UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 4, 2021

HOST HOTELS & RESORTS, INC.
(Exact Name of Registrant as Specified in Charter)

Maryland	001-14625	53-0085950
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4747 Bethesda Avenue, Suite 1300 Bethesda, Maryland	20814
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (240) 744-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, $.01 par value	HST	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On May 4, 2021, Host Hotels & Resorts, Inc. issued a press release announcing its financial results for the first quarter ended March 31, 2021. The press release referred to supplemental financial information for the quarter that is available on the Company's website at www.hosthotels.com. A copy of the press release and the supplemental financial information are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Report.

The information in this Report, including the exhibits, is provided under Item 2.02 of Form 8-K and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. Furthermore, the information in this Report, including the exhibits, shall not be deemed to be incorporated by reference into the filings of the registrant under the Securities Act of 1933 regardless of any general incorporation language in such filings.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Host Hotels & Resorts, Inc.'s earnings release for the first quarter 2021.
99.2	Host Hotels & Resorts, Inc. First Quarter 2021 Supplemental Financial Information.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOST HOTELS & RESORTS, INC.

Date: May 4, 2021

By: /s/ Joseph C. Ottinger

Name: **Joseph C. Ottinger**

Title: **Senior Vice President and Corporate Controller**

Exhibit 99.1

SOURAV GHOSH
Chief Financial Officer
(240) 744-5267

TEJAL ENGMAN
Investor Relations
(240) 744-5116
ir@hosthotels.com

Host Hotels & Resorts, Inc. Reports Results for First Quarter 2021

Returns to Profitability at the Hotel-Level;
Acquires the Four Seasons Resort Orlando at Walt Disney World® Resort

BETHESDA, MD; May 4, 2021 – Host Hotels & Resorts, Inc. (NASDAQ: HST) (the "Company"), the nation's largest lodging real estate investment trust ("REIT"), today announced results for first quarter 2021.

Operating Results

	Quarter ended March 31, 2021	Quarter ended March 31, 2020	Percent Change vs. Q1 2020	Percent Change vs. Q1 2019(2)
Revenues	$ 399	$ 1,052	(62.1)%	(71.3)%
All owned hotel revenues (pro forma) (1)	401	1,053	(61.9)%	(69.5)%
All owned hotel (pro forma) Total RevPAR - Constant US$	94.98	247.53	(61.6)%	(69.6)%
All owned hotel (pro forma) RevPAR - Constant US$	61.43	147.56	(58.4)%	(68.1)%

	Quarter ended March 31, 2021	Quarter ended March 31, 2020	Percent Change
Net loss	$ (153)	$ (3)	(5000.0)%
EBITDA*re* (1)	5	164	(97.0)%
Adjusted EBITDA*re* (1)	3	164	(98.2)%
Diluted loss per common share	(0.22)	—	N/M
NAREIT FFO per diluted share (1)	0.01	0.23	(95.7)%
Adjusted FFO per diluted share (1)	0.01	0.23	(95.7)%

(unaudited, in millions, except per share and hotel statistics)

* *Additional detail on the Company's results, including data for 21 domestic markets, is available in the First Quarter 2021 Supplemental Financial Information available on the Company's website at www.hosthotels.com.*

James F. Risoleo, President and Chief Executive Officer, said, "We significantly exceeded our expectations in the first quarter, and returned to profitability at the hotel level for the first time since the onset of the pandemic. As a result, for the quarter, while we recorded a GAAP net loss, we delivered positive Adjusted EBITDA*re*. As vaccine deployment accelerated and lockdowns eased across the nation, our portfolio continued to gather revenue momentum through February and inflected sharply upward in March, with Spring break travel driving high-rated leisure demand to our luxury resorts in the Sunbelt and other key leisure destinations."

Risoleo continued, "With the lodging recovery underway, we are pleased to have completed the acquisitions of the Hyatt Regency Austin and Four Seasons Resort Orlando at Walt Disney World® Resort for a total of $771 million. These high-quality properties, located in attractive growth markets with strong demand drivers, are expected to benefit from robust recovery trajectories and are already performing better than we anticipated. In addition to executing meaningful acquisitions this year, we continue to work on redefining our hotel operating model with our managers and positioning our properties to gain market share, key strategic objectives that we believe will accelerate our recovery and strengthen our ability to deliver

(1) NAREIT Funds From Operations ("FFO") per diluted share, Adjusted FFO per diluted share, EBITDA*re*, Adjusted EBITDA*re* and all owned hotel results (pro forma) are non-GAAP (U.S. generally accepted accounting principles) financial measures within the meaning of the rules of the Securities and Exchange Commission ("SEC"). See the Notes to Financial Information on why the Company believes these supplemental measures are useful, reconciliations to the most directly comparable GAAP measure, and the limitations on the use of these supplemental measures.
(2) Presentation includes comparisons to 2019 operating results so investors can better understand the trajectory and timing of any recovery from the COVID-19 impacts on hotel operations.
N/M = Not Meaningful

long-term growth for our stockholders. Overall, we are pleased to end the first quarter following the most challenging year in lodging history feeling optimistic about the recovery in travel and excited about our relative strength at the beginning of the new lodging cycle."

HIGHLIGHTS:

Results for First Quarter 2021

- Recorded a GAAP net loss of $153 million in the first quarter of 2021, compared to a net loss of $66 million in the fourth quarter of 2020, which benefited from a $195 million gain on sale of assets.
- Achieved positive All Owned Hotel Pro Forma EBITDA of $21 million in the first quarter of 2021, due to a sequential improvement in RevPAR and operations. This included break-even or positive hotel-level operating profit at 30 of the Company's hotels, representing 30% of rooms, an increase from 20 hotels, representing 24% of rooms, achieved in the fourth quarter of 2020.
- Acquired the fee-simple interest in the 448-room Hyatt Regency Austin for $161 million.
- Ended the quarter with total available liquidity of approximately $2.1 billion, including FF&E escrow reserves of $131 million.

Subsequent Events

- Acquired the fee simple interest in the 444-room Four Seasons Resort Orlando at Walt Disney World® Resort for approximately $610 million in cash. Located within Walt Disney World® Resort, one of the most visited destination resorts in the world, the resort features 55,000 square feet of meeting space, six food and beverage outlets, five pools, three tennis courts, a 13,000 square foot spa, an 18-hole golf course and club, and a five-acre family-oriented water park.
- Acquired the Royal Ka'anapali and Ka'anapali Kai Golf Courses for $28 million. Featuring two 18-hole golf courses over 296 acres, these assets are expected to generate synergies with the adjacent Hyatt Regency Maui Resort & Spa and provide opportunities for future value enhancements.
- Completed the development of additional villas at the Andaz Maui at Wailea Resort. The 19 two-bedroom luxury villas are already booked at 45% occupancy with an average rate of $1,700 for the remainder of 2021.
- April RevPAR is expected to slightly exceed March RevPAR.

OPERATING ACTIVITIES CASH AND CASH BURN2

Significant components of the Company's total cash burn are (in millions):

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(3) All Owned Hotel pro forma EBITDA and cash burn are non-GAAP financial measures within the meaning of the rules of the SEC. See the Notes to Financial Information on why the Company believes these supplemental measures are useful, reconciliations to the most directly comparable GAAP measure, and the limitations on the use of these supplemental measures. All Owned Hotel Pro Forma EBITDA includes an Employee Retention Credit in the first quarter of 2021 and the fourth quarter of 2020 of $7 million and $15 million, respectively. It also includes furlough benefit costs of $13 million in the fourth quarter of 2020.

(4) Interest payments for the fourth quarter 2020 do not include cash debt extinguishment costs of $8 million, which are considered a financing activity on the Company's Statement of Cash Flows.

	Quarter ended March 31, 2021	Quarter ended December 31, 2020
Net loss	$ (153)	$ (66)
GAAP net cash used in operating activities	(49)	(143)
Cash burn excluding capital expenditures	(45)	(149)
Cash burn (3)	(138)	(264)
Components of cash burn:		
All Owned Hotel Pro Forma EBITDA (3)	21	(62)
Benefits for furloughed employees adjustment	(12)	(13)
Interest payments (4)	(35)	(50)
Cash corporate and other expenses	(19)	(12)
Net proceeds from (payments to) unconsolidated operations	(2)	9
Severance (expense) reversal at hotel properties	2	(21)
Cash burn excluding capital expenditures	(45)	(149)
Capital expenditures	(93)	(115)

Operating Results

Due to low occupancy levels and/or state mandates, operations remain suspended at three hotels in the Company's portfolio as of May 4, 2021. The Company has provided a complete list of these suspended hotels on page 30 of its First Quarter 2021 Supplemental Financial Information available on the Company's website at www.hosthotels.com.

The following presents the monthly pro forma hotel operating results for the full portfolio compared to 2020 and 2019 for the periods presented(5):

	January 2021	January 2020	Change	February 2021	February 2020	Change	March 2021	March 2020	Change
Number of hotels	81	80		81	80		81	80	
Number of rooms	46,755	46,590		46,755	46,590		46,755	46,590	
Average Occupancy Percentage	19.6%	71.5%	(51.9pts)	26.0%	77.2%	(51.2pts)	34.1%	29.3%	4.8pts
Average Room Rate	$ 212.60	$ 244.43	(13.0)%	$ 223.28	$ 254.08	(12.1)%	$ 246.32	$ 255.05	(3.4)%
RevPAR	$ 41.68	$ 174.85	(76.2)%	$ 58.15	$ 196.19	(70.4)%	$ 84.10	$ 74.77	12.5%

	January 2021	January 2019	Change	February 2021	February 2019	Change	March 2021	March 2019	Change
Number of hotels	81	80		81	80		81	80	
Number of rooms	46,755	46,590		46,755	46,590		46,755	46,590	
Average Occupancy Percentage	19.6%	69.5%	(49.9pts)	26.0%	77.0%	(51.0pts)	34.1%	81.4%	(47.3pts)
Average Room Rate	$ 212.60	$ 242.57	(12.4)%	$ 223.28	$ 253.11	(11.8)%	$ 246.32	$ 263.48	(6.5)%
RevPAR	$ 41.68	$ 168.56	(75.3)%	$ 58.15	$ 194.82	(70.2)%	$ 84.10	$ 214.36	(60.8)%

First Quarter 2021 Revenue Performance

- All Owned Hotel Pro Forma RevPAR declined 68.1% compared to the first quarter of 2019 and improved 61% compared to the fourth quarter of 2020. The sequential improvement was primarily due to strong leisure demand for resorts and hotels located in the Company's Sunbelt markets and Hawaii.
    - Average room rates declined by just 9% compared to the first quarter of 2019 and improved by 18% compared to the fourth quarter of 2020.
    - Average occupancy declined by 49.3 percentage points compared to the first quarter of 2019 and improved seven percentage points compared to the fourth quarter of 2020.

Hotel Operating Expense Performance

- First Quarter 2021
    - Portfolio-wide hotel operating costs, excluding severance, were nearly 60% lower compared to the first quarter of 2019, and only 15% higher compared to the fourth quarter of 2020, despite an approximately 50% increase in total revenues quarter over quarter.
    - Due to the stronger than expected demand surge in March, the ramp up of staffing at several properties was unable to keep pace. The Company expects hotel operating costs to increase more in line with total revenues as hotels transition from their contingency level operational plans to increasing staffing levels and controllable spending.
    - Furloughed employees received healthcare benefits of approximately $12 million that were accrued in the fourth quarter of 2020.
    - In addition, the Company's hotel operators recorded a $7 million credit related to the Employee Retention Credit in the first quarter, that, under the CARES Act, partially offset the costs for the operator's furloughed hotel employees and reduced hotel-level operating expenses.

(5) The AC Hotel Scottsdale North is a new development hotel that opened in January 2021. Therefore, there were no operations for the hotel prior to January 2021 and no adjustments made for pro forma results of the hotel for periods prior to its opening.

- Operating Expense Trends
  - o Benefit costs for furloughed employees during the second and third quarter of 2021 are not expected to have a significant impact on results as they will be eligible to be reimbursed through the American Rescue Plan Act.
  - o Re-introduction of marketing, maintenance and other support costs are expected to increase other departmental and support expenses as the recovery continues to gain momentum.

Hotel Business Mix Update

The Company's customers fall into three broad groups: transient, group and contract business, which accounted for approximately 61%, 35%, and 4%, respectively, of its 2019 room sales.

During the first quarter, demand continued to be primarily driven by leisure demand at drive-to and resort destinations. The following are the sequential results of the Company's consolidated portfolio, including all owned hotels at March 31, 2021, for transient, group and contract business in comparison to 2019 performance:

	Quarter ended March 31, 2021			Quarter ended December 31, 2020		
	Transient	Group	Contract	Transient	Group	Contract
Room nights (in thousands)	767	264	89	595	157	87
Percentage change in room nights vs. same period in 2019	(56.4)%	(79.2)%	(43.0)%	(70.0)%	(86.1)%	(44.7)%
Room Revenues (in millions)	$ 205	$ 41	$ 13	$ 128	$ 24	$ 12
Percentage change in revenues vs. same period in 2019	(55.3)%	(87.0)%	(62.1)%	(74.9)%	(91.0)%	(62.8)%

Capital Expenditures

The following presents the Company's 2021 capital expenditures spend and forecast for full year 2021 (in millions):

	Quarter ended March 31, 2021	2021 Full Year Forecast	
	Actuals	Low-end of range	High-end of range
ROI - Marriott transformational capital program	$ 28	$ 110	$ 140
ROI - All other ROI projects	33	165	185
Total ROI project spend	61	275	325
Renewals and Replacements	32	100	150
Total Capital Expenditures	$ 93	$ 375	$ 475

The Company is utilizing the low occupancy environment to accelerate certain projects and minimize future disruption and believes the renovations will position these hotels to capture additional revenue during the economic recovery. The Company recently completed The Ritz-Carlton, Amelia Island renovation as part of the Marriott transformational capital program, bringing the total number of completed properties to eight, and is on track to complete 85% of this program by the end of 2021. The Company expects to receive approximately $15 million in operating profit guarantees in 2021 under the Marriott transformational capital program, including $5 million that was received in the first quarter.

Balance Sheet

The Company maintains a robust balance sheet that had the following balances at March 31, 2021:

- Total assets of $12.7 billion.
- Total available liquidity of approximately $2.1 billion, including FF&E escrow reserves of $131 million.
- Debt balance of $5.5 billion, with an average maturity of 4.7 years, an average interest rate of 3.0%, and no maturities until 2023.

Following the property transactions completed subsequent to quarter end, the Company's adjusted total available liquidity was approximately $1.5 billion, including the FF&E escrow reserves.

As the Company's prior "at-the-market" offering program for shares of common stock has expired, the Company intends to enter into a distribution agreement after filing its quarterly report with the SEC by which the Company may issue and sell, from time to time, shares of common stock having an aggregate offering price of up to $600 million. The shares would be offered and sold through sales agents in transactions that are deemed to be "at the market" offerings at then-current market prices. The Company is not obligated to sell any shares and considers the "at the market" stock offering program as one tool, among others, to raise capital when the Company believes conditions are advantageous and there is a compelling use of proceeds, including future potential acquisitions.

