

HOST HOTELS & RESORTS



2015 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(unaudited, in millions, except per share and hotel statistics)	2015	2014	2013
Operating Data			
Revenues	\$ 5,387	\$ 5,354	\$ 5,166
Operating profit	650	710	512
Net income	571	747	325
Diluted Earnings per Common Share			
Earnings from continuing operations	\$ 0.74	\$ 0.96	\$ 0.27
Diluted earnings	\$ 0.74	\$ 0.96	\$ 0.42
Diluted weighted average shares outstanding	752.9	786.8	747.9
Balance Sheet Data			
Total assets	\$11,784	\$12,172	\$12,772
Total debt	4,017	3,957	4,717
Total equity	7,082	7,368	7,262
Other Data			
Adjusted EBITDA ⁽¹⁾	\$ 1,409	\$ 1,402	\$ 1,306
NAREIT funds from operations per diluted share ⁽¹⁾	1.49	1.57	1.26
Adjusted funds from operations per diluted share ⁽¹⁾	1.54	1.50	1.31
Stock price on December 31st	15.34	23.77	19.44
Comparable Hotel Data⁽²⁾			
Number of properties	96	96	
Number of rooms	52,944	52,944	
Average room rate ⁽³⁾	\$220.11	\$213.10	
Average occupancy percentage	77.4%	77.0%	
RevPAR ⁽³⁾	\$170.34	\$164.15	

(1) NAREIT Funds From Operations (FFO) and Adjusted FFO per diluted share and Adjusted Earnings before Interest Expense, Income Taxes, Depreciation, Amortization and other items (Adjusted EBITDA) are non generally accepted accounting principles (GAAP) financial measures within the meaning of the rules of the Securities & Exchange Commission. These measures have been reconciled to comparable GAAP measures. See page 24 of this report.

(2) We define our comparable hotels as properties 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 that have not sustained substantial property damage or business interruption or undergone large-scale capital projects during the reporting periods being compared.

(3) Room revenue per available room ("RevPAR") represents the combination of average daily room rate charged and the average daily occupancy achieved, and is a commonly used indicator of hotel performance. RevPAR does not include food and beverage or other ancillary revenues generated by the property. Average room rate and RevPAR are presented on a constant US\$ basis, which presents 2014 results using the same exchange rates that were effective for the comparable periods in 2015, thereby eliminating the effect of currency fluctuation for the year-over-year comparisons.

Our Annual Report on Form 10-K filed with the Securities and Exchange Commission is included in our mailing to stockholders and together with this 2015 Annual Report forms our annual report to stockholders within the meaning of SEC rules.

ON THE COVER: Acquired in June 2015, THE PHOENICIAN, a 643-room AAA-Five Diamond Luxury Collection Resort, ideally located in one of the premier resort markets in the Southwest. This iconic resort boasts a scenic 300-acre setting at the base of Camelback Mountain with outstanding views of the local natural landmark.

PREMIUM BRANDS & OPERATORS PRIME LOCATIONS & MARKETS

WITH INVESTMENTS IN 122 PROPERTIES THROUGHOUT THE UNITED STATES AND IN 15 COUNTRIES across the globe, we have an unmatched portfolio of quality assets. We have assembled a well-balanced portfolio within select major markets that benefit from strong demand generators that appeal to multiple customer segments, achieve premium rates, and have relatively higher barriers to entry. While we will continually evaluate and refine the portfolio, our primary focus is on the following property types:

- ICONIC RESORTS
- IRREPLACEABLE CONVENTION DESTINATION PROPERTIES
- SIGNATURE CITY-CENTER HOTELS
- PRIME SUBURBAN AND ADVANTAGED AIRPORT HOTELS

We strive for diversified exposure within multiple brands, focused asset classes, and favorable location types. Our hotels primarily are operated under brand names that are among the most respected and widely recognized in the lodging industry. Within these diversified brands, we focus predominately on the upper-upscale and luxury segments, as we believe they have a broad appeal for both the individual and group leisure and business customer. We believe the combination of a superior portfolio, disciplined capital allocation, strong asset management and powerful and flexible capital structure put us in a position to achieve our goals and to drive stockholder value.



The brands and logos listed above are the trademarks of our managers or their affiliates. The trademarked names and their logos are the property of their respective owners and are being used with the express permission of their owners. None of the owners of these trademarks has any responsibility or liability for any information contained in this Annual Report.



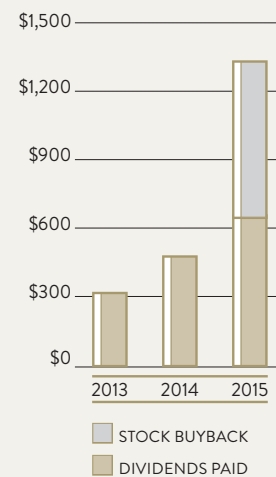
TO OUR STOCKHOLDERS



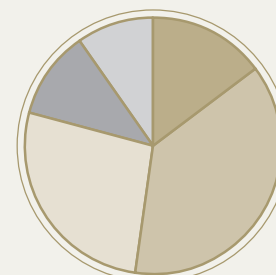
W. EDWARD WALTER
President and Chief Executive Officer

RICHARD E. MARRIOTT
Chairman of the Board

TOTAL RETURN TO STOCKHOLDERS (in millions)



HOTELS BY PROPERTY TYPE (as a percent of 2015 revenues)



- ICONIC RESORTS 15%
- IRREPLACEABLE CONVENTION DESTINATION HOTELS 38%
- SIGNATURE CITY-CENTER HOTELS 27%
- PRIME SUBURBAN & ADVANTAGED AIRPORT HOTELS 11%
- OTHER 9%

Host Hotels & Resorts is the premier lodging real estate investment company with a commitment to a long-term strategic focus. We have thoughtfully assembled and refined a geographically-diverse portfolio of high-quality assets. We have created stockholder value through disciplined allocation of capital and intelligent asset management oversight. We have built on the bedrock of a powerful and flexible capital structure to enable us to be opportunistic at any point throughout the lodging cycle. We are confident in the future of our business and from the boardroom to the back office we are focused on delivering real value to our stockholders.

