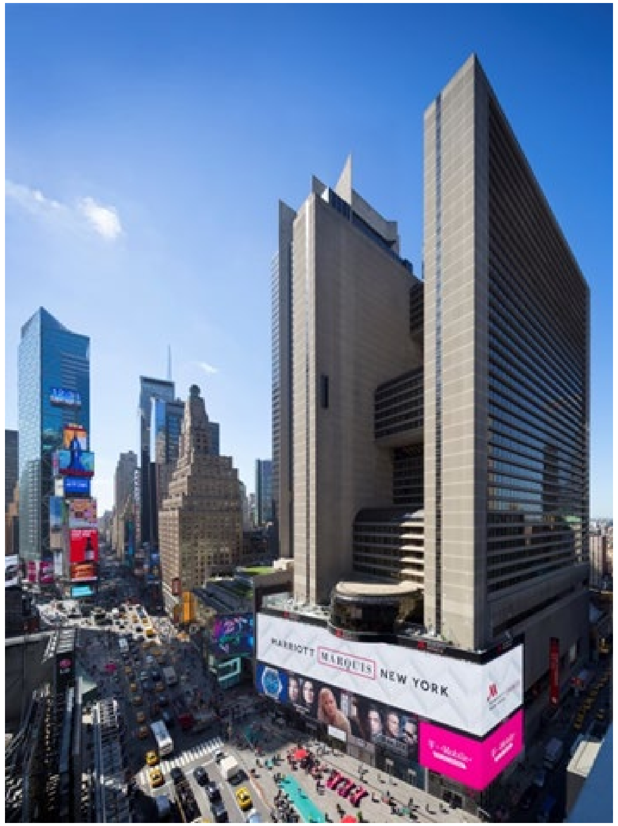
HOST HOTELS & RESORTS®



Host Hotels & Resorts, Inc.

Third Quarter 2019

Supplemental Financial Information

September 30, 2019

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Overview

ABOUT HOST HOTELS & RESORTS

Host Hotels & Resorts, Inc. is an S&P 500 company and is the largest lodging real estate investment trust and one of the largest owners of luxury and upper-upscale hotels. The Company currently owns 75 properties in the United States and five properties internationally totaling approximately 46,500 rooms. The Company also holds non-controlling interests in six domestic and one international joint ventures. Guided by a disciplined approach to capital allocation and aggressive asset management, the Company partners with premium brands such as Marriott®, Ritz-Carlton®, Westin®, Sheraton®, W®, St. Regis®, The Luxury Collection®, Hyatt®, Fairmont®, Hilton®, Swissôtel®, ibis® and Novotel®, as well as independent brands. For additional information, please visit the Company's website at www.hosthotels.com.

Host Hotels & Resorts, Inc., herein referred to as "we," the "Company" or "Host Inc.," is a self-managed and self-administered real estate investment trust ("REIT") that owns hotel properties. We conduct our operations as an umbrella partnership REIT through an operating partnership, Host Hotels & Resorts, L.P. ("Host LP"), of which we are the sole general partner. When distinguishing between Host Inc. and Host LP, the primary difference is approximately 1% of the partnership interests in Host LP held by outside partners as of September 30, 2019, which is non-controlling interests in Host LP in our consolidated balance sheets and is included in net income attributable to non-controlling interests in our consolidated statements of operations. Readers are encouraged to find further detail regarding our organizational structure in our annual report on Form 10-K.

CORPORATE HEADQUARTERS

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The Company is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding the Company's performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of the Company or its management. The Company does not by its reference above imply its endorsement of or concurrence with any of such analysts' information, conclusions or recommendations.

Overview

Forward-Looking Statements

This supplemental information contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements include forecast results and are identified by their use of terms and phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “should,” “plan,” “predict,” “project,” “will,” “continue” and other similar terms and phrases, including references to assumptions and forecasts of future results. 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: changes in national and local economic and business conditions and other factors such as natural disasters, pandemics and weather that will affect occupancy rates at our hotels and the demand for hotel products and services; the impact of geopolitical developments outside the U.S. on lodging demand; volatility in global financial and credit markets; operating risks associated with the hotel business; risks and limitations in our operating flexibility associated with the level of our indebtedness and our ability to meet covenants in our debt agreements; risks associated with our relationships with property managers and joint venture partners; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; the effects of hotel renovations on our hotel occupancy and financial results; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; risks associated with our ability to complete acquisitions and dispositions and develop new properties and the risks that acquisitions and new developments may not perform in accordance with our expectations; our ability to continue to satisfy complex rules in order for us to remain a REIT for federal income tax purposes; risks associated with our ability to effectuate our dividend policy, including factors such as operating results and the economic outlook influencing our board’s decision whether to pay further dividends at levels previously disclosed or to use available cash to make special dividends; and other risks and uncertainties associated with our business described in the Company’s annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. Although the Company 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 in this supplemental presentation is as of November 5, 2019, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.

Comparable Hotel Operating Statistics and Non-GAAP Financial Measures

To facilitate a quarter-to-quarter comparison of our operations, we present certain operating statistics (i.e., Total RevPAR, RevPAR, average daily rate and average occupancy) and operating results (revenues, expenses, hotel EBITDA and associated margins) for the periods included in this presentation on a comparable hotel basis in order to enable our investors to better evaluate our operating performance. See the Notes to Supplemental Financial Information for the details on how we determine our comparable hotel set.

Included in this supplemental information are certain “non-GAAP financial measures,” which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP (U.S. generally accepted accounting principles), within the meaning of applicable SEC rules. They are as follows: (i) FFO and FFO per diluted share (both NAREIT and Adjusted), (ii) EBITDA (for both the Company and hotel level), (iii) EBITDA*re* and Adjusted EBITDA*re,* (iv) Net Operating Income (NOI) and (v) Comparable Hotel Property Level Operating Results (and the related margins). Also included are reconciliations to the most directly comparable GAAP measures. See the Notes to Supplemental Financial Information for definitions of these measures, why we believe these measures are useful and limitations on their use.

Also included in this supplemental information is our leverage and fixed charge coverage ratios, calculated in accordance with our credit facility, along with our EBITDA to interest coverage ratio, calculated in accordance with our senior notes indenture covenants. Included with these ratios are reconciliations calculated in accordance with GAAP. See the Notes to Supplemental Financial Information for information on how these supplemental measures are calculated, why we believe they are useful and limitations on their use.

Corporate Financial Information

Corporate Financial Information

Condensed Consolidated Balance Sheets

(unaudited, in millions, except shares and per share amounts)

	September 30, 2019 (unaudited)	December 31, 2018
ASSETS		
Property and equipment, net	$9,688	$9,760
Right-of-use assets (1)	549	—
Assets held for sale	349	281
Due from managers	104	71
Advances to and investments in affiliates	59	48
Furniture, fixtures and equipment replacement fund	184	213
Other	169	175
Cash and cash equivalents	2,030	1,542
Total assets	$13,132	$12,090
LIABILITIES, NON-CONTROLLING INTERESTS AND EQUITY		
Debt		
Senior notes	$3,425	$2,782
Credit facility, including term loans of $997 and $998, respectively	989	1,049
Other debt	28	6
Total debt	4,442	3,837
Lease liabilities (1)	558	—
Accounts payable and accrued expenses	277	293
Liabilities held for sale	38	—
Other	179	266
Total liabilities	5,494	4,396
Redeemable non-controlling interests - Host Hotels & Resorts, L.P.	133	128
Host Hotels & Resorts, Inc. stockholders' equity:		
Common stock, par value $.01, 1,050 million shares authorized, 718.5 million shares and 740.4 million shares issued and outstanding, respectively	7	7
Additional paid-in capital	7,762	8,156
Accumulated other comprehensive loss	(62)	(59)
Deficit	(208)	(610)
Total equity of Host Hotels & Resorts, Inc. stockholders	7,499	7,494
Non-redeemable non-controlling interests—other consolidated partnerships	6	72
Total equity	7,505	7,566
Total liabilities, non-controlling interests and equity	$13,132	$12,090

(1) On January 1, 2019, we adopted Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, as amended. The new standard requires all leases, including operating leases, be recognized as lease assets and lease liabilities on the balance sheet. As a result, we have recognized right of use assets of $549 million and lease liabilities of $558 million as of September 30, 2019. The adoption did not affect our statement of operations.

Corporate Financial Information

Condensed Consolidated Statements of Operations

(unaudited, in millions, except per share amounts)

	Quarter ended September 30,		Year-to-date ended September 30,	
	2019	2018	2019	2018
Revenues				
Rooms	$830	$874	$2,618	$2,691
Food and beverage	341	337	1,223	1,199
Other	91	88	294	273
Total revenues	1,262	1,299	4,135	4,163
Expenses				
Rooms	221	234	664	696
Food and beverage	260	254	835	822
Other departmental and support expenses	320	321	981	972
Management fees	52	56	177	183
Other property-level expenses	85	90	268	287
Depreciation and amortization	165	412	501	779
Corporate and other expenses	26	24	80	82
Gain on insurance and business interruption settlements	(4)	—	(4)	—
Total operating costs and expenses	1,125	1,391	3,502	3,821
Operating profit (loss)	137	(92)	633	342
Interest income	8	3	23	8
Interest expense	(46)	(45)	(132)	(134)
Gain on sale of assets	274	547	336	667
Gain (loss) on foreign currency transactions and derivatives	(1)	1	—	—
Equity in earnings of affiliates	4	6	13	25
Income before income taxes	376	420	873	908
Provision for income taxes	(4)	(42)	(22)	(63)
Net income	372	378	851	845
Less: Net income attributable to non-controlling interests	(4)	(56)	(11)	(61)
Net income attributable to Host Inc.	$368	$322	$840	$784
Basic and diluted earnings per common share	$.51	$.43	$1.14	$1.06

Corporate Financial Information

Earnings per Common Share

(unaudited, in millions, except per share amounts)

	Quarter ended September 30,		Year-to-date ended September 30,	
	2019	2018	2019	2018
Net income	$372	$378	$851	$845
Less: Net income attributable to non-controlling interests	(4)	(56)	(11)	(61)
Net income attributable to Host Inc.	$368	$322	$840	$784
Basic weighted average shares outstanding	725.5	739.9	735.0	739.6
Assuming distribution of common shares granted under the comprehensive stock plans, less shares assumed purchased at market	.3	.6	.4	.6
Diluted weighted average shares outstanding [(1)]	725.8	740.5	735.4	740.2
Basic and diluted earnings per common share	$.51	$.43	$1.14	$1.06

(1) Dilutive securities may include shares granted under comprehensive stock plans, preferred operating partnership units ("OP Units") held by minority partners and other non-controlling interests that have the option to convert their limited partnership interests to common OP Units. No effect is shown for any securities that were anti-dilutive for the period.

Corporate Financial Information

Reconciliation of Net Income to EBITDA, EBITDA*re* and Adjusted EBITDA*re* (1)

(unaudited, in millions)

	Quarter ended September 30,		Year-to-date ended September 30,	
	2019	2018	2019	2018
Net income	$372	$378	$851	$845
Interest expense	46	45	132	134
Depreciation and amortization	159	173	495	519
Income taxes	4	42	22	63
EBITDA	581	638	1,500	1,561
Gain on dispositions (2)	(273)	(546)	(332)	(665)
Non-cash impairment expense	6	239	6	260
Equity investment adjustments:				
Equity in earnings of Euro JV (3)	—	(3)	—	(11)
Equity in earnings of affiliates other than Euro JV	(4)	(3)	(13)	(14)
Pro rata EBITDA*re* of Euro JV (3)	—	13	—	36
Pro rata EBITDA*re* of equity investments other than Euro JV	6	6	22	23
EBITDA*re*	316	344	1,183	1,190
Adjustments to EBITDA*re*:				
Gain on property insurance settlement	(4)	—	(4)	—
Adjusted EBITDA*re*	$312	$344	$1,179	$1,190

(1) See the Notes to Supplemental Financial Information for discussion of these non-GAAP measures.
(2) Reflects the sale of 12 hotels in 2019 and the sale of the New York Marriott Marquis Retail and four hotels in 2018.
(3) Represents our share of earnings and pro rata EBITDA*re* from the European Joint Venture (“Euro JV”). We sold our interest on December 21, 2018.