On February 9, 2021, the Company amended its credit facility for the second time during the pandemic to further extend the covenant waiver period through the first quarter of 2022. Financial covenant testing will resume for the second quarter of 2022, based on annualized results for the quarter, but only a fixed charge coverage ratio of 1.0x will be required for the second quarter of 2022. For subsequent quarters, all financial covenants will be tested, with the leverage ratio tested at the modified levels agreed to in the second amendment. Quarterly dividends and stock repurchases also remain suspended to help preserve liquidity and are restricted under the terms of the credit facility amendments.

2021 Outlook

Given the global economic uncertainty COVID-19 has created for the travel, airline, lodging and tourism and event industries, among others, the Company cannot provide guidance for its operations or fully estimate the effect of COVID-19 and the current U.S. vaccination deployment on its operations.

The Company believes that recovery within the lodging industry will be driven by increased confidence that the risks associated with travelling and contracting COVID-19 have been significantly reduced through vaccine deployment and the lifting of government restrictions.

While the Company is not providing guidance on operations at this time, it estimates that for full year 2021, interest expense and corporate and other expenses will be in the following ranges (in millions):

	Full Year 2021	
	Low-end of range	High-end of range
Interest expense	$ 170	$ 180
Corporate and other expenses	98	100

The Company does not intend to provide further guidance updates unless deemed appropriate.

About Host Hotels & Resorts

Host Hotels & Resorts, Inc. is an S&P 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 77 properties in the United States and five properties internationally totaling approximately 47,200 rooms. The Company also holds non-controlling interests in six domestic and one international joint ventures. 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®, The Luxury Collection®, Hyatt®, Fairmont®, Hilton®, Swissôtel®, ibis® and Novotel®, as well as independent brands. 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: the duration and scope of the COVID-19 pandemic and its short and longer-term impact on the demand for travel, transient and group business, and levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel or the size of gatherings; the impact of the pandemic and actions taken in response to the pandemic on global and regional economies, travel, and economic activity, including the duration and magnitude of its impact on unemployment rates, business investment and consumer discretionary spending; the pace of recovery when the COVID-19 pandemic subsides; general economic uncertainty in U.S. markets where we own hotels and a worsening of economic conditions or low levels of economic growth in these markets; the effects of steps we and our hotel managers take to reduce operating costs in response to the COVID-19 pandemic; other changes (apart from the COVID-19 pandemic) in national and local economic and business conditions and other factors such as natural disasters 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 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 May 4, 2021 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.*

* This press release contains registered trademarks that are the exclusive property of their respective owners. None of the owners of these trademarks has any responsibility or liability for any information contained in this press release.

*** Tables to Follow ***

Host Hotels & Resorts, Inc., herein referred to as "we," "Host Inc.," or the "Company," is a self-managed and self-administered real estate investment trust that owns hotel properties. We conduct our operations as an umbrella partnership REIT through an operating partnership, Host Hotels & Resorts, L.P. ("Host LP"), of which we are the sole general partner. When distinguishing between Host Inc. and Host LP, the primary difference is approximately 1% of the partnership interests in Host LP held by outside partners as of March 31, 2021, which is non-controlling interests in Host LP in our consolidated balance sheets and is included in net (income) loss attributable to non-controlling interests in our consolidated statements of operations. Readers are encouraged to find further detail regarding our organizational structure in our annual report on Form 10-K.

2021 OPERATING RESULTS **PAGE NO.**

HOST HOTELS & RESORTS, INC.
Condensed Consolidated Balance Sheets
(unaudited, in millions, except shares and per share amounts)

	March 31, 2021	December 31, 2020
ASSETS		
Property and equipment, net	$ 9,506	$ 9,416
Right-of-use assets	596	597
Due from managers	26	22
Advances to and investments in affiliates	34	21
Furniture, fixtures and equipment replacement fund	131	139
Other	420	360
Cash and cash equivalents	2,008	2,335
Total assets	$ 12,721	$ 12,890
LIABILITIES, NON-CONTROLLING INTERESTS AND EQUITY		
Debt (1)		
Senior notes	$ 3,066	$ 3,065
Credit facility, including the term loans of $996 and $997, respectively	2,469	2,471
Other debt	5	5
Total debt	5,540	5,541
Lease liabilities	609	610
Accounts payable and accrued expenses	76	71
Due to managers	56	64
Other	166	170
Total liabilities	6,447	6,456
Redeemable non-controlling interests - Host Hotels & Resorts, L.P.	124	108
Host Hotels & Resorts, Inc. stockholders' equity:		
Common stock, par value $.01, 1,050 million shares authorized, 706.1 million shares and 705.4 million shares issued and outstanding, respectively	7	7
Additional paid-in capital	7,547	7,568
Accumulated other comprehensive loss	(77)	(74)
Deficit	(1,332)	(1,180)
Total equity of Host Hotels & Resorts, Inc. stockholders	6,145	6,321
Non-redeemable non-controlling interests—other consolidated partnerships	5	5
Total equity	6,150	6,326
Total liabilities, non-controlling interests and equity	$ 12,721	$ 12,890

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(1) Please see our First Quarter 2021 Supplemental Financial Information for more detail on our debt balances and financial covenant ratios under our credit facility and senior notes indentures.

HOST HOTELS & RESORTS, INC.
Condensed Consolidated Statements of Operations
(unaudited, in millions, except per share amounts)

	Quarter ended March 31,	
	2021	2020
Revenues		
Rooms	$ 257	$ 626
Food and beverage	77	330
Other	65	96
Total revenues	399	1,052
Expenses		
Rooms	65	187
Food and beverage	62	245
Other departmental and support expenses	160	319
Management fees	11	30
Other property-level expenses	78	93
Depreciation and amortization	165	164
Corporate and other expenses(1)	24	25
Total operating costs and expenses	565	1,063
Operating loss	(166)	(11)
Interest income	1	6
Interest expense	(42)	(37)
Other losses	(1)	(2)
Equity in earnings of affiliates	9	4
Loss before income taxes	(199)	(40)
Benefit for income taxes (2)	46	37
Net loss	(153)	(3)
Less: Net loss attributable to non-controlling interests	1	—
Net loss attributable to Host Inc.	$ (152)	$ (3)
Basic and diluted loss per common share	$ (.22)	$ —

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(1) Corporate and other expenses include the following items:

	Quarter ended March 31,	
	2021	2020
General and administrative costs	$ 20	$ 22
Non-cash stock-based compensation expense	4	3
Total	$ 24	$ 25

(2) We recorded an income tax benefit in first quarter of 2021 and in 2020 to reflect net operating losses incurred that, as a result of legislation enacted by the CARES Act, may be carried back up to five years in order to procure a refund of U.S. federal corporate income taxes previously paid. Any net operating loss not carried back pursuant to these rules may be carried forward indefinitely, subject to an annual limit on the use thereof of 80% of annual taxable income. We expect to generate additional net operating losses in 2021 and will evaluate whether to record an income tax benefit for all or a portion of such net operating loss during and throughout 2021.

HOST HOTELS & RESORTS, INC.
Earnings (Loss) per Common Share
(unaudited, in millions, except per share amounts)

	Quarter ended March 31,	
	2021	2020
Net loss	$ (153)	$ (3)
Less: Net loss attributable to non-controlling interests	1	—
Net loss attributable to Host Inc.	$ (152)	$ (3)
Basic weighted average shares outstanding	705.6	708.1
Diluted weighted average shares outstanding (1)	705.6	708.1
Basic and diluted loss per common share	$ (.22)	$ —

(1) Dilutive securities may include shares granted under comprehensive stock plans, preferred operating partnership units ("OP Units") held by minority partners and other non-controlling interests that have the option to convert their limited partnership interests to common OP Units. No effect is shown for any securities that were anti-dilutive for the period.

HOST HOTELS & RESORTS, INC.
Hotel Operating Data for Consolidated Hotels (1)(2)

All Owned Hotels (pro forma) by Location in Constant US$ Compared to 2020

	As of March 31, 2021		Quarter ended March 31, 2021				Quarter ended March 31, 2020					
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Percent Change in RevPAR	Perc Chan To RevI
Miami	3	1,276	$ 556.36	55.6%	$ 309.29	$ 470.45	$ 443.30	70.9%	$ 314.11	$ 498.35	(1.5)%	
Florida Gulf Coast	5	1,842	521.91	52.8	275.67	489.52	430.81	70.8	305.01	649.38	(9.6)	
Phoenix	4	1,819	355.31	49.9	177.15	335.19	369.52	67.1	248.11	552.93	(28.6)	
Jacksonville	1	446	484.86	35.5	171.97	345.82	363.41	57.0	207.28	466.16	(17.0)	
Maui/Oahu	4	1,987	404.89	40.0	162.15	243.26	469.81	74.5	350.05	513.46	(53.7)	
Washington, D.C. (CBD)	5	3,238	152.00	49.3	74.98	78.49	230.32	54.0	124.28	183.71	(39.7)	
Houston	4	1,716	125.89	50.9	64.05	86.95	175.23	61.3	107.38	162.63	(40.4)	
Atlanta	4	1,682	155.54	37.7	58.57	75.06	192.55	63.1	121.49	196.11	(51.8)	
Philadelphia	2	810	135.04	36.9	49.89	70.10	173.70	62.8	109.04	180.62	(54.2)	
Northern Virginia	3	1,252	150.57	29.5	44.45	63.28	206.66	52.7	108.90	180.68	(59.2)	
San Antonio/Austin	3	1,960	128.07	31.5	40.35	57.23	196.60	47.7	93.85	157.07	(57.0)	
Los Angeles/Orange County	5	2,119	158.07	24.3	38.41	50.27	213.01	67.4	143.52	215.71	(73.2)	
San Diego	3	3,288	156.29	17.1	26.69	48.42	244.32	61.2	149.44	291.18	(82.1)	
New York	3	4,261	142.98	15.9	22.78	29.16	220.61	56.1	123.75	197.15	(81.6)	
Orlando	1	2,004	151.40	13.2	19.95	52.40	215.31	57.1	123.02	288.47	(83.8)	
Denver	3	1,340	112.49	17.2	19.34	23.70	161.52	50.1	80.92	125.09	(76.1)	
Chicago	4	1,816	115.21	16.2	18.62	22.77	142.48	47.5	67.69	95.61	(72.5)	
San Francisco/San Jose	7	4,528	136.44	13.3	18.10	23.78	295.37	59.3	175.08	254.37	(89.7)	
New Orleans	1	1,333	107.71	13.3	14.30	27.41	202.36	65.3	132.09	197.80	(89.2)	
Seattle	2	1,315	149.63	7.2	10.84	14.53	193.42	54.0	104.51	149.34	(89.6)	
Boston	3	2,715	117.71	8.0	9.40	12.14	177.13	53.0	93.85	141.90	(90.0)	
Other	6	2,509	135.81	27.2	36.96	47.96	166.44	57.3	95.36	134.38	(61.2)	
Domestic	76	45,256	233.01	27.1	63.08	97.61	253.75	59.1	150.09	252.30	(58.0)	
International	5	1,499	89.36	13.0	11.62	15.46	133.47	53.3	71.18	104.05	(83.7)	
All Locations - Constant US$	81	46,755	230.76	26.6	61.43	94.98	250.26	59.0	147.56	247.53	(58.4)	

All Owned Hotels (pro forma) in Nominal US$ Compared to 2020

	As of March 31, 2021		Quarter ended March 31, 2021				Quarter ended March 31, 2020					
	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Percent Change in RevPAR	Perc Chang Tota RevF
International	5	1,499	$ 89.36	13.0%	$ 11.62	$ 15.46	$ 138.21	53.3%	$ 73.70	$ 106.43	(84.2)%	
Domestic	76	45,256	233.01	27.1	63.08	97.61	253.75	59.1	150.09	252.30	(58.0)	
All Locations	81	46,755	230.76	26.6	61.43	94.98	250.40	59.0	147.64	247.61	(58.4)	

All Owned Hotels (pro forma) by Location in Constant US$ Compared to 2019

	As of March 31, 2021		Quarter ended March 31, 2021				Quarter ended March 31, 2019					
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Percent Change in RevPAR	Perc Chan To RevP
Miami	3	1,276	$ 556.36	55.6%	$ 309.29	$ 470.45	$ 408.86	85.9%	$ 351.13	$ 522.30	(11.9)%	
Florida Gulf Coast	5	1,842	521.91	52.8	275.67	489.52	439.30	83.1	364.98	729.85	(24.5)	(3
Phoenix	4	1,819	355.31	49.9	177.15	335.19	373.48	82.7	308.80	644.54	(42.6)	(4
Jacksonville	1	446	484.86	35.5	171.97	345.82	367.78	78.6	289.04	690.11	(40.5)	(4
Maui/Oahu	4	1,987	404.89	40.0	162.15	243.26	437.66	89.0	389.36	584.39	(58.4)	(5
Washington, D.C. (CBD)	5	3,238	152.00	49.3	74.98	78.49	247.89	73.3	181.79	257.64	(58.8)	(6
Houston	4	1,716	125.89	50.9	64.05	86.95	182.60	75.8	138.36	201.04	(53.7)	(5
Atlanta	4	1,682	155.54	37.7	58.57	75.06	227.57	76.7	174.60	272.88	(66.5)	(7
Philadelphia	2	810	135.04	36.9	49.89	70.10	190.16	78.1	148.48	242.24	(66.4)	(7
Northern Virginia	3	1,252	150.57	29.5	44.45	63.28	210.16	65.7	138.09	239.65	(67.8)	(7
San Antonio/Austin	3	1,960	128.07	31.5	40.35	57.23	208.03	79.2	164.69	260.10	(75.5)	(7
Los Angeles/Orange County	5	2,119	158.07	24.3	38.41	50.27	219.94	84.5	185.95	279.42	(79.3)	(8
San Diego	3	3,288	156.29	17.1	26.69	48.42	252.91	76.9	194.59	349.55	(86.3)	(8
New York	3	4,261	142.98	15.9	22.78	29.16	236.38	72.0	170.27	267.69	(86.6)	(8
Orlando	1	2,004	151.40	13.2	19.95	52.40	208.20	79.0	164.41	385.22	(87.9)	(8
Denver	3	1,340	112.49	17.2	19.34	23.70	161.82	64.7	104.75	158.27	(81.5)	(8
Chicago	4	1,816	115.21	16.2	18.62	22.77	148.27	60.4	89.50	128.94	(79.2)	(8
San Francisco/San Jose	7	4,528	136.44	13.3	18.10	23.78	305.80	77.3	236.51	330.84	(92.3)	(9
New Orleans	1	1,333	107.71	13.3	14.30	27.41	209.79	81.6	171.18	249.87	(91.6)	(8
Seattle	2	1,315	149.63	7.2	10.84	14.53	194.12	77.4	150.15	203.91	(92.8)	(9
Boston	3	2,715	117.71	8.0	9.40	12.14	190.33	69.4	132.03	196.44	(92.9)	(9
Other	6	2,509	135.81	27.2	36.96	47.96	168.26	73.1	122.94	175.07	(69.9)	(7
Domestic	76	45,256	233.01	27.1	63.08	97.61	257.13	76.2	195.88	318.78	(67.8)	(6
International	5	1,499	89.36	13.0	11.62	15.46	134.63	67.6	91.07	132.89	(87.2)	(8
All Locations - Constant US$	81	46,755	230.76	26.6	61.43	94.98	253.61	75.9	192.51	312.80	(68.1)	(6