Reflecting on our performance in 2015, we had a very active year and executed on a number of initiatives to capitalize on value enhancing opportunities to better position Host for continued growth and success.

- We invested over \$1 billion in 2015, including the acquisition of the iconic, AAA-Five Diamond luxury resort, the Phoenician Hotel. We also completed four comprehensive redevelopment and rebranding projects at The Camby in Phoenix, The Logan in Philadelphia, The Axiom in San Francisco and the Houston Airport Marriott at George Bush Intercontinental, while also completing the renovations of 8,000 guestrooms across the portfolio.
- We sold over \$1 billion in hotels, including properties owned in our European and Asia/Pacific joint ventures, further sharpening the portfolio's focus on major markets.
- We returned over \$1.3 billion of capital to our stockholders through \$650 million of dividends and \$675 million of stock repurchases that were completed at a significant discount to the estimated net asset value of our assets.

- We repaid or refinanced more than \$1.4 billion in debt, reducing our weighted average interest rate by 110 basis points and extending our average debt maturity to six years, all of which further bolstered our industry-leading balance sheet.

We delivered solid improvements in operating performance in 2015 as RevPAR at our comparable hotels increased 3.8% (on a constant US Dollar basis). Despite being impacted by significant renovation activity during the first half of the year and adverse economic headwinds in the fourth quarter, we recorded the highest comparable RevPAR in our history, \$170.34, driven by occupancy levels of 77.4% and average rates of over \$220, far exceeding the industry average, and helping to deliver Adjusted EBITDA of over \$1.4 billion and net income of \$571 million. Adjusted FFO, which directly reflects our balance sheet initiatives, including our efforts to reduce our annual interest payments and return capital to stockholders, improved to \$1.54 per share for the year, while diluted earnings per share was \$0.74.

For 2016, we expect to continue to execute on our strategic initiatives to drive stockholder value. We expect to complete our exit from our Asia/Pacific markets, thereby simplifying our portfolio and streamlining our focus on North American and European gateway markets. We will continue to focus on creating and mining value from our existing portfolio through capital investments and value enhancement initiatives. We will continue to leverage our experience as the owner of one of the largest and most diverse lodging portfolios to seek to differentiate our assets within their competitive markets, driving improvements in operating performance and enhancing the value of the real estate. While we recognize the volatility of the lodging industry, particularly during the uncertain global macro-economic atmosphere, we intend to continue to deliver value to our stockholders through earnings growth, a meaningful dividend and the continued execution of our stock repurchase program. We are confident that our combination of superior assets, financial strength, and management expertise will continue to create an attractive opportunity for investors. We appreciate your support and will continue to work to provide superior returns to our stockholders.

RICHARD E. MARRIOTT
Chairman of the Board

March 17, 2016

W. EDWARD WALTER
President and Chief Executive Officer

\$1.3+
BILLION

Returned to stockholders

38%

Increase in cash dividends paid in 2015 compared to 2014

77.4%

Highest comparable hotel occupancy since 2000

\$170

Record level comparable hotel RevPAR

ICONIC RESORTS

OUR ICONIC RESORT PROPERTIES ARE LOCATED IN PRIME LOCATIONS AND FEATURE TIMELESS ARCHITECTURE WITH HIGH-END AMENITIES.

CURATED BY PREMIER OPERATORS, THESE PROPERTIES ARE IN MARKETS WITH STRONG AIRLIFT AND LIMITED SUPPLY GROWTH.

	 ROOMS	 MEETING SPACE (Sq Ft)
LUXURY RESORTS		
The Phoenician, A Luxury Collection Resort	643	165,000
Hotel Arts Barcelona*	483	9,800
Fairmont Kea Lani, Maui	450	36,000
The Ritz-Carlton, Naples	450	42,000
The Ritz-Carlton, Amelia Island	446	48,000
The Ritz-Carlton Golf Resort, Naples	295	16,500
UPPER-UPSCALE RESORTS		
Hyatt Regency Maui Resort and Spa	806	100,000
The Westin Kierland Resort & Spa	732	200,000
Fort Lauderdale Marriott Harbor Beach Resort & Spa	650	67,000
Coronado Island Marriott Resort & Spa	300	27,000

*Hotel owned through joint venture.



 | 10 |
SIGNATURE HOTELS

 | 5,255 |
ROOMS

 | 108 |
HOLES OF GOLF

 | 711,300 |
SF OF MEETING SPACE

RIGHT: THE PHOENICIAN, A LUXURY COLLECTION RESORT

THE RITZ-CARLTON, AMELIA ISLAND

CORONADO ISLAND MARRIOTT RESORT & SPA





SUPERIOR PORTFOLIO

Our goal is to be the preeminent owner of high-quality lodging real estate at the epicenter of dynamic, growing markets. Our strategy primarily focuses on upscale, upper-upscale and luxury properties, in locations which we believe have strong demand generators that appeal to multiple customer segments and achieve premium rates. We have invested in 122 high-quality assets predominantly within the top markets and gateway cities in North America and Europe, as well as other key international locations.

