

Subject Company: Starwood Hotels & Resorts
Commission File No.: 001-6828

Information about the Proposed Transaction and Where to Find It

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

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

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

Cautionary Language Concerning Forward-Looking Statements

This filing contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will," "continue" and other similar terms and phrases, including references to assumptions and forecasts of future results, statements about the expected scope and timing of the acquisition, expected financial results and credit effects of the acquisition, consequences of management efforts, opportunities for growth and expectations as to timing, nature and terms of financing and other sources of funds. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks include, but are not limited to: national and local

economic and business conditions, including the potential for terrorist attacks, that will affect occupancy rates at our hotels and the demand for hotel products and services; operating risks associated with the hotel business; risks associated with the level of our indebtedness and our ability to meet covenants in our debt agreements; relationships with property managers; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; our ability to complete pending acquisitions and dispositions; and our ability to continue to satisfy complex rules in order for us to qualify as a real estate investment trust for federal income tax purposes and other risks and uncertainties associated with our business described in Host Marriott Corporation's filings with the SEC. The completion of the transaction with Starwood (either in whole or in part relating to the acquisition of certain hotels) is subject to numerous closing conditions and there can be no assurances that the transactions as a whole, or portions of these transactions, will be completed. These closing conditions include, but are not limited to: Host Marriott Corporation receiving approval from its stockholders to issue shares to Starwood's Class B holders, obtaining various lender consents and regulatory approvals, the accuracy of representations and warranties and compliance with covenants, the absence of material events or conditions, and other customary closing conditions. Our expectations as to the financial consequences of the acquisition may be affected by the risks noted above and factors unique to acquisitions, including the timing and successful integration of these hotels into our portfolio and the number and location of the hotels we ultimately acquire with the acquisition. Although Host Marriott Corporation believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information is as of the date of this filing and Host Marriott Corporation undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in expectations.

Non-GAAP Financial Measures

This filing contains non-GAAP financial measures within the meaning of the rules of the SEC. Information about these measures and reconciliations between the non-GAAP financial measures and the GAAP financial measures are included in Host Marriott Corporation's press release announcing the transaction, dated November 14, 2005, and third quarter 2005 earnings press release, dated October 12, 2005, both of which are available on Host Marriott Corporation's web site at www.hostmarriott.com.

Transaction Overview

- Portfolio of 38 upper upscale and luxury full-service hotels (18,964 rooms), including 25 domestic and 13 international assets
 - 20 Sheratons
 - 13 Westins
 - 2 Ws
 - 2 Luxury / St. Regis
 - 1 Unbranded
- Purchase Price: \$4.0 billion (\$213,000/key)
- 2006 Full-year EBITDA: \$355 million to \$365 million
- 2006 EBITDA Multiple: 11.1x to 11.4x
- Transaction expected to close at the end of 1Q06 and is subject to a Host Marriott stockholder vote and other closing conditions.

Strong Portfolio

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

* Based on revenues.

Strong Portfolio (cont.)

- The top 16 hotels in the portfolio contribute 75% of the portfolio's cash flow
- The portfolio includes key assets such as:
 - Sheraton New York
 - Sheraton San Diego
 - Sheraton Boston
 - Westin Seattle
 - W New York
 - Sheraton Centre Toronto
 - W Seattle
 - Westin Grand Washington, DC
 - Westin Europa & Regina (Venice)
 - Westin Palace Milan
 - Westin Palace Madrid

Strong Portfolio (cont.)

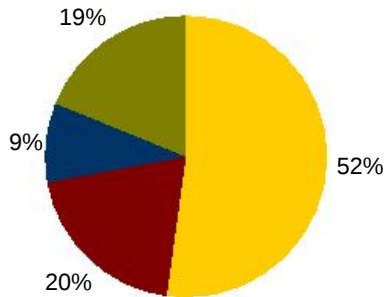
- Excellent geographic distribution; most markets have strong growth prospects and limited near-term supply; adds presence in key domestic markets such as Seattle, New York, Boston and San Diego
- 29% of the portfolio* is situated outside the United States, with 15% in Europe, providing additional geographic distribution
- Unique opportunity to acquire high-quality international assets at attractive pricing

* Based on revenues.