Corporate Financial Information

Reconciliation of Diluted Earnings per Common Share to NAREIT and Adjusted Funds From Operations per Diluted Share(1)

(unaudited, in millions, except per share amounts)

	Quarter ended September 30,		Year-to-date ended September 30,	
	2019	2018	2019	2018
Net income	$372	$378	$851	$845
Less: Net income attributable to non-controlling interests	(4)	(56)	(11)	(61)
Net income attributable to Host Inc.	368	322	840	784
Adjustments:				
Gain on dispositions (2)	(273)	(546)	(332)	(665)
Tax on dispositions	(3)	29	(3)	29
Gain on property insurance settlement	(4)	—	(4)	—
Depreciation and amortization	159	171	493	515
Non-cash impairment expense	6	239	6	260
Equity investment adjustments:				
Equity in earnings of affiliates	(4)	(6)	(13)	(25)
Pro rata FFO of equity investments	3	12	16	44
Consolidated partnership adjustments:				
FFO adjustment for non-controlling partnerships	—	53	1	52
FFO adjustments for non-controlling interests of Host L.P.	1	1	(2)	(2)
NAREIT FFO (3)	253	275	1,002	992
Adjustments to NAREIT FFO:				
Loss on debt extinguishment	4	—	4	—
Adjusted FFO (3)	$257	$275	$1,006	$992
For calculation on a per share basis (4):				
Diluted weighted average shares outstanding - EPS, NAREIT FFO and Adjusted FFO	725.8	740.5	735.4	740.2
Diluted earnings per common share	$.51	$.43	$1.14	$1.06
NAREIT FFO per diluted share	$.35	$.37	$1.36	$1.34
Adjusted FFO per diluted share	$.35	$.37	$1.37	$1.34

(1-2) Refer to the corresponding footnote on the Reconciliation of Net Income to EBITDA, EBITDA*re* and Adjusted EBITDA*re*.

(3) Effective January 1, 2019, we adopted NAREIT's Funds From Operations White Paper – 2018 Restatement. The adoption did not result in a change in the way we calculate NAREIT FFO. See the Notes to Supplemental Financial Information for a description of NAREIT FFO.

(4) Diluted earnings per common share, NAREIT FFO per diluted share and Adjusted FFO per diluted share are adjusted for the effects of dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans, preferred OP units held by non-controlling partners and other non-controlling interests that have the option to convert their limited partnership interests to common OP units. No effect is shown for securities if they are anti-dilutive.

Property Level Data

Property Level Data

Comparable Hotel Results (1)

(unaudited, in millions, except hotel statistics)

	Quarter ended September 30,		Year-to-date ended September 30,	
	2019	2018	2019	2018
Number of hotels	75	75	75	75
Number of rooms	43,364	43,364	43,364	43,364
Change in comparable hotel Total RevPAR (2)				
Constant US$	1.2%	—	0.5%	—
Nominal US$	1.2%	—	0.5%	—
Change in comparable hotel RevPAR (3)				
Constant US$	(0.2)%	—	(0.9)%	—
Nominal US$	(0.2)%	—	(1.0)%	—
Operating profit (loss) margin (4)	10.9%	(7.1)%	15.3%	8.2%
Comparable hotel EBITDA margin (4)	26.5%	27.35%	29.1%	29.25%
Food and beverage profit margin (4)	23.8%	24.6%	31.7%	31.4%
Comparable hotel food and beverage profit margin (4)	25.9%	27.1%	32.6%	33.1%
Net income	$372	$378	$851	$845
Depreciation and amortization	165	412	501	779
Interest expense	46	45	132	134
Provision for income taxes	4	42	22	63
Gain on sale of property and corporate level income/expense	(259)	(533)	(292)	(618)
Non-comparable hotel results, net (5)	(39)	(50)	(218)	(207)
Comparable hotel EBITDA	$289	$294	$996	$996

Property Level Data

Comparable Hotel Results (1) (continued)

(unaudited, in millions, except hotel statistics)

	Quarter ended September 30, 2019				Quarter ended September 30, 2018			
		Adjustments				Adjustments		
	GAAP Results	Non-comparable hotel results, net (5)	Depreciation and corporate level items	**Comparable Hotel Results**	**GAAP Results**	Non-comparable hotel results, net (5)	Depreciation and corporate level items	**Comparable Hotel Results**
Revenues								
Room	$830	$(111)	$—	$719	$874	$(153)	$—	$721
Food and beverage	341	(44)	—	297	337	(47)	—	290
Other	91	(18)	—	73	88	(23)	—	65
Total revenues	1,262	(173)	—	1,089	1,299	(223)	—	1,076
Expenses								
Room	221	(34)	—	187	234	(46)	—	188
Food and beverage	260	(40)	—	220	254	(42)	—	212
Other	457	(64)	—	393	467	(85)	—	382
Depreciation and amortization	165	—	(165)	—	412	—	(412)	—
Corporate and other expenses	26	—	(26)	—	24	—	(24)	—
Gain on insurance and business interruption settlements	(4)	4	—	—	—	—	—	—
Total expenses	1,125	(134)	(191)	800	1,391	(173)	(436)	782
Operating Profit - Comparable Hotel EBITDA	$137	$(39)	$191	$289	$(92)	$(50)	$436	$294

Property Level Data

Comparable Hotel Results (1) (continued)

(unaudited, in millions, except hotel statistics)

	Year-to-date ended September 30, 2019				Year-to-date ended September 30, 2018			
		Adjustments				Adjustments		
	GAAP Results	Non-comparable hotel results, net (5)	Depreciation and corporate level items	**Comparable Hotel Results**	**GAAP Results**	Non-comparable hotel results, net (5)	Depreciation and corporate level items	**Comparable Hotel Results**
Revenues								
Room	$2,618	$(449)	$—	$2,169	$2,691	$(500)	$—	$2,191
Food and beverage	1,223	(197)	—	1,026	1,199	(182)	—	1,017
Other	294	(69)	—	225	273	(77)	—	196
Total revenues	4,135	(715)	—	3,420	4,163	(759)	—	3,404
Expenses								
Room	664	(115)	—	549	696	(141)	—	555
Food and beverage	835	(143)	—	692	822	(141)	—	681
Other	1,426	(243)	—	1,183	1,442	(270)	—	1,172
Depreciation and amortization	501	—	(501)	—	779	—	(779)	—
Corporate and other expenses	80	—	(80)	—	82	—	(82)	—
Gain on insurance and business interruption settlements	(4)	4	—	—	—	—	—	—
Total expenses	3,502	(497)	(581)	2,424	3,821	(552)	(861)	2,408
Operating Profit - Comparable Hotel EBITDA	$633	$(218)	$581	$996	$342	$(207)	$861	$996

(1) See the Notes to Supplemental Financial Information for a discussion of non-GAAP measures and the calculation of comparable hotel results.
(2) Total Revenue per Available Room ("Total RevPAR") is a summary measure of hotel results calculated by dividing the sum of room, food and beverage and other ancillary service revenue by room nights available to guests for the period. It includes ancillary revenues not included within RevPAR.
(3) RevPAR is the product of the average daily room rate charged and the average daily occupancy achieved.
(4) Profit margins are calculated by dividing the applicable operating profit by the related revenue amount. GAAP profit margins are calculated using amounts presented in the condensed consolidated statements of operations. Comparable hotel margins are calculated using amounts presented in the above tables.
(5) Non-comparable hotel results, net, includes the following items: (i) the results of operations of our non-comparable hotels and sold hotels, which operations are included in our condensed consolidated statements of operations as continuing operations, (ii) gains on insurance settlements and business interruption proceeds, and (iii) the results of our office buildings and other non-hotel income.

Property Level Data

Comparable Hotel Results by Location in Nominal US$

(unaudited, in millions, except hotel statistics and per room basis)

	Quarter ended September 30, 2019								
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total Revenues	Total Revenues per Available Room	Hotel Net Income	Hotel EBITDA (1)
Maui/Oahu	3	1,682	$354.84	91.9%	$326.13	$77.2	$498.71	$16.9	$25.6
Jacksonville	1	446	363.69	69.0	251.05	21.2	516.90	3.8	6.1
New York	3	4,259	271.11	92.0	249.40	133.9	341.59	10.1	22.0
Phoenix	3	1,654	197.07	57.9	114.19	43.8	287.59	(10.3)	1.9
Washington, D.C. (CBD) (2)	5	3,238	211.15	84.4	178.19	75.9	254.63	8.4	18.2
Florida Gulf Coast	3	940	212.88	64.4	137.03	21.3	246.66	(0.1)	3.2
Los Angeles	4	1,726	238.54	87.3	208.32	48.2	303.73	6.0	10.9
Boston	4	3,185	243.62	91.4	222.58	85.9	293.17	21.3	28.9
Seattle	2	1,315	260.45	90.2	234.96	35.3	291.64	7.6	11.6
San Diego	4	4,341	235.94	84.9	200.22	138.6	347.13	24.0	43.1
San Francisco/San Jose	5	2,353	237.15	81.8	193.89	56.6	261.50	13.1	20.1
Philadelphia	2	810	207.13	88.2	182.60	22.0	295.52	3.3	6.5
Orange County	2	925	207.20	82.8	171.54	23.2	273.03	4.7	7.1
Chicago	4	1,800	220.91	85.5	188.78	43.8	264.29	7.7	13.2
Atlanta	4	1,682	168.37	85.6	144.09	34.0	219.82	5.5	10.2
New Orleans	1	1,333	156.82	77.0	120.78	21.5	175.05	3.8	6.4
Northern Virginia	3	1,252	199.70	72.7	145.09	25.0	217.46	2.2	5.4
San Antonio	1	512	163.90	77.4	126.91	7.9	168.52	1.0	2.0
Denver	3	1,340	184.28	84.5	155.64	26.9	218.16	6.0	9.7
Miami	2	843	123.77	73.9	91.44	9.9	126.89	(0.3)	1.1
Houston	4	1,716	170.32	67.0	114.07	25.2	159.84	0.6	5.4
Orlando	1	2,004	155.29	59.2	91.97	42.7	231.78	2.8	8.7
Other	6	2,509	173.28	81.0	140.40	45.8	198.24	9.7	13.9
Domestic	70	41,865	223.28	81.7	182.36	1,065.8	276.71	147.8	281.2
International	5	1,499	159.14	75.9	120.86	23.0	166.88	5.0	7.3
All Locations - Nominal US$	75	43,364	$221.21	81.5%	$180.24	$1,088.8	$272.92	$152.8	$288.5
Non-comparable hotels	7	4,807	—	—	—	173.0	—	16.5	39.3
Gain on sale of property and corporate level income/expense						—		202.7	253.4
Total	82	48,171	—	—	—	$1,261.8	—	$372.0	$581.2

(1) Certain items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected below in “gain on sale of property and corporate level income/expense”. Refer to the table below for reconciliation of net income to EBITDA by location.
(2) CBD refers to the central business district.

Property Level Data

Comparable Hotel Results by Location in Nominal US$
Reconciliation of Hotel Net Income to Hotel EBITDA

(unaudited, in millions, except hotel statistics)

	Quarter ended September 30, 2019						
Location	**No. of Properties**	**No. of Rooms**	**Hotel Net Income**	**Plus: Depreciation**	**Plus: Interest Expense**	**Plus: Income Tax**	**Equals: Hotel EBITDA**
Maui/Oahu	3	1,682	$16.9	$8.7	$—	$—	$25.6
Jacksonville	1	446	3.8	2.3	—	—	6.1
New York	3	4,259	10.1	11.9	—	—	22.0
Phoenix	3	1,654	(10.3)	12.2	—	—	1.9
Washington, D.C. (CBD)	5	3,238	8.4	9.8	—	—	18.2
Florida Gulf Coast	3	940	(0.1)	3.3	—	—	3.2
Los Angeles	4	1,726	6.0	4.9	—	—	10.9
Boston	4	3,185	21.3	7.6	—	—	28.9
Seattle	2	1,315	7.6	4.0	—	—	11.6
San Diego	4	4,341	24.0	19.1	—	—	43.1
San Francisco/San Jose	5	2,353	13.1	7.0	—	—	20.1
Philadelphia	2	810	3.3	3.2	—	—	6.5
Orange County	2	925	4.7	2.4	—	—	7.1
Chicago	4	1,800	7.7	5.5	—	—	13.2
Atlanta	4	1,682	5.5	4.7	—	—	10.2
New Orleans	1	1,333	3.8	2.6	—	—	6.4
Northern Virginia	3	1,252	2.2	3.2	—	—	5.4
San Antonio	1	512	1.0	1.0	—	—	2.0
Denver	3	1,340	6.0	3.7	—	—	9.7
Miami	2	843	(0.3)	1.4	—	—	1.1
Houston	4	1,716	0.6	4.8	—	—	5.4
Orlando	1	2,004	2.8	5.9	—	—	8.7
Other	6	2,509	9.7	4.2	—	—	13.9
Domestic	70	41,865	147.8	133.4	—	—	281.2
International	5	1,499	5.0	2.3	—	—	7.3
All Locations - Nominal US$	75	43,364	$152.8	$135.7	$—	$—	$288.5
Non-comparable hotels	7	4,807	16.5	22.8	—	—	39.3
Gain on sale of property and corporate level income/expense			202.7	0.5	46.3	3.9	253.4
Total	82	48,171	$372.0	$159.0	$46.3	$3.9	$581.2