Characterizing our portfolio by location, brand, operator, or lodging segment does not fully capture the essence of what we believe is the best collection of premier assets in the industry. Our hotels are best described as follows:

- **Iconic Resorts** – well-located luxury assets in markets with strong airlift and limited supply growth, which feature world-class amenities and premier operators;
- **Irreplaceable Convention Destination Hotels** – group oriented assets in urban/resort markets, which feature extensive, state-of-the-art meeting facilities;
- **Signature City-Center Hotels** – established properties in urban and coastal markets with high barriers to entry and multiple demand drivers for both business and leisure travelers; and
- **Prime Suburban and Advantaged Airport Hotels** – high quality assets that either are market leaders in prime suburban commercial locations, connected to airport terminals, or conveniently located on airport grounds.

Our portfolio, both here in the United States and abroad, is located in major markets that have historically outperformed the lodging industry in terms of real RevPAR growth. Whether in Los Angeles, San Francisco, New York, Washington, D.C., London, Paris or Berlin, we believe this strategy of combining quality assets with superior locations in recognized global centers of commerce and tourism provides opportunities to achieve room rate and occupancy premiums in excess of our competitors. During 2015, we acquired another iconic asset with the purchase of The Phoenician in Scottsdale, Arizona. Located in a premium resort market with nine food and beverage outlets and approximately 83,500 square feet of indoor meeting space, The Phoenician is one of only a handful of iconic luxury destination resorts in the country that cater to both high-end transient and group customers.

LEFT: AXIOM HOTEL

SWISSÔTEL CHICAGO



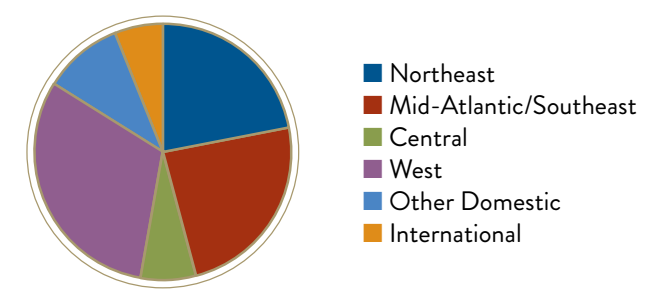
AXIOM HOTEL



THE WESTIN PALACE, MADRID
(JOINT VENTURE HOTEL)




HOTELS BY REGION (as a percent of 2015 revenues)



IRREPLACEABLE CONVENTION DESTINATIONS

OUR IRREPLACEABLE, GROUP-ORIENTED DESTINATION HOTELS ARE SITUATED IN URBAN AND RESORT MARKETS AND FEATURE EXTENSIVE AND HIGH-CALIBER MEETING FACILITIES, MANY CONNECTED TO PROMINENT CONVENTION CENTERS.



15
SIGNATURE ASSETS

49%
GROUP MIX

19,499
ROOMS

1.7 MILLION
SF OF MEETING SPACE

URBAN CORE GROUP FOCUSED HOTELS

	 ROOMS	 MEETING SPACE (Sq Ft)
New York Marriott Marquis	1,966	130,300
Sheraton New York Times Square Hotel	1,780	60,000
Manchester Grand Hyatt San Diego	1,628	125,000
San Francisco Marriott Marquis	1,500	117,000
Marriott Marquis San Diego Marina	1,360	80,000
New Orleans Marriott	1,333	80,000
Sheraton Boston Hotel	1,220	70,000
Boston Marriott Copley Place	1,144	70,000
Sheraton San Diego Hotel & Marina	1,053	120,000
San Antonio Marriott Rivercenter	1,001	100,000
Grand Hyatt Washington	897	42,000
The Westin Seattle	891	55,000
Hyatt Regency Washington on Capitol Hill	838	38,000

DESTINATION GROUP FOCUSED HOTELS

Orlando World Center Marriott	2,004	399,200
JW Marriott Desert Springs Resort & Spa	884	232,700