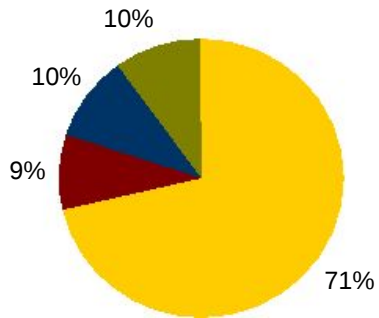
Profile of Hotel Portfolio

By Type (Based on Revenue)

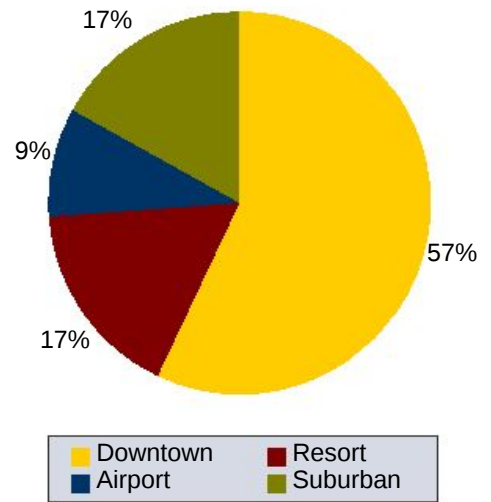
Host Marriott Stand-alone



Starwood Portfolio



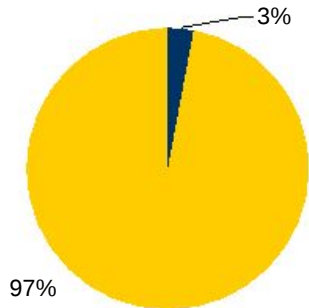
Combined



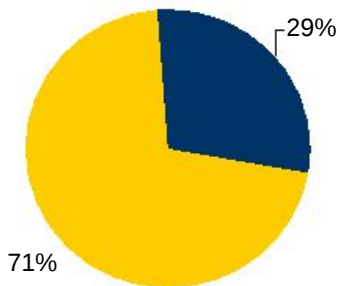
Profile of Hotel Portfolio

Geographic Scope (Based on Revenue)

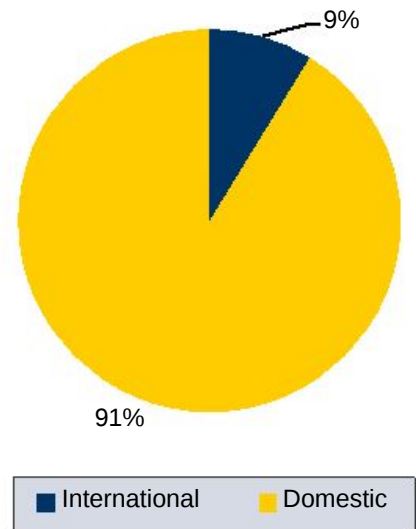
Host Marriott Stand-alone



Starwood Portfolio



Combined

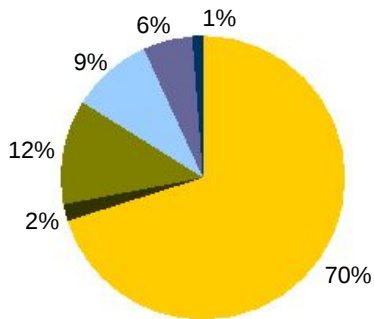


■ International ■ Domestic

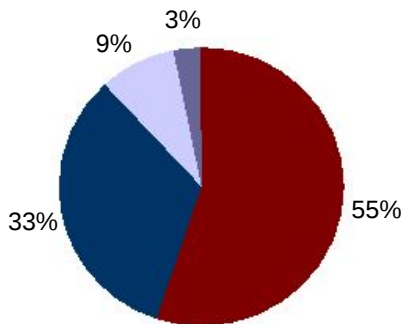
Profile of Hotel Portfolio

Brand Mix (Based on Revenue)