Property Level Data

Comparable Hotel Results by Location in Nominal US$

(unaudited, in millions, except hotel statistics and per room basis)

	Quarter ended September 30, 2018								
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total Revenues	Total Revenues per Available Room	Hotel Net Income	Hotel EBITDA(1)
Maui/Oahu	3	1,682	$344.07	89.9%	$309.41	$72.3	$467.05	$14.0	$23.0
Jacksonville	1	446	360.43	77.7	280.14	24.8	604.87	6.2	8.4
New York	3	4,259	279.01	90.2	251.60	136.9	349.44	5.0	19.2
Phoenix	3	1,654	180.36	63.3	114.20	41.1	270.35	(11.3)	1.1
Washington, D.C. (CBD)	5	3,238	205.95	83.7	172.41	71.3	239.43	7.3	17.3
Florida Gulf Coast	3	940	205.16	61.6	126.32	19.7	227.56	(1.2)	2.1
Los Angeles	4	1,726	238.09	87.2	207.53	47.8	300.81	5.8	11.0
Boston	4	3,185	249.19	91.1	227.10	85.5	291.81	20.9	29.8
Seattle	2	1,315	280.39	92.6	259.59	38.6	318.83	11.0	14.9
San Diego	4	4,341	239.77	85.0	203.73	135.1	338.42	24.6	45.2
San Francisco/San Jose	5	2,353	235.07	87.2	205.07	58.4	269.79	15.4	22.1
Philadelphia	2	810	204.34	85.9	175.60	21.7	291.59	3.0	6.2
Orange County	2	925	207.97	82.5	171.54	22.8	269.20	5.0	7.5
Chicago	4	1,800	228.65	87.8	200.81	43.5	262.54	9.9	15.6
Atlanta	4	1,682	183.41	77.8	142.74	33.2	214.39	6.2	10.4
New Orleans	1	1,333	138.93	73.9	102.70	18.8	153.27	1.8	4.4
Northern Virginia	3	1,252	195.16	71.8	140.21	25.1	218.31	2.2	5.9
San Antonio	1	512	171.79	72.4	124.29	7.9	166.99	1.0	2.1
Denver	3	1,340	175.61	85.4	150.02	26.1	211.80	4.9	9.3
Miami	2	843	119.78	73.0	87.49	9.4	121.12	(0.4)	1.2
Houston	4	1,716	170.82	67.1	114.70	25.2	159.57	0.6	5.7
Orlando	1	2,004	150.91	64.1	96.80	44.0	238.77	5.9	11.8
Other	6	2,509	163.93	83.0	136.07	45.1	195.24	9.4	14.0
Domestic	70	41,865	223.35	81.9	182.93	1,054.3	273.77	147.2	288.2
International	5	1,499	165.21	70.9	117.20	21.7	157.38	3.5	6.1
All Locations - Nominal US$	75	43,364	$221.60	81.5%	$180.65	$1,076.0	$269.75	$150.7	$294.3
Non-comparable hotels	7	4,807	—	—	—	223.0	—	22.2	49.9
Gain on sale of property and corporate level income/expense						—		205.1	293.7
Total	82	48,171	—	—	—	$1,299.0	—	$378.0	$637.9

(1) Certain items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected below in "gain on sale of property and corporate level income/expense". Refer to the table below for reconciliation of net income to EBITDA by location.

Property Level Data

Comparable Hotel Results by Location in Nominal US$
Reconciliation of Hotel Net Income to Hotel EBITDA

(unaudited, in millions, except hotel statistics)

	Quarter ended September 30, 2018						
Location	**No. of Properties**	**No. of Rooms**	**Hotel Net Income**	**Plus: Depreciation**	**Plus: Interest Expense**	**Plus: Income Tax**	**Equals: Hotel EBITDA**
Maui/Oahu	3	1,682	$14.0	$9.0	$—	$—	$23.0
Jacksonville	1	446	6.2	2.2	—	—	8.4
New York	3	4,259	5.0	14.2	—	—	19.2
Phoenix	3	1,654	(11.3)	12.4	—	—	1.1
Washington, D.C. (CBD)	5	3,238	7.3	10.0	—	—	17.3
Florida Gulf Coast	3	940	(1.2)	3.3	—	—	2.1
Los Angeles	4	1,726	5.8	5.2	—	—	11.0
Boston	4	3,185	20.9	8.9	—	—	29.8
Seattle	2	1,315	11.0	3.9	—	—	14.9
San Diego	4	4,341	24.6	20.6	—	—	45.2
San Francisco/San Jose	5	2,353	15.4	6.7	—	—	22.1
Philadelphia	2	810	3.0	3.2	—	—	6.2
Orange County	2	925	5.0	2.5	—	—	7.5
Chicago	4	1,800	9.9	5.7	—	—	15.6
Atlanta	4	1,682	6.2	4.2	—	—	10.4
New Orleans	1	1,333	1.8	2.6	—	—	4.4
Northern Virginia	3	1,252	2.2	3.7	—	—	5.9
San Antonio	1	512	1.0	1.1	—	—	2.1
Denver	3	1,340	4.9	4.4	—	—	9.3
Miami	2	843	(0.4)	1.6	—	—	1.2
Houston	4	1,716	0.6	5.1	—	—	5.7
Orlando	1	2,004	5.9	5.9	—	—	11.8
Other	6	2,509	9.4	4.6	—	—	14.0
Domestic	70	41,865	147.2	141.0	—	—	288.2
International	5	1,499	3.5	2.6	—	—	6.1
All Locations - Nominal US$	75	43,364	$150.7	$143.6	$—	$—	$294.3
Non-comparable hotels	7	4,807	22.2	27.7	—	—	49.9
Gain on sale of property and corporate level income/expense			205.1	1.2	45.1	42.3	293.7
Total	82	48,171	$378.0	$172.5	$45.1	$42.3	$637.9

Property Level Data

Comparable Hotel Results by Location in Nominal US$

(unaudited, in millions, except hotel statistics and per room basis)

	Year-to-date ended September 30, 2019								
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total Revenues	Total Revenues per Available Room	Hotel Net Income	Hotel EBITDA (1)
Maui/Oahu	3	1,682	$369.14	91.2%	$336.78	$236.5	$515.00	$57.8	$84.5
Jacksonville	1	446	383.37	77.2	296.02	79.5	652.91	21.4	28.3
New York	3	4,259	268.50	83.0	222.99	383.3	329.67	13.2	48.1
Phoenix	3	1,654	292.22	71.7	209.42	213.2	472.19	31.5	68.2
Washington, D.C. (CBD)	5	3,238	246.65	83.1	204.99	259.1	293.15	48.9	78.4
Florida Gulf Coast	3	940	273.15	74.9	204.59	96.3	375.07	21.5	31.5
Los Angeles	4	1,726	230.36	87.6	201.87	140.3	297.83	16.8	31.9
Boston	4	3,185	237.01	82.6	195.81	233.5	268.56	44.9	70.0
Seattle	2	1,315	231.59	84.3	195.17	91.9	256.01	13.3	25.4
San Diego	4	4,341	236.69	81.5	192.90	409.1	345.20	70.8	130.6
San Francisco/San Jose	5	2,353	240.77	79.6	191.72	167.6	260.86	39.5	60.3
Philadelphia	2	810	216.10	85.4	184.46	66.7	301.70	10.5	20.1
Orange County	2	925	199.26	80.4	160.27	66.8	264.63	12.8	20.0
Chicago	4	1,800	207.76	76.2	158.28	110.2	224.27	13.2	30.1
Atlanta	4	1,682	193.72	79.7	154.41	110.9	241.44	23.7	37.7
New Orleans	1	1,333	188.24	79.9	150.35	79.8	219.33	20.5	28.5
Northern Virginia	3	1,252	208.03	72.1	150.02	84.0	245.90	12.4	22.3
San Antonio	1	512	186.29	78.3	145.78	27.7	198.15	5.9	8.9
Denver	3	1,340	175.15	76.3	133.61	71.7	195.92	11.9	24.0
Miami	2	843	162.96	80.2	130.67	41.5	180.26	8.7	12.8
Houston	4	1,716	178.46	72.4	129.22	86.5	184.58	8.9	23.4
Orlando	1	2,004	182.58	69.5	126.97	166.0	303.48	35.7	52.7
Other	6	2,509	172.53	79.1	136.41	132.7	193.77	26.8	39.5
Domestic	70	41,865	232.30	80.0	185.85	3,354.8	293.54	570.6	977.2
International	5	1,499	154.30	71.1	109.74	65.1	159.00	11.0	18.6
All Locations - Nominal US$	75	43,364	$229.90	79.7%	$183.22	$3,419.9	$288.89	$581.6	$995.8
Non-comparable hotels	7	4,807	—	—	—	715.0	—	140.9	218.4
Gain on sale of property and corporate level income/expense						—		128.5	285.8
Total	82	48,171	—	—	—	$4,134.9	—	$851.0	$1,500.0

(1) Certain items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected below in "gain on sale of property and corporate level income/expense". Refer to the table below for reconciliation of net income to EBITDA by location.

Property Level Data

Comparable Hotel Results by Location in Nominal US$
Reconciliation of Hotel Net Income to Hotel EBITDA

(unaudited, in millions, except hotel statistics)

	Year-to-date ended September 30, 2019						
Location	**No. of Properties**	**No. of Rooms**	**Hotel Net Income**	**Plus: Depreciation**	**Plus: Interest Expense**	**Plus: Income Tax**	**Equals: Hotel EBITDA**
Maui/Oahu	3	1,682	$57.8	$26.7	$—	$—	$84.5
Jacksonville	1	446	21.4	6.9	—	—	28.3
New York	3	4,259	13.2	34.9	—	—	48.1
Phoenix	3	1,654	31.5	36.7	—	—	68.2
Washington, D.C. (CBD)	5	3,238	48.9	29.5	—	—	78.4
Florida Gulf Coast	3	940	21.5	10.0	—	—	31.5
Los Angeles	4	1,726	16.8	15.1	—	—	31.9
Boston	4	3,185	44.9	25.1	—	—	70.0
Seattle	2	1,315	13.3	12.1	—	—	25.4
San Diego	4	4,341	70.8	59.8	—	—	130.6
San Francisco/San Jose	5	2,353	39.5	20.8	—	—	60.3
Philadelphia	2	810	10.5	9.6	—	—	20.1
Orange County	2	925	12.8	7.2	—	—	20.0
Chicago	4	1,800	13.2	16.9	—	—	30.1
Atlanta	4	1,682	23.7	14.0	—	—	37.7
New Orleans	1	1,333	20.5	8.0	—	—	28.5
Northern Virginia	3	1,252	12.4	9.9	—	—	22.3
San Antonio	1	512	5.9	3.0	—	—	8.9
Denver	3	1,340	11.9	12.1	—	—	24.0
Miami	2	843	8.7	4.1	—	—	12.8
Houston	4	1,716	8.9	14.5	—	—	23.4
Orlando	1	2,004	35.7	17.0	—	—	52.7
Other	6	2,509	26.8	12.7	—	—	39.5
Domestic	70	41,865	570.6	406.6	—	—	977.2
International	5	1,499	11.0	7.6	—	—	18.6
All Locations - Nominal US$	75	43,364	$581.6	$414.2	$—	$—	$995.8
Non-comparable hotels	7	4,807	140.9	77.5	—	—	218.4
Gain on sale of property and corporate level income/expense			128.5	3.3	132.4	21.6	285.8
Total	82	48,171	$851.0	$495.0	$132.4	$21.6	$1,500.0

Property Level Data

Comparable Hotel Results by Location in Nominal US$

(unaudited, in millions, except hotel statistics and per room basis)