LEFT: ORLANDO WORLD CENTER MARRIOTT

HYATT REGENCY WASHINGTON ON CAPITOL HILL



THE WESTIN SEATTLE



DISCIPLINED CAPITAL ALLOCATION

\$1+ BILLION

Invested in new assets or capital improvements in 2015

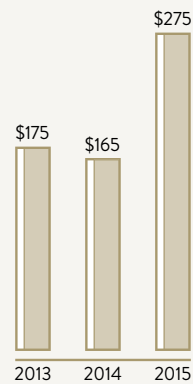
\$1+ BILLION

Hotels sold, including joint venture hotels

\$1+ BILLION

Over \$1B value enhancement / redevelopment and ROI projects since 2010

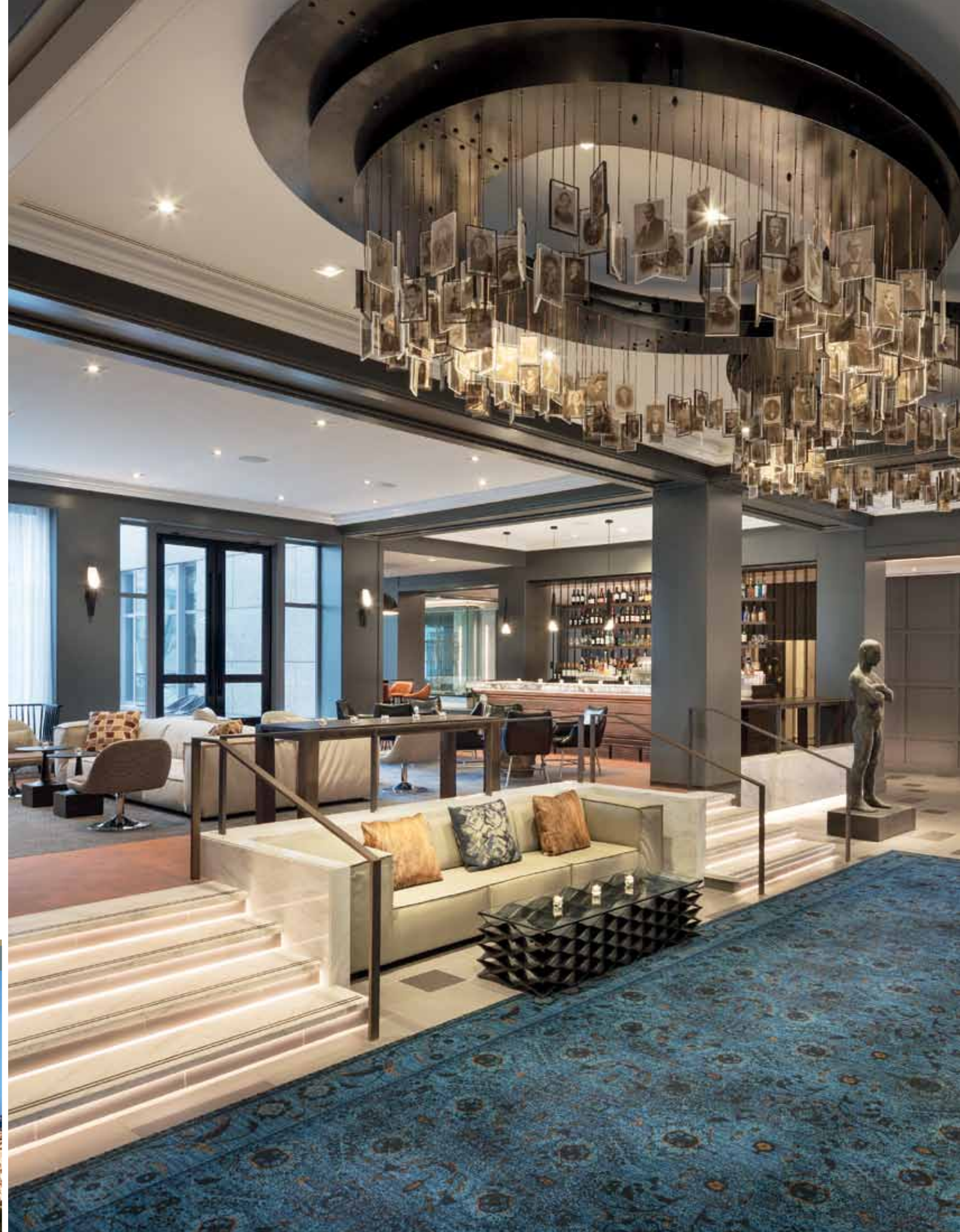
REDEVELOPMENT/ROI AND VALUE ENHANCEMENT PROJECTS
(in millions)



Guided by a strategic long-term view, our goal is to allocate and recycle capital to earn returns that exceed our risk-adjusted cost of capital in locations that we expect to outperform in the long term, creating the greatest value and strong returns on investments for our stockholders. We seek to earn these returns by creating and mining value from our existing portfolio through capital investments and value enhancement initiatives and appropriately matching each hotel within its specific market with the best operator and brand to optimize operating performance. In line with this approach, we invested more than \$1 billion in new assets and capital improvements in 2015. We acquired The Phoenician in Scottsdale, Arizona for \$400 million. We invested \$275 million in redevelopment, return on investment, and acquisition capital expenditures to increase cash flow and improve profitability by capitalizing on changing market conditions and the favorable locations of our properties. During 2015, these projects included our strategic asset repositioning initiatives for four properties: The Logan, The Camby Hotel, The Axiom Hotel and the Houston Airport Marriott at George Bush Intercontinental. Each of these hotels has been completely repositioned and three will be operated by a new management company. Additionally, we invested \$388 million in renewal and replacement capital expenditures to maintain the quality and competitiveness of our hotel properties and enhance customer satisfaction. We also negotiated new franchise or management agreements at a total of six properties during the year.

Additionally, we look to refine our portfolio through the sale of non-core assets where we believe the potential for growth is constrained or properties with significant capital expenditure requirements that we do not believe would generate a return on the investment. During the last 14 months, we successfully completed the sale of 20 assets, including assets held in joint ventures, for a total of \$1 billion of asset sales. Proceeds from the sales have been utilized as a source of funds for our stock repurchase program, capital expenditure programs and other corporate objectives.

RIGHT: THE LOGAN



HOUSTON AIRPORT MARRIOTT AT GEORGE BUSH INTERCONTINENTAL



THE WESTIN INDIANAPOLIS



SIGNATURE CITY-CENTER HOTELS

OUR SIGNATURE ASSETS IN CITIES WITH HIGH BARRIERS TO ENTRY, THESE HOTELS ARE LOCATED IN PRIME URBAN AND COASTAL LOCATIONS AND BOAST FEATURES THAT ARE EXTREMELY DESIRABLE FOR BOTH BUSINESS AND LEISURE TRAVELERS.



| 48 |

SIGNATURE ASSETS



| 20,117 |

ROOMS



| 896,028 |

SF OF MEETING SPACE



| \$219 |

AVERAGE DAILY RATE FOR
CONSOLIDATED HOTELS

ATLANTA

The Westin Buckhead Atlanta
Grand Hyatt Atlanta in Buckhead
The Ritz-Carlton, Buckhead
JW Marriott Atlanta Buckhead
Atlanta Marriott Suites Midtown

BOSTON

Hyatt Regency Cambridge, Overlooking Boston

CHICAGO

The Westin Chicago River North
Swissôtel Chicago
Embassy Suites by Hilton Chicago Downtown
Magnificent Mile
Courtyard Chicago Downtown/River North

DENVER

The Westin Denver Downtown

HAWAII

Hyatt Place Waikiki Beach

HOUSTON

The St. Regis Houston
JW Marriott Houston

MIAMI

Miami Marriott Biscayne Bay

NEW YORK

W New York - Union Square
W New York
The Westin New York Grand Central
New York Marriott Downtown

PHILADELPHIA

The Logan

PHOENIX

The Camby Hotel

SAN FRANCISCO

Axiom Hotel
San Francisco Marriott Fisherman's Wharf

SEATTLE

W Seattle

WASHINGTON, D.C.

