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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

[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 March 26, 1999 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 May 5, 1999
Common Stock, $.01 par value par value per share	227, 963,051
Purchase share rights for Series A Junior Participating Preferred Stock, $.01 par value	

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HOST MARRIOTT CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

	March 26, 1999 (unaudited)	December 31, 1998
ASSETS		
Property and equipment, net	$ 7,173	$ 7,201
Notes and other receivables (including amounts due from affiliates of $133 million and $134 million, respectively)	202	203
Rent receivable	78	--
Due from managers	--	19
Investments in affiliates	44	33
Other assets	396	376
Cash and cash equivalents	284	436
	$ 8,177	$ 8,268
LIABILITIES AND SHAREHOLDERS' EQUITY		
Debt		
Senior notes	$ 2,545	$ 2,246
Mortgage debt	2,111	2,438
Other	457	447
	5,113	5,131
Accounts payable and accrued expenses	162	204
Deferred income taxes	97	97
Deferred rent	115	--
Other liabilities	439	460
Total liabilities	5,926	5,892
Minority interest	487	515
Company-obligated mandatorily redeemable convertible preferred securities of a subsidiary whose sole assets are the convertible subordinated debentures due 2026 ("Convertible Preferred Securities")	550	550
Shareholders' equity		
Common stock, 750 million shares authorized; 227.6 million shares and 225.6 million shares issued and outstanding, respectively	2	2
Additional paid-in capital	1,864	1,867
Accumulated other comprehensive loss	(5)	(4)
Retained deficit	(647)	(554)
Total shareholders' equity	$ 1,214	1,311
	$ 8,177	$ 8,268

See Notes to Condensed Consolidated Financial Statements

HOST MARRIOTT CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Twelve weeks ended March 26, 1999 and March 27, 1998
(unaudited, in millions)

	1999	1998
REVENUES		
Rental income (Note 2, 3)	$ 171	$ --
Hotel sales		
Rooms	--	509
Food and beverage	--	222
Other	--	56
Interest income	8	14
Net gains on property transactions	12	1
Equity in earnings of affiliates	1	1
Other	--	2
Total revenues	192	805
EXPENSES		
Depreciation	66	53
Property-level expenses	58	62
Hotel operating expenses		
Rooms	--	114
Food and beverage	--	163
Other department costs and deductions	--	189
Management fees (including Marriott International management fees of $55 million in 1998)	--	58
Minority interest (benefit)	(8)	16
Interest expense	99	76
Dividends on Convertible Preferred Securities	9	9
Corporate expenses	8	12
Other expenses	4	5
	236	757
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(44)	48
Provision for income taxes	--	(20)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(44)	28
Income from discontinued operations	--	2
NET INCOME (LOSS)	$ (44)	$ 30

See Notes to Condensed Consolidated Financial Statements

HOST MARRIOTT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (cont.)
Twelve weeks ended March 26, 1999 and March 27, 1998
(unaudited)

BASIC EARNINGS (LOSS) PER COMMON SHARE:		
Continuing operations	$ (.19)	$ .13
Discontinued operations (net of income taxes)	--	.01
BASIC EARNINGS (LOSS) PER COMMON SHARE:	$ (.19)	$ .14
DILUTED EARNINGS (LOSS) PER COMMON SHARE:		
Continuing operations	$ (.19)	$ .13
Discontinued operations (net of income taxes)	--	.01
DILUTED EARNINGS (LOSS) PER COMMON SHARE	$ (.19)	$ .14

See Notes to Condensed Consolidated Financial Statements

HOST MARRIOTT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Twelve Weeks Ended March 26, 1999 and March 27, 1998
(unaudited, in millions)