	Year-to-date ended September 30, 2018								
Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total Revenues	Total Revenues per Available Room	Hotel Net Income	Hotel EBITDA(1)
Maui/Oahu	3	1,682	$360.97	91.0%	$328.41	$228.6	$497.81	$53.1	$80.7
Jacksonville	1	446	373.17	77.9	290.68	77.5	636.50	20.4	27.0
New York	3	4,259	279.51	86.3	241.30	411.2	353.53	16.9	59.8
Phoenix	3	1,654	271.38	73.1	198.34	194.9	431.59	21.4	57.0
Washington, D.C. (CBD)	5	3,238	248.62	81.8	203.28	252.1	285.16	46.3	76.5
Florida Gulf Coast	3	940	266.35	72.9	194.20	90.8	353.39	18.2	28.1
Los Angeles	4	1,726	232.82	88.6	206.29	142.0	301.32	18.1	33.8
Boston	4	3,185	235.72	83.7	197.34	230.7	265.35	41.6	68.3
Seattle	2	1,315	248.28	85.5	212.25	99.3	276.50	20.2	31.9
San Diego	4	4,341	234.70	83.8	196.79	401.6	338.84	70.0	131.6
San Francisco/San Jose	5	2,353	230.22	84.2	193.86	170.6	265.58	39.9	60.3
Philadelphia	2	810	207.10	86.2	178.43	65.2	295.01	9.5	19.3
Orange County	2	925	201.82	80.5	162.45	65.9	261.90	13.3	20.7
Chicago	4	1,800	214.14	79.2	169.50	113.0	230.06	17.9	35.2
Atlanta	4	1,682	187.34	78.4	146.83	106.4	231.77	20.8	34.8
New Orleans	1	1,333	178.86	80.6	144.23	75.2	206.59	17.0	24.9
Northern Virginia	3	1,252	203.30	73.4	149.26	85.5	250.07	11.8	22.8
San Antonio	1	512	192.78	75.5	145.47	27.2	194.45	5.2	8.6
Denver	3	1,340	167.17	78.1	130.63	68.8	188.15	9.0	22.3
Miami	2	843	159.30	80.7	128.63	41.2	178.90	8.2	13.4
Houston	4	1,716	176.15	72.8	128.23	88.1	188.05	9.9	25.5
Orlando	1	2,004	185.03	73.5	136.06	170.4	311.50	39.0	56.4
Other	6	2,509	168.87	79.5	134.31	133.1	194.29	25.7	39.7
Domestic	70	41,865	231.03	81.3	187.90	3,339.3	292.17	553.4	978.6
International	5	1,499	161.22	66.5	107.26	64.7	158.21	8.7	17.0
All Locations - Nominal US$	75	43,364	$229.04	80.8%	$185.11	$3,404.0	$287.54	$562.1	$995.6
Non-comparable hotels	7	4,807	—	—	—	759.2	—	124.9	207.0
Gain on sale of property and corporate level income/expense						—		158.0	358.4
Total	82	48,171	—	—	—	$4,163.2	—	$845.0	$1,561.0

(1) Certain items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected below in “gain on sale of property and corporate level income/expense”. Refer to the table below for reconciliation of net income to EBITDA by location.

Property Level Data

Comparable Hotel Results by Location in Nominal US$
Reconciliation of Hotel Net Income to Hotel EBITDA

(unaudited, in millions, except hotel statistics)

	Year-to-date ended September 30, 2018						
Location	No. of Properties	No. of Rooms	Hotel Net Income	Plus: Depreciation	Plus: Interest Expense	Plus: Income Tax	Equals: Hotel EBITDA
Maui/Oahu	3	1,682	$53.1	$27.6	$—	$—	$80.7
Jacksonville	1	446	20.4	6.6	—	—	27.0
New York	3	4,259	16.9	42.9	—	—	59.8
Phoenix	3	1,654	21.4	35.6	—	—	57.0
Washington, D.C. (CBD)	5	3,238	46.3	30.2	—	—	76.5
Florida Gulf Coast	3	940	18.2	9.9	—	—	28.1
Los Angeles	4	1,726	18.1	15.7	—	—	33.8
Boston	4	3,185	41.6	26.7	—	—	68.3
Seattle	2	1,315	20.2	11.7	—	—	31.9
San Diego	4	4,341	70.0	61.6	—	—	131.6
San Francisco/San Jose	5	2,353	39.9	20.4	—	—	60.3
Philadelphia	2	810	9.5	9.8	—	—	19.3
Orange County	2	925	13.3	7.4	—	—	20.7
Chicago	4	1,800	17.9	17.3	—	—	35.2
Atlanta	4	1,682	20.8	14.0	—	—	34.8
New Orleans	1	1,333	17.0	7.9	—	—	24.9
Northern Virginia	3	1,252	11.8	11.0	—	—	22.8
San Antonio	1	512	5.2	3.4	—	—	8.6
Denver	3	1,340	9.0	13.3	—	—	22.3
Miami	2	843	8.2	5.2	—	—	13.4
Houston	4	1,716	9.9	15.6	—	—	25.5
Orlando	1	2,004	39.0	17.4	—	—	56.4
Other	6	2,509	25.7	14.0	—	—	39.7
Domestic	70	41,865	553.4	425.2	—	—	978.6
International	5	1,499	8.7	8.3	—	—	17.0
All Locations - Nominal US$	75	43,364	$562.1	$433.5	$—	$—	$995.6
Non-comparable hotels	7	4,807	124.9	82.1	—	—	207.0
Gain on sale of property and corporate level income/expense			158.0	3.0	134.0	63.4	358.4
Total	82	48,171	$845.0	$518.6	$134.0	$63.4	$1,561.0

Property Level Data

Top 40 Domestic Hotels by RevPAR For the Year ended December 31, 2018

(unaudited, in millions, except hotel statistics and per room basis)

Year ended December 31, 2018

	Hotel	Location	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total Revenues	Total Revenues per Available Room	Hotel Net Income (Loss)	Hotel EBITDA [1]
1	Fairmont Kea Lani, Maui	Maui/Oahu	450	$599.46	84.8%	$508.25	$120.8	$735.38	$25.8	$42.1
2	Andaz Maui at Wailea Resort [3]	Maui/Oahu	301	580.51	85.1	494.08	85.3	776.69	14.6	23.4
3	The Ritz-Carlton, Naples	Florida Gulf Coast	450	616.00	54.9	338.31	111.6	679.12	18.7	32.0
4	Hyatt Regency Maui Resort & Spa	Maui/Oahu	806	327.56	92.2	301.99	151.5	514.96	38.2	53.3
5	The Ritz-Carlton, Marina del Rey	Los Angeles	304	360.20	83.6	301.04	53.4	481.01	8.2	12.8
6	New York Marriott Marquis	New York	1,966	331.90	89.4	296.65	332.7	463.70	37.2	66.5
7	Grand Hyatt San Francisco [3]	San Francisco/San Jose	668	312.40	90.4	282.51	88.0	364.02	10.4	22.1
8	The Ritz-Carlton, Amelia Island	Jacksonville	446	364.02	74.0	269.32	97.9	601.08	23.7	32.5
9	San Francisco Marriott Fisherman's Wharf	San Francisco/San Jose	285	282.47	92.3	260.68	32.0	307.26	5.4	9.3
10	W Hollywood	Los Angeles	305	305.35	83.1	253.74	47.1	422.65	3.2	10.6
11	San Francisco Marriott Marquis	San Francisco/San Jose	1,500	285.01	86.2	245.82	196.3	358.51	33.5	50.2
12	The Phoenician, A Luxury Collection Resort	Phoenix	645	345.15	70.3	242.79	127.3	540.65	4.9	34.6
13	JW Marriott Washington, DC	Washington, D.C. (CBD)	777	269.23	84.9	228.51	89.6	315.96	20.1	28.3
14	Sheraton New York Times Square Hotel	New York	1,780	264.13	85.9	226.94	205.3	315.91	(3.0)	24.7
15	New York Marriott Downtown	New York	513	258.08	85.7	221.28	52.3	279.39	9.1	13.7
16	Axiom Hotel	San Francisco/San Jose	152	251.97	86.9	218.84	15.2	275.17	3.6	8.0
17	Marina del Rey Marriott	Los Angeles	370	243.03	89.4	217.35	41.7	308.60	9.4	12.7
18	W Seattle	Seattle	424	256.50	84.3	216.31	41.3	266.77	7.8	13.7
19	Marriott Marquis San Diego Marina	San Diego	1,360	254.86	82.5	210.16	182.9	368.51	30.4	63.9
20	Boston Marriott Copley Place	Boston	1,144	246.20	85.3	209.89	123.2	295.13	23.4	35.2
21	The Westin Chicago River North	Chicago	429	256.19	81.7	209.19	45.6	290.91	7.1	13.3
22	Coronado Island Marriott Resort & Spa	San Diego	300	258.73	80.7	208.82	36.2	330.94	5.3	11.3
23	The Ritz-Carlton, Tysons Corner	Northern Virginia	398	262.94	76.7	201.57	53.0	365.08	4.9	11.9
24	The Don CeSar	Florida Gulf Coast	347	285.69	70.3	200.90	53.5	422.70	10.8	17.4
25	The Ritz-Carlton Golf Resort, Naples	Florida Gulf Coast	295	360.68	55.4	199.76	38.2	354.27	4.4	9.7
26	Manchester Grand Hyatt San Diego	San Diego	1,628	240.23	82.7	198.59	205.1	345.17	42.9	72.2
27	Embassy Suites by Hilton Chicago Downtown Magnificent Mile	Chicago	455	223.00	88.6	197.53	36.9	221.93	5.2	10.7
28	Grand Hyatt Washington	Washington, D.C. (CBD)	897	249.93	78.6	196.34	97.6	298.10	15.0	30.7
29	The Logan	Philadelphia	391	240.52	81.6	196.20	54.4	381.43	7.1	17.3
30	Washington Marriott at Metro Center	Washington, D.C. (CBD)	459	233.82	82.8	193.56	41.9	250.33	9.4	12.0
31	The Westin Seattle	Seattle	891	232.68	83.0	193.20	87.4	268.69	15.1	24.9
32	The Westin Georgetown, Washington D.C.	Washington, D.C. (CBD)	267	235.36	81.6	192.10	23.0	235.96	3.4	6.6
33	Sheraton Boston Hotel	Boston	1,220	235.10	80.0	188.07	107.0	240.39	9.1	24.3
34	Santa Clara Marriott	San Francisco/San Jose	759	250.37	74.5	186.61	72.8	262.78	23.8	26.3
35	Hyatt Regency Cambridge, Overlooking Boston [4]	Boston	470	220.93	83.6	184.79	43.5	253.52	13.5	18.1
36	The Westin Kierland Resort & Spa	Phoenix	732	247.61	73.9	182.88	115.2	431.05	26.2	37.2
37	Hyatt Place Waikiki Beach	Maui/Oahu	426	196.09	92.7	181.70	30.7	197.67	6.0	11.2
38	Hyatt Regency San Francisco Airport	San Francisco/San Jose	789	200.65	90.1	180.74	76.5	265.79	9.3	23.4
39	The St. Regis Houston	Houston	232	289.56	61.5	178.15	24.6	290.42	1.6	4.4
40	Hyatt Regency Coconut Point Resort and Spa [3]	Florida Gulf Coast	454	228.90	77.1	176.50	63.5	383.23	11.3	18.0
	Total Top 40		26,485	$280.39	82.6%	$231.55	$3,502.0	$362.34	$556.0	$990.5 *
	Remaining 52 hotels [2]		24,866	176.96	76.0%	134.55	1,896.6	208.97	304.1	553.5
	Pro forma adjustment for three Hyatt hotel acquisition [3]						(65.8)		(15.2)	(22.0)
	Gain on sale of property, sold property operations, and corporate level income/expense						191.4		306.1	39.8
	Total		51,351	—	—	—	$5,524.2	—	$1,151.0	$1,561.8

*Represents 63% of our EBITDA*re*.

(1) Certain items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected below in "gain on sale of property, sold property operations and corporate level income/expense". Refer to the table below for reconciliation of net income (loss) to Hotel EBITDA. The total represents Host Hotel's EBITDA*re*, as defined in the Notes to Supplemental Financial Information.

(2) The Westin New York Grand Central is excluded from this total as it was sold subsequent to year end on January 9, 2019. Its operations for the year are included in sold property operations.

(3) The operating results for the three hotels acquired in March 2018 are included on a pro forma basis, which includes operating results assuming the hotels were owned as of January 1, 2018 and based on actual results obtained from the manager for periods prior to our ownership. For these hotels, since the operations include periods prior to our ownership, the results may not necessarily correspond to our actual results.

(4) Hotel was sold subsequent to December 31, 2018.