JW Marriott Washington DC
The Westin Georgetown, Washington D.C.
Washington Marriott at Metro Center
The Ritz-Carlton, Tysons Corner
Residence Inn Arlington Pentagon City
Key Bridge Marriott

OTHER U.S. CITIES

The Westin Cincinnati
The Westin Indianapolis
Minneapolis Marriott City Center
San Antonio Marriott Riverwalk
Hyatt Place Nashville Downtown*
Sheraton Memphis Downtown

INTERNATIONAL

JW Marriott Hotel Rio de Janeiro
JW Marriott Hotel Mexico City
Calgary Marriott Downtown
Toronto Marriott Downtown Eaton
Centre Hotel
Hilton Melbourne South Wharf
Sheraton Berlin Grand Hotel Esplanade*
Le Méridien Piccadilly*
Renaissance Paris Vendôme Hotel*
The Westin Palace, Madrid*
Renaissance Amsterdam Hotel*
Brussels Marriott Hotel Grand Place*
Sheraton Stockholm Hotel*

**Hotels owned through joint ventures*

LEFT: LE MÉRIDIEN PICCADILLY (JOINT VENTURE HOTEL)

MIAMI MARRIOTT BISCAYNE BAY



THE WESTIN DENVER DOWNTOWN





STRONG ASSET MANAGEMENT

We believe our experienced team creates value through careful application of intelligent asset management and capital investment decision making. We are in a unique position to work with our managers to drive operating performance and implement value-added real estate decisions. Our asset managers are supported by a feasibility team that provides independent underwriting of ROI and value-enhancement projects, as well as dedicated resources around business intelligence, revenue management and restaurant and bar operations. We also carefully evaluate and monitor our property agreements, including our management and franchise agreements, in an effort to obtain flexibility and drive overall value.

At the brand and manager levels, our industry leading proprietary business intelligence system drives better results through brand benchmarking, allowing executive focus on underperforming assets and the ability to ensure brand-level programs, technology investment and resource deployment are beneficial to Host. Our frequent evaluations of brands and operators ensure optimum allocation of sales resources and allow us to guide digital and e-commerce strategies that improve RevPAR performance and reduce costs. Our concentrated market ownership provides greater insights and an intuitive feel for local demand generators that focus our operators on increasing market share of group business, driving stronger group revenues, higher transient rates, and incremental banquet revenue.

At the individual asset-level, our asset managers establish and monitor key performance indicators annually, while conducting deep dives on operations to identify and implement cost savings. We leverage external consultants, skilled in refining and evaluating operating procedures to find new ways to reduce cost and drive profitability, including reviewing hotel and market pricing, segment mix, distribution, and merchandising. We look to improve overall banquet and catering revenue at the individual asset level through improved function space management, better group contribution, and advanced analytics. As a result of these efforts, food and beverage profit at our comparable hotels increased over 10% during the year.

Ultimately, our goal is to differentiate our assets within their competitive market, drive operating performance and enhance the value of the real estate.

LEFT: THE CAMBY HOTEL

SAN FRANCISCO MARRIOTT FISHERMAN'S WHARF



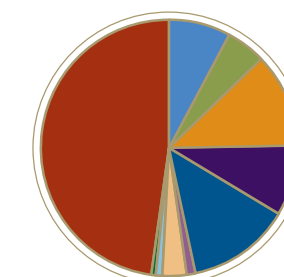
MARRIOTT MARQUIS SAN DIEGO MARINA AND MANCHESTER GRAND HYATT SAN DIEGO



HYATT PLACE NASHVILLE DOWNTOWN (JOINT VENTURE HOTEL)



HOTELS BY BRAND (as a percent of 2015 revenues)



- Marriott, JW Marriott, Autograph Collection, Residence Inn
- Ritz-Carlton
- W, The Luxury Collection, St. Regis
- The Westin, Le Meridien
- Sheraton
- Grand Hyatt, Hyatt Place, Hyatt Regency
- Hilton, Curio, Embassy Suites
- Fairmont, Swissôtel
- Novotel, ibis, Pullman
- Other/Independent

PRIME SUBURBAN & ADVANTAGED AIRPORT HOTELS

WHEN CITY DWELLERS AND TRAVELERS LOOK FOR CONVENIENCE AND RELAXATION, THEY VISIT ONE OF THESE HOTELS.

THESE PROPERTIES ARE PROVEN TO BE MARKET LEADERS IN PRIME SUBURBAN LOCATIONS OR ARE STRATEGICALLY LOCATED AT ADVANTAGED AIRPORT TERMINALS OR NEAR AIRPORT GROUNDS.

