HOST HOTELS & RESORTS

2016 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(UNAUDITED, IN MILLIONS, EXCEPT PER SHARE AND HOTEL STATISTICS)	2016	2015	2014
OPERATING DATA			
Revenues	$ 5,430	$ 5,350	$ 5,321
Operating profit	684	631	694
Net income	771	565	741
DILUTED EARNINGS PER COMMON SHARE			
Diluted earnings	$1.02	$ 0.74	$ 0.96
Diluted weighted average shares outstanding	743.7	752.9	786.8
BALANCE SHEET DATA			
Total assets	$11,408	$11,656	$12,043
Total debt	3,649	3,867	3,807
Total equity	7,033	7,104	7,388
OTHER DATA			
Adjusted EBITDA(1)	$ 1,471	$ 1,409	$ 1,402
NAREIT funds from operations per diluted share(1)	1.69	1.49	1.57
Adjusted funds from operations per diluted share(1)	1.69	1.54	1.50
Stock price on December 31st	18.84	15.34	23.77
COMPARABLE HOTEL DATA(2)			
Number of properties	88	88	
Number of rooms	49,376	49,376	
Average room rate(3)	$225.01	$222.83	
Average occupancy percentage	78.5%	77.2%	
RevPAR(3)	$176.71	$172.04	

(1) NAREIT Funds From Operations (FFO) and Adjusted FFO per diluted share and Adjusted Earnings before Interest Expense, Income Taxes, Depreciation, Amortization and other items (Adjusted EBITDA) are non generally accepted accounting principles (GAAP) financial measures within the meaning of the rules of the Securities & Exchange Commission. These measures have been reconciled to comparable GAAP measures. See page 24 of this report.

(2) We define our comparable hotels as properties that are owned or leased by us and the operations of which are included in our consolidated results for the entirety of the reporting periods being compared, and that have not sustained substantial property damage or business interruption or undergone large-scale capital projects during the reporting periods being compared.

(3) Room revenue per available room ("RevPAR") represents the combination of average daily room rate charged and the average daily occupancy achieved, and is a commonly used indicator of hotel performance. RevPAR does not include food and beverage or other ancillary revenues generated by the property. Average room rate and RevPAR are presented on a constant US$ basis, which presents 2015 results using the same exchange rates that were effective for the comparable periods in 2016, thereby eliminating the effect of currency fluctuation for the year-over-year comparisons.

Our Annual Report on Form 10-K filed with the Securities and Exchange Commission is included in our mailing to stockholders and together with this 2016 Annual Report forms our annual report to stockholders within the meaning of SEC rules.

ON THE COVER: The **MARRIOTT MARQUIS SAN DIEGO MARINA**, and its brand new exhibit hall which opened in June 2016. The hotel, located adjacent to the San Diego Convention Center with breathtaking views of the San Diego Bay, now features 280,000 square feet of state-of-the-art meeting space and completely renovated guestrooms.

OUR PROPERTIES STAND PROUDLY IN THE HEART OF BUSINESS DISTRICTS. They overlook the most breathtaking coastlines and beaches. With investments in **115 PROPERTIES** in **PRIME LOCATIONS AND MARKETS** throughout the United States and 12 countries across the globe, we have an unmatched, geographically-**DIVERSE** portfolio of irreplaceable assets. Our properties are primarily operated by leading management companies under **PREMIUM BRANDS**. Our portfolio also features unbranded properties for those seeking a more unique travel experience.

Our goal is to be the preeminent owner of high-quality lodging real estate in the world and to generate superior long-term returns to our stockholders. We believe our combination of a superior diversified portfolio, disciplined capital allocation, strong asset management, and powerful and flexible capital structure are the tools we need to reach our goal and to drive stockholder value.

The brands and logos listed above are the trademarks of our managers or their affiliates. The trademarked names and their logos are the property of their respective owners and are being used with the express permission of their owners. None of the owners of these trademarks has any responsibility or liability for any information contained in this Annual Report.

PREMIUM BRANDS
PRIME LOCATIONS & MARKETS
BROAD DIVERSIFICATION

MANCHESTER GRAND HYATT SAN DIEGO

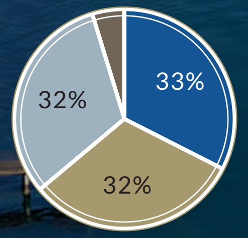
MARRIOTT MARQUIS SAN DIEGO MARINA

SHERATON SAN DIEGO HOTEL AND MARINA

CORONADO ISLAND MARRIOTT RESORT & SPA

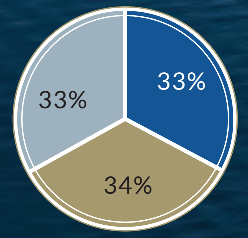
SAN DIEGO

San Diego is a city that offers travelers an effortless transition from dynamic business meetings to resort-style relaxation in moments and is home to four of our world-class hotels. The MARRIOTT MARQUIS SAN DIEGO MARINA and MANCHESTER GRAND HYATT SAN DIEGO combine the best of convention center and resort hotels and are just steps away from the San Diego Convention Center. Our SHERATON SAN DIEGO HOTEL AND MARINA is located downtown, overlooking the water. And on the opposite side of the Bay, the CORONADO ISLAND MARRIOTT RESORT & SPA, an iconic, waterfront resort, offers stunning views of the San Diego skyline.



