SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the Quarter Ended June 16, 2000 Commission File No. 001-14625

HOST MARRIOTT CORPORATION
10400 Fernwood Road
Bethesda, Maryland 20817
(301) 380-9000

Maryland	53-0085950
(State of Incorporation)	(I.R.S. Employer Identification Number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Class	Shares outstanding at July 21, 2000
Common Stock, $0.01 par value	220,487,544
Purchase share rights for Series A Junior Participating Preferred Stock, $0.01 par value	--
Class A Cumulative Redeemable Preferred Stock, $0.01 par value	4,160,000
Class B Cumulative Redeemable Preferred Stock, $0.01 par value	4,000,000

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HOST MARRIOTT CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

	June 16, 2000 (unaudited)	December 31, 1999
ASSETS		
Property and equipment, net	$ 7,108	$ 7,108
Notes and other receivables (including amounts due from affiliates of $125 million and $127 million, respectively)	173	175
Rent receivable	89	72
Investments in affiliates	96	49
Other assets	545	521
Cash and cash equivalents	155	277
	$ 8,166	$ 8,202
LIABILITIES AND SHAREHOLDERS' EQUITY		
Debt		
Senior notes	$ 2,539	$ 2,539
Mortgage debt	2,296	2,309
Other	272	221
	5,107	5,069
Accounts payable and accrued expenses	143	148
Deferred income taxes	48	49
Deferred rent	291	--
Other liabilities	396	426
Total liabilities	5,985	5,692
Minority interest	440	508
Company-obligated mandatorily redeemable convertible preferred securities of a subsidiary whose sole assets are the convertible subordinated debentures due 2026 ("Convertible Preferred Securities")	475	497
Shareholders' equity		
Cumulative redeemable preferred stock ("Preferred Stock"), 50 million shares authorized; 8.2 million shares issued and outstanding	196	196
Common stock, 750 million shares authorized; 220.2 million shares and 223.5 million shares issued and outstanding, respectively	2	2
Additional paid-in capital	1,816	1,844
Accumulated other comprehensive income	3	2
Retained deficit	(751)	(539)
Total shareholders' equity	1,266	1,505
	$ 8,166	$ 8,202

See Notes to Condensed Consolidated Financial Statements

HOST MARRIOTT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Twelve Weeks Ended June 16, 2000 and June 18, 1999
(unaudited, in millions, except per share amounts)

	2000	1999
REVENUES		
Rental income	$ 183	$ 187
Interest income	8	8
Net gains on property transactions	2	4
Equity in earnings of affiliates	3	1
Other	3	3
Total revenues	199	203
EXPENSES		
Depreciation and amortization	75	67
Property-level owner expenses	63	62
Minority interest benefit	(11)	(5)
Interest expense	97	101
Dividends on Convertible Preferred Securities	7	8
Corporate expenses	10	8
Other expenses	6	5
Total expenses	247	246
LOSS FROM OPERATIONS BEFORE INCOME TAXES	(48)	(43)
Provision for income taxes	(2)	(1)
LOSS FROM OPERATIONS BEFORE EXTRAORDINARY ITEMS	(50)	(44)
Extraordinary gain (loss)	(3)	13
NET LOSS	$ (53)	$ (31)
Less: Dividends on Preferred Stock	(5)	--
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	$ (58)	$ (31)
BASIC LOSS PER COMMON SHARE:		
Loss from operations before extraordinary items	$ (0.25)	$ (0.19)
Extraordinary gain (loss)	(0.01)	0.05
BASIC LOSS PER COMMON SHARE	$ (0.26)	$ (0.14)
DILUTED LOSS PER COMMON SHARE:		
Loss from operations before extraordinary items	$ (0.25)	$ (0.19)
Extraordinary gain (loss)	(0.01)	0.05
DILUTED LOSS PER COMMON SHARE	$ (0.26)	$ (0.14)

See Notes to Condensed Consolidated Financial Statements

HOST MARRIOTT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Twenty-four Weeks Ended June 16, 2000 and June 18, 1999
(unaudited, in millions, except per share amounts)

	2000	1999
REVENUES		
Rental income	$ 356	$ 358
Interest income	17	16
Net gains on property transactions	3	16
Equity in earnings of affiliates	3	2
Other	5	3
Total revenues	384	395
EXPENSES		
Depreciation and amortization	149	135
Property-level owner expenses	122	120
Minority interest benefit	(22)	(13)
Interest expense	193	200
Dividends on Convertible Preferred Securities	14	17
Corporate expenses	20	15
Other expenses	12	7
Total expenses	488	481
LOSS FROM OPERATIONS BEFORE INCOME TAXES	(104)	(86)
Provision for income taxes	(3)	(2)
LOSS FROM OPERATIONS BEFORE EXTRAORDINARY ITEMS	(107)	(88)
Extraordinary gain (loss)	(3)	13
NET LOSS	$ (110)	$ (75)
Less: Dividends on Preferred Stock	(10)	--
Add: Gain on repurchase of Convertible Preferred Securities	4	--
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	$ (116)	$ (75)
BASIC LOSS PER COMMON SHARE:		
Loss from operations before extraordinary items	$ (0.52)	$ (0.38)
Extraordinary gain (loss)	(0.01)	0.05
BASIC LOSS PER COMMON SHARE	$ (0.53)	$ (0.33)
DILUTED LOSS PER COMMON SHARE:		
Loss from operations before extraordinary items	$ (0.52)	$ (0.38)
Extraordinary gain (loss)	(0.01)	0.05
DILUTED LOSS PER COMMON SHARE	$ (0.53)	$ (0.33)