PRIME SUBURBAN	 ROOMS	 MEETING SPACE (Sq Ft)
Santa Clara Marriott	759	27,000
Newport Beach Marriott Hotel & Spa	532	25,000
Hyatt Regency Reston	518	32,000
Houston Marriott at the Texas Medical Center	394	8,500
The Westin South Coast Plaza, Costa Mesa	390	35,000
Marina Del Rey Marriott	370	18,000
San Ramon Marriott	368	16,500
The Westin Waltham Boston	351	20,500
Atlanta Marriott Perimeter Center	341	16,800
Renaissance Paris La Defense Hotel*	327	7,500
The Ritz-Carlton, Marina Del Rey	304	30,000
Scottsdale Marriott at McDowell Mountains	266	14,000
Newport Beach Marriott Bayview	254	3,800
Scottsdale Marriott Suites Old Town	243	8,700
ADVANTAGED AIRPORT		
Hyatt Regency San Francisco Airport	789	54,000
Newark Liberty International Airport Marriott	591	27,400
Houston Airport Marriott at George Bush Intercontinental	573	30,000
Philadelphia Airport Marriott	419	17,700
Tampa Airport Marriott	298	25,300

*Hotel owned through joint venture.

RIGHT: THE RITZ-CARLTON, MARINA DEL REY

SCOTTSDALE MARRIOTT AT MCDOWELL MOUNTAINS

HOUSTON AIRPORT MARRIOTT AT GEORGE BUSH INTERCONTINENTAL



| 19 |

SIGNATURE ASSETS



| 8,087 |

ROOMS



| 417,700 |

SF OF MEETING SPACE



| 5.2% |

INCREASE IN REVPAR FOR CONSOLIDATED HOTELS



POWERFUL AND FLEXIBLE CAPITAL STRUCTURE

We have remained focused on maintaining a flexible capital structure that allows us to execute our strategy throughout the lodging cycle. We believe that a strong balance sheet is a key competitive advantage that affords us a lower cost of capital and positions us for external growth. As such, we remain committed to maintaining an investment grade rating and have structured our debt profile to maintain financial flexibility and a balanced maturity schedule.

During the year, we leveraged favorable market conditions and our investment grade rating to repay or refinance \$1.4 billion of debt. We decreased our weighted average interest rate by 110 basis points, to 3.7%, and extended our weighted average debt maturity by 0.8 years, to 6.0 years, with no more than 21% of our outstanding debt due in any given year, further strengthening one of the best balance sheets in the entire REIT space.

We have strategically maximized the flexibility of our balance sheet by minimizing the number of properties with secured debt, as only 6 of our hotels are encumbered by mortgages, and more than 90% of our debt consists of senior notes and borrowings under our credit facility. At year end, we had a debt balance of \$4 billion and approximately \$702 million of available capacity under the revolver portion of our credit facility.

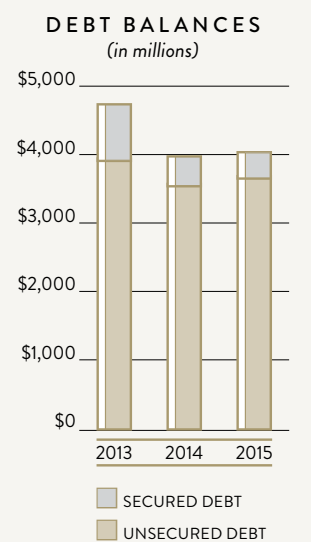
Our balance sheet continues to be one of the strongest in the industry, and achieves our overall balance sheet goal of a 2.5x to 3.0x leverage ratio. Since 2010, we have increased our fixed charge coverage ratio, as defined in our credit facility, by 3.5 times, making it the strongest in our history. Our strong financial credit statistics reduce our overall cost of capital and earnings volatility and increase access to capital, thereby allowing us to take advantage of investment opportunities so we can continue to focus on providing stockholder value.

LEFT: HYATT PLACE WAIKIKI BEACH

3.7%
Weighted average interest rate at 12/31/15. A 250 bps decrease since 2010

\$24
MILLION
Decrease in annualized interest expense due to debt repayments and refinancing in 2015

\$1.4
BILLION
Debt repaid or refinanced in 2015



SHERATON SAN DIEGO HOTEL & MARINA



W NEW YORK - UNION SQUARE



RESPONSIBLE CORPORATE CITIZEN

Corporate Responsibility is our strategic approach to managing the environmental, social and governance (ESG) impacts for our business. We are committed to enhancing the value and profitability of our hotels and driving investor returns through sustainable business practices.

STRATEGY AND COMMITMENTS

Our strategy focuses on three themes:

- **Responsible Investment:** We invest in proven sustainability practices that we believe enhance the profitability and valuation of our assets.
- **Environmental Stewardship:** We establish measurable goals and actively monitor progress toward reducing the environmental footprint of our properties, including a reduction of energy consumption, greenhouse gas emissions and water usage.
- **Corporate Citizenship:** We strengthen our local communities through direct financial support, community engagement and volunteer service.

We have developed policies and procedures for corporate responsibility that cover a wide array of ESG issues. They help guide our development and value enhancement projects, including how we engage with our suppliers, employees, third-party management companies, contractors and communities. Our execution of this strategy is carefully monitored at the highest levels of our company, including our President and Chief Executive Officer, the Nominating and Corporate Governance Committee of our Board of Directors and members of senior management.