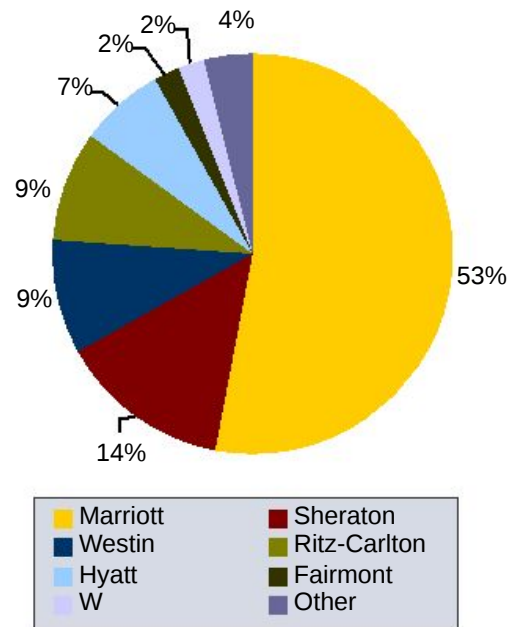
Host Marriott Stand-alone



Starwood Portfolio



Combined



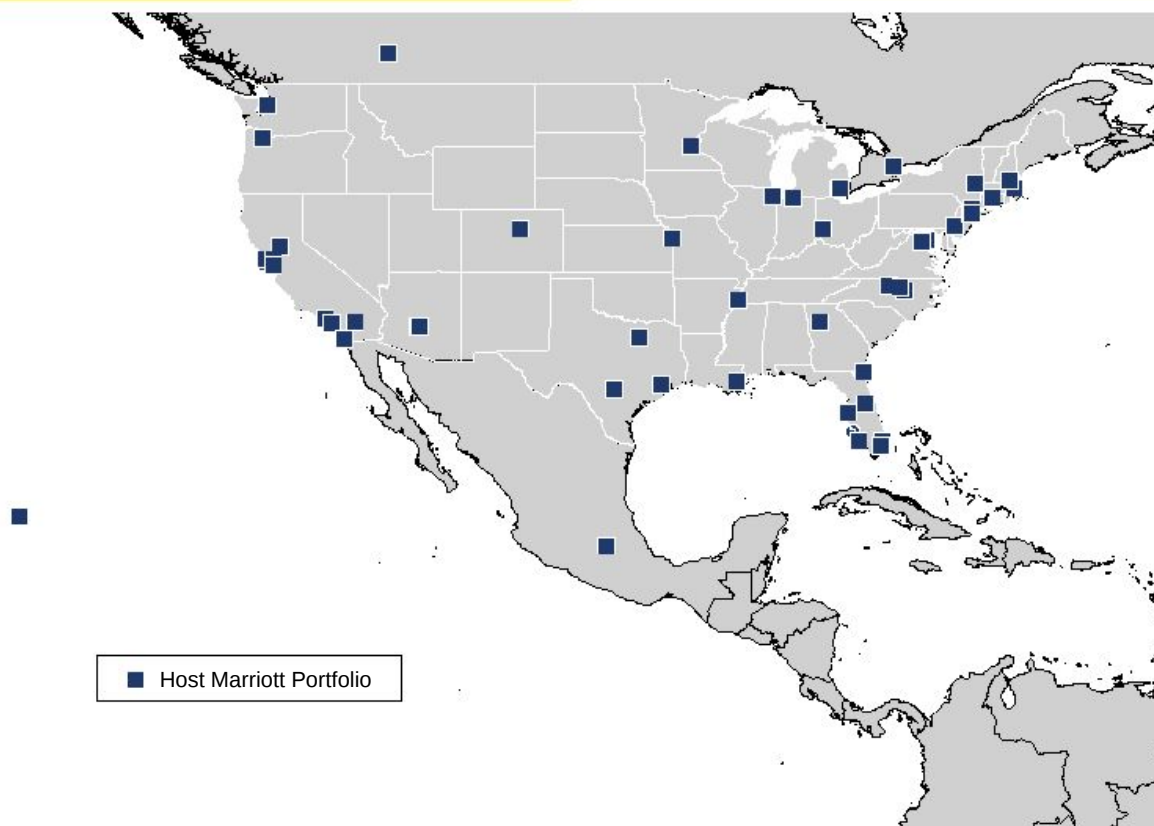
Profile of Hotel Portfolio

Regional Scope (Based on Revenue)