See Notes to Condensed Consolidated Financial Statements

HOST MARRIOTT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Twenty-four Weeks Ended June 16, 2000 and June 18, 1999
(unaudited, in millions)

	2000	1999
OPERATING ACTIVITIES		
Loss from operations before extraordinary items	$ (107)	$ (88)
Adjustments to reconcile to cash from continuing operations:		
Depreciation and amortization	149	135
Income taxes	(20)	(8)
Deferred contingent rental income	291	253
Net gains on property transactions	(3)	(16)
Equity in earnings of affiliates	(3)	(2)
Changes in operating accounts	(40)	(141)
Other	(46)	(35)
Cash from operations	221	98
INVESTING ACTIVITIES		
Proceeds from sales of assets	--	35
Acquisitions	(40)	(4)
Capital expenditures:		
Capital expenditures for renewals and replacements	(106)	(86)
New investment capital expenditures	(59)	(75)
Other investments	(20)	(16)
Note receivable collections, net	3	(17)
Cash used in investing activities	(222)	(163)
FINANCING ACTIVITIES		
Issuances of debt, net	290	413
Scheduled principal repayments	(18)	(23)
Debt prepayments	(245)	(323)
Issuances of common stock	2	(3)
Repurchases of common stock	(44)	--
Dividends	(102)	(117)
Repurchases of Convertible Preferred Securities	(15)	--
Repurchases and redemptions of OP Units	(3)	--
Other	14	(8)
Cash used in financing activities	(121)	(61)
DECREASE IN CASH AND CASH EQUIVALENTS	$ (122)	$ (126)

Supplemental schedule of noncash financing activities:

Approximately 264,000 shares of common stock were issued during the twenty-four weeks ended June 16, 2000 upon the conversion of outside OP Units valued at $2.5 million.

See Notes to Condensed Consolidated Financial Statements

1. Organization

Host Marriott Corporation, a Maryland corporation formerly named HMC Merger Corporation ("Host REIT"), operating through an umbrella partnership structure, is primarily the owner of hotel properties. Host REIT operates as a self-managed and self-administered real estate investment trust ("REIT") with its operations conducted through an operating partnership and its subsidiaries. As REITs are not currently permitted to derive revenues directly from the operations of hotels, Host REIT leases substantially all of its hotels to subsidiaries of Crestline Capital Corporation ("Crestline" or the "Lessee") and certain other lessees.

On December 15, 1998, shareholders of Host Marriott Corporation, ("Host Marriott"), a Delaware corporation and the predecessor to Host REIT, approved a plan to reorganize Host Marriott's business operations through the spin-off of Host Marriott's senior living business as part of Crestline and the contribution of Host Marriott's hotels and certain other assets and liabilities to a newly formed Delaware limited partnership, Host Marriott, L.P. (the "Operating Partnership" or "Host LP"). Host Marriott merged into HMC Merger Corporation, a newly formed Maryland corporation (renamed Host Marriott Corporation) which intends to qualify, effective January 1, 1999, as a REIT and is the sole general partner of the Operating Partnership. Host Marriott and its subsidiaries' contribution of its hotels and certain assets and liabilities to the Operating Partnership and its subsidiaries in exchange for units of partnership interest in the Operating Partnership ("OP Units") was accounted for at Host Marriott's historical basis. As of June 16, 2000, Host REIT owned approximately 77% of the Operating Partnership.

In these condensed consolidated financial statements, the "Company" or "Host Marriott" refers to Host Marriott Corporation and its consolidated subsidiaries, both before and after the merger and its conversion to a REIT (the "REIT Conversion").

2. Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements of the Company and its subsidiaries have been prepared without audit. Certain information and footnote disclosures normally included in financial statements presented in accordance with accounting principles generally accepted in the United States have been condensed or omitted. The Company believes the disclosures made are adequate to make the information presented not misleading. However, the unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly the financial position of the Company as of June 16, 2000 and December 31, 1999, and the results of operations for the twelve and twenty-four weeks ended June 16, 2000 and June 18, 1999, and cash flows for the twenty-four weeks ended June 16, 2000 and June 18, 1999. Interim results are not necessarily indicative of fiscal year performance because of the impact of seasonal and short-term variations.

Certain reclassifications were made to the prior year financial statements to conform to the current presentation.

The Company's leases have initial terms ranging from 2 to 10 years, subject to earlier termination upon the occurrence of certain contingencies, as defined. Effective November 15, 1999, the leases with Crestline were amended to give Crestline the right to renew each of these leases for up to four additional terms of seven years each. The rent due under each lease is the greater of base rent or percentage rent, as defined. Percentage rent applicable to room, food and beverage and other types of hotel sales varies by lease and is calculated by multiplying fixed percentages by the total amounts of such revenues over specified threshold amounts. Both the minimum rent and the revenue thresholds used in computing percentage rents are subject to annual adjustments based on increases in the United States Consumer Price Index and the Labor Index, as defined.