All Owned Hotels (pro forma) in Nominal US$ Compared to 2019

	As of March 31, 2021		Quarter ended March 31, 2021				Quarter ended March 31, 2019					
	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Percent Change in RevPAR	Perce Chang Tota RevP
International	5	1,499	$ 89.36	13.0%	$ 11.62	$ 15.46	$ 143.88	67.6%	$ 97.32	$ 140.81	(88.1)%	
Domestic	76	45,256	233.01	27.1	63.08	97.61	257.13	76.2	195.88	318.78	(67.8)	
All Locations	81	46,755	230.76	26.6	61.43	94.98	253.88	75.9	192.71	313.05	(68.1)	

(1) To facilitate a quarter-to-quarter comparison of our operations, we typically present certain operating statistics and operating results for the periods included in this presentation on a comparable hotel basis. However, due to the COVID-19 pandemic and its effects on operations there is little comparability between periods. For this reason, we temporarily are revising our presentation to instead present hotel operating results for all consolidated hotels and, to facilitate comparisons between periods, we are presenting results on a pro forma basis including the following adjustments: (1) operating results are presented for all consolidated properties owned as of March 31, 2021 but do not include the results of operations for properties sold through the reporting date; and (2) operating results for acquisitions as of March 31, 2021 are reflected for full calendar years, to include results for periods prior to our ownership. For these hotels, since the year-over-year comparison includes periods prior to our ownership, the changes will not necessarily correspond to changes in our actual results. See the Notes to Financial Information – All Owned Hotel Pro Forma Operating Statistics and Results for further information on these pro forma statistics and – Constant US$ and Nominal US$ for a discussion on constant US$ presentation. Nominal US$ results include the effect of currency fluctuations, consistent with our financial statement presentation. The AC Hotel Scottsdale North is a new development hotel that opened in January 2021. Therefore, there were no operations for the hotel prior to January 2021 and no adjustments made for pro forma results of the hotel for periods prior to its opening. CBD of a location refers to the central business district.

(2) Hotel RevPAR is calculated as room revenues divided by the available room nights. Hotel Total RevPAR is calculated by dividing the sum of rooms, food and beverage and other revenues by the available room nights.

HOST HOTELS & RESORTS, INC.
Schedule of All Owned Hotel Pro Forma Results (1)
(unaudited, in millions, except hotel statistics)

	Quarter ended March 31, 2021	Quarter ended March 31, 2020	Quarter ended March 31, 2019
Number of hotels	81	80	80
Number of rooms	46,755	46,590	46,590
Change in hotel Total RevPAR -			
Constant US$	(61.6)%	—	—
Nominal US$	(61.6)%	—	—
Change in hotel RevPAR -			
Constant US$	(58.4)%	—	—
Nominal US$	(58.4)%	—	—
Operating profit (loss) margin (2)	(41.6)%	(1.0)%	15.5%
All Owned Hotel Pro Forma EBITDA margin (2)	5.2%	17.1%	30.0%
Food and beverage profit margin (2)	19.5%	25.8%	34.2%
All Owned Hotel Pro Forma food and beverage profit margin (2)	19.5%	26.2%	34.3%
Net income (loss)	$ (153)	$ (3)	$ 189
Depreciation and amortization	165	164	170
Interest expense	42	37	43
Provision (benefit) for income taxes	(46)	(37)	2
Gain on sale of property and corporate level income/expense	15	17	11
Severance expense (reversal) at hotel properties	(2)	—	—
Pro forma adjustments (3)	—	2	(21)
All Owned Hotel Pro Forma EBITDA(4)	$ 21	$ 180	$ 394

	Quarter ended March 31, 2021					Quarter ended March 31, 2020			
		Adjustments					Adjustments		
	GAAP Results	Severance at hotel properties	Pro forma adjustments(3)	Depreciation and corporate level items	**All Owned Hotel Pro Forma Results (3)**	**GAAP Results**	Pro forma adjustments (3)	Depreciation and corporate level items	**All Owned Hotel Pro Forma Results (3)**
Revenues									
Room	$ 257	$ —	$ 2	$ —	$ 259	$ 626	$ —	$ —	$ 626
Food and beverage	77	—	—	—	77	330	2	—	332
Other	65	—	—	—	65	96	(1)	—	95
Total revenues	399	—	2	—	401	1,052	1	—	1,053
Expenses									
Room	65	1	—	—	66	187	—	—	187
Food and beverage	62	—	—	—	62	245	—	—	245
Other	249	1	2	—	252	442	(1)	—	441
Depreciation and amortization	165	—	—	(165)	—	164	—	(164)	—
Corporate and other expenses	24	—	—	(24)	—	25	—	(25)	—
Total expenses	565	2	2	(189)	380	1,063	(1)	(189)	873
Operating Profit - All Owned Hotel Pro Forma EBITDA(4)	$ (166)	$ (2)	$ —	$ 189	$ 21	$ (11)	$ 2	$ 189	$ 180

HOST HOTELS & RESORTS, INC.
Schedule of All Owned Hotel Pro Forma Results (1) (cont.)
(unaudited, in millions, except hotel statistics)

	Quarter ended March 31, 2021					Quarter ended March 31, 2019			
		Adjustments					Adjustments		
	GAAP Results	Severance at hotel properties	Pro forma adjustments (3)	Depreciation and corporate level items	**All Owned Hotel Pro Forma Results (3)**	**GAAP Results**	Pro forma adjustments (3)	Depreciation and corporate level items	**All Owned Hotel Pro Forma Results (3)**
Revenues									
Room	$ 257	$ —	$ 2	$ —	$ 259	$ 857	$ (49)	$ —	$ 808
Food and beverage	77	—	—	—	77	433	(19)	—	414
Other	65	—	—	—	65	100	(7)	—	93
Total revenues	399	—	2	—	401	1,390	(75)	—	1,315
Expenses									
Room	65	1	—	—	66	217	(14)	—	203
Food and beverage	62	—	—	—	62	285	(13)	—	272
Other	249	1	2	—	252	473	(27)	—	446
Depreciation and amortization	165	—	—	(165)	—	170	—	(170)	—
Corporate and other expenses	24	—	—	(24)	—	29	—	(29)	—
Total expenses	565	2	2	(189)	380	1,174	(54)	(199)	921
Operating Profit - All Owned Hotel Pro Forma EBITDA(4)	$ (166)	$ (2)	$ —	$ 189	$ 21	$ 216	$ (21)	$ 199	$ 394

(1) See the Notes to Financial Information for a discussion of non-GAAP measures and the calculation of all owned hotel pro forma results, including the limitations on their use.
(2) Profit margins are calculated by dividing the applicable operating profit by the related revenue amount. GAAP profit margins are calculated using amounts presented in the unaudited condensed consolidated statements of operations. Hotel margins are calculated using amounts presented in the above tables.
(3) Pro forma adjustments represent the following items: (i) the elimination of results of operations of our sold hotels, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations and (ii) the addition of results for periods prior to our ownership for hotels acquired as of March 31, 2021. All Owned Hotel Pro Forma results also includes the results of our leased office buildings and other non-hotel revenue and expense items.
(4) All Owned Hotel Pro Forma EBITDA excludes the Four Seasons Resort Orlando at Walt Disney World® Resort, as it was acquired subsequent to quarter end. Additionally, the AC Hotel Scottsdale North is a new development hotel that opened in January 2021. Therefore, there were no operations for the hotel prior to January 2021 and no adjustments made for pro forma results of the hotel for periods prior to its opening.

HOST HOTELS & RESORTS, INC.
Reconciliation of Net Income (Loss) to
EBITDA, EBITDA*re* and Adjusted EBITDA*re* (1)
(unaudited, in millions)

	Quarter ended March 31,	
	2021	2020
Net loss	$ (153)	$ (3)
Interest expense	42	37
Depreciation and amortization	165	164
Income taxes	(46)	(37)
EBITDA	8	161
Loss on dispositions	—	1
Equity investment adjustments:		
Equity in earnings of affiliates	(9)	(4)
Pro rata EBITDA*re* of equity investments(2)	6	6
EBITDA*re*	5	164
Adjustments to EBITDA*re*:		
Severance expense (reversal) at hotel properties	(2)	—
Adjusted EBITDA*re*	$ 3	$ 164

(1) See the Notes to Financial Information for discussion of non-GAAP measures.
(2) Unrealized gains of our unconsolidated investments are not recognized in our EBITDA*re*, Adjusted EBITDA*re*, NAREIT FFO or Adjusted FFO until they have been realized by the unconsolidated partnership.

HOST HOTELS & RESORTS, INC.
Reconciliation of Diluted Earnings (Loss) per Common Share to
NAREIT and Adjusted Funds From Operations per Diluted Share (1)
(unaudited, in millions, except per share amounts)

	Quarter ended March 31,	
	2021	2020
Net loss	$ (153)	$ (3)
Less: Net loss attributable to non-controlling interests	1	—
Net loss attributable to Host Inc.	(152)	(3)
Adjustments:		
Loss on dispositions	—	1
Depreciation and amortization	165	164
Equity investment adjustments:		
Equity in earnings of affiliates	(9)	(4)
Pro rata FFO of equity investments(2)	4	4
Consolidated partnership adjustments:		
FFO adjustments for non-controlling interests of Host L.P.	(2)	(2)
NAREIT FFO	6	160
Adjustments to NAREIT FFO:		
Severance expense (reversal) at hotel properties	(2)	—
Adjusted FFO	$ 4	$ 160
For calculation on a per share basis:(3)		
Diluted weighted average shares outstanding - EPS	705.6	708.1
Assuming issuance of common shares granted under the comprehensive stock plans	0.9	0.4
Diluted weighted average shares outstanding - NAREIT FFO and Adjusted FFO	706.5	708.5
Diluted loss per common share	$ (.22)	$ —
NAREIT FFO per diluted share	$ .01	$ .23
Adjusted FFO per diluted share	$ .01	$ .23

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(1-2) Refer to corresponding footnote on the Reconciliation of Net Income (Loss) to EBITDA, EBITDAre and Adjusted EBITDAre.
(3) Diluted loss per common share, NAREIT FFO per diluted share and Adjusted FFO per diluted share are adjusted for the effects of dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans, preferred OP units held by non-controlling partners and other non-controlling interests that have the option to convert their limited partnership interests to common OP units. No effect is shown for securities if they are anti-dilutive.

All Owned Hotel Pro Forma Operating Statistics and Results

To facilitate a quarter-to-quarter comparison of our operations, we typically present certain operating statistics (i.e., Total RevPAR, RevPAR, average daily rate and average occupancy) and operating results (revenues, expenses, hotel EBITDA and associated margins) for the periods included in this presentation on a comparable hotel basis in order to enable our investors to better evaluate our operating performance (discussed in “Hotel Property Level Operating Results” below). However, due to the COVID-19 pandemic and its effects on operations, there is little comparability between periods. For this reason, we temporarily are suspending our comparable hotel presentation and instead present hotel operating results for all consolidated hotels and, to facilitate comparisons between periods, we are presenting results on a pro forma basis, including the following adjustments: (1) operating results are presented for all consolidated hotels owned as of March 31, 2021, but do not include the results of operations for properties sold through the reporting date; and (2) operating results for acquisitions as of March 31, 2021 are reflected for full calendar years, to include results for periods prior to our ownership. For these hotels, since the year-over-year comparison includes periods prior to our ownership, the changes will not necessarily correspond to changes in our actual results.

Constant US$ and Nominal US$

Operating results denominated in foreign currencies are translated using the prevailing exchange rates on the date of the transaction, or monthly based on the weighted average exchange rate for the period. For comparative purposes, we also present the RevPAR results for the prior year assuming the results of our foreign operations were translated using the same exchange rates that were effective for the comparable periods in the current year, thereby eliminating the effect of currency fluctuation for the year-over-year comparisons. We believe this presentation is useful to investors as it provides clarity with respect to the change in RevPAR in the local currency of the hotel consistent with the manner in which we would evaluate our domestic portfolio. However, the estimated effect of changes in foreign currency has been reflected in the results of net income (loss), EBITDA, Adjusted EBITDA*re*, diluted earnings (loss) per common share and Adjusted FFO per diluted share. Nominal US$ results include the effect of currency fluctuations, consistent with our financial statement presentation.

Non-GAAP Financial Measures

Included in this press release are certain “non-GAAP financial measures,” which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. They are as follows: (i) FFO and FFO per diluted share (both NAREIT and Adjusted), (ii) EBITDA, (iii) EBITDA*re* and Adjusted EBITDA*re,* (iv) All Owned Hotel Pro Forma Operating Statistics and Results and (v) Cash burn. The following discussion defines these measures and presents why we believe they are useful supplemental measures of our performance.

NAREIT FFO and NAREIT FFO per Diluted Share

We present NAREIT FFO and NAREIT FFO per diluted share as non-GAAP measures of our performance in addition to our earnings per share (calculated in accordance with GAAP). We calculate NAREIT FFO per diluted share as our NAREIT FFO (defined as set forth below) for a given operating period, as adjusted for the effect of dilutive securities, divided by the number of fully diluted shares outstanding during such period, in accordance with NAREIT guidelines. Effective January 1, 2019, we adopted NAREIT’s definition of FFO included in NAREIT’s Funds From Operations White Paper – 2018 Restatement. NAREIT defines FFO as net income (calculated in accordance with GAAP) excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment expense of certain real estate assets and investments and adjustments for consolidated partially-owned entities and unconsolidated affiliates. Adjustments for consolidated partially-owned entities and unconsolidated affiliates are calculated to reflect our pro rata share of the FFO of those entities on the same basis.

We believe that NAREIT FFO per diluted share is a useful supplemental measure of our operating performance and that the presentation of NAREIT FFO per diluted share, when combined with the primary GAAP presentation of earnings per share, provides beneficial information to investors. By excluding the effect of real estate depreciation, amortization, impairment expense and gains and losses from sales of depreciable real estate, all of which are based on historical cost accounting and which may be of lesser significance in evaluating current performance, we believe that such measures can facilitate comparisons of operating performance between periods and with other REITs, even though NAREIT FFO per diluted share does not represent an amount that accrues directly to holders of our common stock. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. As noted by NAREIT in its Funds From Operations White Paper – 2018 Restatement, the primary purpose for including FFO as a supplemental measure of operating performance of a REIT is to address the artificial nature of historical cost depreciation and amortization of real estate and real estate-related assets mandated by GAAP. For these reasons, NAREIT adopted the FFO metric in order to promote a uniform industry-wide measure of REIT operating performance.