Property Level Data

Top 40 Domestic Hotels by RevPAR Reconciliation of Hotel Net Income (Loss) to Hotel EBITDA and EBITDA*re*

(unaudited, in millions, except hotel statistics)

Year ended December 31, 2018

	Hotel	Location	No. of Rooms	Hotel Net Income (Loss)	Plus: Depreciation	Plus: Interest Expense	Plus: Income Tax	Less: Gain on dispositions	Plus: Equity Investment Adjustments	Equals: Hotel EBITDA
1	Fairmont Kea Lani, Maui	Maui/Oahu	450	$25.8	$16.3	$-	$-	$-	$-	$42.1
2	Andaz Maui at Wailea Resort (2)	Maui/Oahu	301	14.6	8.8	-	-	-	-	23.4
3	The Ritz-Carlton, Naples	Florida Gulf Coast	450	18.7	13.3	-	-	-	-	32.0
4	Hyatt Regency Maui Resort & Spa	Maui/Oahu	806	38.2	15.1	-	-	-	-	53.3
5	The Ritz-Carlton, Marina del Rey	Los Angeles	304	8.2	4.6	-	-	-	-	12.8
6	New York Marriott Marquis	New York	1,966	37.2	29.3	-	-	-	-	66.5
7	Grand Hyatt San Francisco (2)	San Francisco/San Jose	668	10.4	11.7	-	-	-	-	22.1
8	The Ritz-Carlton, Amelia Island	Jacksonville	446	23.7	8.8	-	-	-	-	32.5
9	San Francisco Marriott Fisherman's Wharf	San Francisco/San Jose	285	5.4	3.9	-	-	-	-	9.3
10	W Hollywood	Los Angeles	305	3.2	7.4	-	-	-	-	10.6
11	San Francisco Marriott Marquis	San Francisco/San Jose	1,500	33.5	16.7	-	-	-	-	50.2
12	The Phoenician, A Luxury Collection Resort	Phoenix	645	4.9	29.7	-	-	-	-	34.6
13	JW Marriott Washington, DC	Washington, D.C. (CBD)	777	20.1	8.2	-	-	-	-	28.3
14	Sheraton New York Times Square Hotel	New York	1,780	(3.0)	27.7	-	-	-	-	24.7
15	New York Marriott Downtown	New York	513	9.1	4.6	-	-	-	-	13.7
16	Axiom Hotel	San Francisco/San Jose	152	3.6	4.4	-	-	-	-	8.0
17	Marina del Rey Marriott	Los Angeles	370	9.4	3.3	-	-	-	-	12.7
18	W Seattle	Seattle	424	7.8	5.9	-	-	-	-	13.7
19	Marriott Marquis San Diego Marina	San Diego	1,360	30.4	33.5	-	-	-	-	63.9
20	Boston Marriott Copley Place	Boston	1,144	23.4	11.8	-	-	-	-	35.2
21	The Westin Chicago River North	Chicago	429	7.1	6.2	-	-	-	-	13.3
22	Coronado Island Marriott Resort & Spa	San Diego	300	5.3	6.0	-	-	-	-	11.3
23	The Ritz-Carlton, Tysons Corner	Northern Virginia	398	4.9	7.0	-	-	-	-	11.9
24	The Don CeSar	Florida Gulf Coast	347	10.8	6.6	-	-	-	-	17.4
25	The Ritz-Carlton Golf Resort, Naples	Florida Gulf Coast	295	4.4	5.3	-	-	-	-	9.7
26	Manchester Grand Hyatt San Diego	San Diego	1,628	42.9	29.3	-	-	-	-	72.2
27	Embassy Suites by Hilton Chicago Downtown Magnificent Mile	Chicago	455	5.2	5.5	-	-	-	-	10.7
28	Grand Hyatt Washington	Washington, D.C. (CBD)	897	15.0	15.7	-	-	-	-	30.7
29	The Logan	Philadelphia	391	7.1	10.2	-	-	-	-	17.3
30	Washington Marriott at Metro Center	Washington, D.C. (CBD)	459	9.4	2.6	-	-	-	-	12.0
31	The Westin Seattle	Seattle	891	15.1	9.8	-	-	-	-	24.9
32	The Westin Georgetown, Washington D.C.	Washington, D.C. (CBD)	267	3.4	3.2	-	-	-	-	6.6
33	Sheraton Boston Hotel	Boston	1,220	9.1	15.2	-	-	-	-	24.3
34	Santa Clara Marriott	San Francisco/San Jose	759	23.8	2.5	-	-	-	-	26.3
35	Hyatt Regency Cambridge, Overlooking Boston (3)	Boston	470	13.5	4.6	-	-	-	-	18.1
36	The Westin Kierland Resort & Spa	Phoenix	732	26.2	11.0	-	-	-	-	37.2
37	Hyatt Place Waikiki Beach	Maui/Oahu	426	6.0	5.2	-	-	-	-	11.2
38	Hyatt Regency San Francisco Airport	San Francisco/San Jose	789	9.3	14.1	-	-	-	-	23.4
39	The St. Regis Houston	Houston	232	1.6	2.8	-	-	-	-	4.4
40	Hyatt Regency Coconut Point Resort and Spa (2)	Florida Gulf Coast	454	11.3	6.7	-	-	-	-	18.0
	Total Top 40		26,485	$556.0	$434.5	$-	$-	$-	$-	$990.5
	Remaining 52 hotels (1)		24,866	304.1	249.4	-	-	-	-	553.5
	Pro forma adjustment for three Hyatt hotel acquisition (2)			(15.2)	(6.8)	-	-	-	-	(22.0)
	Gain on sale of property, sold property operations and corporate level income/ expense			306.1	266.8	176.4	149.6	(902.9)	43.8	39.8
	Total		51,351	$1,151.0	$943.9	$176.4	$149.6	$(902.9)	$43.8	$1,561.8

(1) The Westin New York Grand Central is excluded from this total as it was sold subsequent to year end on January 9, 2019. Its operations for the year are included in sold property operations.

(2) The operating results for the three hotels acquired in March 2018 are included on a pro forma basis, which includes operating results assuming the hotels were owned as of January 1, 2018 and based on actual results obtained from the manager for periods prior to our ownership. For these hotels, since the operations include periods prior to our ownership, the results may not necessarily correspond to our actual results.

(3) Hotel was sold subsequent to December 31, 2018.

Capitalization

Capitalization

Comparative Capitalization

(in millions, except security pricing and per share amounts)

Shares/Units	As of September 30, 2019	As of June 30, 2019	As of March 31, 2019	As of December 31, 2018	As of September 30, 2018
Common shares outstanding	718.5	730.0	740.9	740.4	740.0
Common shares outstanding assuming conversion of OP Units (1)	726.2	737.8	748.6	748.1	748.1
Preferred OP Units outstanding	.01	.01	.01	.02	.02
Security pricing					
Common stock at end of quarter (2)	$17.29	$18.22	$18.90	$16.67	$21.10
High during quarter	18.46	19.88	20.14	20.97	21.94
Low during quarter	15.60	17.80	16.35	15.94	20.10
Capitalization					
Market value of common equity (3)	$12,556	$13,443	$14,149	$12,471	$15,785
Consolidated debt	4,442	3,864	3,862	3,837	4,079
Less: Cash	(2,030)	(1,107)	(1,082)	(1,542)	(1,269)
Consolidated total capitalization	14,968	16,200	16,929	14,766	18,595
Plus: Share of debt in unconsolidated investments	146	147	148	150	456
Pro rata total capitalization	$15,114	$16,347	$17,077	$14,916	$19,051

	Quarter ended September 30, 2019	Quarter ended June 30, 2019	Quarter ended March 31, 2019	Quarter ended December 31, 2018	Quarter ended September 30, 2018
Dividends declared per common share	$0.20	$0.20	$0.20	$0.25	$0.20

(1) Each OP Unit is redeemable for cash or, at our option, for 1.021494 common shares of Host Inc. At September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, there were 7.6 million, 7.6 million, 7.6 million, 7.5 million and 7.9 million common OP Units, respectively, held by non-controlling interests.

(2) Share prices are the closing price as reported by the New York Stock Exchange.

(3) Market value of common equity is calculated as the number of common shares outstanding including assumption of conversion of OP units multiplied the closing share price on that day.

Capitalization

Consolidated Debt Summary

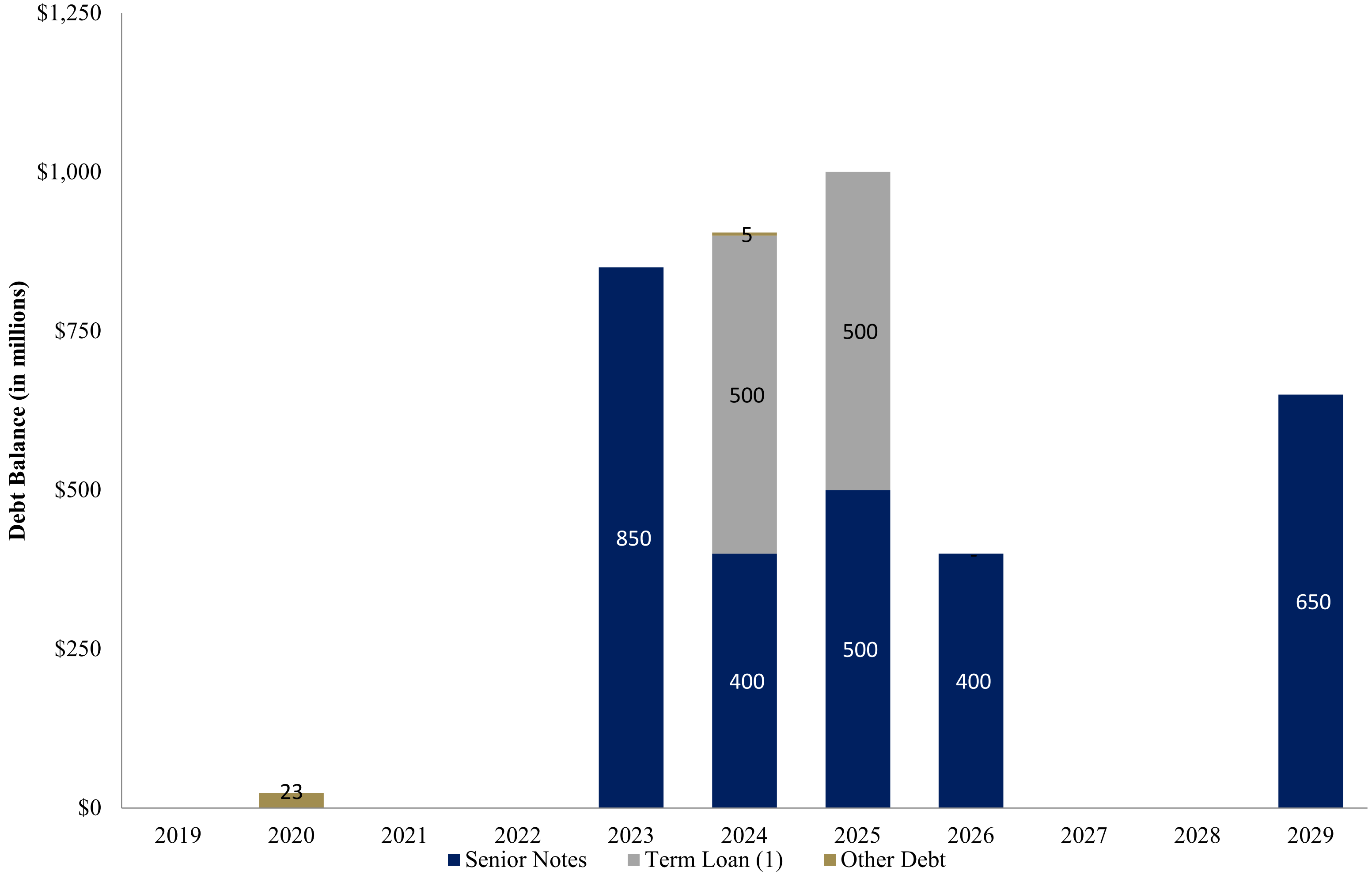
(in millions)

Debt				
Senior debt	**Rate**	**Maturity date**	**September 30, 2019**	**December 31, 2018**
Series Z [1]	6%	10/2021	$299	$299
Series B [1]	5 ¼%	3/2022	349	348
Series C	4 ¾%	3/2023	448	447
Series D	3 ¾%	10/2023	398	398
Series E	4%	6/2025	497	497
Series F	4 ½%	2/2026	397	397
Series G	3 ⅞%	4/2024	397	396
Series H	3 ⅜%	12/2029	640	—
2024 Credit facility term loan	3.0%	1/2024	498	499
2025 Credit facility term loan	3.0%	1/2025	499	499
Credit facility revolver [2]	—	1/2024	(8)	51
			4,414	3,831
Other debt				
Other debt	5.0% - 8.8%	12/2020 - 02/2024	28	6
Total debt[3][4]			$4,442	$3,837
Percentage of fixed rate debt			78%	73%
Weighted average interest rate			4.1%	4.4%
Weighted average debt maturity			5.2 years	4.2 years
Credit Facility				
Total capacity			$1,500	
Available capacity			1,500	
Assets encumbered by mortgage debt			—	

(1) Subsequent to quarter end, the net proceeds from the issuance of the Series H senior notes were used, together with cash on hand, to redeem the Series Z and Series B senior notes.
(2) There are no outstanding credit facility borrowings at September 30, 2019. Amount shown represents deferred financing costs related to the credit facility revolver.
(3) In accordance with GAAP, total debt includes the debt of entities that we consolidate, but of which we do not own 100%, and excludes the debt of entities that we do not consolidate, but of which we have a non-controlling ownership interest and record our investment therein under the equity method of accounting. As of September 30, 2019, our share of debt in unconsolidated investments is $146 million and none of our debt is attributable to non-controlling interests.
(4) Total debt as of September 30, 2019 and December 31, 2018 includes net discounts and deferred financing costs of $36 million and $24 million, respectively.