The Company recognizes percentage rent when all contingencies have been met, that is, when annual thresholds for percentage rent have been met or exceeded. Percentage rent received pursuant to the leases but not recognized is included on the balance sheet as deferred rent. Contingent rental revenue of $168 million and $138 million, respectively, for the twelve weeks ended June 16, 2000 and June 18, 1999, and $291 million and $253 million, respectively, for the twenty-four weeks ended June 16, 2000 and June 18, 1999, have been deferred.

3. Earnings Per Share

Basic earnings per common share is computed by dividing net income available to common shareholders by the weighted average number of shares of common stock outstanding. Diluted earnings per share is computed by dividing net income available to common shareholders as adjusted for potentially dilutive securities, by the weighted average number of shares of common stock outstanding plus other potentially dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans and the Convertible Preferred Securities. Dilutive securities may also include those common and preferred OP Units issuable or outstanding that are held by minority partners which are assumed to be converted. No effect is shown for securities if they are anti-dilutive.

	Twelve weeks ended					
	June 16, 2000			June 18, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net loss	$ (53)	220.1	$ (.24)	$ (31)	227.9	$ (.14)
Dividends on preferred stock	(5)	--	(.02)	--	--	--
Gain on repurchase of Convertible Preferred Securities	--	--	--	--	--	--
Basic loss available to common shareholders per share	(58)	220.1	(.26)	(31)	227.9	(.14)
Assuming distribution of common shares granted under the comprehensive stock plan, less shares assumed purchased at average market price	--	--	--	--	--	--
Assuming conversion of minority OP Units outstanding	(16)	63.5	--	(12)	64.6	--
Assuming conversion of preferred OP Units	--	.6	--	--	--	--
Assuming conversion of minority OP Units issuable	--	--	--	--	--	--
Assuming conversion of Convertible Preferred Securities	--	--	--	--	--	--
Diluted loss per share	$ (74)	284.2	$ (.26)	$ (43)	292.5	$ (.14)

	Twenty-four weeks ended					
	June 16, 2000			June 18, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net loss	$ (110)	220.7	$ (.50)	$ (75)	227.4	$ (.33)
Dividends on preferred stock	(10)	--	(.05)	--	--	--
Gain on repurchase of Convertible Preferred Securities	4	--	.02	--	--	--
Basic loss available to common shareholders per share	(116)	220.7	(.53)	(75)	227.4	(.33)
Assuming distribution of common shares granted under the comprehensive stock plan, less shares assumed purchased at average market price	--	--	--	--	--	--
Assuming conversion of minority OP Units outstanding	(34)	63.7	--	(24)	64.6	--
Assuming conversion of preferred OP Units	--	0.6	--	--	--	--
Assuming conversion of minority OP Units issuable	--	--	--	--	--	--
Assuming conversion of Convertible Preferred Securities	--	--	--	--	--	--
Diluted loss per share	$ (150)	285.0	$ (.53)	$ (99)	292.0	$ (.33)

4. Stock Repurchases

In September 1999, the Board of Directors approved the repurchase, from time to time on the open market and/or in privately negotiated transactions, of up to 22 million of the outstanding shares of the Company's common stock, OP Units, or a corresponding amount (based on the appropriate conversion ratio) of the Company's Convertible Preferred Securities. Such repurchases will be made at management's discretion, subject to market conditions, and may be suspended at any time at the Company's discretion. During the twelve weeks ended March 24, 2000, the Company repurchased approximately 4.9 million common shares, 325,000 OP Units, and 435,000 shares of the Convertible Preferred Securities for a total investment of $62 million. No repurchases were made during the second quarter of 2000. Since the inception of the repurchase program in September 1999, the Company has spent, in the aggregate, approximately $150 million to repurchase 16.2 equivalent shares.

5. Dividends and Distributions Payable

On March 23, 2000 and June 21, 2000, the Board of Directors declared quarterly cash dividends of $0.21 per share of common stock. The first quarter dividend was paid on April 14, 2000 to shareholders of record on March 31, 2000. The second quarter dividend was paid on July 14, 2000 to shareholders of record on June 30, 2000.

On March 23, 2000 and June 21, 2000, Host Marriott declared quarterly dividends of $0.625 per share of Preferred Stock, which were paid on April 14, 2000 and July 14, 2000, to shareholders of record on March 31, 2000 and June 30, 2000, respectively.

6. Acquisitions and Developments

In February 2000, construction of the 717-room Tampa Waterside Marriott adjacent to the convention center in downtown Tampa, Florida was completed at a total development cost of approximately $104 million, not including a $16 million tax subsidy provided by the City of Tampa.

On May 16, 2000, the Company acquired a non-controlling partnership interest in the JWDC Limited Partnership, which owns the JW Marriott Hotel, a 772-room hotel located on Pennsylvania Avenue in Washington, DC. The Company, which previously held a small interest in the venture, invested approximately $40 million in the form of a preferred equity contribution.