GEOGRAPHIC DIVERSITY
(AS A PERCENT OF 2016 REVENUES)

- US NORTHEAST AND MID-ATLANTIC
- US SOUTH AND CENTRAL
- US WEST COAST AND HAWAII
- INTERNATIONAL (3%)



HOTELS BY SIZE
(AS A PERCENT OF 2016 REVENUES)

- >= 1,000 ROOMS
- 501 – 999 ROOMS
- <= 500 ROOMS

MARKETS BY SIZE
(INCLUDING TOP US MARKETS BASED ON NUMBER OF ROOMS)

- CONSOLIDATED HOTELS
- JOINT VENTURE HOTELS

TO OUR STOCKHOLDERS

JAMES F. RISOLEO
President, Chief Executive Officer and Director

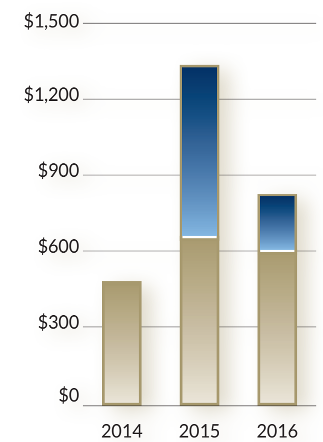
RICHARD E. MARRIOTT
Chairman of the Board

Host Hotels & Resorts prides itself on being the premier lodging real estate investment company. We own a diverse portfolio of high-quality and irreplaceable assets and maintain a sharp focus on creating long-term value for stockholders. Our disciplined capital allocation and strong asset management create the platform to achieve this value. Our powerful balance sheet and capital structure provide flexibility throughout the lodging cycle so that we can remain nimble to take advantage of opportunities that present themselves. Our bright, innovative employees thrive in a corporate culture that rewards creative thinking and hard work. We value the communities we operate in and aim to be responsible corporate citizens as an integral part of our business. We are never satisfied with yesterday's success and strive to be better tomorrow.

In 2016, we completed opportunistic and strategic dispositions, had meaningful growth in diluted earnings and Adjusted FFO per share and, most importantly, provided significant returns to stockholders.

- We had solid RevPAR growth of 2.7% at our comparable hotels (on a constant US Dollar basis). Strong group demand and leisure travelers helped drive our occupancy to 78.5% and comparable hotel RevPAR to a record level of $177.
- Operating profit margins improved 80 basis points due to increased productivity and cost savings at our larger properties driven by our analytical expertise. These operating improvements, combined with reduced insurance and utility costs, led to net income of $771 million and Adjusted EBITDA of $1.5 billion. Diluted earnings per share improved nearly 38% to $1.02 and Adjusted FFO per diluted share improved almost 10% to $1.69.
- We sold 11 hotels, including one in early 2017, for nearly $670 million. These included our remaining hotels in New Zealand as we realized strong returns and executed on our strategy to exit the Asia-Pacific market.

$2.6 BILLION RETURNED TO STOCKHOLDERS
(in millions)



HOTELS BY CLASS
(as a percent of 2016 revenues)

- We invested $519 million in capital improvements at our properties, including the opening of a new 152,000 square foot exhibit hall at the Marriott Marquis San Diego Marina. We acquired the ground lease at our Key Bridge Marriott for $54 million, creating the opportunity to explore exciting redevelopment of this unique parcel of land overlooking our nation's capital.
- We returned almost $815 million to our stockholders through dividends and the repurchase of approximately 14 million shares for $218 million.

We haven't rested on these accomplishments. During the first quarter of 2017, we acquired the iconic Don CeSar and Beach House Suites complex in St. Pete Beach, Florida and the irreplaceable W Hollywood in California in separate transactions totaling approximately $430 million. These fantastic hotels are in markets with a variety of strong demand generators and reflect our strategic vision to continually acquire assets that enhance the value of the entire portfolio. We also issued $400 million of senior notes with an interest rate of just $3\frac{7}{8}$%.

For the remainder of 2017, we remain steadfast in our commitment to driving long-term value to our stockholders. We will continue to focus on mining value from our existing portfolio through utilization of our analytics capabilities, real estate enhancement initiatives and capital investments. Our scale and diverse portfolio gives us a wealth of property information that we can leverage to enhance the value of our existing portfolio by driving improvements in operating performance. We will also continue to explore strategic acquisition and disposition opportunities as we look to take advantage of the strength of our balance sheet throughout the lodging cycle. We believe our balance sheet and scale provide a competitive advantage to pursue large, complex transactions. We are very proud of and intend to maintain our investment grade rating, which we believe to be one of our core strategic tenets in the volatile lodging business. As we look forward, we remain cautiously optimistic that in this period of global political and economic uncertainty, we can continue to deliver value to our stockholders. We believe Host Hotels & Resorts is the gold standard in the lodging industry and is well-positioned for continued success. We appreciate your support and look forward to continuing to serve you in the future.

RICHARD E. MARRIOTT
Chairman of the Board

JAMES F. RISOLEO
President, Chief Executive Officer and Director

March 17, 2017

The newest addition to our portfolio, the **W HOLLYWOOD**, is a glamorous hotel with Hollywood's star studded Walk of Fame at its doorstep.

78.5%
Highest comparable hotel occupancy since 2000

$177
Record level comparable hotel RevPAR

29%
Total stockholder return from December 31, 2015 to December 31, 2016 with reinvested dividends

SUPERIOR DIVERSIFIED
PORTFOLIO

We are proud to own one of the most geographically diverse portfolios of superior hotel real estate in the industry. Our partnerships with the leading operators and premier brands in the hospitality industry creates what we believe to be the best lodging real estate company in the world.

We have investments in 115 high-quality assets in 70 cities across the globe, operated by 12 different management companies under 24 different brands. Our 90 hotels in the United States represent 97% of our revenues, and are broadly distributed across major urban and resort locations across the country. Our portfolio is predominately comprised of upper-upscale and luxury assets that can be described as:

- **Iconic Resorts**,
- **Irreplaceable Convention Destination Hotels**,
- **Signature City-Center Hotels**, or
- **Prime Suburban and Advantaged Airport Hotels**.

While our hotels are primarily operated under brand names that are among the most respected and widely recognized in the lodging industry, we also have unbranded or soft-branded properties that remain distinctive and appeal to customers seeking a unique and rewarding travel destination.

Our strategy is simple: drive long-term stockholder value through the ownership of superior hotel real estate. We intend to add high-quality assets in major markets and premier resort and convention destinations, while utilizing the strength of our balance sheet to be opportunistic and flexible in our approach. We remain disciplined, while at the same time nimble and open to investing in lodging assets that are accretive to our stockholders and where we believe our employees and analytical expertise can create real value. Our recent acquisitions exemplify this strategy: The Don CeSar in St. Pete Beach is an iconic, grand dame Floridian resort on one of the top beaches in the U.S., while the glamorous W Hollywood, located at the world-famous intersection of Hollywood and Vine has the Hollywood Walk of Fame and iconic Hollywood sign at its doorstep.

