

### **Information about the Proposed Transactions and Where to Find It**

In connection with the proposed transactions, Host Marriott Corporation filed a preliminary proxy statement/prospectus as part of a registration statement on Form S-4 on December 9, 2005 and other documents regarding the proposed transactions with the Securities and Exchange Commission ("SEC"). In addition, Host Marriott Corporation will prepare and file a definitive proxy statement/prospectus and other documents regarding the proposed transactions with the SEC. **Investors and security holders are urged to read the proxy statement/prospectus (and all amendments and supplements to it) becomes available because it contains important information about Host Marriott Corporation, Starwood Hotels & Resorts and the proposed transactions.** A definitive proxy statement/prospectus will be sent to stockholders of Host Marriott Corporation seeking their approval of the issuance of shares of Host Marriott Corporation common stock in the transactions contemplated by the master agreement. Investors and security holders may obtain a free copy of the definitive proxy statement/prospectus (when available) and other documents filed by Host Marriott Corporation with the SEC at the SEC's web site at [www.sec.gov](http://www.sec.gov). The definitive proxy statement/prospectus and other relevant documents may also be obtained, when available, free of cost by directing a request to Host Marriott Corporation, 6903 Rockledge Drive, Suite 1500, Bethesda, MD 20817, Attention Investor Relations, (telephone 240-744-1000). Investors and security holders are urged to read the proxy statement/prospectus and other relevant material when they become available before making any voting or investment decisions with respect to the proposed transactions.

Host Marriott Corporation and its directors and executive officers may be deemed, under SEC rules, to be participants in the solicitation of proxies from the stockholders of Host Marriott Corporation in respect of the proposed transactions. Information about Host Marriott Corporation and its directors and executive officers, and their ownership of securities in Host Marriott Corporation, is set forth in the proxy statement for Host Marriott Corporation's 2005 Annual Meeting of Stockholders, which was filed with the SEC on April 11, 2005. Additional information regarding the direct and indirect interests of those persons may be obtained by reading the proxy statement/prospectus regarding the proposed transactions.

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

### **Cautionary Language Concerning Forward-Looking Statements**

This filing contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will," "continue" and other similar terms and phrases, including references to assumptions and forecasts of future results, statements about the expected scope and timing of the acquisition, expected financial results and credit effects of the acquisition, consequences of management efforts, opportunities for growth and expectations as to timing, nature and terms of financing and other sources of funds. 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: national and local economic and business conditions, including the potential for terrorist attacks, that will affect occupancy rates at our hotels and the demand for hotel products and services; operating risks associated with the hotel business; risks associated with the level of our indebtedness and our ability to meet covenants in our debt agreements; relationships with property managers; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; our ability to complete pending acquisitions and dispositions; and our ability to continue to satisfy complex rules in order for us to qualify as a real estate investment trust for federal income tax purposes and other risks and uncertainties associated with our business described in Host Marriott Corporation's filings with the SEC. The completion of the transaction with Starwood (either in whole or in part relating to the acquisition of certain hotels) is subject to numerous closing conditions and there can be no assurances that the transactions as a whole, or portions of these transactions, will be completed. These closing conditions include, but are not limited to: Host Marriott Corporation receiving approval from its stockholders to issue shares to Starwood's Class B holders, obtaining various lender consents and regulatory approvals, the accuracy of representations and warranties and compliance with covenants, the absence of material events or conditions, and other customary closing conditions. Our expectations as to the financial consequences of the acquisition may be affected by the risks noted above and factors unique to acquisitions, including the timing and successful integration of these hotels into our portfolio and the number and location of the hotels we ultimately acquire with the acquisition. Although Host Marriott Corporation 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 is as of the date of this filing and Host Marriott Corporation undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in expectations.