7. Debt Issuances and Refinancings

In February 2000, the Company refinanced the $80 million mortgage on Marriott's Harbor Beach Resort property in Fort Lauderdale, Florida. The new mortgage is for $84 million, at a rate of 8.58%, and matures in March 2007.

During June 2000, the Company modified its bank credit facility. As modified, the total facility has been permanently reduced to $775 million, consisting of a $150 million term loan and a $625 million revolver. In addition, the original term was extended for two additional years, through August 2003. As of June 16, 2000, $176 million is outstanding under the bank credit facility, and the available capacity under the revolver portion is $599 million. In connection with the renegotiation of the bank credit facility, the Company recognized an extraordinary loss of approximately $3 million, representing the write-off of deferred financing costs and certain fees paid to the lender.

8. Geographic Information

As of June 16, 2000, the Company's foreign operations consisted of four hotel properties located in Canada. There were no intercompany sales between the properties and the Company. The following table presents revenues for each of the geographical areas in which the Company owns hotels (in millions):

	Twelve Weeks Ended		Twenty-four Weeks Ended	
	June 16, 2000	June 18, 1999	June 16, 2000	June 18, 1999
United States.................................	$ 197	$ 199	$ 379	$ 389
International.................................	2	4	5	6
Total.....................................	$ 199	$ 203	$ 384	$ 395

9. Comprehensive Income

The Company's other comprehensive income consists of unrealized gains and losses on foreign currency translation adjustments and the right to receive cash from Host Marriott Services Corporation subsequent to the exercise of the options held by certain former and current employees of Marriott International, pursuant to the distribution agreement between the Company and Host Marriott Services Corporation. For the twelve and twenty-four weeks ended June 16, 2000, the comprehensive loss totaled $51 million and $109 million, respectively. The comprehensive loss was $29 million and $74 million for the twelve and twenty-four weeks ended June 18, 1999, respectively. As of June 16, 2000 and December 31, 1999 the Company's accumulated other comprehensive income was approximately $3 million and $2 million, respectively.

10. Summarized Lease Pool Financial Statements

As discussed in Note 2, as of June 16, 2000, almost all the properties of the Company and its subsidiaries were leased to Crestline. In conjunction with these leases, Crestline and certain of its subsidiaries entered into limited guarantees of the lease obligations of each lessee. The full-service hotel leases are grouped into four lease pools, with Crestline's guarantee limited to the greater of 10% of the aggregate rent payable for the preceding year or 10% of the aggregate rent payable under all leases in the respective pool. Additionally, the lessee's obligation under each lease agreement is guaranteed by all other lessees in the respective lease pool. As a result, the Company believes that the operating results of each full-service lease pool may be material to the Company's financial statements. Financial information of certain pools related to the sublease agreements for limited service properties are not presented, as the Company believes they are not material to the Company's financial statements. Financial information of Crestline may be found in its quarterly and annual filings with the Securities and Exchange Commission. Further information regarding these leases and Crestline's limited guarantees may be found in the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999. The results of operations for the twelve and twenty-four weeks ended June 16, 2000 and June 18, 1999 and summarized balance sheet data as of June 16, 2000 and December 31, 1999 of the lease pools in which the Company's hotels are organized are as follows (in millions):

	Twelve Weeks Ended June 16, 2000				
	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Hotel Sales					
Rooms	$ 152	$ 170	$ 147	$ 159	$ 628
Food and beverage	69	87	72	91	319
Other	16	17	24	22	79
Total hotel sales	237	274	243	272	1,026
Operating Costs and Expenses					
Rooms	35	39	34	34	142
Food and beverage	52	61	51	62	226
Other	59	58	59	61	237
Management fees	13	20	12	20	65
Lease expense	75	91	83	92	341
Total operating expenses	234	269	239	269	1,011
Operating Profit	3	5	4	3	15
Corporate and Interest Expenses	--	--	--	(1)	(1)
Income before taxes	3	5	4	2	14
Income taxes	(1)	(2)	(2)	(1)	(6)
Net Income	$ 2	$ 3	$ 2	$ 1	$ 8

	Twelve Weeks Ended June 18, 1999				
	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Hotel Sales					
Rooms	$ 144	$ 157	$ 141	$ 145	$ 587
Food and beverage	68	76	67	81	292
Other	16	16	19	19	70
Total hotel sales	228	249	227	245	949
Operating Costs and Expenses					
Rooms	33	36	34	31	134
Food and beverage	51	55	47	56	209
Other	57	55	57	55	224
Management fees	11	16	10	17	54
Lease expense	72	83	76	83	314
Total operating expenses	224	245	224	242	935
Operating Profit	4	4	3	3	14
Corporate and Interest Expenses	--	(1)	--	--	(1)
Income before taxes	4	3	3	3	13
Income taxes	(2)	(1)	(1)	--	(4)
Net Income	$ 2	$ 2	$ 2	$ 3	$ 9

