\$121.22	\$108.90

- (a) On May 20, 2005, we redeemed, at par, all four million shares of our 10% Class B Cumulative Redeemable Preferred stock for approximately \$101 million, including accrued dividends and all 33,182 shares of our 10% Class D Cumulative Redeemable Preferred stock.
- (b) Share prices are the closing price as reported by the New York Stock Exchange.
- (c) Market price as quoted by Bloomberg L.P. Amount reflects the price of a single \$50 security, which is convertible into common stock upon the occurrence of certain events.
- (d) Market price as quoted by Bloomberg L.P. Amount reflects the price of a single \$1,000 debenture, which is exchangeable for common stock upon the occurrence of certain events.
- (e) On September 19, 2005, we declared a third quarter common dividend of \$.11 per share and preferred dividends per share for our Class C and Class E preferred stock of \$.625 and \$.5546875, respectively.
- (f) On August 3, 2004, we redeemed all 4.16 million shares of the outstanding Class A preferred stock at a price of \$25.00 per share plus dividends accrued to that date.
- (g) Includes the fair value of interest rate swap agreements of \$(5) million and \$1 million as of September 9, 2005 and December 31, 2004, respectively.
- (h) Includes the fair value of interest rate swap agreements of \$5 million and \$18 million as of September 9, 2005 and December 31, 2004, respectively.
- (i) On March 3, 2005, we exchanged all of our 7% Series L senior notes due 2012 for our 7% Series M senior notes due 2012. The terms of the Series L senior notes and the Series M senior notes are substantially identical in all material respects, except that the Series M senior notes are registered under the Securities Act of 1933 and are, therefore, freely transferable by the holders.
- (j) On July 19, 2005, we exchanged all of our 6 3/8% Series N senior notes for our 6 3/8% Series O senior notes. The terms of the Series O senior notes and the Series N senior notes are substantially identical in all material respects, except that the Series O senior notes are registered under the Securities Act of 1933 and are, therefore, freely transferable by the holders.

- (k) Our credit facility has an available capacity of \$575 million and there are currently no amounts outstanding.
- (l) The operating statistics reflect all consolidated properties as of September 9, 2005 and September 10, 2004, respectively. The operating statistics include the results of operations for four properties sold in the first quarter of 2005 and nine properties sold in 2004 prior to their disposition.

HOST MARRIOTT CORPORATION

Reconciliation of Net Income (Loss) Available to Common Stockholders
to Funds From Operations per Diluted Share
(unaudited, in millions, except per share amounts)

	Quarter ended September 9, 2005			Quarter ended September 10, 2004		
	Income (Loss)	Shares	Per Share Amount	Income (Loss)	Shares	Per Share Amount
Net loss available to common stockholders	\$(11)	353.1	\$(.03)	\$(60)	348.7	\$(.17)
Adjustments:						
Amortization of deferred gains, net of taxes	(1)	-	-	(4)	-	(.01)
Depreciation and amortization	85	-	.24	85	-	.24
Partnership adjustments	1	-	-	1	-	-
FFO of minority partners of Host LP (a)	(4)	-	(.01)	(1)	-	-
Adjustments for dilutive securities:						
Assuming distribution of common shares granted under the comprehensive stock plan less shares assumed purchased at average market price	-	2.3	-	-	2.0	-
Assuming conversion of Exchangeable Senior Debentures	4	27.7	(.01)	-	-	-
FFO per diluted share (b) (c)	\$74	383.1	\$.19	\$21	350.7	\$.06

	Year-to-date ended September 9, 2005			Year-to-date ended September 10, 2004		
	Income (Loss)	Shares	Per Share Amount	Income (Loss)	Shares	Per Share Amount
Net income (loss) available to common stockholders	\$67	352.6	\$.19	\$(93)	331.5	\$(.28)
Adjustments:						
Gains on dispositions, net of taxes	(54)	-	(.15)	(20)	-	(.06)
Amortization of deferred gains, net of taxes	(5)	-	(.02)	(8)	-	(.02)
Depreciation and amortization	254	-	.72	251	-	.75
Partnership adjustments	9	-	.03	12	-	.04
FFO of minority partners of Host LP (a)	(15)	-	(.04)	(9)	-	(.03)
Adjustments for dilutive securities:						
Assuming distribution of common shares granted under the comprehensive stock plan less						

shares assumed purchased at average market price	-	2.4	(.01)	-	2.1	-
Assuming conversion of Exchangeable Senior Debentures	13	27.7	(.02)	-	-	-
FFO per diluted share (b) (c)	\$269	382.7	\$.70	\$133	333.6	\$.40

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

(b) 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, convertible debt securities and other minority interests that have the option to convert their limited partnership interest to common OP units. No effect is shown for securities if they are anti-dilutive.

(c) FFO per diluted share for certain periods presented was significantly affected by certain transactions, which are detailed in the table entitled, "Schedule of Significant Transactions Affecting Earnings per Share, Funds from Operations per Diluted Share and Adjusted EBITDA."

HOST MARRIOTT CORPORATION

Schedule of Significant Transactions Affecting Earnings per Share and Funds From Operations per Diluted Share (unaudited, in millions, except per share amounts)

	Quarter ended September 9, 2005		Quarter ended September 10, 2004	
	Net Income		Net Income	
	Loss	FFO	Loss	FFO
Senior notes redemptions and debt prepayments (a)	\$-	\$-	\$(14)	\$(14)
Preferred stock redemption (b)	-	-	(6)	(6)
Minority interest income (c)	-	-	1	1
Total	\$-	\$-	\$(19)	\$(19)
Per diluted share	\$-	\$-	\$(.05)	\$(.05)
	Year-to-date ended September 9, 2005		Year-to-date ended September 10, 2004	
	Net Income		Net Income	
	Loss	FFO	Loss	FFO
Senior notes redemptions and debt prepayments (a)	\$(34)	\$(34)	\$(59)	\$(59)
Preferred stock redemptions (b)	(4)	(4)	(6)	(6)
Gain on CBM Joint Venture LLC sale, net of taxes (d)	42	-	-	-
Gain on hotel dispositions, net of taxes	12	-	20	-
Minority interest income (expense) (c)	(1)	2	2	4
Total	\$15	\$(36)	\$(43)	\$(61)
Per diluted share (e)	\$.04	\$(.09)	\$(.13)	\$(.18)

(a) Represents call premiums and the acceleration of original issue discounts and deferred financing costs, as well as incremental interest during the call or prepayment notice period, included in interest expense in the consolidated statements of operations. We recognized these costs in conjunction with the prepayment or refinancing of senior notes and mortgages during certain periods presented.

(b) Represents the original issuance costs for preferred stock, which were required to be charged against net income (loss) available to

common stockholders in conjunction with the redemption of the Class B preferred stock in the second quarter of 2005 and the Class A preferred stock in the third quarter of 2004. The adjustment in 2004 also includes the incremental dividends from the date of issuance of the Class E preferred stock to the date of redemption of the Class A preferred stock. For further detail, see footnote (d) to the consolidated statements of operations.

- (c) Represents the portion of the significant transactions attributable to minority partners in Host LP.
- (d) Represents the gain, net of tax, on the sale of 85% of our interest in CBM Joint Venture LLC.
- (e) Prior year per share amounts were adjusted due to the dilutive effect of the retroactive application of EITF 04-8.

SOURCE Host Marriott Corporation