RIGHT: FAIRMONT KEA LANI, MAUI

HYATT KA'ANAPALI BEACH,
A HYATT RESIDENCE CLUB



HYATT REGENCY MAUI RESORT AND SPA



HYATT KA'ANAPALI BEACH,
A HYATT RESIDENCE CLUB



HARNESSING THE POWER OF THE SUN

In 2015, we brought 1.2 megawatts of clean, renewable power on-line at two properties and had another project under construction, totaling 1.7 megawatts. This represents sufficient energy to power over 350 average-sized U.S. homes. The HYATT REGENCY MAUI RESORT AND SPA boasts one of the largest rooftop solar photovoltaic arrays on Maui. The solar panels at the recently acquired THE PHOENICIAN, A LUXURY COLLECTION RESORT were also designed to shade vehicles from the harsh desert sun by being installed atop parking structures. When complete in 2016, the FAIRMONT KEA LANI's system will generate over 10% of the property's total annual electrical usage. The solar thermal panels at the HYATT KA'ANAPALI BEACH, A HYATT RESIDENCE CLUB supplement an estimated 15% of the property's domestic hot water.

| 150+ |

Number of sustainability projects we invested in to improve the environmental and financial performance of our properties

| 84% |

Percentage of our U.S. hotels that have a green building certification including LEED®, ENERGY STAR, TripAdvisor® GreenLeaders, Green Key Eco-Rating Program or Green Seal Hotels and Lodging

| \$114+ |

THOUSAND

Raised for St. Jude Children's Research Hospital

MILESTONES AND PERFORMANCE HIGHLIGHTS

Responsible Investment

- Invested in over 150 sustainability projects to improve the environmental and financial performance of our properties, including our first renewable energy projects.
- Established long-term capital investment plans to improve efficiency and conserve natural resources through the implementation of energy-efficient, water-efficient and low carbon technologies.

Environmental Stewardship

- Reduced greenhouse gas emissions by 18.2%, surpassing our 2017 goal of a 12% reduction.
- Achieved 14.7% reduction in water use per occupied room, nearly reaching our 2017 goal of a 15% reduction from 2008 levels.
- Diverted more than 560 tons of waste from landfill as part of our construction and renovation projects.

Corporate Citizenship

- Volunteered more than 440 hours of community service (across six company-organized service events).
- Contributed to over 160 charities and programs to support local communities and address targeted issues, including public health and youth empowerment.

SOURCING SUSTAINABLY

We actively engage with our network of over 300 design, construction and renovation suppliers and develop strategic relationships that foster innovative and environmentally responsible business practices, which include the use of recycled, local, low volatile organic compound and third-party certified materials for our construction and renovation projects. We also partner with project managers and designers to support our sustainable sourcing objectives. The AXIOM HOTEL™, designed to achieve LEED Silver certification, offers sustainable features such as a high efficiency HVAC system with integrated energy management, LED lighting, and is conveniently located near public transportation. At THE CAMBY HOTEL, there are filtered ice and water stations at the club lounge, spa and kitchen for banquets.

AWARDS, RECOGNITIONS AND CERTIFICATIONS

- **CDP:** Recognized as an S&P 500 climate change leader, achieving a position on the 2015 Climate Disclosure Leadership Index and among the 5% of respondents included on CDP's 2015 Global "A" List.
- **Global Real Estate Sustainability Benchmark:** Named 2015 Global and North American Regional Sector Leader for top performance within the hotels sector and designated as a "Green Star" for outstanding management and implementation of key sustainability issues.
- **National Association of Real Estate Investment Trusts (NAREIT):** Received NAREIT's 2015 Lodging/Resorts Leader in the Light award, as one of the REIT industry's leading companies in the area of sustainability.
- **TripAdvisor®:** 96 of Host's eligible properties have been recognized with a TripAdvisor GreenLeaders Badge.

OUTLOOK

Our 2015 achievements were made possible through the dedication of our employees and in close collaboration with the third-party management companies responsible for the daily operations at our hotels. In 2016, we will continue to identify, validate and execute on viable projects and track our progress against our three themes, while developing new goals for future years that build on our past success.

Through engagement with key stakeholders, we continue to monitor critical issues and opportunities related to climate change, water and sustainable development that impact the lodging and real estate industry.

Visit the Corporate Responsibility section on our website for more information.

UNITING TO SUPPORT OUR COMMUNITY

Our employees ignited their collective passion and character through our 2015 fundraising activities and community service projects. We were recognized in 2015 as a top fundraising team in Washington, D.C. for the ST. JUDE WALK TO END CHILDHOOD CANCER, raising over \$114,000 for ST. JUDE CHILDREN'S RESEARCH HOSPITAL®. Our employees volunteered over 240 hours to teach financial literacy to local students in collaboration with Junior Achievement. They also assembled dog toys and privacy curtains at the WASHINGTON HUMANE SOCIETY to supplement a donation of over 250 pet-related items collected for the shelter animals.

2015 RECOGNITION



AXIOM HOTEL

THE CAMBY HOTEL

JUNIOR ACHIEVEMENT

WASHINGTON HUMANE SOCIETY



SELECTED FINANCIAL DATA

Reconciliation of Net income to NAREIT and Adjusted Funds From Operations per Diluted Share^(a)

(UNAUDITED, IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	YEAR ENDED DECEMBER 31,		
	2015	2014	2013
NET INCOME	\$ 571	\$ 747	\$ 325
Less: Net income attributable to non-controlling interests	(13)	(15)	(8)
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	558	732	317
Adjustments:			
Gain on dispositions, net of taxes	(93)	(232)	(97)
Gain on property insurance settlement	(2)	(1)	—
Depreciation and amortization	712	692	703
Non-cash impairment loss	—	6	1
Equity in (earnings) losses of affiliates	(70)	(26)	17
Pro rata FFO of equity investments	45	51	26
FFO adjustment for non-controlling partnerships	(9)	(9)	(8)
FFO adjustments for non-controlling interests of Host LP	(7)	(6)	(8)
NAREIT funds from operations	1,134	1,207	951
Adjustments to NAREIT FFO:			
Loss on debt extinguishment	45	4	40
Acquisition costs	1	3	1
Recognition of deferred gain on land condemnation	—	—	(11)
Litigation (gain) loss	—	(61)	8
Adjusted FFO	\$1,180	\$1,153	\$ 989
Adjustments for dilutive securities ^(b) :			
Assuming conversion of Exchangeable Senior Debentures	\$ 22	\$ 27	\$ 26
Diluted NAREIT FFO (a)	\$1,156	\$1,234	\$ 977
Diluted Adjusted FFO (a)	\$1,202	\$1,180	\$1,015
Diluted weighted average shares outstanding—EPS	752.9	786.8	747.9
Diluted weighted average shares outstanding—NAREIT FFO and Adjusted FFO	778.3	786.8	777.4
NAREIT FFO PER DILUTED SHARE ^(a)	\$ 1.49	\$ 1.57	\$ 1.26
ADJUSTED FFO PER DILUTED SHARE ^(a)	\$ 1.54	\$ 1.50	\$ 1.31