Adjusted FFO per Diluted Share

We also present Adjusted FFO per diluted share when evaluating our performance because management believes that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. Management historically has made the adjustments detailed below in evaluating our performance, in our annual budget process and for our compensation programs. We believe that the presentation of Adjusted FFO per diluted share, when combined with both the primary GAAP presentation of diluted earnings per share and FFO per diluted share as defined by NAREIT, provides useful supplemental information that is beneficial to an investor's understanding of our operating performance. We adjust NAREIT FFO per diluted share for the following items, which may occur in any period, and refer to this measure as Adjusted FFO per diluted share:

- Gains and Losses on the Extinguishment of Debt – We exclude the effect of finance charges and premiums associated with the extinguishment of debt, including the acceleration of the write-off of deferred financing costs from the original issuance of the debt being redeemed or retired and incremental interest expense incurred during the refinancing period. We also exclude the gains on debt repurchases and the original issuance costs associated with the retirement of preferred stock. We believe that these items are not reflective of our ongoing finance costs.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.
- Severance Expense –In certain circumstances, we will add back hotel-level severance expenses when we do not believe that such expenses are reflective of the ongoing operation of our properties. Situations that would result in a severance add-back include, but are not limited to, (i) costs incurred as part of a broad-based reconfiguration of the operating model with the specific hotel operator for a portfolio of hotels and (ii) costs incurred at a specific hotel due to a broad-based and significant reconfiguration of a hotel and/or its workforce. We do not add back corporate-level severance costs or severance costs at an individual hotel that we consider to be incurred in the normal course of business.

In unusual circumstances, we also may adjust NAREIT FFO for gains or losses that management believes are not representative of the Company's current operating performance. For example, in 2017, as a result of the reduction of the U.S. federal corporate income tax rate from 35% to 21% by the Tax Cuts and Jobs Act, we remeasured our domestic deferred tax assets as of December 31, 2017 and recorded a one-time adjustment to reduce our deferred tax assets and to increase the provision for income taxes by approximately $11 million. We do not consider this adjustment to be reflective of our on-going operating performance and, therefore, we excluded this item from Adjusted FFO.

EBITDA

Earnings before Interest Expense, Income Taxes, Depreciation and Amortization ("EBITDA") is a commonly used measure of performance in many industries. Management believes EBITDA provides useful information to investors regarding our results of operations because it helps us and our investors evaluate the ongoing operating performance of our properties after removing the impact of the Company's capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other lodging REITs, hotel owners that are not REITs and other capital-intensive companies. Management uses EBITDA to evaluate property-level results and as one measure in determining the value of acquisitions and dispositions and, like FFO and Adjusted FFO per diluted share, it is widely used by management in the annual budget process and for our compensation programs.

EBITDAre and Adjusted EBITDAre

We present EBITDA*re* in accordance with NAREIT guidelines, as defined in its September 2017 white paper "Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate," to provide an additional performance measure to facilitate the evaluation and comparison of the Company's results with other REITs. NAREIT defines EBITDA*re* as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control), impairment expense of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDA*re* of unconsolidated affiliates.

We make additional adjustments to EBITDA*re* when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. We believe that the presentation of Adjusted EBITDA*re*, when combined with the primary GAAP presentation of net income, is beneficial to an investor's understanding of our operating performance. Adjusted EBITDA*re* also is similar to the measure used to calculate certain credit ratios for our credit facility and senior notes. We adjust EBITDA*re* for the following items, which may occur in any period, and refer to this measure as Adjusted EBITDA*re*:

- Property Insurance Gains – We exclude the effect of property insurance gains reflected in our consolidated statements of operations because we believe that including them in Adjusted EBITDA*re* is not consistent with reflecting the ongoing performance of our assets. In addition, property insurance gains could be less important to investors given that the depreciated asset book value written off in connection with the calculation of the property insurance gain often does not reflect the market value of real estate assets.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.
- Severance Expense – In certain circumstances, we will add back hotel-level severance expenses when we do not believe that such expenses are reflective of the ongoing operation of our properties. Situations that would result in a severance add-back include, but are not limited to, (i) costs incurred as part of a broad-based reconfiguration of the operating model with the specific hotel operator for a portfolio of hotels and (ii) costs incurred at a specific hotel due to a broad-based and significant reconfiguration of a hotel and/or its workforce. We do not add back corporate-level severance costs or severance costs at an individual hotel that we consider to be incurred in the normal course of business.

In unusual circumstances, we also may adjust EBITDA*re* for gains or losses that management believes are not representative of the Company's current operating performance. The last adjustment of this nature was a 2013 exclusion of a gain from an eminent domain claim.

Limitations on the Use of NAREIT FFO per Diluted Share, Adjusted FFO per Diluted Share, EBITDA, EBITDAre and Adjusted EBITDAre

We calculate EBITDA*re* and NAREIT FFO per diluted share in accordance with standards established by NAREIT, which may not be comparable to measures calculated by other companies that do not use the NAREIT definition of EBITDA*re* and FFO or do not calculate FFO per diluted share in accordance with NAREIT guidance. In addition, although EBITDA*re* and FFO per diluted share are useful measures when comparing our results to other REITs, they may not be helpful to investors when comparing us to non-REITs. We also calculate Adjusted FFO per diluted share and Adjusted EBITDA*re*, which are not in accordance with NAREIT guidance and may not be comparable to measures calculated by other REITs or by other companies. This information should not be considered as an alternative to net income, operating profit, cash from operations or any other operating performance measure calculated in accordance with GAAP. Cash expenditures for various long-term assets (such as renewal and replacement capital expenditures), interest expense (for EBITDA, EBITDA*re* and Adjusted EBITDA*re* purposes only), severance expense related to significant property-level reconfiguration and other items have been, and will be, made and are not reflected in the EBITDA, EBITDA*re,* Adjusted EBITDA*re*, NAREIT FFO per diluted share and Adjusted FFO per diluted share presentations. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our consolidated statements of operations and consolidated statements of cash flows ("Statements of Cash Flows") in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures. Additionally, NAREIT FFO per diluted share, Adjusted FFO per diluted share, EBITDA, EBITDA*re* and Adjusted EBITDA*re* should not be considered as a measure of our liquidity or indicative of funds available to fund our cash needs, including our ability to make cash distributions. In addition, NAREIT FFO per diluted share and Adjusted FFO per diluted share do not measure, and should not be used as a measure of, amounts that accrue directly to stockholders' benefit.

Similarly, EBITDA*re,* Adjusted EBITDA*re*, NAREIT FFO and Adjusted FFO per diluted share include adjustments for the pro rata share of our equity investments and NAREIT FFO and Adjusted FFO per diluted share include adjustments for the pro rata share of non-controlling partners in consolidated partnerships. Our equity investments consist of interests ranging from 11% to 67% in seven domestic and international partnerships that own a total of 10 properties and a vacation ownership development. Due to the voting rights of the outside owners, we do not control and, therefore, do not consolidate these entities. The non-controlling partners in consolidated partnerships primarily consist of the approximate 1% interest in Host LP held by outside partners, and a 15% interest held by outside partners in a partnership owning one hotel for which we do control the entity and, therefore, consolidate its operations. These pro rata results for NAREIT FFO and Adjusted FFO per diluted share, EBITDA*re* and Adjusted EBITDA*re* were calculated as set forth in the definitions above. Readers should be cautioned that the pro rata results presented in these measures for consolidated partnerships (for NAREIT FFO and Adjusted FFO per diluted share) and equity investments may not accurately depict the legal and economic implications of our investments in these entities.

Hotel Property Level Operating Results

We present certain operating results for our hotels, such as hotel revenues, expenses, food and beverage profit, and EBITDA (and the related margins), on a hotel-level pro forma basis as supplemental information for our investors. Our hotel results reflect the operating results of our hotels as discussed in "All Owned Hotel Pro Forma Operating Statistics and Results" above. We present all owned hotel pro forma EBITDA to help us and our investors evaluate the ongoing operating performance of our hotels after removing the impact of the Company's capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization expense). Corporate-level costs and expenses also are removed to arrive at property-level results. We believe these property-level results provide investors with supplemental information about the ongoing operating performance of our hotels. All owned hotel pro forma results are presented both by location and for the Company's properties in the aggregate. While severance expense is not uncommon at the individual property level in the normal course of business, we eliminate from our hotel level operating results severance costs related to broad-based and significant property-level reconfiguration that is not considered to be within the normal course of business, as we believe this elimination provides useful supplemental information that is beneficial to an investor's understanding of our ongoing operating performance. We also eliminate depreciation and amortization expense because, even though depreciation and amortization expense are property-level expenses, these non-cash expenses, which are based on historical cost accounting for real estate assets, implicitly assume that the value of real estate assets diminishes predictably over time. As noted earlier, because real estate values historically have risen or fallen with market conditions, many real estate industry investors have considered presentation of historical cost accounting for operating results to be insufficient.

Because of the elimination of corporate-level costs and expenses, gains or losses on disposition, certain severance expenses and depreciation and amortization expense, the hotel operating results we present do not represent our total revenues, expenses, operating profit or net income and should not be used to evaluate our performance as a whole. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our consolidated statements of operations include such amounts, all of which should be considered by investors when evaluating our performance.

While management believes that presentation of all owned hotel results is a supplemental measure that provides useful information in evaluating our ongoing performance, this measure is not used to allocate resources or to assess the operating performance of each of our hotels, as these decisions are based on data for individual hotels and are not based on all owned hotel results in the aggregate. For these reasons, we believe all owned hotel operating results, when combined with the presentation of GAAP operating profit, revenues and expenses, provide useful information to investors and management.

The following presents the reconciliation of our Net Loss to All Owned Hotels Pro Forma EBITDA (in millions) for the quarter ended December 31, 2020 and is included as All Owned Hotels Pro Forma EBITDA is a component of fourth quarter cash burn. For additional reconciliations of All Owned Hotels Pro Forma EBITDA for the quarter ended March 31, 2021 and comparable quarters in prior years, see page 13:

	Quarter ended December 31, 2020
Net loss	$ (66)
Depreciation and amortization	167
Interest expense	51
Provision for income taxes	(64)
Gain on sale of property and corporate level income/expense	(171)
Severance at hotel properties	21
All Owned Hotels Pro Forma EBITDA	$ (62)

COVID-19 Non-GAAP Reporting Measures

Cash Burn. Management utilizes the cash burn metric to evaluate the amounts necessary to fund operating losses during periods where hotels have suspended operations or are operating at very low levels of occupancy due to the COVID-19 pandemic. Therefore, management believes this metric is helpful to investors to evaluate the Company's ongoing ability to continue to fund operating losses during the current periods of operating losses. The Company defines cash burn as net cash provided by (used in) operating activities adjusted for (i) changes in short term assets and liabilities and (ii) contributions to equity investments, plus capital expenditures, as further described below. Cash burn is not intended to be, and should not be used as a substitute for GAAP net cash provided by (used in) operating activities as it does not reflect the issuance or repurchase of equity, the payment of dividends, the issuance or repayment of debt, or other investing activities such as the purchase or sale of hotels. Adjustments include:

- Changes in short term assets and liabilities – The Company eliminates changes in short-term assets and liabilities, including due from managers, other assets and other liabilities, that primarily represent timing of cash inflows and outflows. As a result, cash burn includes income and expenses in better alignment with how these items are reflected on the statements of operations. These items generally represent receipts and payments that will be settled within the year and do not reflect the cash savings or liquidity needs of the Company on an on-going basis.

- Contributions to equity investments – The Company includes contributions to equity investments that have been necessary due to the depressed operations for these investments during the COVID-19 pandemic. These contributions are included as investing activities on the Statements of Cash Flows.
- Capital Expenditures – Capital expenditures are included in the cash burn amount as they represent a significant on-going cash outflow of the Company. While management continually evaluates its capital expenditures program to appropriately balance improving and renewing its hotel portfolio with its overall cash needs; management continues to anticipate capital expenditures to be a significant cash outflow.

The following presents the reconciliation of our net cash used in operating activities from our Statements of Cash Flows to cash burn (in millions):

	Quarter ended March 31, 2021	Quarter ended December 31, 2020
GAAP net cash used in operating activities	$ (49)	$ (143)
Contributions to equity investments	(2)	(1)
Timing adjustments		
Change in due from/to managers	1	21
Change in other assets	(3)	(21)
Change in other liabilities	8	(5)
Cash burn excluding capital expenditures	(45)	(149)
Capital expenditures	(93)	(115)
Cash burn	$ (138)	$ (264)

Supplemental Financial Information

MARCH 31, 2021

TABLE OF CONTENTS


HOST HOTELS & RESORTS
HOST HOTELS & RESORTS,
CORPORATE HEADQUARTERS

ABOUT HOST HOTELS & RESORTS

PREMIER US LODGING REIT

S&P 500	$12.0 BILLION	$15.7 BILLION
COMPANY	MARKET CAP[1]	ENTERPRISE VALUE[1]

LUXURY & UPPER UPSCALE CONSOLIDATED HOTELS PORTFOLIO [2]

82	47,200	20
HOTELS	ROOMS	TOP US MARKETS

(1) Based on market cap as of March 31, 2021. See Comparative Capitalization for calculation.
(2) At May 4, 2021.

ANALYST COVERAGE

BAIRD
Mike Bellisario
414-298-6130
mbellisario@rwbaird.com

BANK OF AMERICA MERRILL LYNCH
Shaun Kelley
646-855-1005
shaun.kelley@baml.com

BARCLAYS CAPITAL
Anthony Powell
212-526-8768
anthony.powell@barclays.com

BMO CAPITAL MARKETS
Ari Klein
212-885-4103
ari.klein@bmo.com

BTIG
James Sullivan
212-738-6139
jsullivan@btig.com

CAPITAL ONE SECURITIES
Neil Malkin
571-633-8191
neil.malkin@capitalone.com

CITI INVESTMENT RESEARCH
Smedes Rose
212-816-6243
smedes.rose@citi.com

COMPASS POINT RESEARCH & TRADING, LLC
Floris van Dijkum
646-757-2621
fvandijkum@compasspointllc.com

DEUTSCHE BANK SECURITIES
Chris Woronka
212-250-9376
Chris.Woronka@db.com

EVERCORE ISI
Richard Hightower
212-752-0886
rhightower@evercoreisi.com

GOLDMAN SACHS & CO.
Stephen Grambling
212-902-7832
Stephen.Grambling@gs.com

GREEN STREET ADVISORS
Lukas Hartwich
949-640-8780
lhartwich@greenstreetadvisors.com

JEFFERIES
David Katz
212-323-3355
dkatz@jefferies.com

J.P. MORGAN SECURITIES
Joe Greff
212-622-0548
Joseph.greff@jpmorgan.com

MORGAN STANLEY & CO.
Thomas Allen
212-761-3356
Thomas.Allen@morganstanley.com

RAYMOND JAMES & ASSOCIATES
Bill Crow
727-567-2594
Bill.crow@raymondjames.com

STIFEL, NICOLAUS & CO.
Simon Yarmak
443-224-1345
yarmaks@stifel.com

TRUIST
C. Patrick Scholes
212-319-3915
Patrick.scholes@suntrust.com

UBS SECURITIES LLC
Robin Farley
212-713-2060
Robin.farley@ubs.com

WELLS FARGO SECURITIES LLC
Dori Kesten
617-603-4233
dori.kesten@wellsfargo.com

The Company is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding the Company's performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of the Company or its management. The Company does not by its reference above imply its endorsement of or concurrence with any of such analysts' information, conclusions or recommendations.