Capitalization

Consolidated Debt Maturity as of October 31, 2019



(1) The term loan and revolver under our credit facility that are due in 2024 have extension options that would extend maturity of both instruments to 2025, subject to meeting certain conditions, including payment of a fee.

Capitalization

Reconciliation of Credit Facility Leverage Ratio

(unaudited, in millions, except ratios)

The following table presents Host’s GAAP measures:

	September 30, 2019
Debt	$4,442
Net income - trailing twelve months	1,157

The following table presents the calculation of Host's leverage ratio as used in the financial covenants of the credit facility:

	Leverage Ratio per Credit Facility
	September 30, 2019
Net debt [1]	$2,568
Adjusted Credit Facility EBITDA – trailing twelve months [2]	1,521
Leverage Ratio	**1.7x**

(1) The following presents the reconciliation of debt to net debt per our credit facility definition:

	September 30, 2019
Debt	$4,442
Less: Repayment of Series Z and Series B Senior Notes [3]	(648)
Less: Unrestricted cash over $100 million	(1,226)
Net debt per credit facility definition	$2,568

(2) The following presents the reconciliation of net income to EBITDA, EBITDA*re*, Adjusted EBITDA*re* and EBITDA per our credit facility definition in determining leverage ratio:

	Trailing twelve months September 30, 2019
Net income	$1,157
Interest expense	174
Depreciation and amortization	660
Income taxes	109
EBITDA	2,100
Gain on dispositions	(570)
Non-cash impairment expense	6
Equity in earnings of affiliates	(18)
Pro rata EBITDA*re* of equity investments	37
EBITDA*re*	1,555
Gain on property insurance settlement	(4)
Adjusted EBITDA*re*	1,551
Pro forma EBITDA – Acquisitions	20
Pro forma EBITDA – Dispositions	(68)
Restricted stock expense and other non-cash items	36
Non-cash partnership adjustments	(18)
Adjusted Credit Facility EBITDA	$1,521

(3) On September 13, 2019, Host delivered the notices to redeem the $300 million Series Z Senior Notes and $350 million Series B Senior Notes on October 15, 2019. As the redemption notices were delivered prior to quarter-end, we must calculate the pro forma effect of the repayment on the cash and debt balances and in pro forma interest expense.

Capitalization

Reconciliation of Credit Facility Fixed Charge Coverage Ratio

(unaudited, in millions, except ratios)

The following tables present our GAAP measures and the calculation of our fixed charge coverage ratio as used in the financial covenants of the credit facility:

	Trailing twelve months September 30, 2019
Net income	$1,157
Interest expense	174

	Credit Facility Fixed Charge Coverage Ratio Trailing twelve months September 30, 2019
Credit Facility Fixed Charge Coverage Ratio EBITDA(1)	$1,254
Fixed Charges(2)	180
Credit Facility Fixed Charge Coverage Ratio	**7.0x**

(1) The following reconciles Adjusted Credit Facility EBITDA to Credit Facility Fixed Charge Coverage Ratio EBITDA. See Reconciliation of Credit Facility Leverage Ratio for calculation and reconciliation of Adjusted Credit Facility EBITDA.

	Trailing twelve months September 30, 2019
Adjusted Credit Facility EBITDA	$1,521
Less: 5% of Hotel Property Gross Revenue	(267)
Credit Facility Fixed Charge Coverage Ratio EBITDA	**$1,254**

(2) The following table reconciles GAAP interest expense to interest expense per our credit facility definition to fixed charges:

	Trailing twelve months September 30, 2019
GAAP Interest expense	$174
Debt extinguishment costs	(3)
Deferred financing cost amortization	(6)
Capitalized interest	3
Pro forma interest adjustments	(16)
Adjusted Credit Facility interest expense	**152**
Cash taxes on ordinary income	28
Fixed Charges	**$180**

Capitalization

Reconciliation of EBITDA to Interest Coverage Ratio

(unaudited, in millions, except ratios)

The following tables present our GAAP measures and the calculation of our interest coverage ratio as used in the senior notes indenture covenants:

	Trailing twelve months September 30, 2019
Net income	$1,157
Interest expense	174

	EBITDA to Interest Coverage Ratio
	Trailing twelve months September 30, 2019
Adjusted Credit Facility EBITDA (1)	$1,521
Non-controlling interest adjustment	2
Adjusted Senior Notes EBITDA	$1,523
Adjusted Credit Facility interest expense (2)	$152
EBITDA to Interest Coverage Ratio	**10.0x**

(1) See Reconciliation of Credit Facility Leverage Ratio for the calculation of Adjusted Credit Facility EBITDA and reconciliation to net income.
(2) See Reconciliation of Credit Facility Fixed Charge Coverage Ratio for the calculation of Adjusted Credit Facility interest expense and reconciliation to GAAP interest expense. This same measure is used for our senior notes.

Capitalization

Ground Lease Summary as of September 30, 2019

	Hotel	No. of rooms	Lessor Institution Type	Minimum rent	Current expiration	Expiration after all potential options (1)
		As of September 30, 2019				
1	Boston Marriott Copley Place	1,144	Public	N/A (2)	12/13/2077	12/13/2077
2	Coronado Island Marriott Resort & Spa	300	Public	1,378,850	10/31/2062	10/31/2078
3	Denver Marriott West	305	Private	160,000	12/28/2028	12/28/2058
4	Houston Airport Marriott at George Bush Intercontinental	573	Public	1,560,000	10/31/2053	10/31/2053
5	Houston Marriott Medical Center	395	Non-Profit	160,000	12/28/2019	12/28/2059
6	Manchester Grand Hyatt San Diego	1,628	Public	6,600,000	5/31/2067	5/31/2083
7	Marina del Rey Marriott	370	Public	1,777,140	3/31/2043	3/31/2043
8	Marriott Marquis San Diego Marina	1,360	Public	7,650,541	11/30/2061	11/30/2083
9	Newark Liberty International Airport Marriott	591	Public	2,476,119	12/31/2055	12/31/2055
10	Philadelphia Airport Marriott	419	Public	1,206,786	6/29/2045	6/29/2045
11	San Antonio Marriott Rivercenter	1,001	Private	700,000	12/31/2033	12/31/2063
12	San Francisco Marriott Marquis	1,500	Public	1,500,000	8/25/2046	8/25/2076
13	San Ramon Marriott	368	Private	482,144	5/29/2034	5/29/2064
14	Santa Clara Marriott	759	Private	90,932	11/30/2028	11/30/2058
15	Sheraton San Diego Hotel & Marina	1,053	Public	2,195,987	10/31/2078	10/31/2078
16	Tampa Airport Marriott	298	Public	1,497,946	12/31/2033	12/31/2033
17	The Ritz-Carlton, Marina del Rey	304	Public	1,453,104	7/29/2067	7/29/2067
18	The Ritz-Carlton, Tysons Corner	398	Private	992,722	6/30/2112	6/30/2112
19	The Westin Cincinnati	456	Public	100,000	6/30/2045	6/30/2075 (3)
20	The Westin Los Angeles Airport	747	Private	1,225,050	1/31/2054	1/31/2074 (4)
21	The Westin South Coast Plaza, Costa Mesa	393	Private	178,160	9/30/2025	9/30/2025
22	Toronto Marriott Downtown Eaton Centre Hotel	461	Non-Profit	396,863	9/20/2082	9/20/2082
23	W Hollywood	305	Public	366,579	3/28/2106	3/28/2106
	Weighted average remaining lease term (assuming all extension options)(5)		54 years			
	Percentage of leases (based on room count) with Public/Private/Non-Profit lessors		68%/26%/6%			

(1) Exercise of Host's option to extend is subject to certain conditions, including the existence of no defaults and subject to any applicable rent escalation or rent re-negotiation provisions.
(2) All rental payments have been previously paid and no further rental payments are required for the remainder of the lease term.
(3) No renewal term in the event the Lessor determines to discontinue use of building as a hotel.
(4) A condition of renewal is that the hotel's occupancy compares favorably to similar hotels for the preceding three years.
(5) The Sheraton San Diego Hotel & Marina is considered held for sale at September 30, 2019. Therefore, the lease term has been excluded from our calculation of the weighted average remaining lease term.

Capitalization

2019 Property Dispositions

	Sales Price (in millions)[1]	Hotel Net Income (in millions)	Cap Rate[2][4]	EBITDA multiple[3][4]
2019 completed and anticipated sales	$1,281	$59.4	6.3%	14.1x

(1) The table includes 14 properties that have sold as of November 5, 2019.
(2) The cap rate is calculated as the ratio between the trailing twelve month net operating income (NOI) and the sales price plus avoided capital expenditures. Avoided capital expenditures represents $202 million of estimated capital expenditure spend requirements for the properties in excess of escrow funding over the next 10 years, discounted at 8%.
(3) The EBITDA multiple is calculated as the ratio between the sales price plus avoided capital expenditures over the trailing twelve-month Hotel EBITDA. Avoided capital expenditures represents $439 million of estimated capital expenditure spend requirements for the properties including escrow funding over the next 10 years, discounted at 8%.
(4) Cap rates and multiples are based on the trailing twelve months from the disposition date of the hotel. The following presents a reconciliation between the GAAP and non-GAAP measures. There was no interest expense or income tax related to these hotels for the periods presented.

	Trailing Twelve Months from Disposition Date (in millions)				
	Hotel Net Income (Loss)	Plus: Depreciation	Equals: Hotel EBITDA	Renewal & Replacement funding	Hotel Net Operating Income
2019 completed sales	$59.4	$53.9	$113.3	$(22.9)	$90.4

2019 Outlook

2019 Outlook

The Company estimates its 2019 operating results as compared to the prior year will change in the following range:

	Previous Full Year 2019 Guidance	Current Full Year 2019 Guidance	Change in Full Year 2019 Guidance to the Mid-Point
Total comparable hotel RevPAR - Constant US$ (1)	(1.0)% to 0.0%	(1.0)% to (0.25)%	(12.5) bps
Total revenues under GAAP	(1.5)% to (0.5)%	(1.8)% to (0.9)%	(35) bps
Operating profit margin under GAAP	470 bps to 530 bps	480 bps to 510 bps	(5) bps
Comparable hotel EBITDA margins	(25) bps to 25 bps	(20) bps to 10 bps	(5) bps

(1) Forecast comparable hotel results include 72 hotels that are assumed will be classified as comparable as of December 31, 2019. See the 2019 Forecast Schedules for a listing of hotels excluded from the full year 2019 comparable hotel set.

Based upon the above parameters, the Company estimates its 2019 guidance as follows:

	Previous Full Year 2019 Guidance	Current Full Year 2019 Guidance	Change in Full Year 2019 Guidance to the Mid-Point
Net income (in millions)	\$956 to \$993	\$912 to \$935	\$(51.0)
Adjusted EBITDA*re* (in millions)	\$1,500 to \$1,540	\$1,505 to \$1,530	\$(2.5)
Diluted earnings per common share	\$1.28 to \$1.33	\$1.23 to \$1.26	\$(.06)
NAREIT FFO per diluted share	\$1.73 to \$1.78	\$1.67 to \$1.70	\$(.07)
Adjusted FFO per diluted share	\$1.73 to \$1.78	\$1.75 to \$1.78	\$.01

See the 2019 Forecast Schedules and the Notes to Supplemental Financial Information for other assumptions used in the forecasts and items that may affect forecast results.