## Company Overview

- **Largest owner of luxury and upper upscale full-service hotels**
- **Irreplaceable assets in premier markets with high barriers to entry**
- **Focused on urban and resort convention hotels**
- **107 hotels (over 55,000 rooms)**
- **Total Enterprise Value of approximately \$12 billion**
- **Largest lodging REIT**



## Company Overview

- October 1993** Marriott Corporation splits into two publicly-traded companies: Host Marriott Corporation, an owner of lodging and real estate and an operator of airport terminal concession businesses; and Marriott International, the manager of lodging and contract services businesses. Host Marriott owns 25 full-service hotels.
- January 1996** Host Marriott Corporation spins off the airport terminal concession business. The Company owns 55 full-service properties with over 25,000 rooms.
- April 1998** Host Marriott Corporation launches its multi-brand strategy and announces the acquisition of 12 world-class hotels, including: four Hyatts, two Four Seasons and four Swissôtel.



## Company Overview

- January 1999** Host Marriott Corporation converts into a real estate investment trust (REIT). The Company owns 126 hotels with over 58,000 rooms.
- January 2004** Host Marriott rebrands the Swissôtel, Atlanta into the Atlanta Westin, the company's first Starwood-branded hotel.
- 2003-2005** Host Marriott acquires five hotels for approximately \$1.1 billion, including the Fairmont Kea Lani, Maui, the Hyatt Maui Resort and Spa, the Hyatt Regency Capitol Hill in Washington, DC, and the Embassy Suites, Chicago.



## Company Overview

**November 2005** Host Marriott announces the acquisition of 38 hotels from Starwood, enhancing its brand diversification, creating a significant relationship with an outstanding hotel operating/brand company, launching the Company's expansion into Europe, and establishing an international platform for growth.

Upon completion of the transaction, the Company will own 145 hotels with over 74,000 rooms.



## Current Portfolio of Brands

**Green Street Advisors: "Based on quality, location, and property condition, Host Marriott possesses the most desirable collection of hotels owned by a public company."**



THE RITZ-CARLTON®  
HOTEL COMPANY, L.L.C.