OVERVIEW

ABOUT HOST HOTELS & RESORTS

Host Hotels & Resorts, Inc., herein referred to as "we," "Host Inc.," or the "Company," is a self-managed and self-administered REIT that owns hotel properties. We conduct our operations as an umbrella partnership real estate investment trust through an operating partnership, Host Hotels & Resorts, L.P. ("Host LP"), of which we are the sole general partner. When distinguishing between Host Inc. and Host LP, the primary difference is approximately 1% of the partnership interests in Host LP held by outside partners as of March 31, 2021, which is non-controlling interests in Host LP in our consolidated balance sheets and is included in net (income) loss attributable to non-controlling interests in our consolidated statements of operations. Readers are encouraged to find further detail regarding our organizational structure in our annual report on Form 10-K.

FORWARD-LOOKING STATEMENTS

This supplemental information 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: the duration and scope of the COVID-19 pandemic and its short and longer-term impact on the demand for travel, transient and group business, and levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel or the size of gatherings; the impact of the pandemic and actions taken in response to the pandemic on global and regional economies, travel, and economic activity, including the duration and magnitude of its impact on unemployment rates, business investment and consumer discretionary spending; the pace of recovery when the COVID-19 pandemic subsides; general economic uncertainty in U.S. markets where we own hotels and a worsening of economic conditions or low levels of economic growth in these markets; the effects of steps we and our hotel managers take to reduce operating costs in response to the COVID-19 pandemic; other changes (apart from the COVID-19 pandemic) in national and local economic and business conditions and other factors such as natural disasters 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 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 supplemental presentation is as of May 4, 2021, 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.

ALL OWNED HOTEL PRO FORMA OPERATING STATISTICS AND RESULTS AND NON-GAAP FINANCIAL MEASURES

To facilitate a quarter-to-quarter comparison of our operations, we typically present certain operating statistics (i.e., Total RevPAR, RevPAR, average daily rate and average occupancy) and operating results (revenues, expenses, hotel EBITDA and associated margins) for the periods included in this supplemental information on a comparable hotel basis in order to enable our investors to better evaluate our operating performance (discussed in "Hotel Property Level Operating Results"). However, due to the COVID-19 pandemic and its effects on operations, there is little comparability between periods. For this reason, we temporarily are suspending our comparable hotel presentation and instead present hotel operating results for all consolidated hotels and, to facilitate comparisons between periods, we are presenting results on a pro forma basis, including the following adjustments: (1) operating results are presented for all consolidated hotels owned as of March 31, 2021, but do not include the results of operations for properties sold through the reporting date; and (2) operating results for acquisitions as of March 31, 2021 are reflected for full calendar years, to include results for periods prior to our ownership. For these hotels, since the year-over-year comparison includes periods prior to our ownership, the changes will not necessarily correspond to changes in our actual results. See the Notes to Supplemental Financial Information for further information on these pro forma statistics and the limitations on their use.

Included in this supplemental information are certain "non-GAAP financial measures," which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP (U.S. generally accepted accounting principles), within the meaning of applicable SEC rules. They are as follows: (i) EBITDA (for both the Company and hotel level), (ii) EBITDA*re* and Adjusted EBITDA*re*, (iii) Net Operating Income (NOI) and (iv) All Owned Hotel Pro Forma Operating Statistics and Results. Also included are reconciliations to the most directly comparable GAAP measures. See the Notes to Supplemental Financial Information for definitions of these measures, why we believe these measures are useful and limitations on their use.

Also included in this supplemental information is our leverage ratio, unsecured interest coverage ratio and fixed charge coverage ratio, calculated in accordance with our credit facility, along with our EBITDA to interest coverage ratio, indenture indebtedness test, indenture secured indebtedness test, and indenture unencumbered assets to unsecured indebtedness test, calculated in accordance with our senior notes indenture covenants. Included with these ratios are reconciliations calculated in accordance with GAAP. See the Notes to Supplemental Financial Information for information on how these supplemental measures are calculated, why we believe they are useful and limitations on their use.

OVERVIEW

PROPERTY LEVEL DATA

CAPITALIZATION

COVID-19 DATA

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

ALL OWNED HOTELS (PRO FORMA) RESULTS BY LOCATION IN NOMINAL US$

HOST HOTELS & RESORTS

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS AND PER ROOM BASIS)

	Quarter ended March 31, 2021						
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR[1]	Total Revenues	Total Revenues per Available Room[2]
Miami	3	1,276	$556.36	55.6%	$309.29	$55.7	$470.45
Florida Gulf Coast	5	1,842	521.91	52.8	275.67	81.1	489.52
Phoenix	4	1,819	355.31	49.9	177.15	53.8	335.19
Jacksonville	1	446	484.86	35.5	171.97	13.9	345.82
Maui/Oahu	4	1,987	404.89	40.0	162.15	43.5	243.26
Washington, D.C. (CBD) [4]	5	3,238	152.00	49.3	74.98	22.9	78.49
Houston	4	1,716	125.89	50.9	64.05	13.4	86.95
Atlanta	4	1,682	155.54	37.7	58.57	11.4	75.06
Philadelphia	2	810	135.04	36.9	49.89	5.1	70.10
Northern Virginia	3	1,252	150.57	29.5	44.45	7.1	63.28
San Antonio/Austin	3	1,960	128.07	31.5	40.35	10.1	57.23
Los Angeles/Orange County	5	2,119	158.07	24.3	38.41	9.6	50.27
San Diego	3	3,288	156.29	17.1	26.69	14.3	48.42
New York	3	4,261	142.98	15.9	22.78	11.2	29.16
Orlando	1	2,004	151.40	13.2	19.95	9.4	52.40
Denver	3	1,340	112.49	17.2	19.34	2.8	23.70
Chicago	4	1,816	115.21	16.2	18.62	3.7	22.77
San Francisco/San Jose	7	4,528	136.44	13.3	18.10	9.7	23.78
New Orleans	1	1,333	107.71	13.3	14.30	3.3	27.41
Seattle	2	1,315	149.63	7.2	10.84	1.7	14.53
Boston	3	2,715	117.71	8.0	9.40	3.0	12.14
Other	6	2,509	135.81	27.2	36.96	10.8	47.96
Other property level [3]	—	—	—	—	—	1.6	—
Domestic	76	45,256	233.01	27.1	63.08	399.1	97.61
International	5	1,499	89.36	13.0	11.62	2.1	15.46
All Locations - Nominal US$	81	46,755	$230.76	26.6%	$61.43	$401.2	$94.98
Pro forma adjustments [5]	—	—	—	—	—	(2.3)	—
Total	81	46,755	—	—	—	$398.9	—

(1) RevPAR is the product of the average daily room rate charged and the average daily occupancy achieved.
(2) Total Revenues per Available Room ("Total RevPAR") is a summary measure of hotel results calculated by dividing the sum of room, food and beverage and other ancillary service revenue by room nights available to guests for the period. It includes ancillary revenues not included within RevPAR.
(3) Other property level includes certain ancillary revenues.
(4) CBD refers to the central business district.
(5) Pro forma adjustments represent the following items: (i) the elimination of results of operations of our sold hotels, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations and (ii) the addition of results for periods prior to our ownership for hotels acquired through March 31, 2021. The AC Hotel Scottsdale North is a new development hotel located in Phoenix that opened in January 2021. Therefore, there were no operations for the hotel prior to January 2021 and no adjustments made for pro forma results of the hotel for periods prior to its opening.

ALL OWNED HOTELS (PRO FORMA) RESULTS BY LOCATION IN NOMINAL US$

HOST HOTELS & RESORTS

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS AND PER ROOM BASIS)

	Quarter ended March 31, 2020						
Location	**No. of Properties**	**No. of Rooms**	**Average Room Rate**	**Average Occupancy Percentage**	**RevPAR**	**Total Revenues**	**Total Revenues per Available Room**
Miami	3	1,276	$443.30	70.9%	$314.11	$59.8	$498.35
Florida Gulf Coast	5	1,842	430.81	70.8	305.01	108.8	649.38
Phoenix	3	1,654	369.52	67.1	248.11	83.2	552.93
Jacksonville	1	446	363.41	57.0	207.28	18.9	466.16
Maui/Oahu	4	1,987	469.81	74.5	350.05	92.7	513.46
Washington, D.C. (CBD)	5	3,238	230.32	54.0	124.28	54.1	183.71
Houston	4	1,716	175.23	61.3	107.38	25.4	162.63
Atlanta	4	1,682	192.55	63.1	121.49	30.0	196.11
Philadelphia	2	810	173.70	62.8	109.04	13.3	180.62
Northern Virginia	3	1,252	206.66	52.7	108.90	20.6	180.68
San Antonio/Austin	3	1,960	196.60	47.7	93.85	28.0	157.07
Los Angeles/Orange County	5	2,119	213.01	67.4	143.52	41.6	215.71
San Diego	3	3,288	244.32	61.2	149.44	87.1	291.18
New York	3	4,261	220.61	56.1	123.75	76.4	197.15
Orlando	1	2,004	215.31	57.1	123.02	52.6	288.47
Denver	3	1,340	161.52	50.1	80.92	15.3	125.09
Chicago	4	1,816	142.48	47.5	67.69	15.8	95.61
San Francisco/San Jose	7	4,528	295.37	59.3	175.08	104.8	254.37
New Orleans	1	1,333	202.36	65.3	132.09	24.0	197.80
Seattle	2	1,315	193.42	54.0	104.51	17.9	149.34
Boston	3	2,715	177.13	53.0	93.85	35.1	141.90
Other	6	2,509	166.44	57.3	95.36	30.7	134.38
Other property level [1]	—	—	—	—	—	2.1	—
Domestic	75	45,091	253.75	59.1	150.09	1,038.2	252.30
International	5	1,499	138.21	53.3	73.70	14.6	106.43
All Locations - Nominal US$	80	46,590	$250.40	59.0%	$147.64	$1,052.8	$247.61
Pro forma adjustments [2]	—	—	—	—	—	(1.0)	—
Total	80	46,590	—	—	—	$1,051.8	—

(1) Other property level includes certain ancillary revenues.
(2) Pro forma adjustments represent the following items: (i) the elimination of results of operations of our sold hotels, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations and (ii) the addition of results for periods prior to our ownership for hotels acquired through March 31, 2021.

ALL OWNED HOTELS (PRO FORMA) RESULTS BY LOCATION IN NOMINAL US$

HOST HOTELS & RESORTS

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS AND PER ROOM BASIS)

	Quarter ended March 31, 2019						
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total Revenues	Total Revenues per Available Room
Miami	3	1,276	$408.86	85.9%	$351.13	$62.1	$522.30
Florida Gulf Coast	5	1,842	439.30	83.1	364.98	121.2	729.85
Phoenix	3	1,654	373.48	82.7	308.80	95.9	644.54
Jacksonville	1	446	367.78	78.6	289.04	27.7	690.11
Maui/Oahu	4	1,987	437.66	89.0	389.36	104.3	584.39
Washington, D.C. (CBD)	5	3,238	247.89	73.3	181.79	75.1	257.64
Houston	4	1,716	182.60	75.8	138.36	31.0	201.04
Atlanta	4	1,682	227.57	76.7	174.60	41.3	272.88
Philadelphia	2	810	190.16	78.1	148.48	17.7	242.24
Northern Virginia	3	1,252	210.16	65.7	138.09	27.0	239.65
San Antonio/Austin	3	1,960	208.03	79.2	164.69	45.9	260.10
Los Angeles/Orange County	5	2,119	219.94	84.5	185.95	53.3	279.42
San Diego	3	3,288	252.91	76.9	194.59	103.4	349.55
New York	3	4,261	236.38	72.0	170.27	102.6	267.69
Orlando	1	2,004	208.20	79.0	164.41	69.5	385.22
Denver	3	1,340	161.82	64.7	104.75	19.1	158.27
Chicago	4	1,816	148.27	60.4	89.50	20.9	128.94
San Francisco/San Jose	7	4,528	305.80	77.3	236.51	134.6	330.84
New Orleans	1	1,333	209.79	81.6	171.18	30.0	249.87
Seattle	2	1,315	194.12	77.4	150.15	24.1	203.91
Boston	3	2,715	190.33	69.4	132.03	48.0	196.44
Other	6	2,509	168.26	73.1	122.94	39.5	175.07
Other property level (1)	—	—	—	—	—	1.6	—
Domestic	75	45,091	257.13	76.2	195.88	1,295.8	318.78
International	5	1,499	143.88	67.6	97.32	19.0	140.81
All Locations - Nominal US$	80	46,590	$253.88	75.9%	$192.71	$1,314.8	$313.05
Pro forma adjustments (2)	—	—	—	—	—	75.2	—
Total	80	46,590	—	—	—	$1,390.0	—

(1) Other property level includes certain ancillary revenues.
(2) Pro forma adjustments represent the following items: (i) the elimination of results of operations of our sold hotels, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations and (ii) the addition of results for periods prior to our ownership for hotels acquired through March 31, 2021.

OVERVIEW

PROPERTY
LEVEL DATA

CAPITALIZATION

COVID-19 DATA

NOTES TO
SUPPLEMENTAL
FINANCIAL
INFORMATION

COMPARATIVE CAPITALIZATION

(IN MILLIONS, EXCEPT SECURITY PRICING AND PER SHARE AMOUNTS)

Shares/Units	As of March 31, 2021	As of December 31, 2020	As of September 30, 2020	As of June 30, 2020	As of March 31, 2020
Common shares outstanding	706.1	705.4	705.3	705.2	704.9
Common shares outstanding assuming conversion of OP Units (1)	713.4	712.7	712.7	712.7	712.5
Preferred OP Units outstanding	0.01	0.01	0.01	0.01	0.01
Security pricing					
Common stock at end of quarter (2)	$16.85	$14.63	$10.79	$10.79	$11.04
High during quarter	13.50	15.65	12.06	14.82	18.23
Low during quarter	18.42	10.45	10.19	9.06	9.31
Capitalization					
Market value of common equity (3)	$12,021	$10,427	$7,690	$7,690	$7,866
Consolidated debt	5,540	5,541	5,638	4,543	5,295
Less: Cash	(2,008)	(2,335)	(2,430)	(1,578)	(2,796)
Consolidated total capitalization	15,553	13,633	10,898	10,655	10,365
Plus: Share of debt in unconsolidated investments	144	145	142	144	146
Pro rata total capitalization	$15,697	$13,778	$11,040	$10,799	$10,511

	Quarter ended March 31, 2021	Quarter ended December 31, 2020	Quarter ended September 30, 2020	Quarter ended June 30, 2020	Quarter ended March 31, 2020
Dividends declared per common share	$0.00	$0.00	$0.00	$0.00	$0.20

(1) Each OP Unit is redeemable for cash or, at our option, for 1.021494 common shares of Host Inc. At March 31, 2021, December 31, 2020, September 30, 2020, June 30, 2020 and March 31, 2020, there were 7.2 million, 7.2 million, 7.3 million, 7.3 million and 7.5 million in common OP Units, respectively, held by non-controlling interests.
(2) Share prices are the closing price as reported by the NASDAQ.
(3) Market value of common equity is calculated as the number of common shares outstanding including assumption of conversion of OP units multiplied the closing share price on that day.