Region	Horizon %	Sun %	Combined %	Percentage Change
Atlanta	8%	0%	6%	(2%)
DC Metro	11%	2%	9%	(2%)
Florida	15%	1%	12%	(3%)
Hawaii	5%	0%	4%	(1%)
International	3%	29%	9%	6%
Middle Atlantic	16%	21%	17%	1%
Mountain	3%	2%	2%	(1%)
New England	5%	12%	7%	2%
North Central	7%	7%	7%	0%
Pacific	20%	24%	21%	1%
South Central	7%	2%	6%	(1%)

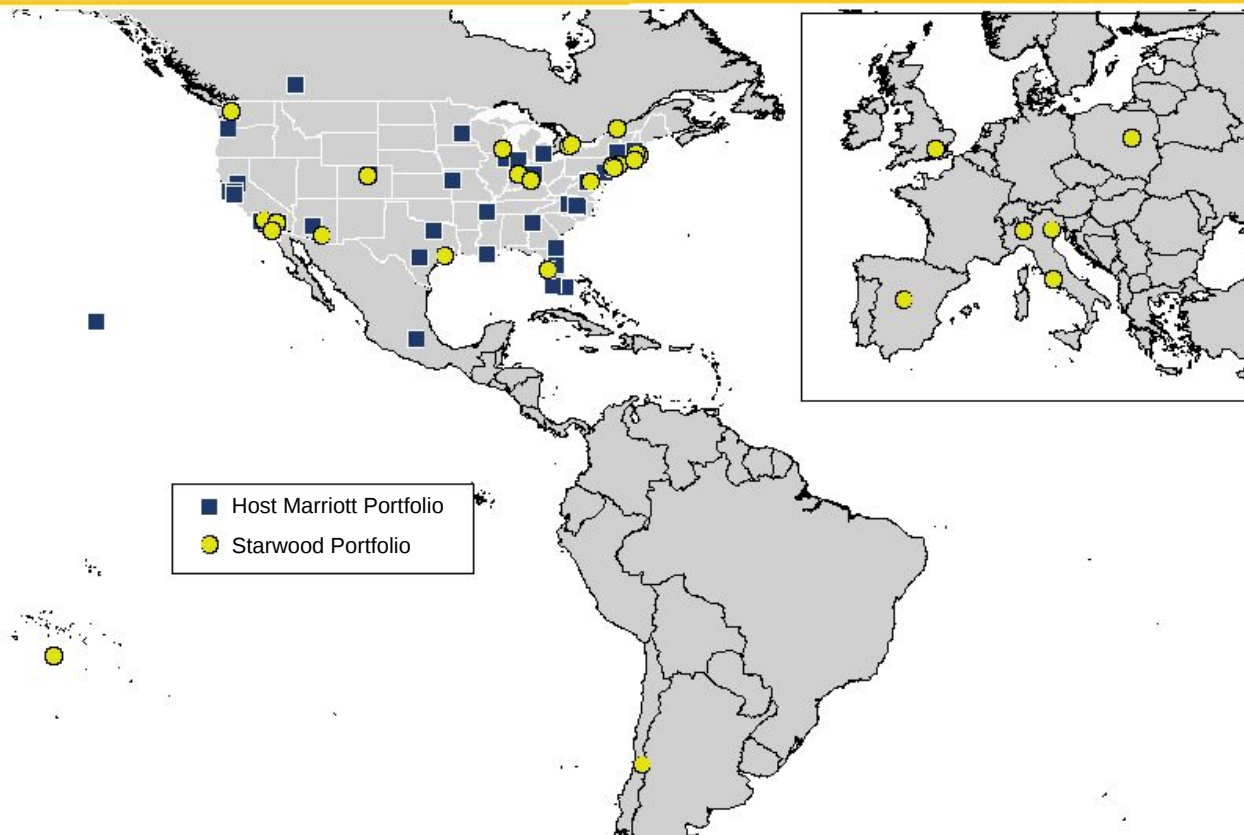
Profile of Hotel Portfolio

Geographic Coverage – Host Marriott Portfolio



Profile of Hotel Portfolio

Geographic Coverage – Combined Portfolio



Enhanced Growth Potential & Brand Diversification

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

Enhanced Growth Potential & Brand Diversification (cont.)