	1999	1998
OPERATING ACTIVITIES		
Income (loss) from continuing operations	$ (44)	$ 28
Adjustments to reconcile to income from continuing operations:		
Depreciation and amortization	68	54
Income taxes	(4)	18
Gain on sale of hotel properties	(12)	(1)
Equity in earnings of affiliates	(1)	(1)
Changes in operating accounts	5	(20)
Other	(8)	19
Cash from continuing operations	4	97
Cash from discontinued operations	--	2
Cash from operations	4	99
INVESTING ACTIVITIES		
Proceeds from sales of assets	36	1
Acquisitions	(4)	(118)
Capital expenditures:		
Renewals and replacements	(50)	(40)
New development projects	(20)	(12)
New investment capital expenditures	(6)	(9)
Purchases of short-term marketable securities	--	(53)
Sales of short-term marketable securities	--	246
Note receivable collections	2	--
Affiliate collections, net	--	14
Other	--	(6)
Cash (used in) from investing activities from continuing operations	(42)	23
Cash used in investing activities from discontinued operations	--	(28)
Cash used in investing activities	(42)	(5)
FINANCING ACTIVITIES		
Issuances of debt, net	299	1
Repurchase of common stock	(4)	--
Dividends	(69)	--
Scheduled principal repayments	(12)	(6)
Debt prepayments	(323)	(1)
Other	(5)	(16)
Cash used in financing activities from continuing operations	(114)	(22)
Cash used in financing activities from discontinued operations	--	(27)
Cash used in financing activities	(114)	(49)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (152)	$ 45
Non-cash financing activities:		
Assumption of mortgage debt for the acquisition of, or purchase of controlling interests in, certain hotel properties	$ --	$ 164

See Notes to Condensed Consolidated Financial Statements

HOST MARRIOTT CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization

Host Marriott Corporation, a Maryland corporation formerly named HMC Merger Corporation ("Host REIT"), operating through an umbrella partnership structure, is the owner of full-service hotel properties. Host REIT operates as a self-managed and self-administered real estate investment trust ("REIT") and its operations are conducted solely through an operating partnership and its subsidiaries. As REITs are not 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"). Host Marriott merged into HMC Merger Corporation, a newly former 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 was accounted for at Host Marriott's historical basis. As of March 26, 1999, Host REIT owned approximately 78% of the Operating Partnership.

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

On December 29, 1998, the Company completed the previously discussed spin-off of Crestline through a taxable stock dividend to its shareholders. Each Host Marriott shareholder of record on December 28, 1998 received one share of Crestline for every ten shares of Host Marriott common stock owned (the "Distribution").

As a result of the Distribution, the Company's financial statements have been restated to present the senior living communities business results of operations and cash flows as discontinued operations. All historical financial statements presented have been restated to conform to this presentation.

2. Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated interim 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 generally accepted accounting principles 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 interim 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, 1998.

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 March 26, 1999 and December 31, 1998, and the results of operations and cash flows for the twelve weeks ended

March 26, 1999 and March 27, 1998. Interim results are not necessarily indicative of fiscal year performance because of the impact of seasonal and short-term variations.

The Company's leases have remaining terms ranging from 2 to 10 years, subject to earlier termination upon the occurrence of certain contingencies, as defined. 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 revenue 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 staff of the Securities & Exchange Commission issued Staff Accounting Bulletin 101 "Revenue Recognition" (SAB 101) in December 1999. SAB 101 discusses factors to consider in determining when contingent revenue should be recognized during interim periods. The Company has adopted SAB 101 effective January 1, 1999 and has therefore amended its previously filed Form 10-Q to reflect this change in accounting principle. As a result of the adoption of SAB 101, $115 million of contingent rent previously recognized as revenue during the twelve weeks ended March 26, 1999 has been deferred and recognized in subsequent periods of fiscal year 1999. As of December 31, 1999 all of the thresholds were reached and all contingent rent was recognized. SAB 101 has no impact on the Company's annual revenue recognition, net income or earnings per share. SAB 101 had no effect on prior year periods as the hotel leases were not in effect prior to the REIT Conversion.

3. Rental Revenue

The Company's 1999 rental revenue represents earnings from its leased hotels and is not comparable to 1998 hotel revenues which reflect gross sales generated by the properties. Also, in December 1998 the Company retroactively adopted Emerging Issues Task Force Issue No. 97-2, "Application of FASB Statement No. 94 and APB Opinion No. 16 to Physician Management Entities and Certain Other Entities with Contractual Management Arrangements." The impact of the adoption of issue 97-2 on the condensed consolidated financial statements for the twelve weeks ended March 27, 1998 was to increase both revenues and operating expenses by approximately $466 million with no impact on net income or earnings per share.

The comparison of the 1999 quarterly results with 1998 is also affected by a change in the reporting period for the Company's hotels not managed by Marriott International, which resulted in the inclusion of only two months of results in the 1999 first quarter versus three months in 1998 for the 24 such hotels (8,524 rooms) that the Company owned as of the beginning of 1998. The change in reporting was required as part of the REIT Conversion. The 1998 hotel revenues include approximately $54 million representing the incremental month of operations.