FOUR SEASONS  
*Hotels and Resorts*

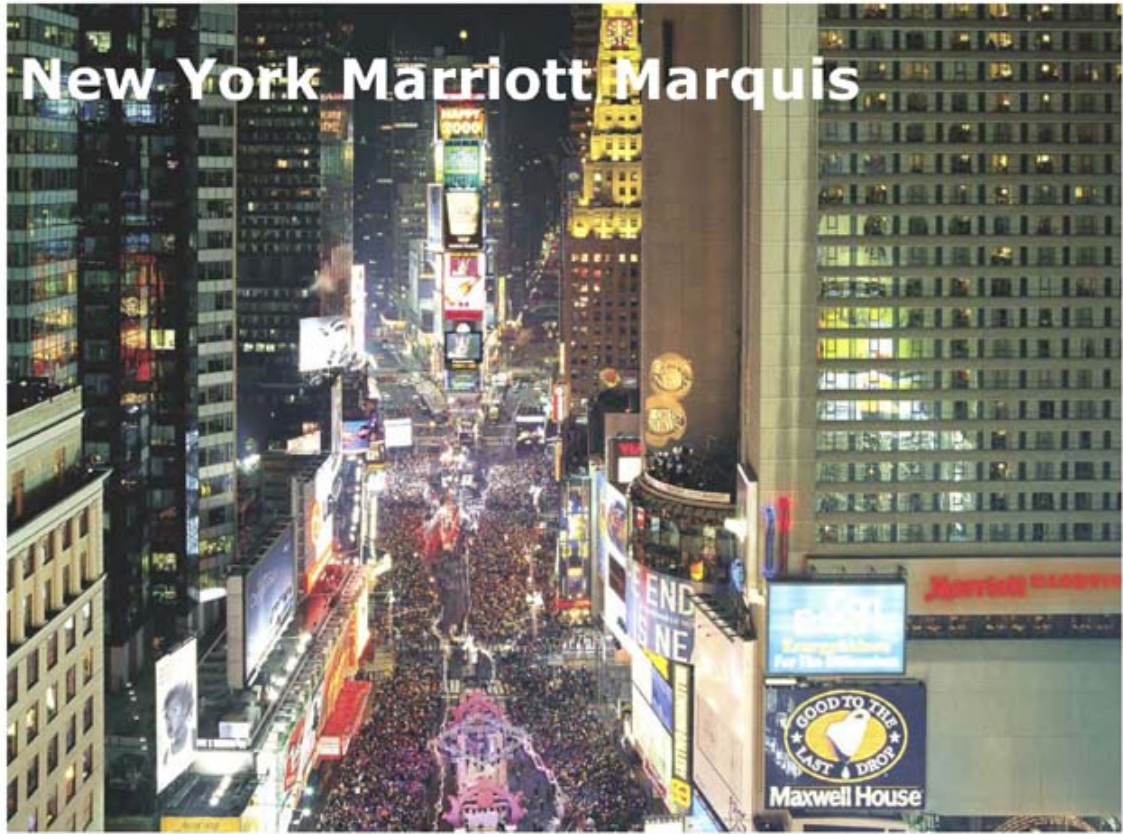


# Ritz-Carlton, Naples





# New York Marriott Marquis



# Hyatt Regency Maui



# The Fairmont, Kea Lani



# Toronto Eaton Centre



# Orlando World Center Marriott



# Embassy Suites Chicago Lakefront



# Atlanta Buckhead Westin

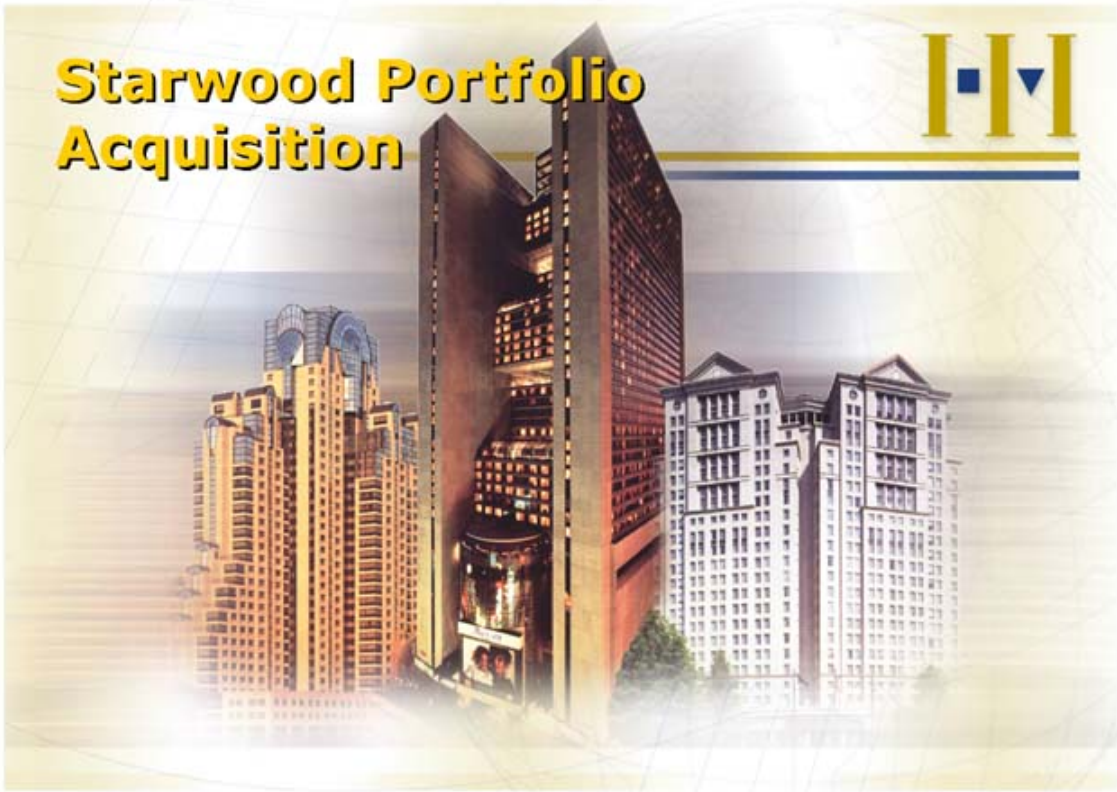


# Hyatt Regency, Washington D.C.





# Starwood Portfolio Acquisition





## Starwood Portfolio

- **Portfolio of 38 upper upscale and luxury full-service hotels (18,964 rooms), including 25 domestic and 13 international assets:**
  - 20 Sheratons
  - 13 Westins
  - 2 Ws
  - 2 Luxury/St. Regis
  - 1 Unbranded
- **Purchase price: \$4.0 billion**
- **Transaction expected to close at the end of 1st Quarter 2006 and is subject to a Host Marriott stockholder vote and other closing conditions**



