



Host Hotels & Resorts, Inc. Announces Acquisition Of The Phoenician, Asset Sales, Stock Repurchases And Other Strategic Initiatives

June 8, 2015

BETHESDA, Md., June 8, 2015 /PRNewswire/ -- Host Hotels & Resorts, Inc. (NYSE: HST) today announces the progress on various corporate strategic initiatives.



On June 8, 2015, the Company acquired the 643-room Phoenician, a Luxury Collection resort, for \$400 million. The hotel boasts a scenic 300-acre setting at the base of Camelback Mountain with outstanding views of the local natural landmark. The AAA Five-Diamond, Forbes Four-Star rated property is ideally located in one of the premium resort markets in the southwest, within close proximity of the nightlife, galleries, museums and businesses of downtown Scottsdale. The resort features nine food and beverage outlets, approximately 83,500 square feet of indoor meeting space, and world-class recreation facilities, including a 27-hole championship golf course, seven outdoor pools and a 25,000 square-foot spa and fitness center. It is one of only a handful of iconic luxury destination resorts in the country that cater to both high-end transient and group customers. While the current hotel site allows for future residential development and up to 40 additional rooms, the purchase also includes two adjacent parcels of land totaling over nine acres zoned for residential development. The Company plans to undertake a comprehensive renovation that will strategically occur during the hotel's seasonal, low-occupancy summer periods to minimize disruption. Starwood will continue to operate the hotel under The Luxury Collection® brand flag. Similar to the operational success the Company has achieved in markets where it owns two or more comparable hotels, the Company believes the Phoenician will benefit from synergies with its Westin Kierland Resort, which is also operated by Starwood.

The Company also announced that on June 3, 2015, it completed the sale of the Sheraton Needham for \$54 million. On June 5, 2015, the Company's European Joint Venture sold the Crowne Plaza Amsterdam, for €106.2 million, which includes the FF&E reserve. The Company expects that two additional assets will be sold this quarter, subject to standard closing conditions, for a combined purchase price of approximately \$90 million, as the buyer has a significant deposit at risk.

Earlier in the quarter, the Company bought back 5.55 million shares of its common stock under its share repurchase program for approximately \$111.7 million.

The Company has also made progress on several of its previously announced strategic asset repositioning initiatives. Upon completion of the renovations at the Four Seasons Philadelphia later this year, the hotel will be renamed 'The Logan' and join the Curio – A Collection by Hilton for unique hotels. Similarly, following its repositioning plan, The Ritz-Carlton Phoenix will be renamed 'The Camby' and join Marriott's Autograph Collection. Finally, the Company has instituted an operating change from brand management to independent third-party management at another one of its hotels. This property will be identified on the Company's second quarter earnings call.

"I am very excited to announce the progress we have made on a number of fronts. I am proud of our team's accomplishments to create value for stockholders through a major accretive acquisition at a significant discount to replacement cost, asset sales that increase the overall quality of our portfolio, stock repurchases and continuing progress on our redevelopment projects." said W. Edward Walter, president and CEO.

This press release contains information about pending transactions, and there can be no assurance that these transactions will be completed.

About Host Hotels & Resorts

Host Hotels & Resorts, Inc. is an S&P 500 and Fortune 500 company and is the largest lodging real estate investment trust and one of the largest owners of luxury and upper-upscale hotels. The Company currently owns 97 properties in the United States and 16 properties internationally totaling approximately 59,000 rooms. The Company also holds non-controlling interests in five joint ventures, including one in Europe that owns 18 hotels with

approximately 6,200 rooms and one in Asia that has interests in four hotels in Australia and India. Guided by a disciplined approach to capital allocation and aggressive asset management, the Company partners with premium brands such as Marriott®, Ritz-Carlton®, Westin®, Sheraton®, W®, St. Regis®, Le Meridien®, The Luxury Collection®, Hyatt®, Fairmont®, Hilton®, Swissotel®, ibis®, Pullman®, and Novotel® as well as independent brands in the operation of properties in over 50 major markets worldwide. For additional information, please visit the Company's website at www.hosthotels.com.

Note: This press release contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements include forecast results and are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "plan," "predict," "project," "will," "continue" and other similar terms and phrases, including references to assumptions and forecasts of future results. 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: changes in national and local economic and business conditions and other factors such as natural disasters, pandemics and weather that will affect occupancy rates at our hotels and the demand for hotel products and services; the impact of geopolitical developments outside the U.S. on lodging demand; volatility in global financial and credit markets; operating risks associated with the hotel business; risks and limitations in our operating flexibility associated with the level of our indebtedness and our ability to meet covenants in our debt agreements; risks associated with our relationships with property managers and joint venture partners; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; the effects of hotel renovations on our hotel occupancy and financial results; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; risks associated with our ability to complete acquisitions and dispositions and develop new properties and the risks that acquisitions and new developments may not perform in accordance with our expectations; our ability to continue to satisfy complex rules in order for us to remain a REIT for federal income tax purposes; risks associated with our ability to effectuate our dividend policy, including factors such as operating results and the economic outlook influencing our board's decision whether to pay further dividends at levels previously disclosed or to use available cash to make special dividends; and other risks and uncertainties associated with our business described in the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. 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 June 8, 2015, 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.

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SOURCE Host Hotels & Resorts, Inc.

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