CONSOLIDATED DEBT SUMMARY

(IN MILLIONS)

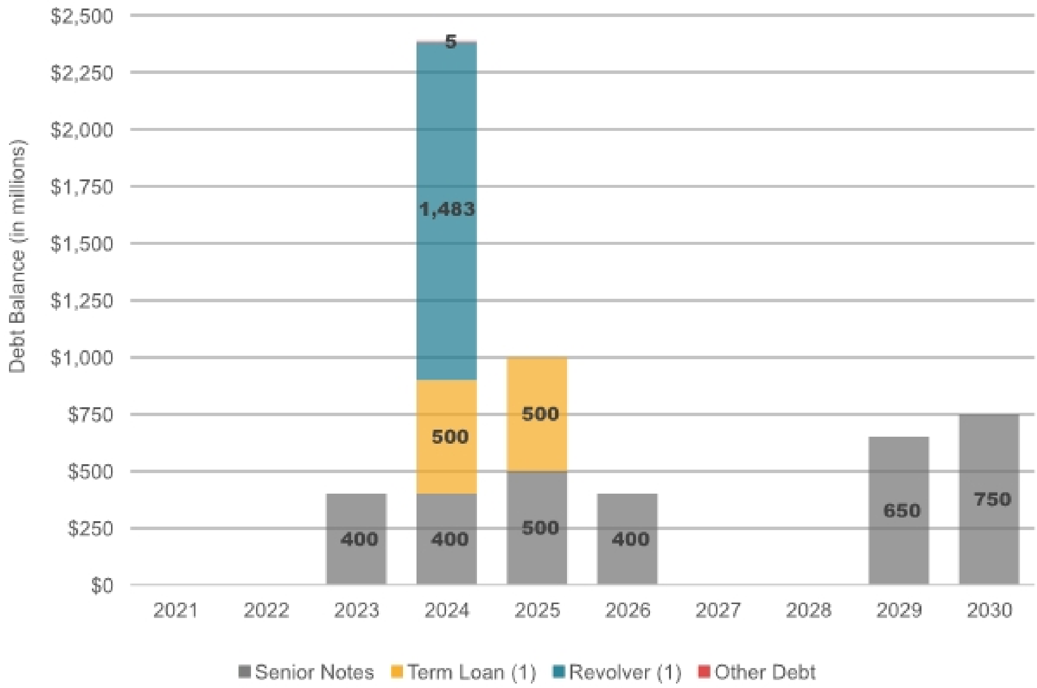
Debt				
Senior debt	**Rate**	**Maturity date**	**March 31, 2021**	**December 31, 2020**
Series D	3 ¾%	10/2023	$ 399	$ 399
Series E	4%	6/2025	498	497
Series F	4 ½%	2/2026	397	397
Series G	3 ⅞%	4/2024	398	398
Series H	3 ⅜%	12/2029	640	640
Series I	3 ½%	9/2030	734	734
2024 Credit facility term loan	1.8%	1/2024	498	498
2025 Credit facility term loan	1.8%	1/2025	498	499
Credit facility revolver (1)	1.7%	1/2024	1,473	1,474
			5,535	5,536
Other debt				
Other debt	8.8%	2/2024	5	5
Total debt (2)(3)			$5,540	$5,541
Percentage of fixed rate debt			55%	55%
Weighted average interest rate			3.0%	3.0%
Weighted average debt maturity			4.7 years	5.0 years
Credit Facility				
Total capacity			$1,500	
Available capacity			12	
Assets encumbered by mortgage debt			—	

(1) The interest rate shown is the rate of the outstanding credit facility revolver borrowings at March 31, 2021, based on LIBOR plus 150 basis points. Depending on Host L.P.'s unsecured long-term debt rating, interest on revolver borrowings is equal to LIBOR plus a margin ranging from 117.5 to 185 basis points, with a 15 bps LIBOR floor.

(2) In accordance with GAAP, total debt includes the debt of entities that we consolidate, but of which we do not own 100%, and excludes the debt of entities that we do not consolidate, but of which we have a non-controlling ownership interest and record our investment therein under the equity method of accounting. As of March 31, 2021, our share of debt in unconsolidated investments is $144 million and none of our debt is attributable to non-controlling interests.

(3) Total debt as of March 31, 2021 and December 31, 2020 includes net discounts and deferred financing costs of $48 million and $47 million, respectively.

CONSOLIDATED DEBT MATURITY AS OF MARCH 31, 2021



(1) The term loan and revolver under our credit facility that are due in 2024 have extension options that would extend maturity of both instruments to 2025, subject to meeting certain conditions, including payment of a fee.

GROUND LEASE SUMMARY AS OF DECEMBER 31, 2020

	As of December 31, 2020				
	No. of rooms	Lessor Institution Type	Minimum rent	Current expiration	Expiration after all potential options [1]
1 Boston Marriott Copley Place	1,144	Public	N/A [2]	12/13/2077	12/13/2077
2 Coronado Island Marriott Resort & Spa	300	Public	1,378,850	10/31/2062	10/31/2078
3 Denver Marriott West	305	Private	160,000	12/28/2028	12/28/2058
4 Houston Airport Marriott at George Bush Intercontinental	573	Public	1,560,000	10/31/2053	10/31/2053
5 Houston Marriott Medical Center/Museum District	395	Non-Profit	160,000	12/28/2029	12/28/2059
6 Manchester Grand Hyatt San Diego	1,628	Public	6,600,000	5/31/2067	5/31/2083
7 Marina del Rey Marriott	370	Public	1,991,076	3/31/2043	3/31/2043
8 Marriott Downtown at CF Toronto Eaton Centre	461	Non-Profit	384,900	9/20/2082	9/20/2082
9 Marriott Marquis San Diego Marina	1,360	Public	7,650,541	11/30/2061	11/30/2083
10 Newark Liberty International Airport Marriott	591	Public	2,476,119	12/31/2055	12/31/2055
11 Philadelphia Airport Marriott	419	Public	1,230,278	6/29/2045	6/29/2045
12 San Antonio Marriott Rivercenter	1,000	Private	700,000	12/31/2033	12/31/2063
13 San Francisco Marriott Marquis	1,500	Public	1,500,000	8/25/2046	8/25/2076
14 San Ramon Marriott	368	Private	675,941	5/29/2034	5/29/2064
15 Santa Clara Marriott	766	Private	90,932	11/30/2028	11/30/2058
16 Tampa Airport Marriott	298	Public	1,463,770	12/31/2043	12/31/2043
17 The Ritz-Carlton, Marina del Rey	304	Public	1,453,104	7/29/2067	7/29/2067
18 The Ritz-Carlton, Tysons Corner	398	Private	993,900	6/30/2112	6/30/2112
19 The Westin Cincinnati	456	Public	100,000	6/30/2045	6/30/2075 [3]
20 The Westin Los Angeles Airport	747	Private	1,225,050	1/31/2054	1/31/2074 [4]
21 The Westin South Coast Plaza, Costa Mesa	393	Private	178,160	9/30/2025	9/30/2025
22 W Hollywood	305	Public	366,579	3/28/2106	3/28/2106

Weighted average remaining lease term (assuming all extension options)	53 years
Percentage of leases (based on room count) with Public/Private/Non-Profit lessors	66%/28%/6%

(1) Exercise of Host's option to extend is subject to certain conditions, including the existence of no defaults and subject to any applicable rent escalation or rent re-negotiation provisions.
(2) All rental payments have been previously paid and no further rental payments are required for the remainder of the lease term.
(3) No renewal term in the event the Lessor determines to discontinue use of building as a hotel.
(4) A condition of renewal is that the hotel's occupancy compares favorably to similar hotels for the preceding three years.

PROPERTY TRANSACTIONS

	Sales Price (in millions) (1)	Net income Cap Rate (2)(5)	Cap Rate (2)(3)	Net income multiple (2)(5)	EBITDA multiple (2)(4)
2019 completed sales	$1,281	4.6%	6.3%	21.6x	14.1x
2020 completed sales	$216	7.0%	6.8%	14.2x	13.8x
2021 completed acquisitions	$771	4.3%	5.8%	23.4x	14.2x

	Trailing Twelve Months from Disposition Date (in millions) (2)							
	Total Revenues	RevPAR	Total RevPAR	Hotel Net Income (6)	Plus: Depreciation	Equals: Hotel EBITDA (6)	Renewal & Replacement funding	Hotel Net Operating Income
2019 completed sales	$465.6	$152.91	$215.69	$59.4	$53.9	$113.3	$(22.9)	$90.4
2020 completed sales	$54.6	$160.30	$281.10	$15.2	$4.0	$19.2	$(2.9)	$16.3

	Year ended December 31, 2019 (in millions) (2)							
	Total Revenues	RevPar	Total RevPar	Hotel Net Income	Plus: Depreciation	Equals: Hotel EBITDA	Renewal & Replacement funding	Hotel Net Operating Income
2021 completed acquisitions	$201.8	$374.18	$619.93	$32.9	$21.5	$54.4	($9.6)	$44.8

(1) The tables include 14 properties sold in 2019, one property sold in 2020, and two properties acquired in 2021, through May 4, 2021.
(2) 2019 sales use trailing twelve-month results from disposition date, while 2020 sales and 2021 acquisitions use full year 2019 results. Due to the impact of COVID-19, results in 2020 are not reflective of normal operations of the hotels.
(3) The cap rate is calculated as the ratio between net operating income (NOI) and the sales price (plus avoided capital expenditures for dispositions). Avoided capital expenditures for 2019 and 2020 sales represents $202 million and $27 million, respectively, of estimated capital expenditure spend requirements for the properties in excess of escrow funding over the next 10 years, discounted at 8%.
(4) The EBITDA multiple is calculated as the ratio between the sales price (plus avoided capital expenditures for dispositions) and Hotel EBITDA. Avoided capital expenditures for 2019 and 2020 sales represents $439 million and $60 million, respectively, of estimated capital expenditure spend requirements for the properties including escrow funding over the next 10 years, discounted at 8%.
(5) Net income cap rate is calculated as the ratio between net income and the sales price. Net income multiple is calculated as the ratio between the sales price and Hotel net income.
(6) Net income and Hotel EBITDA recorded in 2019 for 2019 and 2020 sales totaled approximately $60 million and $92 million, respectively. Net income recorded in 2020 for 2020 sales was flat, while Hotel EBITDA recorded in 2020 for 2020 sales totaled $3 million.

HISTORICAL PRO-FORMA RESULTS

HOST HOTELS & RESORTS

Historical Pro forma Hotel Metrics [1] [2]

	Three Months Ended					Full Year	Three Months Ended				Full Year
	March 31, 2021	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
Pro Forma RevPAR - All Owned Hotels	$61.43	$147.64	$14.25	$29.16	$38.13	$57.16	$192.71	$205.03	$185.12	$187.98	$192.68
Pro Forma Occupancy - All Owned Hotels	26.6%	59.0%	8.8%	17.1%	19.6%	26.1%	75.9%	82.1%	80.5%	76.2%	78.7%
Pro Forma ADR - All Owned Hotels	$230.76	$250.40	$161.92	$170.78	$194.91	$219.38	$253.88	$249.81	$229.84	$246.62	$244.85

Historical Pro Forma Hotel Revenues [1] [2]

	Three Months Ended					Full Year	Three Months Ended				Full Year
	March 31, 2021	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
Total Revenues	$399	$1,052	$103	$198	$267	1,620	$1,390	$1,483	$1,262	$1,334	$5,469
Add: Revenues from hotel acquisitions	2	12	1	2	2	17	35	14	11	12	72
Less: Revenues from hotel dispositions	-	(11)	(1)	(3)	(1)	(16)	(110)	(99)	(64)	(26)	(299)
Pro Forma Revenue - All Owned Hotels	**$401**	**$1,053**	**$103**	**$197**	**$268**	**1,621**	**$1,315**	**$1,398**	**$1,209**	**$1,320**	**$5,242**

Historical Pro forma Adjusted EBITDA*re* [1] [2]

	Three Months Ended					Full Year	Three Months Ended				Full Year
	March 31, 2021	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
Net income (loss)	$(153)	$(3)	$(356)	$(316)	$(66)	$(741)	$189	$290	$372	$81	$932
Interest expense	42	37	40	66	51	194	43	43	46	90	222
Depreciation and amortization	165	164	168	166	167	665	170	166	159	167	662
Income taxes	(46)	(37)	(46)	(73)	(64)	(220)	2	16	4	8	30
EBITDA[3]	8	161	(194)	(157)	88	(102)	404	515	581	346	1,846
Gain on dispositions	-	1	(1)	(1)	(148)	(149)	(2)	(57)	(273)	(2)	(334)
Non-cash impairment expense	-	-	-	-	-	-	-	-	6	8	14
Equity investment adjustments:											
Equity in (earnings) losses of affiliates	(9)	(4)	25	5	4	30	(5)	(4)	(4)	(1)	(14)
Pro rata EBITDAre of equity investments	6	6	(20)	(1)	3	(12)	9	6	6	4	26
EBITDA*re*[3]	5	164	(190)	(154)	(53)	(233)	406	460	316	355	1,538
Adjustments to EBITDAre:											
Severance expense (reversal) at hotel properties	(2)	-	1	43	21	65	-	-	-	-	-
Gain on property insurance settlement	-	-	-	-	-	-	-	-	(4)	-	(4)
Adjusted EBITDA*re*[3]	3	164	(189)	(111)	(32)	(168)	406	460	312	355	1,534
Add: EBITDA from hotel acquisitions	-	5	(2)	(1)	-	2	14	6	3	3	26
Less: EBITDA from hotel dispositions	-	(3)	1	(1)	-	(3)	(35)	(31)	(20)	(6)	(92)
Pro forma Adjusted EBITDA*re*[3]	**$3**	**$166**	**$(190)**	**$(113)**	**$(32)**	**$(169)**	**$385**	**$435**	**$295**	**$352**	**$1,468**

HISTORICAL PRO FORMA RESULTS CONT.

HOST HOTELS & RESORTS

Historical All Owned Hotels Pro Forma EBITDA[(1)(2)]

	Three Months Ended				Full Year	Three Months Ended				Full Year
	March 31, 2021	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
Net income (loss)	$(153)	$(3)	$(356)	$(316)	$(66)	(741)	$189	$290	$372	$81	$932
Depreciation and amortization	165	164	168	166	167	665	170	166	165	175	676
Interest expense	42	37	40	66	51	194	43	43	46	90	222
Provision (benefit) for income taxes	(46)	(37)	(46)	(73)	(64)	(220)	2	16	4	8	30
Gain on sale of property and corporate level income/expense	15	17	34	23	(171)	(97)	11	(44)	(263)	13	(283)
Severance expense (reversal) at hotel properties	(2)	-	1	43	21	65	-		-	-	-
Pro forma adjustments	-	2	(1)	(2)	-	(1)	(21)	(25)	(17)	(3)	(66)
All Owned Hotels Pro Forma EBITDA[(3)]	**$21**	**$180**	**$(160)**	**$(93)**	**$(62)**	**$(135)**	**$394**	**$446**	**$307**	**$364**	**$1,511**

(1) The tables above include pro forma adjustments for one property acquired in 2021, one property sold in 2020, 14 properties sold in 2019 and one property acquired in 2019.
(2) Pro forma results represent adjustments for the following items: (i) to remove the results of operations of our sold hotels, which operations are included in our condensed consolidated statements of operations as continuing operations and (ii) to include the results for periods prior to our ownership for hotels acquired through March 31, 2021.
(3) EBITDA, EBITDAre, Adjusted EBITDAre, All Owned Hotels Pro forma EBITDA, and Pro-Forma Adjusted EBITDAre are non-GAAP financial measures within the meaning of the rules of the Securities and Exchange commission. See the Notes to Supplemental Financial Information for discussion of these non-GAAP measures.