The table below represents hotel sales for both periods for comparative purposes.

	Twelve Weeks Ended	
	March 26, 1999	March 27, 1998
	(in millions)	
Hotel Sales		
Rooms	$ 600	$ 509
Food and beverage	268	222
Other	63	56
Total sales	$ 931	$ 787

4. Earnings Per Share

Basic earnings per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding. Diluted earnings per common share is computed by dividing net income as adjusted for potentially dilutive securities, by the weighted average number of shares of common stock outstanding plus other potentially dilutive securities. No effect is shown for securities if they are anti-dilutive.

A reconciliation of the number of shares utilized for the calculation of diluted earnings per common share follows:

	Twelve Weeks Ended	
	March 26, 1999	March 27, 1998
	(in millions)	
Weighted average number of common shares outstanding	226.9	215.7
Assuming distribution of common shares granted under the comprehensive stock plan, less shares assumed purchased at average market price	--	4.4
Assuming distribution of common shares issuable for warrants, less shares assumed purchased at average market price	--	0.3
Assuming conversion of minority operating partnership units outstanding or issuable	64.6	--
Assuming conversion of Convertible Preferred Securities	--	--
Shares utilized for the calculation of diluted earnings per share	291.5	220.4

A reconciliation of net income to earnings used for the calculation of diluted earnings per common share follows:

	Twelve Weeks Ended	
	March 26, 1999	March 27, 1998
	(in millions)	
Net income	$ (44)	$ 30
Dividends on Convertible Preferred Securities	--	--
Minority interest expense, assuming conversion of OP units	(12)	--
Earnings used for the calculation of diluted earnings per share	$ (56)	$ 30

5. Dividends and Distributions Payable

On March 15, 1999, the Board of Directors declared a cash dividend of $0.21 per share of common stock and a corresponding distribution of $0.21 per unit of limited partnership interest ("OP Unit") in the Company's subsidiary operating partnership. The dividend and distribution was paid on April 14, 1999 to shareholders and unitholders of record on March 31, 1999.

On December 18, 1998, in conjunction with the REIT Conversion, the Company declared a special dividend which entitled shareholders of record on December 28, 1998 to elect to receive either $1.00 in cash or .097 of a share of common stock of the Company for each outstanding share of the Company's common stock owned by such shareholder on the record date (the "Special Dividend"). Cash totaling $73 million and 11.5 million shares of common stock that were elected in the Special Dividend were paid and/or issued on February 10, 1999. The 1998 earnings per share has been restated to reflect the impact of the stock portion of the Special Dividend.

6. Disposition

In February 1999, the Company sold the 479-room Minneapolis/Bloomington Marriott for $35 million and recorded a pre-tax gain of $11 million.

7. Debt Issuances

In February 1999, the Company issued $300 million of 83/8% Series D Senior notes due in 2006. The senior notes were used to refinance, or purchase, debt which had been acquired through the merger of certain partnerships or the purchase of hotel properties in connection with the REIT Conversion in December 1998.

8. Geographic and Business Segment Information

The Company operates one business segment, hotel ownership. The Company's hotels are primarily operated under the Marriott or Ritz-Carlton brands. Substantially all of the Company's revenues are earned through leases with Crestline. The allocation of taxes is not evaluated at the segment level or reflected in the following information because the Company does not believe the information is material.

The Company's segmented revenues and income (loss) from continuing operations before income taxes are as follows (in millions):

	Twelve Weeks Ended March 26, 1999		
	Hotels	Corporate & Other	Consolidated
Revenues	$ 189	$ 3	$ 192
Income (loss) from continuing operations before income taxes	(27)	(17)	(44)

	Twelve Weeks Ended March 27, 1998		
	Hotels	Corporate & Other	Consolidated
Revenues	$ 801	$ 4	$ 805
Income (loss) from continuing operations before income taxes	71	(23)	48

As of March 26, 1999, 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 rental revenues in 1999 and hotel revenues in 1998 for each of the geographical areas in which the Company owns hotels (in millions):

	Twelve Weeks Ended	
	March 26, 1999	March 27, 1998
United States	$ 189	$ 779
International	3	26
Total	$ 192	$ 805

9. Comprehensive Income

The Company's other comprehensive income consists of foreign currency translation adjustments and the right to receive up to 1.4 million shares of Host Marriott Services Corporation's common stock or an equivalent cash value subsequent to the exercise of the options held by certain former and current employees of Marriott International. For the twelve weeks ended March 26, 1999, comprehensive income totaled $44 million. Comprehensive income was equivalent to net income for the twelve weeks ended March 27, 1998. As of March 26, 1999 and December 31, 1998 the Company's accumulated other comprehensive loss was approximately $5 million and $4 million, respectively.