## Strong Portfolio

- **High-quality portfolio that matches up well with Host's existing portfolio in terms of asset quality and positioning; average hotel contains approximately 500 rooms and generates RevPAR of \$117, both comparable to our current portfolio**
- **Portfolio made up entirely of luxury and upscale hotels, including six city-center hotels with over 750 rooms**
- **80% of the hotels\* are in urban, convention or resort locations, providing additional concentration in our desired segments**
- **29% of the portfolio\* is situated outside the United States, with 15% in Europe, providing additional geographic distribution**

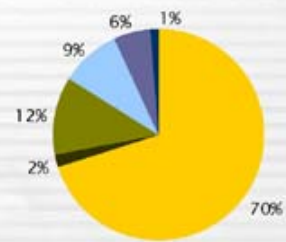
\* Based on revenues.



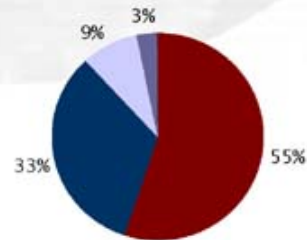
# Profile of Hotel Portfolio

## Brand Mix (Based on Revenue)

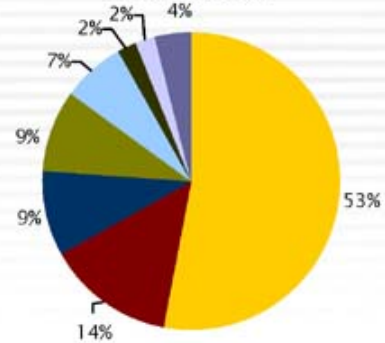
Host Marriott Stand-alone



Starwood Portfolio



Combined

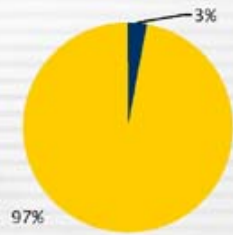




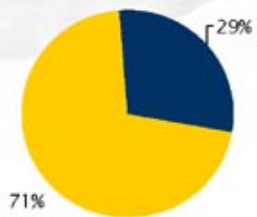
# Profile of Hotel Portfolio

Geographic Scope (Based on Revenue)