	Twenty-four Weeks Ended June 16, 2000				
	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Hotel Sales					
Rooms	$ 281	$ 313	$ 272	$ 292	$ 1,158
Food and beverage	128	153	132	166	579
Other	30	30	43	41	144
Total hotel sales	439	496	447	499	1,881
Operating Costs and Expenses					
Rooms	66	76	62	63	267
Food and beverage	96	111	95	113	415
Other	111	109	109	113	442
Management fees	22	35	22	38	117
Lease expense	137	157	152	167	613
Total operating expenses	432	488	440	494	1,854
Operating Profit	7	8	7	5	27
Corporate and Interest Expenses	(1)	(1)	--	(1)	(3)
Income before taxes	6	7	7	4	24
Income taxes	(2)	(3)	(3)	(2)	(10)
Net Income	$ 4	$ 4	$ 4	$ 2	$ 14

	Twenty-four Weeks Ended June 18, 1999				
	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Hotel Sales					
Rooms	$ 273	$ 294	$ 268	$ 273	$ 1,108
Food and beverage	127	137	128	153	545
Other	30	29	38	34	131
Total hotel sales	430	460	434	460	1,784
Operating Costs and Expenses					
Rooms	64	68	63	58	253
Food and beverage	97	102	91	104	394
Other	110	107	107	103	427
Management fees	20	30	21	33	104
Lease expense	133	147	146	157	583
Total operating expenses	424	454	428	455	1,761
Operating Profit	6	6	6	5	23
Corporate and Interest Expenses	(1)	(1)	(1)	(1)	(4)
Income before taxes	5	5	5	4	19
Income taxes	(2)	(2)	(2)	(1)	(7)
Net Income	$ 3	$ 3	$ 3	$ 3	$ 12

	As of June 16, 2000				
	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Assets	$ 52	$ 48	$ 53	$ 50	$ 203
Liabilities	45	43	48	48	184
Equity	7	5	5	2	19

	As of December 31, 1999				
	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Assets	$ 39	$ 37	$ 41	$ 38	$ 155
Liabilities	36	36	40	38	150
Equity	3	1	1	--	5

11. Contingencies

On March 16, 1998, limited partners in several limited partnerships filed a lawsuit, the Texas Multi-Partnership Lawsuit, naming the Company, Marriott International and others as defendants and claiming that they conspired to sell hotels to the partnerships for inflated prices, that they charged the partnerships excessive management fees to operate the partnerships' hotels and otherwise breached their fiduciary duties. The lawsuit involved the following partnerships: Courtyard by Marriott Limited Partnership, Courtyard by Marriott II Limited Partnership, Marriott Residence Inn Limited Partnership, Marriott Residence Inn II Limited Partnership, Fairfield Inn by Marriott Limited Partnership, Desert Springs Marriott Limited Partnership and Atlanta Marriott Marquis Limited Partnership. Three other lawsuits, collectively, the Partnership Lawsuits, involving limited partners of some of the aforementioned partnerships had also been filed, at various dates beginning in June 1996, and include similar actions naming the Company, Marriott International and others as defendants.

On February 24, 2000, the Company and Marriott International announced that we have executed a definitive settlement agreement to resolve the Texas Multi-Partnership Lawsuit and the Partnership Lawsuits. The understanding, which is still subject to numerous conditions, including court approval and various consents, has two principal features. First, the Company and Marriott International expect, through a joint venture to be formed between their affiliates, to acquire the equity interest of the limited partners in the two Courtyard partnerships for approximately $372 million. The Company's share of the acquisition costs of the Courtyard partnerships is expected to be approximately $82 million. Second, the Company and Marriott International will each pay approximately $31 million to the limited partners of the remaining partnerships in exchange for settlement of the litigation and a full release of claims. As a result of the proposed settlement, the Company recorded a non-recurring, pre-tax charge of $40 million during the fourth quarter of 1999.

The Company has also been named a defendant in other lawsuits involving various hotel partnerships. The lawsuits are ongoing, and although the ultimate resolution of lawsuits is not determinable, the Company does not believe the outcome will be material to the financial position, statement of operations or cash flows of the Company.

12. Subsequent Event

On June 21, 2000, the additions of a 500-room tower and 15,000 square feet of meeting space at the Orlando World Center Marriott were completed at an approximate development cost of $84 million.

Forward-looking Statements

Certain matters discussed herein are forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "may," "will," "should," "estimates," or "anticipates," or the negative thereof or other variations thereof or comparable terminology. All forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual transactions, results, performance or achievements to be materially different from any future transactions, results, performance or achievements expressed or implied by such forward-looking statements. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that any deviations will not be material. We disclaim any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this quarterly report on Form 10-Q to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Results of Operations

Revenues. Our revenues primarily represent rental income from our leased hotels, net gains on property transactions, interest income and equity in earnings of affiliates. As discussed in Note 2 to the financial statements, percentage rental revenues of $168 million and $138 million for the twelve weeks ended June 16, 2000 and June 18, 1999, respectively, and $291 million and $253 for the twenty-four weeks ended June 16, 2000 and June 18, 1999, respectively, were deferred in accordance with the Securities and Exchange Commission's Staff Accounting Bulletin No. 101 ("SAB 101"). Percentage rent will be recognized as income during the year once specified hotel sales thresholds are achieved.