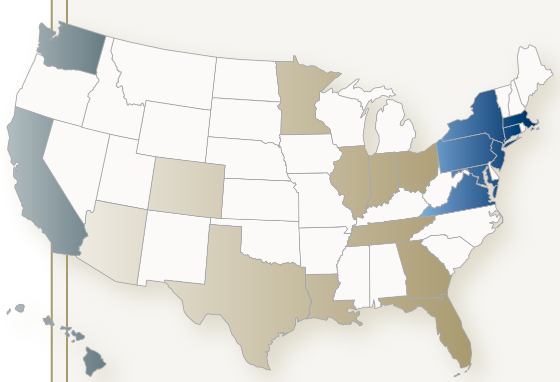
We will continue to be prudent and disciplined in managing our portfolio, allocating capital, and focusing on value-enhancing growth. We believe our diverse portfolio of high-quality hotel properties is a key component of driving stockholder value.

SAN FRANCISCO MARRIOTT MARQUIS (left)

THE RITZ-CARLTON, AMELIA ISLAND

HOTELS BY PROPERTY TYPE
(as a percent of 2016 revenues)

- ICONIC RESORTS 14%
- IRREPLACEABLE CONVENTION DESTINATION HOTELS 40%
- SIGNATURE CITY-CENTER HOTELS 28%
- PRIME SUBURBAN & ADVANTAGED AIRPORT HOTELS 11%
- OTHER 7%



GEOGRAPHIC DIVERSITY
(as a percent of 2016 revenues)

- US NORTHEAST AND MID-ATLANTIC (33%)
- US SOUTH AND CENTRAL (32%)
- US WEST COAST AND HAWAII (32%)
- INTERNATIONAL (3%)

ICONIC RESORTS

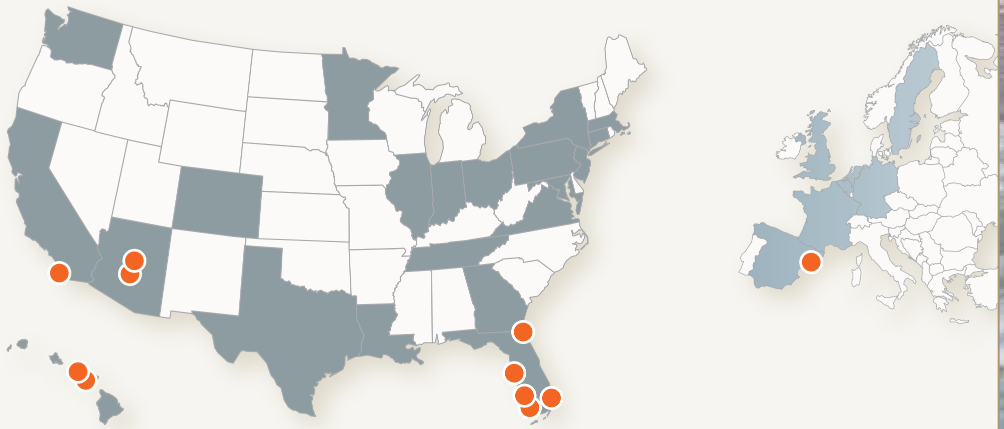
From the AAA Five-Diamond PHOENICIAN, rising majestically from the base of Camelback Mountain in Scottsdale, Arizona, to the five-star HOTEL ARTS BARCELONA (owned through a joint venture), a true beacon of luxury on the shores of the Mediterranean Sea, our iconic resort properties are located in prime locations and feature timeless architecture with high-end amenities. Curated by premier operators, these properties are in markets with strong airlift and limited supply growth. We are pleased to also now include the DON CESAR, in St. Pete Beach, Florida, recognized for excellence by Historic Hotels of America, in our collection of iconic resorts.

11	5,602	794,914	108
SIGNATURE ASSETS*	ROOMS*	SF OF MEETING SPACE*	HOLES OF GOLF

*Includes hotels owned through joint ventures.

HOTEL ARTS BARCELONA (Joint Venture Hotel) (above)

THE DON CESAR (right)



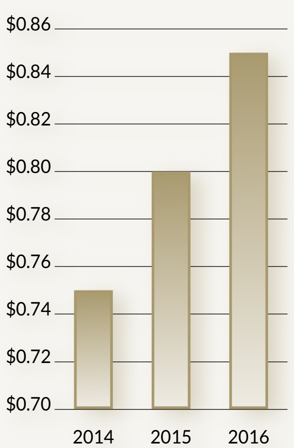
DISCIPLINED
CAPITAL ALLOCATION

$26
MILLION
2016 EBITDA and $3 million net loss from our four hotels that were repositioned in 2015

13.2%
Average unlevered return on assets sold in 2016

$1.4
BILLION
Proceeds from dispositions reinvested into acquisitions and ROI projects over the last 3 years

DIVIDENDS DECLARED PER SHARE



We are disciplined in our approach to capital allocation, focusing on seeking to earn returns that exceed our cost of capital, creating long term value and strong returns for our stockholders.

Prudent investing is more than the acquisition of marquis properties such as the Don CeSar or the W Hollywood, it also means mining and enhancing the value of our irreplaceable real estate. During 2016, we invested $226 million in redevelopment and return on investment capital expenditures, which we believe increase profitability and customer satisfaction. These projects often include extensive renovations designed to improve the positioning of the hotel within its market and seek to drive outperformance relative to its competitive set. During 2016, the new exhibit hall at the Marriott Marquis San Diego Marina was finished, resulting in over 280,000 square feet of meeting space at the hotel. We also completed the comprehensive repositioning of both the Hyatt Regency San Francisco Airport and the Denver Tech Marriott properties, improving or completely redesigning nearly every facet of these properties. In addition, the $293 million of renewal and replacement capital expenditures in 2016 was designed to maintain the high-quality standards that we demand and helps assure that our hotels will remain competitive long-term.