Financial Considerations

Purchase Price	\$4.0 billion (\$213,000/key)
Consideration	\$2.3 billion of equity issued to Starwood shareholders \$700 million of assumed debt \$1.0 billion of cash
Equity	\$2.3 billion (approximately 133.5 million shares @ \$17.00/share) 100% will be distributed directly to Starwood shareholders

Financial Considerations (cont.)

Assumed Debt \$704 million* at a weighted average interest rate of 7.5% and an average maturity of 12 years

Cash Bridge loan in place to fund entire cash portion of the transaction if necessary

Expect to fund cash portion of purchase price through a combination of debt, asset sales and proceeds raised through a joint venture related to the acquired European assets

* Contingent on completing a consent solicitation.

Earnings Impact

<u>FY 2006</u>	<u>Purchase Portfolio</u> ⁽¹⁾		<u>Host Marriott, L.P.</u>	
	Low	High	Low	High
FFO/ diluted share ⁽²⁾	\$1.56	\$1.64	\$1.35	\$1.45
Adjusted EBITDA ⁽²⁾ (\$mm)	\$355	\$365	\$1,005	\$1,045

(1) Forecast reflects full year results for 2006; however, the transaction is not expected to close until the end of 1Q06 and may close in stages.

(2) Reconciliations of non-GAAP measures to the most- directly comparable GAAP measures are available on our website and in our filings with the SEC.

Financial Considerations (cont.)

- EBITDA multiple for overall transaction is 11.1x to 11.4x, which is 40 to 70 basis points below our current trading multiple
- Purchase price of approximately \$213,000 per key represents a 25-30% discount to replacement cost
- Unleveraged 10-year internal rate of return exceeds our current Weighted Average Cost of Capital by roughly 200 basis points
- The transaction will be accretive to our credit under all of our financing scenarios, and meaningfully accretive under our anticipated structure of asset sales and a European joint venture

Overview



HOST
hotels & resorts

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

Portfolio Overview



- 20 Sheratons
- 13 Westins
- 2 Ws
- 2 Luxury / St. Regis
- 1 Unbranded

Portfolio Overview

Assets Ranked by Size

No.	Asset	City	State	Country	Rooms
1	Sheraton New York Hotel	New York	NY	USA	1,746
2	Sheraton Centre Toronto Hotel	Toronto		Canada	1,377
3	Sheraton Boston Hotel	Boston	MA	USA	1,216
4	Sheraton San Diego Hotel & Marina	San Diego	CA	USA	1,044
5	The Westin Seattle	Seattle	WA	USA	891
6	Le Centre Sheraton Montreal Hotel	Montreal		Canada	825
7	The Westin Los Angeles Airport	Los Angeles	CA	USA	740
8	W New York	New York	NY	USA	688
9	Sheraton Roma Hotel & Conference Center	Rome		Italy	634
10	The Westin Indianapolis	Indianapolis	IN	USA	573
11	Sheraton Indianapolis Hotel & Suites	Indianapolis	IN	USA	560
12	The Westin Mission Hills Resort & Spa	Rancho Mirage	CA	USA	512
13	The Westin Palace, Madrid, a Luxury Collection Hotel	Madrid		Spain	468
14	The Westin Cincinnati	Cincinnati	OH	USA	456
15	Sheraton Stamford Hotel	Stamford	CT	USA	448
16	The Westin Tabor Center	Denver	CO	USA	430
17	W Seattle	Seattle	WA	USA	426
18	The Westin South Coast Plaza	Costa Mesa	CA	USA	390
19	Sheraton Milwaukee Brookfield Hotel	Brookfield	WI	USA	389

Portfolio Overview (cont.)