Reconciliation of Net income to EBITDA and Adjusted EBITDA^(a)

(UNAUDITED, IN MILLIONS)	YEAR ENDED DECEMBER 31,		
	2015	2014	2013
NET INCOME	\$ 571	\$ 747	\$ 325
Interest expense	234	214	304
Depreciation and amortization	716	695	696
Income taxes	9	14	21
Discontinued operations	—	—	15
EBITDA	1,530	1,670	1,361
Gain on dispositions	(93)	(233)	(98)
Gain on property insurance settlement	(2)	(1)	—
Acquisition costs	1	2	1
Recognition of deferred gain on land condemnation	—	—	(11)
Litigation (gain) loss	—	(61)	8
Non-cash impairment loss	—	6	1
Equity investment adjustments:			
Equity in (earnings) losses of affiliates	(70)	(26)	17
Pro rata Adjusted EBITDA of equity investments	68	68	48
Consolidated partnership adjustments:			
Pro rata Adjusted EBITDA attributable to non-controlling partners in other consolidated partnerships	(25)	(23)	(21)
ADJUSTED EBITDA ^(a)	\$1,409	\$1,402	\$1,306

(a) For further discussion of why we believe NAREIT FFO and Adjusted FFO per diluted share and Adjusted EBITDA are useful supplemental measures of our performance and the limitations on their use, see our Annual Report on Form 10-K included in our mailing to stockholders.

(b) NAREIT FFO 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, exchangeable debt securities and other non-controlling interests that have the option to convert their limited partnership interest to common OP Units. No effect is shown for securities if they are anti-dilutive.

DIRECTORS

Richard E. Marriott
Chairman of the Board

W. Edward Walter
President, Chief Executive Officer
and Director

Mary L. Baglivo²
Vice President for Global Marketing
and Chief Marketing Officer,
Northwestern University

Sheila C. Bair¹
President of Washington College

Terence C. Golden
Chairman, Bailey Capital
Corporation

Ann McLaughlin Korologos^{2,3}

John B. Morse, Jr.^{1,3}

Walter C. Rakowich^{1,3}

Gordon H. Smith²
President, Chief Executive Officer,
National Association of Broadcasters

¹ Audit Committee

² Compensation Policy Committee

³ Nominating and Corporate Governance
Committee

MANAGEMENT TEAM

W. Edward Walter
President, Chief Executive Officer
and Director

Joanne G. Hamilton
Executive Vice President,
Human Resources

Nathan S. Tyrrell
Managing Director, East Coast

Sukhvinder Singh
Senior Vice President,
Information Technology

Gregory J. Larson
Executive Vice President,
Chief Financial Officer

Minaz B. Abji
Executive Vice President,
Asset Management

Jeffrey S. Clark
Senior Vice President, Global
Tax and Foreign JV Accounting

Elizabeth A. Abdo
Executive Vice President,
General Counsel and Secretary

Michael E. Lentz
Managing Director, Global
Development, Design & Construction

Jay L. Johnson
Senior Vice President, Treasurer

James F. Risoleo
Executive Vice President & Managing
Director, Europe & West Coast

Peter T. Meyer
Managing Director,
Asia

Brian G. Macnamara
Senior Vice President,
Corporate Controller

CORPORATE INFORMATION

Corporate Headquarters

Host Hotels & Resorts, Inc.
6903 Rockledge Drive, Suite 1500
Bethesda, MD 20817
240/744-1000

Website

Visit the company's website at: www.hosthotels.com

Stock Exchange Listing

New York Stock Exchange
Ticker Symbol: HST

Stockholders of Record

20,162 at February 19, 2016

Independent Registered Public Accountants

KPMG LLP, McLean, VA

Annual Meeting

The 2016 annual meeting of stockholders will be held at
11 a.m., May 12, 2016, at The Ritz Carlton, Tysons Corner,
1700 Tysons Boulevard, McLean, VA 22102.

Registrar and Transfer Agent

If you have any questions concerning transfer procedures or other stock
account matters, please contact the transfer agent at the following address:
Computershare Trust Company, N.A.
Shareholder Relations
P.O. BOX 30170
College Station, TX 77842-3170
866/367-6351

Common Stock

	STOCK PRICE		DIVIDENDS DECLARED PER SHARE
	HIGH	LOW	
2014			
1st Quarter	\$20.47	\$18.00	\$0.14
2nd Quarter	22.77	20.05	0.15
3rd Quarter	23.09	21.20	0.20
4th Quarter	24.33	20.23	0.26
2015			
1st Quarter	\$24.14	\$20.04	\$0.20
2nd Quarter	20.73	19.40	0.20
3rd Quarter	21.29	15.39	0.20
4th Quarter	17.85	15.20	0.20





6903 ROCKLEDGE DRIVE, SUITE 1500
BETHESDA, MARYLAND 20817