During 2016, we also executed several strategic dispositions, including the substantial exit from the Asia-Pacific region with the sale of four hotels in New Zealand. Combined with the sale of seven other properties, we completed nearly $670 million in sales in 2016 and early 2017. Importantly, the average 2015 RevPAR for these 11 disposed hotels was $112, compared to our 2016 comparable hotel RevPAR of $177; evidence of our continual refinement and improvement of the portfolio. Proceeds from asset sales have been used as a source of funds for our stock repurchase program, capital expenditures program, other corporate objectives and our recent acquisitions.

We look to mine value from our real estate through our value enhancement initiatives. Our acquisition of the ground lease at our Key Bridge Marriott provides the opportunity to evaluate the potential for a mixed use development, including retail, office, and lodging in a highly desirable location with quick access to Washington, D.C. We believe similar opportunities may exist across our portfolio and we continue to critically analyze the wealth of data and information from our properties to implement strategies that capitalize on the value of the real estate. Examples of these opportunities have included the leasing of retail space and construction of the 25,000 square foot LCD signage at the New York Marriott Marquis, shown on the right, and the sale of excess land for the development of a timeshare in Maui.

NEW YORK MARRIOTT MARQUIS (above right)

THE PHOENICIAN,
A LUXURY COLLECTION RESORT

AXIOM HOTEL

W SEATTLE

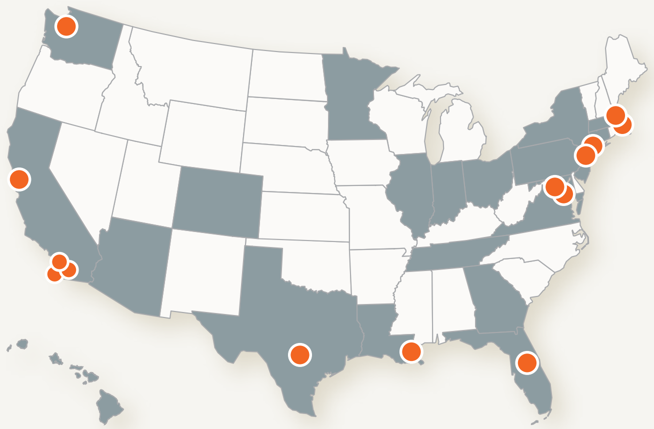
IRREPLACEABLE CONVENTION DESTINATIONS

Our group-oriented convention hotels are situated in urban and resort markets and feature extensive, high-caliber meeting facilities. Our portfolio includes the GRAND HYATT WASHINGTON, located in the heart of our nation's capital, just blocks from the Washington Convention Center, the ORLANDO WORLD CENTER MARRIOTT, a business and vacation destination with over 450,000 square feet of world-class meeting space and spacious pool facilities, and the NEW YORK MARRIOTT MARQUIS, one of the premier hotels in Times Square, with over 100,000 square feet of meeting space and easy access to all of NYC's entertainment options and popular landmarks.

14	18,615	1.9 MILLION	82%
SIGNATURE ASSETS	ROOMS	SF OF MEETING SPACE	CONSOLIDATED HOTEL OCCUPANCY IN 2016

ORLANDO WORLD CENTER MARRIOTT (above)

GRAND HYATT WASHINGTON (left)



24

BRANDS

12

PREMIER MANAGEMENT COMPANIES

from Brands to Franchises to Independent

BOSTON MARRIOTT COPLEY PLACE

THE LOGAN

THE CAMBY HOTEL

STRONG ASSET MANAGEMENT

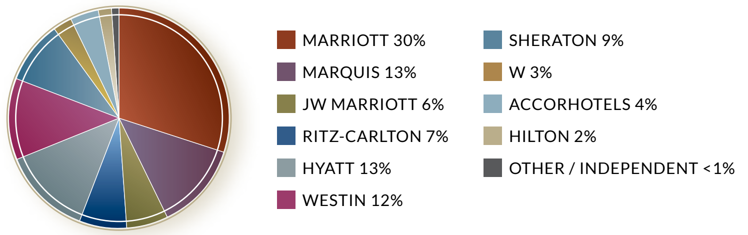
As the nation's largest lodging REIT we have a diversified portfolio and an information base unmatched within the industry. Our goal is to drive operating performance and implement value-added real estate decisions to maximize stockholder value and drive long-term profitability.

To enhance our profitability, we are supported by our enterprise analytics group, which provides independent feasibility, business intelligence, revenue management, capital expenditures acumen and financial planning and analysis. This expertise allows us to benchmark and monitor hotel performance and cost controls and complete deep-dive analytic reviews across brands and properties to seek new opportunities that could increase profit.

These core functions assist our asset management team in focusing on their key goal of maximizing EBITDA per room at every one of our hotels and enhancing the overall portfolio. Our asset managers work closely with our operators to ensure that best practices and strategic initiatives learned at individual properties are being deployed at each hotel. When possible, we also look for ways to improve contract flexibility through the extension or purchase of ground leases or the restructuring of management agreements.

We work with leading brands and independent operators to ensure our properties are better able to anticipate guests' requirements and are best positioned in their competitive market. Today, we have 16 independently managed hotels in our consolidated and joint venture portfolio. These contracts are generally short-term in nature and provide us flexibility upon sale as well as tighter operating efficiencies when put to use on some of our smaller, less complex assets. However, for the majority of our large resort, convention, or signature city hotels, we believe our partnerships with major brand operators, such as Marriott, are the optimal and most productive method for operating these exceptional and multi-faceted assets.