10. Subsequent Events

In April 1999, a subsidiary of the Company completed the refinancing of the mortgage on the New York Marriott Marquis. The mortgage is for $245 million maturing in June 2000 and bears interest at a rate of LIBOR plus 2.125% for the period from March 31, 1999 through December 31, 1999 and LIBOR plus 2.5% until maturity. The Company is required to make principal payments of $1.25 million on June 30, 1999 and September 30, 1999 in addition to $10 million and $5 million on December 31, 1999 and March 31, 2000, respectively, as well as pay an extension fee of 0.5% of the principal balance of the loan outstanding at December 31, 1999.

On December 30, 1998, the Operating Partnership acquired a portfolio of twelve luxury hotels and other assets from the Blackstone Group, a Delaware limited partnership, and a series of funds controlled by affiliates of Blackstone Real Estate Partners. The Operating Partnership issued approximately 43.9 million OP Units and assumed debt and made cash payments of approximately $920 million and distributed 1.4 million of the shares of Crestline common stock to the Blackstone Real Estate Partners. An additional 3.8 million OP Units were issued in April 1999 in accordance with the purchase agreement based on certain adjustments determined on March 31, 1999.

The Company also completed a 210-room extension of the Philadelphia Marriott Convention Center in April 1999 at a cost of approximately $43 million including debt of $9 million.

11. Summarized Lease Pool Financial Statements

As discussed in Note 2, as of March 26, 1999, almost all the properties of the Company and its subsidiaries were leased to Crestline Capital Corporation and managed by Marriott International, Inc. 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 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, 1998. The results of operations for the twelve weeks ended March 26, 1999 and summarized balance sheet data of the lease pools in which the Company's hotels are organized are as follows (in millions):

HOST MARRIOTT CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Hotel Sales					
Rooms	$ 129	$ 137	$ 127	$ 128	$ 521
Food and beverage	59	61	61	72	253
Other	14	13	19	15	61
Total hotel sales	202	211	207	215	835
Operating Costs and Expenses					
Rooms	31	32	29	27	119
Food and beverage	46	47	44	48	185
Other	53	52	50	48	203
Management fees	9	14	11	16	50
Lease expense	61	64	70	74	269
Total operating expenses	200	209	204	213	826
Operating Profit	2	2	3	2	9
Corporate and Interest Expenses	(1)	--	(1)	(1)	(3)
Income before taxes	1	2	2	1	6
Income taxes	--	(1)	(1)	(1)	(3)
Net Income	$ 1	$ 1	$ 1	$ --	$ 3

	Pool 1	Pool 2	Pool 3	Pool 4	Combined
Assets	$ 47	$ 37	$ 46	$ 47	$ 177
Liabilities	$ 46	$ 36	$ 45	$ 46	$ 173
Equity	$ 1	$ 1	$ 1	$ 1	$ 4

Forward-looking Statements

Certain matters discussed herein are forward-looking statements. 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 undertake no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

Results of Operations

Revenues. Our historical revenues have primarily represented gross property-level sales from hotels, net gains on property transactions, interest income and equity in earnings of affiliates. As of January 1, 1999, we lease substantially all of our hotels to subsidiaries of Crestline Capital Corporation. As a result of these leases, we no longer record property-level revenues and expenses, rather we recognize rental income on the leases. Also, as discussed in Note 2, the Company retroactively adopted SAB 101 as of the beginning of its fiscal year, and restated its results of operations for the first three quarters of 1999 to defer recognition of rental income which is contingent upon annual thresholds until such period as those thresholds are met. SAB 101 has no impact on the Company's annual revenue recognition, net income or earnings per share. Thus, 1999 revenues and expenses are not comparable with prior periods. Note 3 to the financial statements presents a table comparing gross hotel sales for all periods presented to facilitate an investor's understanding of the operation of our properties. The comparison of the 1999 quarterly results with 1998 is also affected by a change in the reporting period for the Company's hotels not managed by Marriott International, which resulted in the inclusion of only two months of results in the 1999 first quarter versus three months in 1998 for the 24 of such hotels (8,524 rooms) the Company owned as of the beginning of 1998. The change in reporting period was required as part of the REIT Conversion. Results in the first quarter of 1999 were driven by the addition of 36 properties in 1998. The increase in hotel sales reflects the growth in room revenues generated per available room or REVPAR. For comparable properties, REVPAR increased 4.4% to $120.37 for the first quarter of 1999. On a comparable basis, average room rates increased approximately 3%, while average occupancy increased one percentage point.