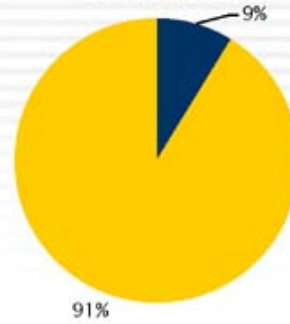
Host Marriott Stand-alone



Starwood Portfolio



Combined

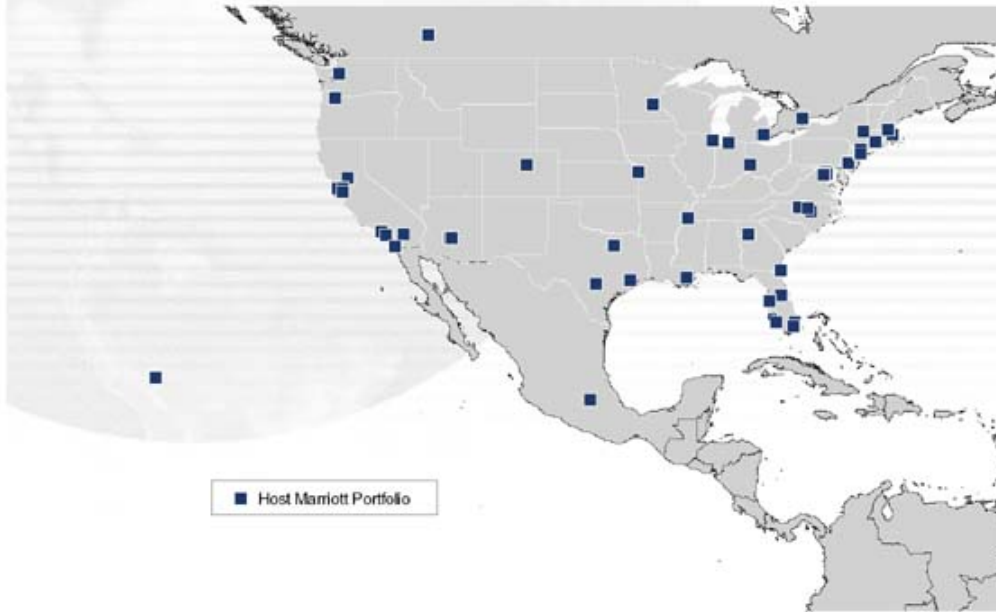


■ International ■ Domestic



# Profile of Hotel Portfolio

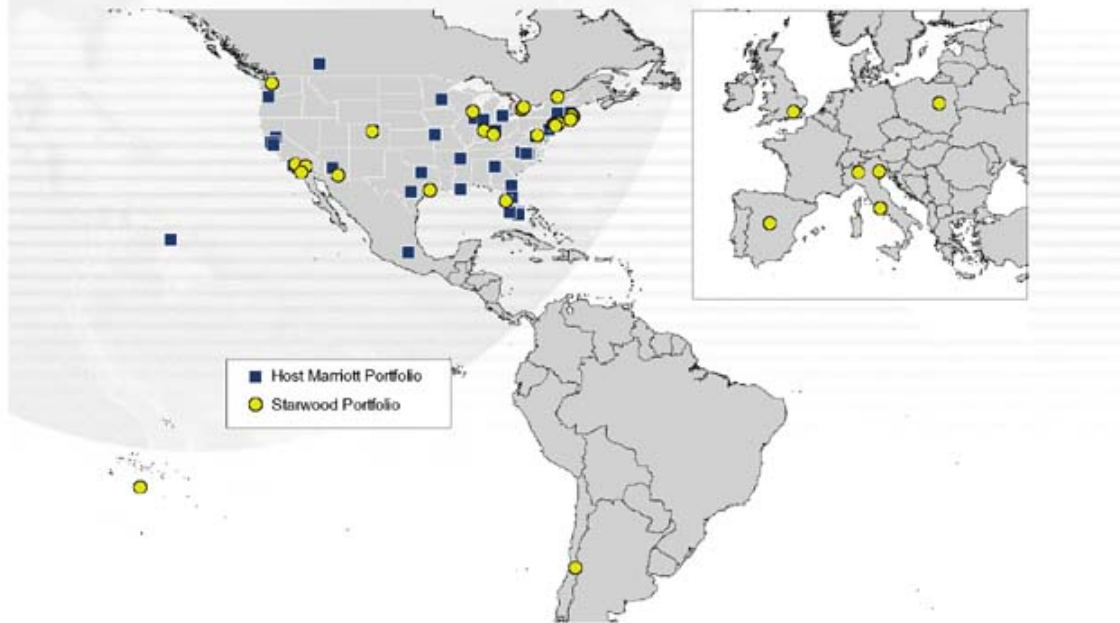
Geographic Coverage – Host Marriott Portfolio





# Profile of Hotel Portfolio

Geographic Coverage – Combined Portfolio





## **Benefits to Host From the Acquisition**

- **Transaction creates significant relationship with another major hotel operating/brand company and furthers our brand diversification strategy**
- **Opportunity to benefit from expected improvement in market share among Starwood's brands**
- **Opportunity to improve growth through asset management and value enhancement initiatives**
- **European properties create a strong foundation for further European expansion**
- **Partnership with Starwood will enhance future growth opportunities**



# HM Post-closing Brand Portfolio





## Overview



**HOST**  
hotels & resorts

<b>No. of Hotels</b>	<b>107</b>	<b>145</b>
<b>No. of Rooms</b>	<b>55,221</b>	<b>74,185</b>
<b>TEV</b>	<b>\$12 billion</b>	<b>\$16 billion</b>
<b>Equity Market Cap.</b>	<b>\$6 billion</b>	<b>\$9 billion</b>
<b>Scale</b>	<b>3<sup>rd</sup>-Largest Pub. Lodging Co. Largest Lodging REIT 9<sup>th</sup>-Largest REIT</b>	<b>Largest Public Lodging Co. Largest Lodging REIT 6<sup>th</sup>-Largest REIT</b>
<b>Brands</b>	<b>14</b>	<b>18</b>
<b>Markets</b>	<b>Over 35</b>	<b>Over 50</b>
<b>Countries</b>	<b>3</b>	<b>9</b>