REVENUES BY BRAND *(as a percent of 2016 revenues)*



DENVER MARRIOTT TECH CENTER (above left)

SIGNATURE CITY-CENTER HOTELS

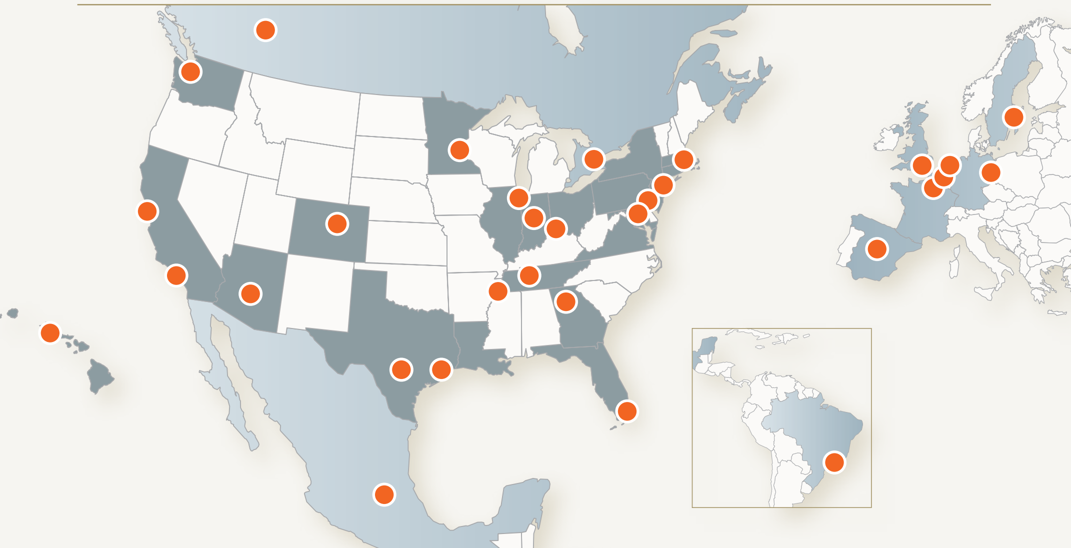
The WESTIN PALACE, MADRID (owned through a joint venture), ideally located in one of the most centric, cultural and vibrant neighborhoods in Madrid, the HYATT PLACE WAIKIKI BEACH, located on the Diamond Head end of Waikiki, just minutes from both the Hawaii Convention Center and the golden sands of Waikiki Beach, and the luxurious JW MARRIOTT WASHINGTON DC, just steps from the White House, the National Mall, and the US Capitol, are just a few examples of our signature city center assets located in major urban and coastal locations, which boast features extremely desirable for business and leisure travelers.

49	20,464	910,356	$219
SIGNATURE ASSETS*	ROOMS*	SF OF MEETING SPACE*	AVERAGE DAILY RATE FOR CONSOLIDATED HOTELS

*Includes hotels owned through joint ventures.

HYATT PLACE WAIKIKI BEACH (above)

THE WESTIN PALACE, MADRID (Joint Venture Hotel) (left)



JW MARRIOTT HOTEL MEXICO CITY

THE RITZ-CARLTON, TYSONS CORNER

SWISSÔTEL CHICAGO

POWERFUL AND FLEXIBLE CAPITAL STRUCTURE

We believe sound financial management is necessary for producing long-term growth and increasing stockholder value. Our flexible capital structure is a key competitive and strategic advantage and allows us to opportunistically pursue investment opportunities throughout the lodging cycle. Importantly, sometimes market conditions entice us to return capital to stockholders through dividends or stock repurchases. In 2016, we returned over $800 million to stockholders through dividends and stock repurchases.

Preserving access to capital is a core strategic tenet of our company. One objective measure of financial strength is being recognized as investment grade by rating agencies. We believe an investment grade rating helps provide consistent access to, and a lower cost of, capital, including lower overall interest rates. The current rate on both of our credit facility term loans is less than 1.9%. We achieved this goal by systematic refinancings and repayments over the past five years, while structuring our debt to maintain a balanced maturity schedule and minimize near-term maturities. As a result, no more than 23% of our outstanding debt is due in any given year. We also believe in a capital structure that has an appropriate balance of fixed and floating rate debt in order to minimize interest rate risk, while at the same time taking advantage of historically low rates to drive stockholder value. Overall, our investment grade balance sheet allows us to operate from a position of financial strength and take advantage of changing markets or dislocations in markets, providing value to both our company and our stockholders. As of December 31, 2016, the weighted average interest rate of all our debt is 3.8% and weighted average maturity is 5.2 years.

We also believe a strong capital structure means limiting the number of assets encumbered by mortgage debt, which allows us more flexibility to be opportunistic with both dispositions and acquisitions. During 2016, we repaid approximately $135 million in mortgage debt and, as a result, have only one consolidated asset with mortgage debt in our portfolio. Our ability to access the $1 billion line under the revolving portion of our credit facility provides a ready source of capital. Our credit facility has also helped us invest in international markets where debt is either difficult to source or where interest rates are higher. At the same time, local currency debt from our facility has served as an effective hedge against a strengthening U.S. dollar for our investments in Europe, Canada and Australia.

MANCHESTER GRAND HYATT SAN DIEGO *(above left)*

$218

Purchase price of 13.8 million shares of stock repurchased in 2016

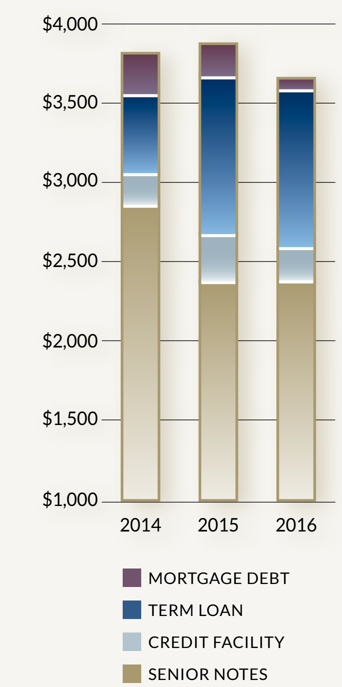
$73 MILLION

Decrease in interest expense from 2015

99%

Of our hotels (as measured by revenues) are unencumbered by mortgage debt

DEBT BALANCES
(in millions)