OVERVIEW

PROPERTY
LEVEL DATA

CAPITALIZATION

COVID-19 DATA

NOTES TO
SUPPLEMENTAL
FINANCIAL
INFORMATION

CREDIT FACILITY AMENDMENTS[1]

FINANCIAL COVENANTS

- Obtained second waiver of existing quarterly-tested financial covenants extending through April 1, 2022.
- Option to terminate the Covenant Relief Period early.
- A fixed charge coverage ratio minimum of 1.0x is the only covenant requirement for the period ending June 30, 2022 and returns to a minimum of 1.25x for subsequent quarters.
- Continued modification of the quarterly-tested leverage covenant and EBITDA calculation to ease compliance:

Maximum Leverage Ratio	8.50x	8.50x	8.00x	8.00x	7.50x	7.25x
	3Q '22	4Q '22	1Q '23	2Q '23	3Q '23	Beyond

ACQUISITIONS

Increased flexibility to make acquisitions using our existing liquidity as well as potentially tapping equity capacity with no requirement to first repay debt:

Acquisition Capacity With Existing Liquidity	Minimum Liquidity Requirement
up to $2.0 billion	$600 million
up to $1.5 billion	$500 million
up to $1.0 billion	$400 million
Acquisition Capacity Using Equity	Minimum Liquidity Requirement
up to $7.5 billion	$400 million

$2.0 billion acquisition capacity requires $500 million of asset sales.

DISPOSITIONS

$1.25 billion of net sale proceeds may be used for reinvestment in new assets that are unencumbered by debt, of which $750 million is only through the 1031 exchange process.

MANDATORY PAYMENTS

During the Covenant Waiver Period, net cash proceeds from debt issuances and dispositions, subject to certain exceptions, are to be applied based on the following schedule:
i. The first $350 million to the Borrower (following debt issuance of Series I senior notes and sale of Newport Beach Marriott, have maximized capacity available to Host)
ii. The second $750 million to repay revolver (of which $12 million has been repaid as of March 31, 2021)
iii. Amounts in excess of $1.1 billion applied to repay the revolver and the two term loans on a pro rata basis

CAPITAL EXPENDITURES

Ability to fund all emergency, life safety and ordinary course maintenance capital expenditures plus $950 million in other capital expenditures such as return on investment capital expenditures (from period beginning July 1, 2020).

RESTRICTED PAYMENTS

- Allow $0.01 dividend per share quarterly distribution or higher to the extent necessary to maintain REIT status or to avoid payment of income taxes
- No share buybacks during Covenant Waiver Period and after existing Covenant Waiver Period, unless Leverage Ratio is <= 7.25x

INTEREST RATE

- 40-basis point increase in the credit ratings-based interest rate grid during Covenant Relief Period
- LIBOR Floor of 15-basis points for the life of the credit facility

Rating	Revolver	Term Loans	Facility Fee
BBB (Baa2)	130	140	20
BBB-/Baa3	150	165	25
<BBB-/Baa3	185	205	30

(1) We have completed two amendments to our credit facility agreement since June 2020. The foregoing reflects the combined terms of the Amendments, but does not purport to be a complete description of the terms of the Amendments and such description is qualified in its entirety by reference to the Amendments, copies of which are filed with the SEC.

FINANCIAL COVENANTS: CREDIT FACILITY AND SENIOR NOTES FINANCIAL PERFORMANCE TESTS

HOST HOTELS & RESORTS

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the financial performance tests for our credit facility and senior notes:

		At March 31, 2021[(1)]	
Credit Facility Financial Performance Tests	Permitted	GAAP Ratio	Covenant Ratio
Leverage Ratio	Maximum 7.25x	(6.2x)	(10.1x)
Unsecured Interest Coverage Ratio	Minimum 1.75x[(2)]	(4.5x)	(1.8x)
Consolidated Fixed Charge Coverage Ratio	Minimum 1.25x	(4.5x)	(2.5x)

		At March 31, 2021[(3)]	
Senior Notes Compliance Financial Performance Tests	Permitted	GAAP Ratio	Covenant Ratio
Indebtedness Test	Maximum 65%	44%	26%
Secured Indebtedness Test	Maximum 40%	0%	0%
EBITDA-to-interest Coverage ratio	Minimum 1.5x	(4.5x)	(2.2x)
Ratio of Unencumbered Assets to Unsecured Indebtedness	Minimum 150%	230%	383%

As of March 31, 2021, the Company was below the financial covenant levels under its senior notes indentures necessary to incur debt, and, as a result, it will not be able to incur additional debt while below these levels.

(1) Covenant ratios are calculated using Host's credit facility definitions and are for informational purposes only, as the covenants are not currently in effect under the Amendments. The GAAP ratio is not relevant for the purpose of the financial covenants. See the following pages for a reconciliation of the equivalent GAAP measure.
(2) If the leverage ratio is greater than 7.0x then the unsecured interest coverage ratio minimum becomes 1.50x.
(3) Covenant ratios are calculated using Host's senior notes indenture definitions. The GAAP ratio is not relevant for the purpose of the financial covenants. See the following pages for a reconciliation of the equivalent GAAP measure.

FINANCIAL COVENANTS: RECONCILIATION OF GAAP LEVERAGE RATIO TO CREDIT FACILITY LEVERAGE RATIO

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our leverage ratio using GAAP measures and used in the financial covenants of the credit facility:

	GAAP Leverage Ratio
	Trailing Twelve Months
	March 31, 2021
Debt	$5,540
Net loss	(891)
GAAP Leverage Ratio	**(6.2x)**

The following table presents the calculation of our leverage ratio as used in the financial covenants of the credit facility:

	Leverage Ratio per Credit Facility
	Trailing Twelve Months
	March 31, 2021
Net debt [1]	$3,633
Adjusted Credit Facility EBITDA [2]	(360)
Leverage Ratio	**(10.1x)**

(1) The following presents the reconciliation of debt to net debt per our credit facility definition:

	March 31, 2021
Debt	$5,540
Less: Unrestricted cash over $100 million	(1,907)
Net debt per credit facility definition	**$3,633**

(2) The following presents the reconciliation of net loss to EBITDA, EBITDA*re*, Adjusted EBITDA*re* and Adjusted EBITDA per our credit facility definition in determining leverage ratio:

	Trailing Twelve Months
	March 31, 2021
Net loss	($891)
Interest expense	199
Depreciation and amortization	666
Income taxes	(229)
EBITDA	**(255)**
Gain on dispositions	(150)
Equity in earnings of affiliates	25
Pro rata EBITDA*re* of equity investments	(12)
EBITDA*re*	**(392)**
Severance at hotel properties	63
Adjusted EBITDA*re*	**(329)**
Less: Severance	(63)
Pro forma EBITDA - Acquisitions	(3)
Restricted stock expense and other non-cash items	11
Non-cash partnership adjustments	24
Adjusted Credit Facility EBITDA	**($360)**

FINANCIAL COVENANTS: RECONCILIATION OF GAAP INTEREST COVERAGE RATIO TO CREDIT FACILITY UNSECURED INTEREST COVERAGE RATIO

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our unsecured interest coverage ratio using GAAP measures and as used in the financial covenants of the credit facility:

	GAAP Interest Coverage Ratio Trailing Twelve Months March 31, 2021
Net loss	($891)
Interest expense	199
GAAP Interest Coverage Ratio	**(4.5x)**

	Unsecured Interest Coverage per Credit Facility Ratio Trailing Twelve Months March 31, 2021
Unencumbered consolidated EBITDA per credit facility definition (1)	($287)
Adjusted Credit Facility interest expense (2)	163
Unsecured Interest Coverage Ratio	**(1.8x)**

(1) The following reconciles Adjusted Credit Facility EBITDA to Unencumbered Consolidated EBITDA per our credit facility definition. See Reconciliation of GAAP Leverage Ratio to Credit Facility Leverage Ratio for calculation and reconciliation of net income to Adjusted Credit Facility EBITDA:

	Trailing Twelve Months March 31, 2021
Adjusted Credit Facility EBITDA	($360)
Corporate overhead	76
Interest income	(3)
Unencumbered Consolidated EBITDA per credit facility definition	**($287)**

(2) The following reconciles GAAP interest expense to interest expense per our credit facility definition:

	Trailing Twelve Months March 31, 2021
GAAP Interest expense	$199
Debt extinguishment costs	(36)
Deferred financing cost amortization	(6)
Capitalized interest	4
Pro forma interest adjustments	2
Adjusted Credit Facility Interest Expense	**$163**

FINANCIAL COVENANTS: RECONCILIATION OF GAAP INTEREST COVERAGE RATIO TO CREDIT FACILITY FIXED CHARGE COVERAGE RATIO

HOST HOTELS & RESORTS

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our GAAP Interest coverage ratio and our fixed charge coverage ratio as used in the financial covenants of the credit facility:

	GAAP Interest Coverage Ratio
	Trailing Twelve Months
	March 31, 2021
Net loss	($891)
Interest expense	199
GAAP Fixed Charge Coverage Ratio	**(4.5x)**

	Credit Facility Fixed Charge Coverage Ratio
	Trailing Twelve Months
	March 31, 2021
Credit Facility Fixed Charge Coverage Ratio EBITDA [1]	($408)
Fixed charges [2]	163
Credit Facility Fixed Charge Coverage Ratio	**(2.5x)**

(1) The following reconciles Adjusted Credit Facility EBITDA to Credit Facility Fixed Charge Coverage Ratio EBITDA. See Reconciliation of GAAP Leverage Ratio to Credit Facility Leverage Ratio for calculation and reconciliation of Adjusted Credit Facility EBITDA.

	Trailing Twelve Months
	March 31, 2021
Adjusted Credit Facility EBITDA	($360)
Less: 5% of hotel property gross revenue	(48)
Credit Facility Fixed Charge Coverage Ratio EBITDA	**($408)**

(2) The following table calculates the fixed charges per our credit facility definition. See Reconciliation of GAAP Interest Coverage Ratio to Credit Facility Unsecured Interest Coverage Ratio for reconciliation of GAAP interest expense to adjusted interest expense per our credit facility definition.

	Trailing Twelve Months
	March 31, 2021
Adjusted Credit Facility Interest Expense	$163
Fixed Charges	**$163**

FINANCIAL COVENANTS: RECONCILIATION OF GAAP INDEBTEDNESS TEST TO SENIOR NOTES INDENTURE INDEBTEDNESS TEST

HOST HOTELS & RESORTS

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our total indebtedness to total assets using GAAP measures and as used in the financial covenants of our senior notes indenture:

	GAAP Total Indebtedness to Total Assets
	March 31, 2021
Debt	$5,540
Total assets	12,721
GAAP Total Indebtedness to Total Assets	**44%**

	Total Indebtedness to Total Assets per Senior Notes Indenture
	March 31, 2021
Adjusted indebtedness [1]	$5,572
Adjusted total assets [2]	21,363
Total Indebtedness to Total Assets	**26%**

(1) The following reconciles our GAAP total indebtedness to our total indebtedness per our senior notes indenture:

	March 31, 2021
Debt	$5,540
Add: Deferred financing costs	32
Adjusted Indebtedness per Senior Notes Indenture	**$5,572**

(2) The following presents the reconciliation of total assets to adjusted total assets per the financial covenants of our senior notes indenture definition:

	March 31, 2021
Total assets	$12,721
Add: Accumulated depreciation	9,029
Add: Prior impairment of assets held	217
Add: Prior year inventory impairment at unconsolidated investment	14
Less: Intangibles	(22)
Less: Right-of-use assets	(596)
Adjusted Total Assets per Senior Notes Indenture	**$21,363**

FINANCIAL COVENANTS: RECONCILIATION OF GAAP SECURED INDEBTEDNESS TEST TO SENIOR NOTES INDENTURE SECURED INDEBTEDNESS TEST

HOST HOTELS & RESORTS

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following table presents the calculation of our secured indebtedness using GAAP measures and as used in the financial covenants of our senior notes indenture:

	GAAP Secured Indebtedness
	March 31, 2021
Mortgage and other secured debt	$5
Total assets	12,721
GAAP Secured Indebtedness to Total Assets	**0%**

	Secured Indebtedness per Senior Notes Indenture
	March 31, 2021
Secured indebtedness (1)	$5
Adjusted total assets (2)	21,363
Secured Indebtedness to Total Assets	**0%**

(1) The following presents the reconciliation of mortgage debt to secured indebtedness per the financial covenants of our senior notes indenture definition:

	March 31, 2021
Mortgage and other secured debt	$5
Secured Indebtedness	**$5**

(2) See Reconciliation of GAAP Indebtedness Test to Senior Notes Indenture Indebtedness Test for reconciliation of GAAP Total Assets to Adjusted Total Assets per our senior notes indenture.

FINANCIAL COVENANTS: RECONCILIATION OF GAAP INTEREST COVERAGE RATIO TO SENIOR NOTES INDENTURE EBITDA-TO-INTEREST COVERAGE RATIO

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our interest coverage ratio using our GAAP measures and as used in the financial covenants of the senior notes indenture:

	GAAP Interest Coverage Ratio
	Trailing Twelve Months
	March 31, 2021
Net loss	($891)
Interest expense	199
GAAP Interest Coverage Ratio	**(4.5x)**

	EBITDA to Interest Coverage Ratio
	Trailing Twelve Months
	March 31, 2021
Adjusted Credit Facility EBITDA [1]	($360)
Adjusted Senior Notes EBITDA	**($360)**
Adjusted Credit Facility interest expense [2]	163
EBITDA to Interest Coverage Ratio	**(2.2x)**

(1) See Reconciliation of GAAP Leverage Ratio to Credit Facility Leverage Ratio for the calculation of Adjusted Credit Facility EBITDA and reconciliation to net income.
(2) See Reconciliation of GAAP Interest Coverage Ratio to Credit Facility Unsecured Interest Coverage Ratio for reconciliation of GAAP interest expense to adjusted interest expense per our credit facility definition. This same measure is used for our senior notes.