The table below represents hotel sales from which rental income is computed as discussed in Note 2 to the condensed consolidated financial statements. The table is presented in order to facilitate an investor's reconciliation of hotel sales to rental income.

	Twelve Weeks Ended		Twenty-four Weeks Ended	
	June 16, 2000	June 18, 1999	June 16, 2000	June 18, 1999
	(in millions)		(in millions)	
Hotel Sales				
Rooms	$ 710	$ 672	$ 1,323	$ 1,272
Food and beverage	330	310	604	578
Other	82	72	153	135
Total hotel sales	$ 1,122	$ 1,054	$ 2,080	$ 1,985

Rental income decreased $4 million, or 2%, to $183 million for the second quarter of 2000, and decreased $2 million, or less than 1% to $356 million year-to-date primarily driven by the sale of five properties in 1999, and partially offset by the growth in room revenues generated per available room or REVPAR for comparable properties and the opening of the Tampa Waterside Marriott, which was placed in service in February 2000. REVPAR increased 7.0% to $130.66 for the second quarter of 2000 and 5.2% to $126.69 year-to-date for comparable properties, which consist of the 114 properties owned, directly or indirectly, by us for the same period of time in each period covered, excluding two properties where significant expansion at the hotels affected operations and five properties where reported results were affected by a change in reporting period. On a comparable basis, average room rates increased approximately 5.9% and

5.6%, while average occupancy increased less than one percentage point and decreased less than one percentage point for the second quarter of 2000 and year-to-date, respectively.

Depreciation and Amortization. Depreciation and amortization increased $8 million or 12% for the second quarter of 2000 and increased $14 million or 10% year-to-date, reflecting an increase in depreciable assets, which is primarily the result of new capital projects placed in service in 2000, including the Tampa Waterside Marriott, partially offset by net asset disposals of approximately $174 million in connection with the sale of five hotels during 1999.

Property-level Owner Expenses. Property-level owner expenses primarily consist of property taxes, insurance, and ground and equipment rent. These expenses were $63 million and $62 million for the second quarters of 2000 and 1999, respectively, and increased less than 2% to $122 million year-to-date, reflecting, in part, the effect of the sale of five hotel properties in 1999.

Minority Interest Benefit. For the twelve weeks and twenty-four weeks ended June 16, 2000 and June 18, 1999, respectively, we recognized a minority interest benefit of $11 million and $5 million, and $22 million and $13 million, reflecting the minority owners' share in the net loss, which is primarily the result of the deferral of contingent rental income of $168 million and $138 million, and $291 million and $253 million, respectively. The benefit will be reversed in subsequent quarters as we earn the contingent rent.

Interest Expense. Interest expense decreased 4% to $97 million in the second quarter of 2000 and decreased 4% to $193 million year-to-date, primarily due to repayments on the term loan portion of the bank credit facility totaling $225 million during the second half of 1999.

Corporate Expenses. Corporate expenses were $10 million and $8 million for the second quarters of 2000 and 1999, respectively, and increased $5 million to $20 million year-to-date, resulting primarily from an increase in compensation expense related to employee stock plans.

Extraordinary Gain (Loss). During the twelve weeks ended June 16, 2000, we recorded an extraordinary loss of approximately $3 million representing the write off of deferred financing costs and certain fees paid to our lender in connection with the renegotiation of the bank credit facility. During the twelve weeks ended June 18, 1999, we recorded an extraordinary gain of $13 million on the forgiveness of accrued incentive management fees related to the renegotiation of the management agreement for the New York Marriott Marquis.

Net Loss. Our net loss increased $22 million to $53 million for the second quarter of 2000 and increased $35 million to $110 million year-to-date.

Net Loss Available to Common Shareholders. The net loss available to common shareholders increased $27 million to $58 million for the second quarter of 2000 and increased $41 million to $116 million year-to-date. The net loss available to common shareholders reflects year-to-date dividends of $10 million on Preferred Stock, which was issued during the second half of 1999, and a $4 million gain, which represents the common shareholders' portion of the gain on the repurchase of the Convertible Preferred Securities.

FFO and EBITDA

We consider Comparative Funds From Operations ("Comparative FFO"), which consists of Funds From Operations, as defined by the National Association of Real Estate Investment Trusts, plus contingent rent, as well as our consolidated earnings before interest expense, income taxes, depreciation, amortization and other non-cash items (including contingent rent) ("EBITDA") to be indicative measures of our operating performance due to the significance of our long-lived assets. Comparative FFO and EBITDA are also useful in measuring our ability to service debt, fund capital expenditures and expand our business. Furthermore, management believes that Comparative FFO and EBITDA are meaningful disclosures that will help shareholders and the investment community to better understand our financial performance, including comparing our performance to other real estate investment trusts. However, Comparative FFO and EBITDA as presented may not be comparable to FFO and EBITDA amounts calculated by other companies. This information should not be considered as an alternative to net income, operating profit, cash from operations, or any other operating or liquidity performance measure prescribed by generally accepted accounting principles. Cash expenditures for various long-term assets, interest expense (for EBITDA purposes only) and income taxes have been, and will be incurred which are not reflected in the EBITDA and Comparative FFO presentations.