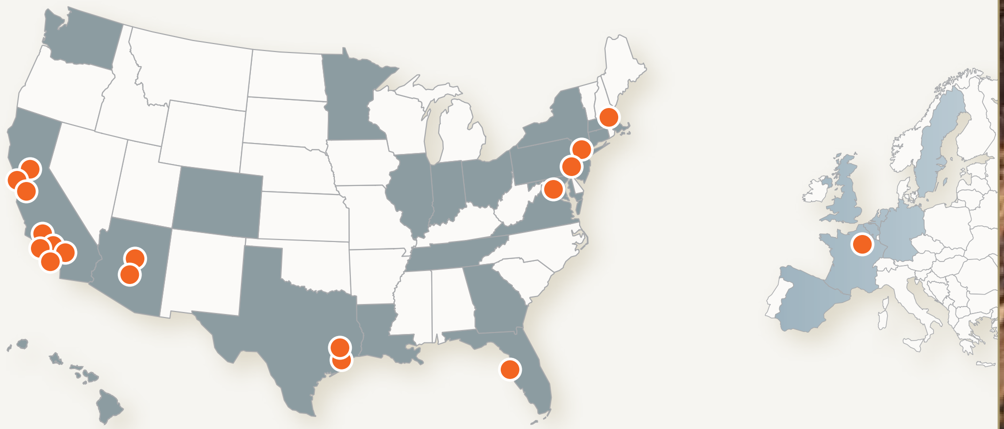
PRIME SUBURBAN & ADVANTAGED AIRPORT HOTELS

For convenience and relaxation, city dwellers and travelers alike look for these properties in prime suburban locations or conveniently located on airport grounds. Our newly-renovated HYATT REGENCY SAN FRANCISCO AIRPORT, with its outstanding meeting space platform, is designed for business travelers headed to San Francisco or Silicon Valley, or for leisure travelers ready to explore the San Francisco Bay Area. Our five-star RITZ-CARLTON, MARINA DEL REY is a luxury waterfront getaway, offering stunning harbor views and easy access to Los Angeles. On the grounds of the Tampa International Airport and just a short drive to local beaches and attractions, travelers can't beat the convenience of our TAMPA AIRPORT MARRIOTT.

18	7,747	406,835	4.5%
SIGNATURE ASSETS*	ROOMS*	SF OF MEETING SPACE*	INCREASE IN REVPAR FOR CONSOLIDATED HOTELS

*Includes hotels owned through joint ventures.

THE RITZ-CARLTON, MARINA DEL REY (above)
HYATT REGENCY SAN FRANCISCO AIRPORT (right)



RESPONSIBLE CORPORATE CITIZEN

We strive to be responsible corporate citizens as an integral part of our business. The strategic vision of our corporate responsibility program combines value creation at our properties with stewardship of our environment and our communities. Since inception of this program, we have delivered measurable results and received industry recognition as a leader among our lodging REIT peers and global companies.

STRATEGY AND GOALS

Our strategy incorporates ambitious goals for our properties in greenhouse gas emissions reduction, energy efficiency, water usage and waste diversion. In 2016, we became the first hospitality organization to have its greenhouse gas emissions target verified by the Science Based Targets initiative. We support our local communities through our progress toward these goals and through our giving and volunteerism programs. Our corporate responsibility strategy is anchored by a set of complementary objectives across three themes:

- **Responsible Investment:** Investing in proven sustainability technologies that enhance asset value while driving environmental performance
- **Environmental Stewardship:** Establishing and monitoring performance toward specific environmental goals and ultimately reducing the environmental footprint of our properties
- **Corporate Citizenship:** Strengthening our local communities through financial support, community engagement and volunteer service

Beginning in 2016, we established more aggressive, second-generation 2020 sustainability targets to further improve our portfolio's environmental performance:

- Reduce Scope 1 and 2 greenhouse gas emissions per square foot by 28%*
- Reduce energy consumption per square foot by 15%*
- Reduce water consumption per occupied room by 25%*
- Divert waste from at least 50% of major renovation projects (new metric)

** These metrics are based on improvements from the Company's 2008 baseline.*

CLIMATE CHANGE LEADERSHIP

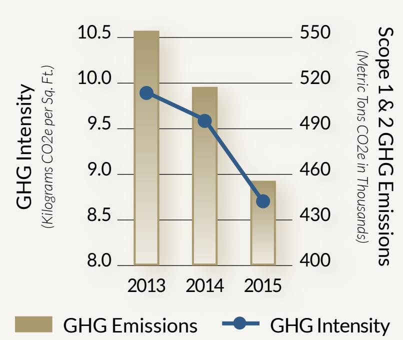
In 2016, we were named to CDP's A List, which recognized 193 of more than 5,500 respondents for demonstrating the highest levels of climate change leadership. We also became the first hospitality company to have its greenhouse gas emissions target approved by the Science Based Targets initiative, a joint project of CDP, UN Global Compact, World Resources Institute and World Wildlife Fund.

The new exhibit hall at the **MARRIOTT MARQUIS SAN DIEGO MARINA** (above left) was designed and constructed to receive LEED® Silver certification. Sustainability features include clear, high-efficiency, low-reflectance glass; high-efficiency chiller and HVAC systems; low-flow water fixtures; water efficient landscaping; and energy efficiency standards that exceed California Title 24 Building Code requirements by 24%.

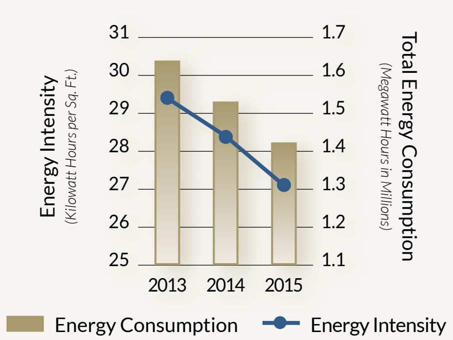
PERFORMANCE

Our commitments, collaborations and investments have driven a significant reduction in the greenhouse gas emissions, energy and water intensity of our portfolio from 2013–2015.