Interest income decreased as the result of a lower level of cash and marketable securities held in the first quarter of 1999 compared to the first quarter of 1998.

The net gain on property transactions for 1999 resulted from the $11 million pre-tax gain on the sale of the 479-room Minneapolis/Bloomington Marriott for approximately $35 million.

Expenses. As discussed above, hotel revenues and hotel operating costs are not comparable with the prior year. The lessee pays certain property-level costs including management fees and we receive a rent payment, which is net of those costs. Property-level costs which are comparable, including depreciation, property taxes, insurance, ground and equipment rent increased $9 million or 8% to $124 million, primarily reflecting the depreciation from the 36 properties added in 1998.

Minority Interest. Minority interest expense increased $24 million to an $8 million benefit for the first quarter of 1999, primarily reflecting the impact of the issuance of operating partnership units for the acquisition of certain hotel properties and the implementation of SAB 101 partially offset by the consolidation of partnerships which occurred as part of the REIT Conversion.

Interest Expense. Interest expense increased 30% to $99 million in the first quarter of 1999, primarily due to the issuance of senior notes, establishment of a new credit facility and additional mortgage debt on properties acquired in connection with the REIT Conversion.

Dividends on Convertible Preferred Securities. The dividends on Convertible Preferred Securities reflect the accrual for the first twelve weeks of fiscal year 1999 and 1998 on the $550 million in 63/4% Convertible Preferred Securities.

Corporate Expenses. Corporate expenses decreased $4 million to $8 million for the first quarter of 1999 resulting primarily from the timing of certain project costs not incurred in 1999.

Income from Discontinued Operations. Income from discontinued operations represents the senior living communities business' results of operations for the first quarter of 1998 as restated for the spin-off of Crestline.

Net Income (Loss). Our net loss for the first quarter of 1999 was $44 million compared to net income of $30 million for the first quarter of 1998.

EBITDA and FFO

Our consolidated earnings before interest expense, taxes, depreciation, amortization and other non-cash items ("EBITDA") increased $23 million, or 11%, to $226 million in the first quarter of 1999. Hotel EBITDA increased $26 million, or 13%, to $230 million in the first quarter of 1999, reflecting comparable full-service hotel EBITDA growth, as well as incremental EBITDA from 1997 and 1998 acquisitions offset by amounts representing approximately 1% to 1.5% of hotel sales which are retained by Crestline.

The following is a reconciliation of EBITDA to the Company's income from continuing operations (in millions):

	Twelve Weeks Ended	
	March 26, 1999	March 27, 1998
EBITDA	$ 226	$ 203
Effect of SAB 101	(115)	--
Interest expense	(99)	(76)
Dividends on Convertible Preferred Securities	(9)	(9)
Depreciation and amortization	(68)	(54)
Minority interest expense	8	(16)
Income taxes	--	(20)
Other non-cash charges, net	13	--
Income (loss) from continuing operations	$ (44)	$ 28

Our interest coverage, defined as EBITDA divided by cash interest expense, was 2.4 times for the 1999 first quarter, 2.8 times for the 1998 first quarter and 2.5 times for full year 1998. The deficiency of earnings to fixed charges was $50 million for the first quarter of 1999 and the ratio of earnings to fixed charges was 1.7 to 1.0 for the first quarter of 1998.