Comparative FFO available to common shareholders increased $15 million, or 13%, to $133 million for the second quarter of 2000 over the second quarter of 1999, and increased $16 million or 8%, to $225 million year-to-date compared to the same period in 1999. The following is a reconciliation of the loss from operations before extraordinary items to Comparative FFO (in millions):

	Twelve Weeks Ended		Twenty-four Weeks Ended	
	June 16, 2000	June 18, 1999	June 16, 2000	June 18, 1999
Funds from Operations				
Loss from operations before extraordinary items....	$ (50)	$ (44)	$ (107)	$ (88)
Depreciation and amortization......................	74	67	146	135
Other real estate activities.......................	(1)	(5)	(1)	(16)
Partnership adjustments............................	(12)	--	(22)	(9)
Funds from operations of Host LP....................	11	18	16	22
Effect on funds from operations of SAB 101.........	166	134	285	247
Comparative funds from operations of Host LP........	177	152	301	269
Dividends on preferred stock.......................	(5)	--	(10)	--
Comparative funds from operations of Host LP available to common unitholders....................	172	152	291	269
Comparative funds from operations of minority partners of Host LP.............................	(39)	(34)	(66)	(60)
Comparative funds from operations available to common shareholders of Host REIT................	$ 133	$ 118	$ 225	$ 209

We are the sole general partner in the Operating Partnership and as of June 16, 2000 held approximately 77% of the outstanding OP Units. The $39 million and $34 million, and $66 million and $60 million, deducted for the twelve weeks and twenty-four weeks ended June 16, 2000 and June 18, 1999, respectively, represent the Comparative FFO attributable to the interests in the Operating Partnership held by those minority partners. OP Units owned by holders other than us are redeemable at the option of the holder, generally commencing one year after the issuance of their OP Units. Upon redemption of an OP Unit, the holder would receive from the Operating Partnership cash in an amount equal to the market value of one share of our common stock, or at our option, a share of our common stock.

EBITDA increased $26 million, or 11%, to $268 million in the second quarter of 2000 and increased $32 million, or 7%, to $486 million year-to-date over the comparable periods in 1999, reflecting primarily EBITDA growth from owned properties, partially offset by EBITDA related to assets sold during 1999. In

2000 and 1999, respectively, Hotel EBITDA was $122 million and $125 million for the second quarters, and $236 million and $240 million year-to-date, which does not include deferred rental income of $168 million and $138 million, and $291 million and $253 million, for the quarters and year-to-date, respectively.

The following schedule presents our EBITDA as well as a reconciliation of EBITDA to the loss from operations before extraordinary items (in millions):

	Twelve Weeks Ended		Twenty-four Weeks Ended	
	June 16, 2000	June 18, 1999	June 16, 2000	June 18, 1999
EBITDA				
Hotels	$ 122	$ 125	$ 236	$ 240
Office buildings	1	1	1	1
Interest income	8	8	17	15
Corporate and other expenses	(17)	(17)	(32)	(28)
Effect on revenue of SAB 101	168	138	291	253
EBITDA of Host LP	282	255	513	481
Distributions to minority interest partners of Host LP	(14)	(13)	(27)	(27)
EBITDA of Host REIT	$ 268	$ 242	$ 486	$ 454

	Twelve Weeks Ended		Twenty-four Weeks Ended	
	June 16, 2000	June 18, 1999	June 16, 2000	June 18, 1999
EBITDA of Host REIT	$ 268	$ 242	$ 486	$ 454
Effect on revenue of SAB 101	(168)	(138)	(291)	(253)
Interest expense	(97)	(101)	(193)	(200)
Income taxes	(2)	(1)	(3)	(2)
Dividends on Convertible Preferred Securities	(7)	(8)	(14)	(17)
Depreciation and amortization	(75)	(67)	(149)	(135)
Minority interest benefit	11	5	22	13
Distributions to minority interest partners of Host LP	14	13	27	27
Other non-cash charges, net	6	11	8	25
Loss from operations before extraordinary items	$ (50)	$ (44)	$ (107)	$ (88)

Distributions to minority holders of OP Units were $14 million and $13 million, respectively, for the twelve weeks ended June 16, 2000 and June 18, 1999, and $27 million for both the twenty-four weeks ended June 16, 2000 and June 18, 1999. These OP Units are convertible into cash or our common stock at our option. First quarter distributions of $0.21 per unit were declared on March 23, 2000 and March 15, 1999, and subsequently paid on April 14, 2000 and April 14, 1999. Second quarter distributions of $0.21 were declared on June 21, 2000 and June 15, 1999, and subsequently paid on July 14, 2000 and July 14, 1999.

Our interest coverage, defined as EBITDA divided by cash interest expense, was 2.5 times and 2.7 times for the 2000 and 1999 twenty-four week periods, respectively, and 2.4 times for full-year 1999. The deficiency of earnings to fixed charges was $123 million through the second quarter of 2000 and $100 million through the second quarter of 1999, which is primarily due to the deferral of contingent rental revenue of $291 million and $253 million for the same periods, respectively.