Assets Ranked by Size

No.	Asset	City	State	Country	Rooms
20	Sheraton Santiago Hotel & Convention Center	Santiago		Chile	379
21	Sheraton Braintree Hotel	Braintree	MA	USA	374
22	Sheraton Parsippany Hotel	Parsippany	NJ	USA	370
23	Sheraton Skyline Hotel & Conference Centre	Hayes		United Kingdom	350
24	Sheraton Warsaw Hotel & Towers	Warsaw		Poland	350
25	The Westin Waltham-Boston	Waltham	MA	USA	346
26	Sheraton Hamilton Hotel	Hamilton		Canada	301
27	Sheraton Fiji Resort	Nadi		Fiji	281
28	The Westin Royal Denarau Resort	Nadi		Fiji	273
29	The Westin Grand, Washington, D.C.	Washington	D.C.	USA	263
30	Sheraton Suites Tampa Airport	Tampa	FL	USA	259
31	Sheraton Needham Hotel	Needham	MA	USA	247
33	St. Regis Hotel, Houston	Houston	TX	USA	232
32	Westin Palace, Milan, a Luxury Collection Hotel	Milan		Italy	228
34	Sheraton Tucson Hotel & Suites	Tucson	AZ	USA	216
35	Sheraton Providence Airport Hotel	Warwick	RI	USA	206
36	The Westin Europa & Regina, Venice, a Luxury Collection Hotel	Venice		Italy	185
37	Capitol Hill Suites	Washington	D.C.	USA	152
38	San Cristobal Tower, a Luxury Collection Hotel	Santiago		Chile	139
Total Portfolio					18,964

Sheraton New York Hotel

New York, NY



Number of Rooms: 1,746

Total Function Space: 55,000 sf

F&B Outlets: 4

Other:

- 4 Retail Outlets (1,600 sf)
- 6,800 sf Fitness Ctr



Sheraton San Diego Hotel & Marina

San Diego, CA



Number of Rooms: 1,044

Total Function Space: 80,000 sf

F&B Outlets: 7

Other:

- 300 slip Marina
- 3,500 sf Spa



Sheraton Boston Hotel

Boston, MA



Number of Rooms: 1,216

Total Function Space: 69,275 sf

F&B Outlets: 2

Other:

- 10,200 sf Fitness Ctr



Westin Seattle

Seattle, WA



Number of Rooms: 891

Total Function Space: 54,375 sf

F&B Outlets: 3

Other:

- 2,756 sf Pool & Spa

WESTIN
HOTELS & RESORTS



W Seattle

Seattle, WA



Number of Rooms: 426
Total Function Space: 10,000 sf
F&B Outlets: 2
Other:
• 650 sf Fitness Center



W New York

New York, NY



- Number of Rooms: 688
Total Function Space: 3,248 sf
F&B Outlets: 2
Other:
- 3 Retail Outlets (3,800 sf)
 - 20,000 sf Bliss Spa



Westin Palace Madrid

Madrid, Spain



Number of Rooms: 468

Total Function Space: 24,645 sf

F&B Outlets: 2

Other:

- 1,800 sf Fitness Ctr

WESTIN[®]
HOTELS & RESORTS


THE LUXURY COLLECTION[®]
Starwood Hotels & Resorts



Sheraton Centre Toronto Hotel

Toronto, Canada



- Number of Rooms: 1,377
Total Function Space: 84,000 sf
F&B Outlets: 2
Other:
- 2,000 sf Fitness Ctr
 - Significant Retail Space at Toronto Underground Level



Westin Mission Hills Resort & Spa

Rancho Mirage, CA



Number of Rooms: 512

Total Function Space: 94,009 sf

F&B Outlets: 8

Other:

- Two 18-hole golf courses (Pete Dye & Gary Player)
- 13,000 sf spa

WESTIN
HOTELS & RESORTS



Westin Grand Washington D.C.

Washington, D.C.



Number of Rooms: 263
Total Function Space: 11,667 sf
F&B Outlets: 3



Westin Palace Milan

Milan, Italy



Number of Rooms: 228
Total Function Space: 10,000 sf
F&B Outlets: 3
625 sf Fitness Ctr



Westin Europa & Regina Venice, Italy



Number of Rooms: 185
Total Function Space: 63,886 sf
F&B Outlets: 2



HOST

hotels & resorts