We also believe that Funds From Operations or FFO as defined by the National Association of Real Estate Investment Trusts is a meaningful disclosure that will help the investment community to better understand the financial performance of the Company, including enabling its shareholders and analysts to more easily compare the Company's performance to other Real Estate Investment Trusts ("REITs"). FFO increased $32 million, or 38%, to $117 million in the first quarter of 1999. For periods prior to 1999, the FFO disclosed represents comparative FFO (FFO plus deferred tax expenses). The following is a reconciliation of the Company's income from continuing operations to FFO (in millions):

	Twelve Weeks Ended	
	March 26, 1999	March 27, 1998
Income (loss) from continuing operations	$ (44)	$ 28
Effect of SAB 101	115	--
Depreciation and amortization	68	54
Other real estate activities	(11)	(1)
Partnership adjustments	(11)	(6)
Deferred taxes	-	10
Funds From Operations	$ 117	$ 85

On a pro forma basis adjusted for the December 1997 operations discussed above FFO increased $39 million or 50% in the first quarter of 1999.

The Company considers EBITDA and FFO to be indicative measures of the Company's operating performance due to the significance of the Company's long-lived assets and because such data is considered useful by the investment community to better understand the Company's results, and can be used to measure the Company's ability to service debt, fund capital expenditures and expand its business, however, such 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 FFO presentation.

Cash Flows and Financial Condition

The Company reported a decrease in cash and cash equivalents of $152 million during the twelve weeks ended March 26, 1999. Cash from continuing operations was $4 million for the first quarter of 1999 and $97 million for the first quarter of 1998. The $93 million decrease in cash from continuing operations resulted principally due to an increase in rent receivable resulting from the timing of the receipt of cash payments. There was no cash from (used in) discontinued operations for the first quarter of 1999; however, cash from discontinued operations totaled $2 million for the first quarter of 1998.

Cash used in investing activities from continuing operations was $42 million for the first quarter of 1999 and cash from investing activities from continuing operations was $23 million for the first quarter of 1998. Cash used in investing activities for the first quarter of 1999 includes capital expenditures of $76 million, mostly related to renewals and replacements on existing properties. In addition, the Company generated $36 million of cash from the net sale of assets, primarily the Minneapolis/Bloomington property. There was no cash from (used in) investing activities for discontinued operations for the first quarter of 1999; however, cash used in investing activities of discontinued operations totaled $28 million for the first quarter of 1998.

Cash used in financing activities from continuing operations was $114 million for the first quarter of 1999 and $22 million for the first quarter of 1998. Cash used in financing activities for the first quarter of 1999 includes $323 million in prepayment of debt, offset by $299 million in debt issuances. Both financing activities were related to the Company's February 1999 issuance of $300 million of 83/8% Series D Senior notes due in 2006. The Series D Senior notes were used to refinance, or purchase, debt which had been assumed through the merger of certain partnerships or the purchase of hotel properties in connection with the REIT Conversion in December 1998. There was no cash from (used in) financing activities from discontinued operations in the first quarter of 1999; however, cash used in financing activities of discontinued operations totaled $27 million in the first quarter of 1998.

Cash used in financing activities for the first quarter of 1999 also includes a dividend distribution related to the REIT Conversion of $73 million.

On March 15, 1999, the Board of Directors declared a regular cash dividend of $0.21 per share of common stock and a corresponding distribution of $0.21 per unit of limited partnership interest ("OP Unit") in our subsidiary operating partnership. The dividend and distribution was paid on April 14, 1999 to shareholders and unitholders of record on March 31, 1999.

In April 1999, a subsidiary of the Company completed the refinancing of the mortgage on the New York Marriott Marquis. The mortgage is for $245 million maturing June 2000 and bears interest at a rate of LIBOR plus 2.125% for the period from March 31, 1999 through December 31, 1999 and LIBOR plus 2.5% until maturity. The Company is required to make principal payments of $10 million and $5 million on December 31, 1999 and March 31, 2000, respectively, as well as pay an extension fee of 0.5% of the principal balance of the loan outstanding at December 31, 1999.

On December 30, 1998, the Operating Partnership acquired a portfolio of twelve luxury hotels and other assets from the Blackstone Group, a Delaware limited partnership, and a series of funds controlled by affiliates of Blackstone Real Estate Partners. The Operating Partnership issued approximately 43.9 million OP Units and assumed debt and made cash payments of approximately $920 million and distributed 1.4 million of the shares of Crestline common stock to the Blackstone Real Estate Partners. An additional 3.8 million OP Units were issued in April 1999 in accordance with the purchase agreement based on certain adjustments determined on March 31, 1999.