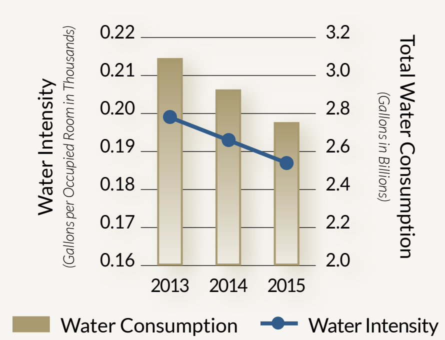
GREENHOUSE GAS*



ENERGY*



WATER*



*Charts above represent performance within Host's domestic portfolio. GHG Emissions and Intensity are calculated using energy data multiplied by the corresponding EPA eGRID emission factor following the World Resource Institute (WRI) GHG Protocol Corporate Standard.

The **AXIOM HOTEL**, which received LEED® Silver certification in 2016, has filtered water stations on each floor, SMART TVs in guest rooms that provide information and in-room dining menus to reduce paper waste as well as a comprehensive recycling program.

The 1,528 panel solar photovoltaic system installed at the **FAIRMONT KEA LANI, MAUI** reduces carbon emissions by 365 metric tons annually — the equivalent of almost 80 passenger vehicles driven for one year — while generating 845,000 kilowatt-hours of renewable power annually.

The LED lighting upgrades performed at six of our hotels in New York City, including the **SHERATON NEW YORK TIMES SQUARE HOTEL**, recouped nearly 50% of the total investment in utility company rebates.

PROJECTS, AWARDS AND CERTIFICATIONS

Each year, we identify and complete a targeted set of projects to reduce greenhouse gas emissions, save water, divert waste from landfills and support community needs. These include stand-alone efficiency projects as well as investments embedded in larger renovation and repositioning initiatives that create stockholder value.

DRIVING INVESTOR RETURNS

We continue to target sustainable capital projects to improve the environmental and financial performance of our properties. From 2013–2015, we invested nearly $20 million in targeted energy ROI projects — estimated to generate $6.5 million in annual cost savings.

In 2016, we completed the 500 kilowatt solar photovoltaic system at the Fairmont Kea Lani, Maui. This project when combined with similar systems at The Phoenician, A Luxury Collection Resort and Hyatt Regency Maui Resort and Spa increased the total solar power generation capacity in our domestic portfolio to approximately 1.7 megawatts.

We were awarded the Global Real Estate Sustainability Benchmark's (GRESB) Green Star distinction for the fourth consecutive year in 2016. Several of our hotels also received awards for environmental excellence from their brands and their communities, as well as rebates from local utility providers as a result of our investment in superior sustainability systems.

We were named the top fundraising team for the Relay For Life of Southern Montgomery County — our workforce of approximately 200 employees raised over $87,000 for the American Cancer Society. We also proudly received the Business Philanthropy Award from the Maryland Chamber of Commerce and the Baltimore Business Journal.

RECEIVING TRIPADVISOR, LEED® AND ISO CERTIFICATIONS

Nearly 90% of our U.S. properties have received green building certifications, including TripAdvisor® GreenLeaders and LEED.® In 2016, The Axiom Hotel became the second property in our portfolio to receive LEED® certification, attaining LEED® Silver. We expect the recently completed exhibit hall at the Marriott Marquis San Diego Marina to also earn LEED® certification. On a company-wide level, our environmental management system for the consolidated portfolio was recently certified under the ISO 14001 standard.

PARTNERSHIPS AND ENGAGEMENT

Execution on our strategy involves close partnership and strong engagement with the leading hospitality brands and well-respected independent managers that operate our hotels.

2016 RECOGNITIONS

In partnership with these third-party management companies as well as suppliers, designers, architects and industry professionals, we review, monitor and provide input on specific market risks and opportunities. This enables us to identify sustainable development opportunities and implement green building technologies and practices that reduce operating expenses, create economic value and drive investor returns.

In 2016, we continued to actively participate in industry initiatives, including the American Hotel & Lodging Association's Sustainability Committee, National Association of Real Estate Investment Trusts' Sustainability Committee and Cornell University's Center for Hospitality Research, to promote sustainability within the travel and tourism industry. We also participated in the Sustainability Accounting Standards Board's (SASB) Working Group to develop provisional standards for REITs.

Our partnerships also extend into our communities. From our participation in the American Red Cross Ready 365 Giving Program to working with Habitat for Humanity® International, we have developed valued partnerships to create positive local impacts, which support our corporate citizenship objectives.

Consistent with our commitment to supporting organizations that promote education, we have made a five-year pledge totaling $500,000 to support the American Hotel & Lodging Educational Foundation Opening Doors to Opportunity campaign and completed our third year of teaching financial literacy to students through working with Junior Achievement.

PATH FORWARD

We continue to push ourselves to drive greater impact and generate incremental value from our corporate responsibility initiatives. Guided by our 2020 sustainability targets and inspired by the UN Sustainable Development Goals, we aim to explore promising new systems and technologies, and foster deeper partnerships with our management companies and stakeholders.

Please visit our website where you can explore our three strategic themes, download our GRI Content Index and learn more about our latest corporate responsibility news, events and performance metrics.

HYATT REGENCY SAN FRANCISCO AIRPORT was awarded a rebate from Pacific Gas & Electric for a series of sustainability investments including the modernization of all elevators, high-efficiency chillers with free cooling and an in-room energy management system. Additionally, we recently installed high-efficiency boilers and LED lighting throughout the hotel as well as upgraded the roofing system and guest room HVAC.

At the **USO PACK FOR THE TROOPS**, our employees assembled over 1,500 care packages in support of our troops around the world at the USO facility at Fort Belvoir, VA.

A group of volunteers assembled dog toys and cleaned up the outdoor area of a local animal shelter. We also held a collection drive, donating over 150 pet-related items for the shelter animals.