FINANCIAL COVENANTS: RECONCILIATION OF GAAP ASSETS TO INDEBTEDNESS TEST TO SENIOR NOTES UNENCUMBERED ASSETS TO UNSECURED INDEBTEDNESS TEST

(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our total assets to total debt using GAAP measures and unencumbered assets to unsecured debt as used in the financial covenants of our senior notes indenture:

	GAAP Assets / Debt
	March 31, 2021
Total assets	$12,721
Total debt	5,540
GAAP Total Assets / Total Debt	**230%**

	Unencumbered Assets / Unsecured Debt per Senior Notes Indenture
	March 31, 2021
Unencumbered Assets (1)	$21,315
Unsecured Debt (2)	5,567
Unencumbered Assets / Unsecured Debt	**383%**

(1) The following presents the reconciliation of adjusted total assets to unencumbered assets per the financial covenants of our senior notes indenture definition:

	March 31, 2021
Adjusted total assets (a)	$21,363
Less: Partnership adjustments	(34)
Less: Prior year inventory impairment at unconsolidated investment	(14)
Unencumbered Assets	**$21,315**

(a) See reconciliation of GAAP Indebtedness Test to Senior Notes Indenture Indebtedness Test for reconciliation of GAAP Total Assets to Adjusted Total Assets per our senior notes indenture.

(2) The following presents the reconciliation of total debt to unsecured debt per the financial covenants of our senior notes indenture definition:

	March 31, 2021
Total debt	5,540
Deferred financing costs	32
Less: Secured indebtedness (b)	(5)
Unsecured Debt	**5,567**

(b) See reconciliation of GAAP Secured Indebtedness Test to Senior Notes Indenture Secured Indebtedness Test for the reconciliation of mortgage and other secured debt to senior notes secured indebtedness.

The following table consists of hotels with suspended operations as of May 4, 2021:

	Location	Property	# of Rooms
1	Boston	Sheraton Boston Hotel	1,220
2	Chicago	The Westin Chicago River North	445
3	International	ibis Rio de Janeiro Parque Olimpico	256

OVERVIEW

PROPERTY LEVEL DATA

CAPITALIZATION

COVID-19 DATA

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

NEW YORK MARRIOTT MARQUIS

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

ALL OWNED HOTEL PRO FORMA OPERATING STATISTICS AND RESULTS

To facilitate a quarter-to-quarter comparison of our operations, we typically present certain operating statistics (i.e., Total RevPAR, RevPAR, average daily rate and average occupancy) and operating results (revenues, expenses, hotel EBITDA and associated margins) for the periods included in this presentation on a comparable hotel basis in order to enable our investors to better evaluate our operating performance (discussed in "Hotel Property Level Operating Results" below). However, due to the COVID-19 pandemic and its effects on operations, there is little comparability between periods. For this reason, we temporarily are suspending our comparable hotel presentation and instead present hotel operating results for all consolidated hotels and, to facilitate comparisons between periods, we are presenting results on a pro forma basis, including the following adjustments: (1) operating results are presented for all consolidated hotels owned as of March 31, 2021, but do not include the results of operations for properties sold through the reporting date; and (2) operating results for acquisitions as of March 31, 2021 are reflected for full calendar years, to include results for periods prior to our ownership. For these hotels, since the year-over-year comparison includes periods prior to our ownership, the changes will not necessarily correspond to changes in our actual results.

NON-GAAP FINANCIAL MEASURES

Included in this supplemental information are certain "non-GAAP financial measures," which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. They are as follows: (i) EBITDA, (ii) EBITDA*re* and Adjusted EBITDA*re*, (iii) NOI, (iv) All Owned Hotel Property Level Operating Results, (v) Credit Facility Financial Performance Tests, and (vi) Senior Notes Financial Performance Tests. The following discussion defines these measures and presents why we believe they are useful supplemental measures of our performance.

EBITDA AND NOI

Earnings before Interest Expense, Income Taxes, Depreciation and Amortization ("EBITDA") is a commonly used measure of performance in many industries. Management believes EBITDA provides useful information to investors regarding our results of operations because it helps us and our investors evaluate the ongoing operating performance of our properties after removing the impact of the Company's capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other lodging REITs, hotel owners that are not REITs and other capital-intensive companies. Management uses EBITDA to evaluate property-level results and EBITDA multiples (calculated as sales price divided by EBITDA) as one measure in determining the value of acquisitions and dispositions and, like Funds From Operations ("FFO") and Adjusted FFO per diluted share, it is widely used by management in the annual budget process and for our compensation programs. Management also uses NOI when calculating capitalization rates ("Cap Rates") to evaluate acquisitions and dispositions. For a specific hotel, NOI is calculated as the hotel or entity level EBITDA less an estimate for the annual contractual reserve requirements for renewal and replacement expenditures. Cap Rates are calculated as NOI divided by sales price. Management believes using Cap Rates allows for a consistent valuation method in comparing the purchase or sale value of properties.

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

NON-GAAP FINANCIAL MEASURES (continued)

EBITDA*re* AND ADJUSTED EBITDA*re*

We present EBITDA*re* in accordance with NAREIT guidelines, as defined in its September 2017 white paper "Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate," to provide an additional performance measure to facilitate the evaluation and comparison of the Company's results with other REITs. NAREIT defines EBITDA*re* as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control), impairment expense of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDA*re* of unconsolidated affiliates.

We make additional adjustments to EBITDA*re* when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. We believe that the presentation of Adjusted EBITDA*re*, when combined with the primary GAAP presentation of net income, is beneficial to an investor's understanding of our operating performance. Adjusted EBITDA*re* also is similar to the measure used to calculate certain credit ratios for our credit facility and senior notes. We adjust EBITDA*re* for the following items, which may occur in any period, and refer to this measure as Adjusted EBITDA*re*:

- Property Insurance Gains – We exclude the effect of property insurance gains reflected in our consolidated statements of operations because we believe that including them in Adjusted EBITDA*re* is not consistent with reflecting the ongoing performance of our assets. In addition, property insurance gains could be less important to investors given that the depreciated asset book value written off in connection with the calculation of the property insurance gain often does not reflect the market value of real estate assets.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.
- Severance Expense – In certain circumstances, we will add back hotel-level severance expenses when we do not believe that such expenses are reflective of the ongoing operation of our properties. Situations that would result in a severance add-back include, but are not limited to, (i) costs incurred as part of a broad-based reconfiguration of the operating model with the specific hotel operator for a portfolio of hotels and (ii) costs incurred at a specific hotel due to a broad-based and significant reconfiguration of a hotel and/or its workforce. We do not add back corporate-level severance costs or severance costs at an individual hotel that we consider to be incurred in the normal course of business.

In unusual circumstances, we also may adjust EBITDA*re* for gains or losses that management believes are not representative of the Company's current operating performance. The last adjustment of this nature was a 2013 exclusion of a gain from an eminent domain claim.

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

NON-GAAP FINANCIAL MEASURES (continued)

LIMITATIONS ON THE USE OF EBITDA, EBITDA*re*, ADJUSTED EBITDA*re* AND NOI

EBITDA, EBITDA*re*, Adjusted EBITDA*re*, and NOI, as presented, may not be comparable to measures calculated by other companies. We calculate EBITDA*re* in accordance with standards established by NAREIT, which may not be comparable to measures calculated by other companies that do not use NAREIT definition of EBITDA*re*. In addition, although EBITDA*re* is a useful measure when comparing our results to other REITs, they may not be helpful to investors when comparing us to non-REITs. We also calculate Adjusted EBITDA*re*, which is not in accordance with NAREIT guidance and may not be comparable to measures calculated by other REITs or by other companies. This information should not be considered as an alternative to net income, operating profit, cash from operations or any other operating performance measure calculated in accordance with GAAP. Cash expenditures for various long-term assets (such as renewal and replacement capital expenditures, with the exception of NOI), interest expense (for EBITDA, EBITDA*re*, Adjusted EBITDA*re* and NOI purposes only) severance expense related to significant property-level reconfiguration and other items have been, and will be, made and are not reflected in the EBITDA, EBITDA*re*, Adjusted EBITDA*re*, and NOI presentations. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance.

Our consolidated statements of operations and consolidated statements of cash flows ("Statements of Cash Flows") in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures. Additionally, EBITDA, EBITDA*re*, Adjusted EBITDA*re* and NOI should not be considered as a measure of our liquidity or indicative of funds available to fund our cash needs, including our ability to make cash distributions.

Similarly, EBITDA*re* and Adjusted EBITDA*re*, include adjustments for the pro rata share of our equity investments. Our equity investments consist of interests ranging from 11% to 67% in seven domestic and international partnerships that own a total of 10 properties and a vacation ownership development. Due to the voting rights of the outside owners, we do not control and, therefore, do not consolidate these entities. The non-controlling partners in consolidated partnerships primarily consist of the approximate 1% interest in Host LP held by outside partners, and a 15% interest held by outside partners in a partnership owning one hotel for which we do control the entity and, therefore, consolidate its operations. These pro rata results for EBITDA*re* and Adjusted EBITDA*re* were calculated as set forth in the definitions above. Readers should be cautioned that the pro rata results presented in these measures for equity investments may not accurately depict the legal and economic implications of our investments in these entities.

NON-GAAP FINANCIAL MEASURES (continued)

HOTEL PROPERTY LEVEL OPERATING RESULTS

We present certain operating results for our hotels, such as hotel revenues, expenses, food and beverage profit, and EBITDA (and the related margins), on a hotel-level pro forma basis as supplemental information for our investors. Our hotel results reflect the operating results of our hotels as discussed in "All Owned Hotel Pro Forma Operating Statistics and Results" above. We present all owned hotel pro forma EBITDA to help us and our investors evaluate the ongoing operating performance of our hotels after removing the impact of the Company's capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization expense). Corporate-level costs and expenses also are removed to arrive at property-level results. We believe these property-level results provide investors with supplemental information about the ongoing operating performance of our hotels. All owned hotel pro forma results are presented both by location and for the Company's properties in the aggregate. While severance expense is not uncommon at the individual property level in the normal course of business, we eliminate from our hotel level operating results severance costs related to broad-based and significant property-level reconfiguration that is not considered to be within the normal course of business, as we believe this elimination provides useful supplemental information that is beneficial to an investor's understanding of our ongoing operating performance. We also eliminate depreciation and amortization expense because, even though depreciation and amortization expense are property-level expenses, these non-cash expenses, which are based on historical cost accounting for real estate assets, implicitly assume that the value of real estate assets diminishes predictably over time. As noted earlier, because real estate values historically have risen or fallen with market conditions, many real estate industry investors have considered presentation of historical cost accounting for operating results to be insufficient.

Because of the elimination of corporate-level costs and expenses, gains or losses on disposition, certain severance expenses and depreciation and amortization expense, the hotel operating results we present do not represent our total revenues, expenses, operating profit or net income and should not be used to evaluate our performance as a whole. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our consolidated statements of operations include such amounts, all of which should be considered by investors when evaluating our performance.

While management believes that presentation of all owned hotel results is a supplemental measure that provides useful information in evaluating our ongoing performance, this measure is not used to allocate resources or to assess the operating performance of each of our hotels, as these decisions are based on data for individual hotels and are not based on all owned hotel results in the aggregate. For these reasons, we believe all owned hotel operating results, when combined with the presentation of GAAP operating profit, revenues and expenses, provide useful information to investors and management.

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

NON-GAAP FINANCIAL MEASURES (continued)

CREDIT FACILITY – LEVERAGE, UNSECURED INTEREST COVERAGE AND CONSOLIDATED FIXED CHARGE COVERAGE RATIOS

Host's credit facility contains certain financial covenants, including allowable leverage, unsecured interest coverage and fixed charge ratios, which are determined using EBITDA as calculated under the terms of our credit facility ("Adjusted Credit Facility EBITDA"). The leverage ratio is defined as net debt plus preferred equity to Adjusted Credit Facility EBITDA. The unsecured interest coverage ratio is defined as unencumbered Adjusted Credit Facility EBITDA to unsecured consolidated interest expense. The fixed charge coverage ratio is defined as Adjusted Credit Facility EBITDA divided by fixed charges, which include interest expense, required debt amortization payments, cash taxes and preferred stock payments. These calculations are based on pro forma results for the prior four fiscal quarters, giving effect to transactions such as acquisitions, dispositions and financings as if they occurred at the beginning of the period. The credit facility also incorporates by reference the ratio of unencumbered assets to unsecured indebtedness test from our senior notes indentures, calculated in the same manner, and the covenant is discussed below with the senior notes covenants.

Additionally, total debt used in the calculation of our leverage ratio is based on a "net debt" concept, under which cash and cash equivalents in excess of $100 million are deducted from our total debt balance. Management believes these financial ratios provide useful information to investors regarding our compliance with the covenants in our credit facility and our ability to access the capital markets, in particular debt financing.

SENIOR NOTES INDENTURE – INDEBTEDNESS TEST, SECURED INDEBTEDNESS TO TOTAL ASSETS TEST, EBITDA-TO-INTEREST COVERAGE RATIO AND RATIO OF UNENCUMBERED ASSETS TO UNSECURED INDEBTEDNESS

Host's senior notes indentures contains certain financial covenants, including allowable indebtedness, secured indebtedness to total assets, EBITDA-to-interest coverage and unencumbered assets to unsecured indebtedness. The indebtedness test is defined as adjusted indebtedness, which includes total debt adjusted for deferred financing costs, divided by adjusted total assets, which includes undepreciated real estate book values ("Adjusted Total Assets"). The secured indebtedness to total assets is defined as secured indebtedness, which includes mortgage debt and finance leases, divided by Adjusted Total Assets. The EBITDA-to-interest coverage ratio is defined as EBITDA as calculated under our senior notes indenture ("Adjusted Senior Notes EBITDA") to interest expense as defined by our senior notes indenture. The ratio of unencumbered assets to unsecured indebtedness is defined as unencumbered adjusted assets, which includes Adjusted Total Assets less encumbered assets, divided by unsecured debt, which includes the aggregate principal amount of outstanding unsecured indebtedness plus contingent obligations.

Under the terms of the senior notes indentures, interest expense excludes items such as the gains and losses on the extinguishment of debt, deferred financing charges related to the senior notes or the credit facility, amortization of debt premiums or discounts that were recorded at issuance of a loan to establish its fair value and non-cash interest expense, all of which are included in interest expense on our consolidated statement of operations. As with the credit facility covenants, management believes these financial ratios provide useful information to investors regarding our compliance with the covenants in our senior notes indentures and our ability to access the capital markets, in particular debt financing.

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

NON-GAAP FINANCIAL MEASURES (continued)

LIMITATIONS ON CREDIT FACILITY AND SENIOR NOTES CREDIT RATIOS

These metrics are useful in evaluating the Company's compliance with the covenants contained in its credit facility and senior notes indentures. However, because of the various adjustments taken to the ratio components as a result of negotiations with the Company's lenders and noteholders they should not be considered as an alternative to the same ratios determined in accordance with GAAP. For instance, interest expense as calculated under the credit facility and senior notes indenture excludes the items noted above such as deferred financing charges and amortization of debt premiums or discounts, all of which are included in interest expense on our consolidated statement of operations. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of performance. In addition, because the credit facility and indenture ratio components are also based on pro forma results for the prior four fiscal quarters, giving effect to transactions such as acquisitions, dispositions and financings as if they occurred at the beginning of the period, they are not reflective of actual performance over the same period calculated in accordance with GAAP.