2019 Outlook

Reconciliation of Net Income to EBITDA, EBITDA*re*, and Adjusted EBITDA*re* and Diluted Earnings per Common Share to NAREIT and Adjusted Funds From Operations per Diluted Share for 2019 Forecasts(1)

(unaudited, in millions, except per share amounts)

	Full Year 2019	
	Low-end of range	High-end of range
Net income	$912	$935
Interest expense	223	223
Depreciation and amortization	652	652
Income taxes	27	29
EBITDA	1,814	1,839
Gain on dispositions	(332)	(332)
Non-cash impairment expense (2)	14	14
Equity investment adjustments:		
Equity in earnings of affiliates	(14)	(14)
Pro rata EBITDA*re* of equity investments	27	27
EBITDA*re*	1,509	1,534
Adjustments to EBITDA*re*:		
Gain on property insurance settlement	(4)	(4)
Adjusted EBITDA*re*	$1,505	$1,530

	Full Year 2019	
	Low-end of range	High-end of range
Net income	$912	$935
Less: Net income attributable to non-controlling interests	(12)	(12)
Net income attributable to Host Inc.	900	923
Adjustments:		
Gain on dispositions	(332)	(332)
Tax on dispositions	(3)	(3)
Gain on property insurance settlement	(4)	(4)
Depreciation and amortization	650	650
Non-cash impairment expense	6	6
Equity investment adjustments:		
Equity in earnings of affiliates	(14)	(14)
Pro rata FFO of equity investments	19	19
Consolidated partnership adjustments:		
FFO adjustment for non-controlling interests of Host LP	(3)	(3)
NAREIT FFO	1,219	1,242
Adjustments to NAREIT FFO:		
Loss on extinguishment of debt	58	58
Income attributable to non-controlling interests	(1)	(1)
Adjusted FFO	$1,276	$1,299
Weighted average diluted shares - EPS, NAREIT FFO and Adjusted FFO	730.8	730.8
Diluted earnings per common share	$1.23	$1.26
NAREIT FFO per diluted share	$1.67	$1.70
Adjusted FFO per diluted share	$1.75	$1.78

(1) The forecasts are based on the below assumptions:

- Total comparable hotel RevPAR in constant US$ will decrease 1.0% to 0.25% for the low and high end of the forecast range, which excludes the effect of changes in foreign currency. However, the effect of estimated changes in foreign currency has been reflected in the forecast of net income, EBITDA, diluted earnings per common share and Adjusted FFO per diluted share.
- Comparable hotel EBITDA margins will decrease 20 basis points or increase 10 basis points for the low and high ends of the forecasted RevPAR range, respectively.
- We expect to spend approximately $315 million to $335 million on ROI capital expenditures and approximately $235 million to $255 million on renewal and replacement capital expenditures.

(2) Includes impairment on the existing corporate office lease related to the move to a new corporate headquarters in the fourth quarter.

For a discussion of additional items that may affect forecasted results, see the Notes to Supplemental Financial Information.

2019 Outlook

Schedule of Comparable Hotel Results for 2019 Forecasts[1]

(unaudited, in millions, except hotel statistics)

	Full Year 2019	
	Low-end of range	High-end of range
Operating profit margin [2]	14.4%	14.7%
Comparable hotel EBITDA margin [3]	28.9%	29.2%
Net income	$912	$935
Depreciation and amortization	666	666
Interest expense	223	223
Provision for income taxes	27	29
Gain on sale of property and corporate level income/expense	(273)	(273)
Non-comparable hotel results, net [4]	(295)	(296)
Comparable hotel EBITDA	$1,260	$1,284

	Low-end of range			
		Adjustments		
	GAAP Results	Non-comparable hotel results, net[4]	Depreciation and corporate level items	**Comparable Hotel Results**
Revenues				
Rooms	$3,418	$(663)	—	$2,755
Food and beverage	1,626	(300)	—	1,326
Other	383	(101)	—	282
Total revenues	5,427	(1,064)	—	4,363
Expenses				
Hotel expenses	3,876	(773)	—	3,103
Depreciation	666	—	(666)	—
Corporate and other expenses	109	—	(109)	—
Gain on insurance and business interruption settlements	(4)	4	—	—
Total expenses	4,647	(769)	(775)	3,103
Operating Profit - Comparable Hotel EBITDA	$780	$(295)	$775	$1,260

	High-end of range			
		Adjustments		
	GAAP Results	Non-comparable hotel results, net[4]	Depreciation and corporate level items	**Comparable Hotel Results**
Revenues				
Rooms	$3,443	$(667)	—	$2,776
Food and beverage	1,638	(302)	—	1,336
Other	396	(104)	—	292
Total revenues	5,477	(1,073)	—	4,404
Expenses				
Hotel expenses	3,901	(781)	—	3,120
Depreciation and amortization	666	—	(666)	—
Corporate and other expenses	109	—	(109)	—
Gain on insurance and business interruption settlements	(4)	4	—	—
Total expenses	4,672	(777)	(775)	3,120
Operating Profit - Comparable Hotel EBITDA	$805	$(296)	$775	$1,284

(1) Forecast comparable hotel results include 72 hotels (of our 82 hotels owned at September 30, 2019) that we have assumed will be classified as comparable as of December 31, 2019. See "Comparable Hotel Operating Statistics" in the Notes to Supplemental Financial Information. No assurances can be made as to the hotels that will be in the comparable hotel set for 2019. Also, see the notes to the "Reconciliation of Net Income to EBITDA, EBITDA*re*, and Adjusted EBITDA*re* and Diluted Earnings per Common Share to NAREIT and Adjusted Funds From Operations per Diluted Share for 2019 Forecasts" for other forecast assumptions and further discussion of transactions affecting our comparable hotel set.

(2) Operating profit margin under GAAP is calculated as the operating profit divided by the forecast total revenues per the condensed consolidated statements of operations.

(3) Comparable hotel EBITDA margin is calculated as the comparable hotel EBITDA divided by the comparable hotel revenues per the tables above.

(4) Non-comparable hotel results, net, includes the following items: (i) the results of operations of our non-comparable hotels and sold hotels, which operations are included in our condensed consolidated statements of operations as continuing operations, (ii) gains on insurance settlements and business interruption proceeds, and (iii) the results of our office spaces and other non-hotel income. The following hotels are expected to be non-comparable for full-year forecast:

Acquisitions:

- Andaz Maui at Wailea Resort (acquired in March 2018)
- Grand Hyatt San Francisco (acquired in March 2018)
- Hyatt Regency Coconut Point Resort and Spa (acquired in March 2018)
- 1 Hotel South Beach (acquired in February 2019)

Renovations:

- The Ritz-Carlton, Naples (business disruption beginning in the second quarter of 2018)
- San Francisco Marriott Marquis (business disruption beginning in the third quarter of 2018)
- San Antonio Marriott Rivercenter (business disruption beginning in the second quarter of 2019)
- Minneapolis Marriott City Center (business disruption beginning in the fourth quarter of 2019)

Dispositions or properties under contract (includes forecast or actual results from January 1, 2019 through the anticipated or actual sale date):

- The Westin New York Grand Central (sold January 9, 2019)
- The Westin Mission Hills Golf Resort & Spa (sold April 2, 2019)
- Washington Dulles Airport Marriott (sold June 7, 2019)
- Newport Beach Marriott Bayview (sold June 12, 2019)
- Courtyard Chicago Downtown/River North (sold July 1, 2019)
- Residence Inn Arlington Pentagon City (sold July 1, 2019)
- Chicago Marriott Suites O'Hare (sold August 6, 2019)
- The Westin Indianapolis (sold August 8, 2019)
- Scottsdale Marriott Suites Old Town (sold August 9, 2019)
- Scottsdale Marriott at McDowell Mountains (sold August 9, 2019)
- Costa Mesa Marriott (sold August 9, 2019)
- Atlanta Marriott Suites Midtown (sold August 9, 2019)
- Hyatt Regency Cambridge (sold October 30, 2019
- Sheraton San Diego Hotel & Marina (sold October 30, 2019)

Notes to Supplemental Financial Information

Notes to Supplemental Financial Information

Forecasts

Our forecast of earnings per diluted share, NAREIT and Adjusted FFO per diluted share, EBITDA, EBITDA*re*, Adjusted EBITDA*re,* NOI and comparable hotel results are forward-looking statements and are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause actual results and performance to differ materially from those expressed or implied by these forecasts. Although we believe the expectations reflected in the forecasts are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that the results will not be materially different. Risks that may affect these assumptions and forecasts include the following: potential changes in overall economic outlook make it inherently difficult to forecast the level of RevPAR and margin growth; the amount and timing of acquisitions and dispositions of hotel properties is an estimate that can substantially affect financial results, including such items as net income, depreciation and gains on dispositions; the level of capital expenditures may change significantly, which will directly affect the level of depreciation expense and net income; the amount and timing of debt payments may change significantly based on market conditions, which will directly affect the level of interest expense and net income; the amount and timing of transactions involving shares of our common stock may change based on market conditions; and other risks and uncertainties associated with our business described herein and in our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC.

Comparable Hotel Operating Statistics

To facilitate a quarter-to-quarter comparison of our operations, we present certain operating statistics (i.e., Total RevPAR, RevPAR, average daily rate and average occupancy) and operating results (revenues, expenses, hotel EBITDA and associated margins) for the periods included in this presentation on a comparable hotel basis in order to enable our investors to better evaluate our operating performance.

Because these statistics and operating results relate only to our hotel properties, they exclude results for our non-hotel properties and other real estate investments. We define our comparable hotels as properties:

(i) that are owned or leased by us and the operations of which are included in our consolidated results for the entirety of the reporting periods being compared; and

(ii) that have not sustained substantial property damage or business interruption, or undergone large-scale capital projects (as further defined below) during the reporting periods being compared.

The hotel business is capital-intensive and renovations are a regular part of the business. Generally, hotels under renovation remain comparable hotels. A large scale capital project that would cause a hotel to be excluded from our comparable hotel set is an extensive renovation of several core aspects of the hotel, such as rooms, meeting space, lobby, bars, restaurants and other public spaces. Both quantitative and qualitative factors are taken into consideration in determining if the renovation would cause a hotel to be removed from the comparable hotel set, including unusual or exceptional circumstances such as: a reduction or increase in room count, rebranding, a significant alteration of the business operations, or the closing of the hotel during the renovation.

We do not include an acquired hotel in our comparable hotel set until the operating results for that hotel have been included in our consolidated results for one full calendar year. For example, we acquired the 1 Hotel South Beach in February 2019. The hotel will not be included in our comparable hotels until January 1, 2021. Hotels that we sell are excluded from the comparable hotel set once the transaction has closed. Similarly, hotels are excluded from our comparable hotel set from the date that they sustain substantial property damage or business interruption or commence a large-scale capital project. In each case, these hotels are returned to the comparable hotel set when the operations of the hotel have been included in our consolidated results for one full calendar year after completion of the repair of the property damage or cessation of the business interruption, or the completion of large-scale capital projects, as applicable.

Notes to Supplemental Financial Information

Comparable Hotel Operating Statistics (continued)

Of the 82 hotels that we owned on September 30, 2019, 75 have been classified as comparable hotels. The operating results of the following hotels that we owned as of September 30, 2019 are excluded from comparable hotel results for these periods:

- Andaz Maui at Wailea Resort (acquired in March 2018);
- Grand Hyatt San Francisco (acquired in March 2018);
- Hyatt Regency Coconut Point Resort and Spa (acquired in March 2018);
- 1 Hotel South Beach (acquired in February 2019);
- The Ritz-Carlton, Naples, removed in the second quarter of 2018 (business disruption due to extensive renovations including restoration of the façade that required closure of the hotel for over two months, coordinated with renovation and expansion of restaurant areas and renovation to the spa and ballrooms);
- San Francisco Marriott Marquis, removed in the third quarter of 2018 (business disruption due to renovations of guestrooms, ballrooms, meeting space, and extensive renovations of the main lobby); and
- San Antonio Marriott Rivercenter, removed in the second quarter of 2019 (business disruption due to renovations of guestrooms, conversion of public areas into meeting space, and an extensive repositioning of the lobby area).

The operating results of 16 hotels disposed of in 2018 and the first three quarters of 2019 are not included in comparable hotel results for the periods presented herein.

Non-GAAP Financial Measures

Included in this supplemental information are certain "non-GAAP financial measures," which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. They are as follows: (i) FFO and FFO per diluted share (both NAREIT and Adjusted), (ii) EBITDA, (iii) EBITDA*re* and Adjusted EBITDA*re*, (iv) NOI, (v) Comparable Hotel Property Level Operating Results, (vi) Credit Facility Leverage and Fixed Charge Coverage Ratios and (vii) Senior Notes EBITDA to Interest Coverage Ratio. The following discussion defines these measures and presents why we believe they are useful supplemental measures of our performance.

NAREIT FFO and NAREIT FFO per Diluted Share

We present NAREIT FFO and NAREIT FFO per diluted share as non-GAAP measures of our performance in addition to our earnings per share (calculated in accordance with GAAP). We calculate NAREIT FFO per diluted share as our NAREIT FFO (defined as set forth below) for a given operating period, as adjusted for the effect of dilutive securities, divided by the number of fully diluted shares outstanding during such period, in accordance with NAREIT guidelines. Effective January 1, 2019, we adopted NAREIT's definition of FFO included in NAREIT's Funds From Operations White Paper – 2018 Restatement. The adoption did not result in a change in the way we calculate NAREIT FFO. NAREIT defines FFO as net income (calculated in accordance with GAAP) excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment write-downs of certain real estate assets and investments and adjustments for consolidated partially-owned entities and unconsolidated affiliates. Adjustments for consolidated partially-owned entities and unconsolidated affiliates are calculated to reflect our pro rata share of the FFO of those entities on the same basis.