SELECTED FINANCIAL DATA

Reconciliation of Net income to NAREIT and Adjusted Funds From Operations per Diluted Share (a)

(UNAUDITED, IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	YEAR ENDED DECEMBER 31, 2016	2015	2014
NET INCOME	$ 771	$ 565	$ 741
Less: Net income attributable to non-controlling interests	(9)	(7)	(9)
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	762	558	732
Adjustments:			
Gain on dispositions, net of taxes	(241)	(93)	(232)
Gain on property insurance settlement	(1)	(2)	(1)
Depreciation and amortization	720	704	684
Non-cash impairment loss	—	—	6
Equity in earnings of affiliates	(21)	(76)	(29)
Pro rata FFO of equity investments	48	55	59
FFO adjustment for non-controlling partnerships	(4)	(5)	(6)
FFO adjustments for non-controlling interests of Host LP	(6)	(7)	(6)
NAREIT funds from operations	1,257	1,134	1,207
Adjustments to NAREIT FFO:			
Loss on debt extinguishment	—	45	4
Acquisition costs	—	1	3
Litigation gain	—	—	(61)
Adjusted FFO	$1,257	$1,180	$1,153
Adjustments for dilutive securities(b):			
Assuming conversion of Exchangeable Senior Debentures	$ —	$ 22	$ 27
Diluted NAREIT FFO(a)	$1,257	$1,156	$1,234
Diluted Adjusted FFO(a)	$1,257	$1,202	$1,180
Diluted weighted average shares outstanding – EPS	743.7	752.9	786.8
Diluted weighted average shares outstanding – NAREIT FFO and Adjusted FFO	743.7	778.3	786.8
NAREIT FFO PER DILUTED SHARE (a)	$ 1.69	$ 1.49	$ 1.57
ADJUSTED FFO PER DILUTED SHARE (a)	$ 1.69	$ 1.54	$ 1.50

Reconciliation of Net income to EBITDA and Adjusted EBITDA(a)

(UNAUDITED, IN MILLIONS)	YEAR ENDED DECEMBER 31, 2016	2015	2014
NET INCOME	$ 771	$ 565	$ 741
Interest expense	154	227	207
Depreciation and amortization	724	708	687
Income taxes	40	9	14
EBITDA	1,689	1,509	1,649
Gain on dispositions	(250)	(93)	(233)
Gain on property insurance settlement	(1)	(2)	(1)
Acquisition costs	—	1	2
Litigation gain	—	—	(61)
Non-cash impairment loss	—	—	6
Equity investment adjustments:			
Equity in earnings of affiliates	(21)	(76)	(29)
Pro rata Adjusted EBITDA of equity investments	65	81	80
Consolidated partnership adjustments:			
Pro rata Adjusted EBITDA attributable to non-controlling partners in other consolidated partnerships	(11)	(11)	(11)
ADJUSTED EBITDA(a)	$1,471	$1,409	$1,402

(a) For further discussion of why we believe NAREIT FFO and Adjusted FFO per diluted share and Adjusted EBITDA are useful supplemental measures of our performance and the limitations on their use, see our Annual Report on Form 10-K included in our mailing to stockholders.

(b) NAREIT FFO 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, exchangeable debt securities and other non-controlling interests that have the option to convert their limited partnership interest to common OP Units. No effect is shown for securities if they are anti-dilutive.

DIRECTORS

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Chairman of the Board

James F. Risoleo
President, Chief Executive Officer and Director

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Vice President for Global Marketing and Chief Marketing Officer, Northwestern University

Sheila C. Bair [3]
President of Washington College

Terence C. Golden
Chairman, Bailey Capital Corporation

Ann McLaughlin Korologos [2,3]

Sandeep L. Mathrani [1]
Chief Executive Officer GGP, Inc.

John B. Morse, Jr. [1,3]

Walter C. Rakowich [1,3]

Gordon H. Smith [2]
President, Chief Executive Officer, National Association of Broadcasters

[1] *Audit Committee*
[2] *Compensation Policy Committee*
[3] *Nominating and Corporate Governance Committee*

MANAGEMENT TEAM

James F. Risoleo
President, Chief Executive Officer and Director

Minaz B. Abji
Executive Vice President, Asset Management

Jay L. Johnson
Senior Vice President,Treasurer

Gregory J. Larson
Executive Vice President, Chief Financial Officer

Nathan S. Tyrrell
Executive Vice President, Investments

Brian G. Macnamara
Senior Vice President, Corporate Controller

Sourav Ghosh
Senior Vice President, Enterprise Analytics

Elizabeth A. Abdoo
Executive Vice President, General Counsel and Secretary

Michael E. Lentz
Managing Director, Global Development, Design & Construction

Sukhvinder Singh
Senior Vice President, Information Technology

Joanne G. Hamilton
Executive Vice President, Human Resources

Jeffrey S. Clark
Senior Vice President, Global Tax and JV Accounting

Bret D.S. McLeod
Senior Vice President, Corporate Strategy and Investor Relations

CORPORATE INFORMATION

CORPORATE HEADQUARTERS
Host Hotels & Resorts, Inc.
6903 Rockledge Drive, Suite 1500
Bethesda, MD 20817
240/744-1000

WEBSITE
Visit the company's website at: www.hosthotels.com

STOCK EXCHANGE LISTING
New York Stock Exchange
Ticker Symbol: HST

STOCKHOLDERS OF RECORD
20,071 at February 20, 2017

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS
KPMG LLP, McLean, VA

ANNUAL MEETING
The 2017 annual meeting of stockholders will be held at 11 a.m., May 11, 2017, at The Ritz-Carlton, Tysons Corner, 1700 Tysons Boulevard, McLean, VA 22102.

REGISTRAR AND TRANSFER AGENT
If you have any questions concerning transfer procedures or other stock account matters, please contact the transfer agent at the following address:
Computershare Trust Company, N.A.
Shareholder Relations
P.O. BOX 30170
College Station, TX 77842-3170
866/367-6351

COMMON STOCK

	STOCK PRICE HIGH	STOCK PRICE LOW	DIVIDENDS DECLARED PER SHARE
2015			
1st Quarter	$24.14	$20.04	$0.20
2nd Quarter	20.73	19.40	0.20
3rd Quarter	21.29	15.39	0.20
4th Quarter	17.85	15.20	0.20
2016			
1st Quarter	$16.97	$12.82	$0.20
2nd Quarter	16.95	14.58	0.20
3rd Quarter	18.37	15.57	0.20
4th Quarter	19.18	14.83	0.25

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