The Company also completed a 210-room extension of the Philadelphia Marriott Convention Center in April 1999 at a cost of approximately $43 million, including debt of $9 million.

Year 2000 Issue

Year 2000 issues have arisen because many existing computer programs and chip-based embedded technology systems use only the last two digits to refer to a year, and therefore do not properly recognize a year that begins with "20" instead of the familiar "19". If not corrected, many computer applications could fail or create erroneous results. The following disclosure provides information regarding the current status of our Year 2000 compliance program.

We have adopted the compliance program because we recognize the importance of minimizing the number and seriousness of any disruptions that may occur as a result of the Year 2000 issue. Our compliance program includes an assessment of our hardware and software computer systems and embedded systems, as well as an assessment of the Year 2000 issues relating to third parties with which we have a material relationship or whose systems are material to the operations of our hotel properties. Our efforts to ensure that our computer systems are Year 2000 compliant have been segregated into two separate phases: in-house systems and third-party systems. Following the REIT Conversion, Crestline, as the lessee of most of our hotels, will deal directly with Year 2000 matters material to the operation of the hotels, and Crestline has agreed to adopt and implement the program outlined below with respect to third-party systems for all hotels for which it is lessee.

In-House Systems. Since the distribution of Marriott International on October 8, 1993, we have invested in the implementation and maintenance of accounting and reporting systems and equipment that are intended to enable us to provide adequately for our information and reporting needs and which are also Year 2000 compliant. Substantially all of our in-house systems have already been certified as Year 2000 compliant through testing and other mechanisms and we have not delayed any systems projects due to the Year 2000 issue. We engaged a third party to review our Year 2000 in-house readiness and found no problems with any mission critical systems. Management believes that future costs associated with Year 2000 issues for our in-house systems will be insignificant and therefore not impact our business, financial condition and results of operations. We have not developed, and do not plan to develop, a separate contingency plan for our in-house systems due to their current Year 2000 compliance. We do, however, have the normal disaster recovery procedures in place should we have a systems failure.

Third-Party Systems. We rely upon operational and financial systems provided by third parties, primarily the managers and operators of our hotel properties, to provide the appropriate property-specific operating systems, including reservation, phone, elevator, security, HVAC and other systems, and to provide us with financial information. Based on discussion with the third parties that are critical to our business, including the managers and operators of our hotels, we believe that these parties are in the process of studying their systems and the systems of their respective vendors and service providers and, in many cases, have begun to implement changes, to ensure that they are Year 2000 compliant. We have started to receive written assurances that these third parties will be Year 2000 compliant on time. To the extent these changes impact property-level systems, we may be required to fund capital expenditures for upgraded equipment and software. We do not expect these charges to be material, but we are committed to making these investments as required. To the extent that these changes relate to a third party manager's centralized systems, including reservations, accounting, purchasing, inventory, personnel and other systems, management agreements generally provide for these costs to be charged to our properties subject to annual limitations, which costs will be borne by Crestline under the leases. We expect that the third party managers will incur Year 2000 costs in lieu of costs for their centralized systems related to system projects that otherwise would have been pursued and, therefore, the overall level of centralized systems charges allocated to the properties will not materially increase as a result of the Year 2000 compliance effort. We believe that this deferral of certain system projects will not have a material impact on our future results of operations, although it may delay certain productivity enhancements at our properties. We and Crestline will continue to monitor the efforts of these third parties to become Year 2000 compliant and will take appropriate steps to address any non-compliance issues. We believe that, in the event of material Year 2000 non-compliance, we will have the right to seek recourse against the manager under our third party management agreements. The management agreements, however, generally do not specifically address the Year 2000 compliance issue. Therefore, the amount of any recovery in the event of Year 2000 non-compliance at a property, if any, is not determinable at this time, and only a portion of such recovery would accrue to us through increased lease rental payments from Crestline.

We and Crestline will work with the third parties to ensure that appropriate contingency plans will be developed to address the most reasonably likely worst case Year 2000 scenarios, which may not have been identified fully. In particular, we and Crestline have had extensive discussions regarding the Year 2000 problem with Marriott International, the manager of a substantial majority of our hotel properties. Due to the significance of Marriott International to our business, a detailed description of Marriott International's state of readiness follows.