Cash Flows and Financial Condition

We reported a decrease in cash and cash equivalents of $122 million during the twenty-four weeks ended June 16, 2000. Cash from operations was $221 million through the second quarter of 2000 and $98 million through the second quarter of 1999. The $123 million increase in cash from operations primarily relates to changes in operating accounts. 1999 cash from operations were affected by the addition of 36 properties as of December 30, 1998 and the timing of the receipt of cash payments as a result of our hotel leases, which were effective beginning January 1, 1999 in connection with the REIT Conversion. 1999 cash from operations were also affected by cash expenditures incurred in connection with the REIT Conversion and the renegotiation of the ground lease for the New York Marriott Marquis.

Cash used in investing activities was $222 million and $163 million through the second quarters of 2000 and 1999, respectively. Cash used in investing activities through the second quarter includes capital expenditures of $185 million and $177 million for 2000 and 1999, respectively, mostly related to renewals and replacements on existing properties and new development projects. Property and equipment balances include $170 million and $243 million for construction in progress as of June 16, 2000 and December 31, 1999, respectively. The reduction in construction in progress is due to the Tampa Waterside Marriott, which was placed in service in February 2000. The current balance primarily relates to properties in Orlando, Memphis, Naples and various other expansion and development projects.

On May 16, 2000, we acquired a non-controlling partnership interest in the JWDC Limited Partnership, which owns the JW Marriott Hotel, a 772-room hotel located on Pennsylvania Avenue in Washington, DC. The Company, which previously held a small interest in the venture, invested approximately $40 million in the form of a preferred equity contribution.

Cash used in financing activities was $121 million through the second quarter of 2000 and $61 million through the second quarter of 1999. Cash used in financing activities through the second quarter of 2000 includes increased borrowings under our bank credit facility of approximately $51 million, a portion of which funded the previously discussed acquisition, as well as payments of distributions and repurchases under our stock buyback program.

In February 2000, we refinanced the $80 million mortgage on Marriott's Harbor Beach Resort property in Fort Lauderdale, Florida. The new mortgage is for $84 million, at a rate of 8.58%, and matures in March 2007.

During June 2000, we modified our bank credit facility. As modified, the total facility has been permanently reduced to $775 million, consisting of a $150 million term loan and a $625 million revolver. In addition, the original term was extended for two additional years, through August 2003. As of June 16, 2000, $176 million is outstanding under the bank credit facility, and the available capacity under the line of credit balance is $599 million.

On June 21, 2000, the Board of Directors declared cash dividends of $0.21 per common share and $0.625 per share of Preferred Stock, which were paid on July 14, 2000 to shareholders of record on June 30, 2000. In addition, on April 14, 2000, first quarter dividends of $0.21 per common share and $0.625 per share of Preferred Stock were paid to shareholders of record on March 31, 2000.

During the first quarter of 2000, we continued our stock repurchase program making repurchases of approximately 4.9 million common shares, 325,000 OP Units, and 435,000 shares of Convertible referred

Securities, for a total investment of $62 million. No repurchases were made during the second quarter of 2000. Since the inception of the repurchase program in September 1999, repurchases under the program total 16.2 million common shares or equivalents for a total investment of $150 million. We will continue to consider stock repurchases based on our stock price and to the extent they can be made in a manner that is relatively leverage neutral. Primarily, we anticipate that any stock repurchases would be made from future asset sale proceeds, if any, with a portion of any such proceeds being used to pay down debt. There are no such asset sales pending at this time.

In April 2000, the resort property in Singer Island, Florida was converted to the Hilton brand, representing our first property under this brand.

On June 21, 2000, the additions of a 500-room tower and 15,000 square feet of meeting space at the Orlando World Center Marriott were completed at an approximate development cost of $84 million.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our borrowings under the term loan portion of the bank credit facility as well as the mortgage on The Ritz-Carlton, Amelia Island are sensitive to changes in interest rates. The interest rates on these debt obligations, which were $266 million and $215 million, respectively, at June 16, 2000 and December 31, 1999, are based on various LIBOR terms plus 200 to 225 basis points. The weighted average interest rate for these financial instruments are 8.97% for the twenty-four weeks ended June 16, 2000 and 7.58% for the year ended December 31, 1999.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Incorporated by reference to the description of legal proceedings in footnote 11 to the condensed consolidated financial statements set forth in Part I, "Financial Information."

Item 4. Submission of Matters to a Vote of Security Holders

On May 18, 2000, Host Marriott Corporation held its Annual Meeting of Shareholders to elect members to the Board of Directors, among other matters.

SIGNATURE

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 thereunto duly authorized.

HOST MARRIOTT CORPORATION

July 25, 2000	/s/ Donald D. Olinger
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Date	Donald D. Olinger Senior Vice President and Corporate Controller (Chief Accounting Officer)

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE HOST MARRIOTT CORPORATION CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AND CONDENSED CONSOLIDATED INTERIM STATEMENT OF OPERATIONS AS OF AND FOR THE PERIOD ENDED JUNE 16, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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