# Starwood Portfolio Hotels

- Sheraton New York
- Sheraton Boston
- Sheraton San Diego
- The Westin Seattle
- The Westin Los Angeles Airport
- W New York
- The Westin Indianapolis
- Sheraton Indianapolis
- The Westin Mission Hills
- The Westin Cincinnati
- Sheraton Stamford
- The Westin Tabor Center
- W Seattle
- The Westin South Coast Plaza
- Sheraton Milwaukee Brookfield
- Sheraton Braintree
- Sheraton Parsippany
- The Westin Waltham-Boston
- The Westin Grand, D.C.
- Sheraton Suites Tampa Airport
- Sheraton Needham
- St. Regis Hotel, Houston
- Sheraton Tucson
- Sheraton Providence Airport
- Capitol Hill Suites
- Sheraton Centre Toronto
- Le Centre Sheraton Montreal
- Sheraton Roma
- The Westin Palace, Madrid
- Sheraton Santiago
- Sheraton Skyline
- Sheraton Warsaw
- Sheraton Hamilton
- Sheraton Fiji
- Sheraton Royal Denarau
- The Westin Palace, Milan
- The Westin Europa & Regina
- San Cristobal Tower

# Host Marriott Strategy





# Core Strategy and Values

- **Best in Class**
  - Best assets
  - Best brands
  - Best management
  - Best growth
- **Company Values**
  - Passionate about *Excellence*
  - Dedicated to *Partnership*
  - Committed to *Integrity*
  - One with our *Community*



## Strategic Focus

- **Provide outstanding returns to our shareholders by focusing on:**
  - **Intelligent portfolio management**
  - **Disciplined capital allocation**
  - **Sound financial management**



# Intelligent Portfolio Management

- **The Mission of Asset Management**

- **Best in class portfolio stewardship**
  - **Build strong stakeholder relationships**
  - **Maximize cash flow growth and asset appreciation**
  - **Optimize portfolio through disciplined capital allocation and implementation**



## **Intelligent Portfolio Management (cont.)**

- **Understanding the Business**

- **Real Estate Experience**
  - Consulting
  - Real Estate Ownership
- **Operational Experience**
  - General Manager
  - Director of Finance/Controller





## **Intelligent Portfolio Management (cont.)**

- **Operational Oversight**
  - **Balanced Scorecard**
    - Associate satisfaction
    - Guest satisfaction
    - Financial performance
  - **Periodic property visits and inspections**



## **Intelligent Portfolio Management (cont.)**

- **Operational Oversight**
  - **Financial Analysis**
    - Revenue/Cost savings opportunities
    - Benchmarking ("Best Practices")
  - **Market analysis**
    - Market share
    - Competitive positioning
    - Demand trends



## **Intelligent Portfolio Management (cont.)**

- **Value Enhancement**
  - **Carefully evaluate the capital needs and opportunities for each property**
  - **Focus on long-term sustainability**
  - **Maximize competitive position of each asset**
  - **Return on investment (e.g., space conversion)**



## **Intelligent Portfolio Management (cont.)**

### **■ Partnership & Challenges**

- Cultural differences
- Host has an open mind and is looking to learn from you

### **Partnership**

**Work together to accomplish great things**



## Disciplined Capital Allocation

- **Target Acquisition Profile:**
  - Upper Upscale/Luxury
  - Urban/Resort/Convention
  - Best operators and brands
  
- **Since November 2003, acquired approximately \$1.1 billion of upper upscale/luxury properties**
  
- **Intend to utilize European platform to drive further growth in Europe, potentially through a joint venture structure where Host would be the managing general partner, a significant investor and the asset manager**



# Sound Financial Management

- **Continue to maximize liquidity and flexibility**
- **Strong balance sheet**
  - **currently, \$12 billion enterprise value**
  - **post-acquisition, \$16 billion enterprise value, making Host the largest lodging company in the U.S. and the sixth largest REIT**