Marriott International has adopted an eight-step process toward Year 2000 readiness, consisting of the following: (i) Awareness: fostering understanding of, and commitment to, the problem and its potential risks; (ii) Inventory: identifying and locating systems and technology components that may be affected; (iii) Assessment: reviewing these components for Year 2000 compliance, and assessing the scope of Year 2000 issues; (iv) Planning: defining the technical solutions and labor and work plans necessary for each affected system; (v) Remediation/Replacement: completing the programming to renovate or replace the problem software or hardware; (vi) Testing and Compliance Validation: conducting testing, followed by independent validation by a separate internal verification team; (vii) Implementation: placing the corrected systems and technology back into the business environment; and (viii) Quality Assurance: utilizing an internal audit team to review significant projects for adherence to quality standards and program methodology.

Marriott International has grouped its systems and technology into three categories for purposes of Year 2000 compliance: (i) information resource applications and technology (IT Applications)--enterprise-wide systems supported by Marriott International's centralized information technology organization ("IR"); (ii) Business-initiated Systems ("BIS")--systems that have been initiated by an individual business unit, and that are not supported by Marriott International's IR organization; and (iii) Building Systems--non-IT equipment at properties that use embedded computer chips, such as elevators, automated room key systems and HVAC equipment. Marriott International is prioritizing its efforts based on how severe an effect noncompliance would have on customer service, core business processes or revenues, and whether there are viable, non-automated fallback procedures (System Criticality).

Marriott International measures the completion of each phase based on documented and quantified results, weighted for System Criticality. As of March 26, 1999, the Awareness and Inventory phases were complete for IT Applications, BIS, and Building Systems. For IT Applications, the Assessment and Planning phases were complete and Remediation/Replacement and Testing phases were 95 percent complete. Compliance Validation had been completed for approximately 75 percent of key systems, with most of the remaining work in its final stage. For BIS and Building Systems, Assessment and Planning are substantially complete. For BIS, Remediation/Replacement is substantially complete and Testing is in progress. Marriott International is on track for completion of Remediation/Replacement and Testing of Building Systems for September of 1999. Compliance Validation is in progress for both BIS and Building Systems. Implementation and Quality Assurance is in progress for IT Applications, BIS and Building Systems.

Year 2000 compliance communications with Marriott International's significant third party suppliers, vendors and business partners, including its franchisees are ongoing. Marriott International's efforts are focused on the connections most critical to customer service, core business processes and revenues, including those third parties that support the most critical enterprise-wide IT Applications, franchisees generating the most revenues, suppliers of the most widely used Building Systems and BIS, the top 100 suppliers, by dollar volume, of non-IT products, and financial institutions providing the most critical payment processing functions. Responses have been received from a majority of the firms in this group. A majority of these respondents have either given assurances of timely Year 2000 compliance or have identified the necessary actions to be taken by them or Marriott International to achieve timely Year 2000 compliance for their products.

Marriott International has established a common approach for testing and addressing Year 2000 compliance issues for its managed and franchised properties. This includes a guidance protocol for operated properties, and a Year 2000 "Toolkit" for franchisees containing relevant Year 2000 compliance information. Marriott International is also utilizing a Year 2000 best-practices sharing system.

Risks.There can be no assurances that Year 2000 remediation by us or third parties will be properly and timely completed, and failure to do so could have a material adverse effect on us, our business and our financial condition. We cannot predict the actual effects to us of the Year 2000 problem, which depends on numerous uncertainties such as: whether significant third parties properly and timely address the Year 2000 issue and whether broad-based or systemic economic failures may occur. Moreover, we are reliant upon Crestline to interface with third parties in addressing the Year 2000 issue at the hotels leased by Crestline. We are also unable to predict the severity and duration of any such failures, which could include disruptions in passenger transportation or transportation systems generally, loss of utility and/or telecommunications services, the loss or disruption of hotel reservations made on centralized reservation systems and errors or failures in financial transactions or payment processing systems such as credit cards. Due to the general uncertainty inherent in the Year 2000 problem and our dependence on third parties, including Crestline following the REIT Conversion, we are unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on us. Our Year 2000 compliance program, and Crestline's adoption thereof are expected to significantly reduce the level of uncertainty about the Year 2000 problem and management believes that the possibility of significant interruptions of normal operations should be reduced.

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

February 16, 2000	/s/ Donald D. Olinger
Date	Donald D. Olinger Senior Vice President and Corporate Controller (Chief Accounting Officer)