Notes to Supplemental Financial Information

NON-GAAP FINANCIAL MEASURES (CONTINUED)

We believe that NAREIT FFO per diluted share is a useful supplemental measure of our operating performance and that the presentation of NAREIT FFO per diluted share, when combined with the primary GAAP presentation of earnings per share, provides beneficial information to investors. By excluding the effect of real estate depreciation, amortization, impairments and gains and losses from sales of depreciable real estate, all of which are based on historical cost accounting and which may be of lesser significance in evaluating current performance, we believe that such measures can facilitate comparisons of operating performance between periods and with other REITs, even though NAREIT FFO per diluted share does not represent an amount that accrues directly to holders of our common stock. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. As noted by NAREIT in its Funds From Operations White Paper – 2018 Restatement, the primary purpose for including FFO as a supplemental measure of operating performance of a REIT is to address the artificial nature of historical cost depreciation and amortization of real estate and real estate-related assets mandated by GAAP. For these reasons, NAREIT adopted the FFO metric in order to promote a uniform industry-wide measure of REIT operating performance.

Adjusted FFO per Diluted Share

We also present Adjusted FFO per diluted share when evaluating our performance because management believes that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. Management historically has made the adjustments detailed below in evaluating our performance, in our annual budget process and for our compensation programs. We believe that the presentation of Adjusted FFO per diluted share, when combined with both the primary GAAP presentation of earnings per share and FFO per diluted share as defined by NAREIT, provides useful supplemental information that is beneficial to an investor's understanding of our operating performance. We adjust NAREIT FFO per diluted share for the following items, which may occur in any period, and refer to this measure as Adjusted FFO per diluted share:

- Gains and Losses on the Extinguishment of Debt – We exclude the effect of finance charges and premiums associated with the extinguishment of debt, including the acceleration of the write-off of deferred financing costs associated with the original issuance of the debt being redeemed or retired and incremental interest expense incurred during the refinancing period. We also exclude the gains on debt repurchases and the original issuance costs associated with the retirement of preferred stock. We believe that these items are not reflective of our ongoing finance costs.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.

In unusual circumstances, we may also adjust NAREIT FFO for gains or losses that management believes are not representative of the Company's current operating performance. For example, in 2017, as a result of the reduction of corporate income tax rates from 35% to 21% caused by the Tax Cuts and Jobs Act, we remeasured our domestic deferred tax assets as of December 31, 2017 and recorded a one-time adjustment to reduce the deferred tax assets and increase the provision for income taxes by approximately $11 million. We do not consider this adjustment to be reflective of our on-going operating performance and therefore excluded this item from Adjusted FFO.

Notes to Supplemental Financial Information

Non-GAAP Financial Measures (continued)

EBITDA and NOI

Earnings before Interest Expense, Income Taxes, Depreciation and Amortization ("EBITDA") is a commonly used measure of performance in many industries. Management believes EBITDA provides useful information to investors regarding our results of operations because it helps us and our investors evaluate the ongoing operating performance of our properties after removing the impact of the Company's capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other lodging REITs, hotel owners that are not REITs and other capital-intensive companies. Management uses EBITDA to evaluate property-level results and EBITDA multiples (calculated as sales price divided by EBITDA) as one measure in determining the value of acquisitions and dispositions and, like FFO and Adjusted FFO per diluted share, it is widely used by management in the annual budget process and for our compensation programs. Management also uses NOI when calculating capitalization rates ("Cap Rates") to evaluate acquisitions and dispositions. For a specific hotel, NOI is calculated as the hotel or entity level EBITDA less an estimate for the annual contractual reserve requirements for renewal and replacement expenditures. Cap Rates are calculated as NOI divided by sales price. Management believes using Cap Rates allows for a consistent valuation method in comparing the purchase or sale value of properties.

EBITDAre and Adjusted EBITDAre

We present EBITDA*re* in accordance with NAREIT guidelines, as defined in its September 2017 white paper "Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate," to provide an additional performance measure to facilitate the evaluation and comparison of the Company's results with other REITs. NAREIT defines EBITDA*re* as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control), impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDA*re* of unconsolidated affiliates.

We make additional adjustments to EBITDA*re* when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. We believe that the presentation of Adjusted EBITDA*re*, when combined with the primary GAAP presentation of net income, is beneficial to an investor's understanding of our operating performance. Adjusted EBITDA*re* also is similar to the measure used to calculate certain credit ratios for our credit facility and senior notes. We adjust EBITDA*re* for the following items, which may occur in any period, and refer to this measure as Adjusted EBITDA*re*:

- Property Insurance Gains – We exclude the effect of property insurance gains reflected in our consolidated statements of operations because we believe that including them in Adjusted EBITDA*re* is not consistent with reflecting the ongoing performance of our assets. In addition, property insurance gains could be less important to investors given that the depreciated asset book value written off in connection with the calculation of the property insurance gain often does not reflect the market value of real estate assets.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.

In unusual circumstances, we also may adjust EBITDA*re* for gains or losses that management believes are not representative of the Company's current operating performance. The last such adjustment was a 2013 exclusion of a gain from an eminent domain claim.

Notes to Supplemental Financial Information

Non-GAAP Financial Measures (continued)

Limitations on the Use of NAREIT FFO per Diluted Share, Adjusted FFO per Diluted Share, EBITDA, EBITDAre, Adjusted EBITDAre and NOI

We calculate NAREIT FFO per diluted share in accordance with standards established by NAREIT, which may not be comparable to measures calculated by other companies that do not use the NAREIT definition of FFO or do not calculate FFO per diluted share in accordance with NAREIT guidance. In addition, although FFO per diluted share is a useful measure when comparing our results to other REITs, it may not be helpful to investors when comparing us to non-REITs. We also calculate Adjusted FFO per diluted share, which is not in accordance with NAREIT guidance and may not be comparable to measures calculated by other REITs. EBITDA, EBITDA*re*, Adjusted EBITDA*re*, and NOI, as presented, may also not be comparable to measures 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 performance measure calculated in accordance with GAAP. Cash expenditures for various long-term assets (such as renewal and replacement capital expenditures, with the exception of NOI), interest expense (for EBITDA, EBITDA*re,* Adjusted EBITDA*re* and NOI purposes only) and other items have been and will be made and are not reflected in the EBITDA, EBITDA*re*, Adjusted EBITDA*re*, NAREIT FFO per diluted share, Adjusted FFO per diluted share and NOI presentations. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our consolidated statement of operations and cash flows include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures. Additionally, NAREIT FFO per diluted share, Adjusted FFO per diluted share, EBITDA, EBITDA*re,* Adjusted EBITDA*re* and NOI should not be considered as a measure of our liquidity or indicative of funds available to fund our cash needs, including our ability to make cash distributions. In addition, NAREIT FFO per diluted share and Adjusted FFO per diluted share do not measure, and should not be used as a measure of, amounts that accrue directly to stockholders' benefit.

Similarly, EBITDA*re*, Adjusted EBITDA*re*, NAREIT FFO and Adjusted FFO per diluted share include adjustments for the pro rata share of our equity investments and NAREIT FFO and Adjusted FFO per diluted share include adjustments for the pro rata share of non-controlling partners in consolidated partnerships. Our equity investments consist of interests ranging from 11% to 67% in seven domestic and international partnerships that own a total of 10 properties and a vacation ownership development. Due to the voting rights of the outside owners, we do not control and, therefore, do not consolidate these entities. The non-controlling partners in consolidated partnerships primarily consist of the approximate 1% interest in Host LP held by outside partners, and a 15% interest held by outside partners in a partnership owning one hotel for which we do control the entity and, therefore, consolidate its operations. These pro rata results for NAREIT FFO and Adjusted FFO per diluted share, EBITDA*re* and Adjusted EBITDA*re* were calculated as set forth in the definitions above. Readers should be cautioned that the pro rata results presented in these measures for consolidated partnerships (for NAREIT FFO and Adjusted FFO per diluted share) and equity investments may not accurately depict the legal and economic implications of our investments in these entities.

Comparable Hotel Property Level Operating Results

We present certain operating results for our hotels, such as hotel revenues, expenses, food and beverage profit, and EBITDA (and the related margins), on a comparable hotel, or "same store," basis as supplemental information for investors. Our comparable hotel results present operating results for hotels owned during the entirety of the periods being compared without giving effect to any acquisitions or dispositions, significant property damage or large scale capital improvements incurred during these periods. We present comparable hotel EBITDA to help us and our investors evaluate the ongoing operating performance of our comparable properties after removing the impact of the Company's capital structure (primarily interest expense), and its asset base (primarily depreciation and amortization). Corporate-level costs and expenses are also removed to arrive at property-level results. We believe these property-level results provide investors with supplemental information into the ongoing operating performance of our comparable hotels. Comparable hotel results are presented both by location and for the Company's comparable properties in the aggregate. We eliminate depreciation and amortization because, even though depreciation and amortization are property-level expenses, these non-cash expenses, which are based on historical cost accounting for real estate assets, implicitly assume that the value of real estate assets diminishes predictably over time. As noted earlier, because real estate values have historically risen or fallen with market conditions, many real estate industry investors have considered presentation of historical cost accounting for operating results to be insufficient by themselves.

Notes to Supplemental Financial Information

Non-GAAP Financial Measures (continued)

Because of the elimination of corporate-level costs and expenses and depreciation and amortization, the comparable hotel operating results we present do not represent our total revenues, expenses, operating profit or net income and should not be used to evaluate the performance of our Company as a whole. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our consolidated statements of operations include such amounts, all of which should be considered by investors when evaluating our performance.

We present these hotel operating results on a comparable hotel basis because we believe that doing so provides investors and management with useful information for evaluating the period-to-period performance of our hotels and facilitates comparisons with other hotel REITs and hotel owners. In particular, these measures assist management and investors in distinguishing whether increases or decreases in revenues and/or expenses are due to growth or decline of operations at comparable hotels (which represent the vast majority of our portfolio) or from other factors, such as the effect of acquisitions or dispositions. While management believes that presentation of comparable hotel results is a “same store” supplemental measure that provides useful information in evaluating our ongoing performance, this measure is not used to allocate resources or to assess the operating performance of each of these hotels, as these decisions are based on data for individual hotels and are not based on comparable hotel results. For these reasons, we believe that comparable hotel operating results, when combined with the presentation of GAAP operating profit, revenues and expenses, provide useful information to investors and management.

Credit Facility Leverage and Fixed Charge Coverage Ratios and Senior Notes EBITDA to Interest Coverage Ratio

Host’s credit facility and senior notes indenture contain certain financial covenants, including allowable leverage, fixed charge coverage and EBITDA to interest coverage ratios, which are determined using EBITDA as calculated under the terms of our credit facility (“Adjusted Credit Facility EBITDA”) and senior notes indenture (“Adjusted Senior Notes EBITDA”). The leverage ratio is defined as net debt plus preferred equity to Adjusted Credit Facility EBITDA. The fixed charge coverage ratio is defined as Adjusted Credit Facility EBITDA divided by fixed charges, which include interest expense, required debt amortization payments, cash taxes and preferred stock payments. The EBITDA to interest coverage ratio is defined as Adjusted Senior Notes EBITDA to interest expense as defined by our senior notes indenture. These calculations are based on pro forma results for the prior four fiscal quarters, giving effect to transactions such as acquisitions, dispositions and financings as if they occurred at the beginning of the period. Under the terms of the credit facility and senior notes indenture, interest expense excludes items such as the gains and losses on the extinguishment of debt, deferred financing charges related to the senior notes or the credit facility, amortization of debt premiums or discounts that were recorded at issuance of a loan to establish its fair value and non-cash interest expense, all of which are included in interest expense on our consolidated statement of operations.

Additionally, total debt used in the calculation of our leverage ratio is based on a “net debt” concept, under which cash and cash equivalents in excess of $100 million are deducted from our total debt balance. In this presentation we have presented our credit facility leverage and fixed charge coverage ratios and senior notes EBITDA to interest coverage ratio, which are considered non-GAAP financial measures. Management believes these financial ratios provide useful information to investors regarding our ability to access the capital markets and in particular debt financing.

Limitations on Credit Facility and Senior Notes Credit Ratios

These metrics are useful in evaluating the Company’s compliance with the covenants contained in its credit facility and senior notes indentures. However, because of the various adjustments taken to the ratio components as a result of negotiations with the Company’s lenders and noteholders they should not be considered as an alternative to the same ratios determined in accordance with GAAP. For instance, interest expense as calculated under the credit facility and senior notes indenture excludes the items noted above such as deferred financing charges and amortization of debt premiums or discounts, all of which are included in interest expense on our consolidated statement of operations. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of performance. In addition, because the credit facility and indenture ratio components are also based on pro forma results for the prior four fiscal quarters, giving effect to transactions such as acquisitions, dispositions and financings as if they occurred at the beginning of the period, they are not reflective of actual performance over the same period calculated in accordance with GAAP.