SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

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

Date of report (Date of earliest event reported): April 10, 2006

HOST HOTELS & RESORTS, INC.
(Exact Name of Registrant as Specified in Charter)

Maryland	001-14625	53-0085950
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6903 Rockledge Drive, Suite 1500 Bethesda, Maryland	**20817**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (240) 744-1000

Host Marriott Corporation
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

This Form 8-K/A amends the Current Report on Form 8-K of Host Hotels & Resorts, Inc. filed on April 14, 2006. On April 17, 2006, Host Marriott Corporation changed its name to Host Hotels & Resorts, Inc. The sole purpose of this Form 8-K/A is to provide the historical financial statements of the business acquired, which includes the historical operations of 33 hotels acquired as of June 15, 2006 and 2 hotels to be acquired upon the receipt of certain approvals which have not been received as of June 15, 2006, as required by Item 9.01(a) and the pro forma financial information required by Item 9.01(b), which financial statements and information were not included in the original Form 8-K filing.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The audited combined balance sheet of the Acquired Businesses as of December 31, 2005 and 2004 and the related combined statements of income and cash flows for the three years ended December 31, 2005 are attached hereto as Exhibit 99.2 and incorporated by reference herein.

The unaudited combined balance sheet of the Acquired Businesses as of February 28, 2006 and the related combined statements of operating and cash flows for the two months ended ended February 28, 2006 are attached hereto as Exhibit 99.3 and incorporated by reference herein.

(b) Pro Forma Financial Information

The unaudited pro forma combined balance sheet of Host Hotels & Resorts, Inc. as of March 24, 2006 and the unaudited pro forma combined statements of operations of Host Hotels & Resorts, Inc. for the quarter ended March 24, 2006 and the year ended December 31, 2005 are attached hereto as Exhibit 99.4 and incorporated by reference herein.

(c) Not applicable.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of Ernst & Young LLP
99.1	Acquired Businesses - Audited Combined Financial Statements
99.2	Acquired Businesses - Unaudited Combined Financial Statements
99.3	Host Hotels & Resorts, Inc. - Unaudited Pro Forma Combined Financial Statements

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOST HOTELS & RESORTS, INC.

Date: June 16, 2006	By:	/s/ Larry K. Harvey
	Name:	**Larry K. Harvey**
	Title:	**Senior Vice President, Chief Accounting Officer**

EXHIBIT INDEX

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-31352, 333-93157, 333-78091, 333-40854, 333-51946, 333-98207 and 333-113901) on Form S-3 and (Nos. 333-75055, 333-28683, 333-75057, 333-75059 and 033-66622) on Form S-8 of Host Hotels and Resorts, Inc. (formerly known as Host Marriott Corporation) of our report dated March 24, 2006, with respect to the combined financial statements of Acquired Businesses included in this Form 8-K/A of Host Hotels & Resorts, Inc.

/s/ Ernst & Young, LLP

New York, New York
June 12, 2006

Exhibit 99.1

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors, Board of Trustees and Shareholders of
Starwood Hotels & Resorts Worldwide, Inc. and Starwood Hotels & Resorts

We have audited the accompanying combined balance sheets of Acquired Businesses, as defined in Note 1, as of December 31, 2005 and 2004, and the related combined statements of income and cash flows for each of the three years in the period ended December 31, 2005. These financial statements are the responsibility of the management of Starwood Hotels & Resorts Worldwide, Inc. and Starwood Hotels & Resorts. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Acquired Businesses' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Acquired Businesses' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Acquired Businesses, as defined in Note 1, at December 31, 2005 and 2004, and the combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2005 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, New York
March 24, 2006

ACQUIRED BUSINESSES

COMBINED BALANCE SHEETS

(In millions)

	December 31, 2005	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 49	$ 42
Restricted cash	9	74
Accounts receivable, net of allowance for doubtful accounts of $3 and $2	65	62
Inventories	19	18
Prepaid expenses and other	14	15
Total current assets	156	211
Plant, property and equipment, net	2,328	2,369
Goodwill	500	500
Other assets	10	10
	$2,994	$3,090
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings and current maturities of long-term debt	$ 38	$ 503
Accounts payable	24	24
Accrued expenses	43	45
Accrued salaries, wages and benefits	34	32
Accrued taxes and other	20	17
Total current liabilities	159	621
Long-term debt	965	976
Deferred income taxes	64	83
Other liabilities	18	19
	1,206	1,699
Commitments and contingencies		
Equity of Acquired Businesses	1,788	1,391
	$2,994	$3,090

The accompanying notes to financial statements are an integral part of the above statements.

ACQUIRED BUSINESSES

COMBINED STATEMENTS OF INCOME

(In millions)

	Year Ended December 31, 2005	2004	2003
Operating Revenues			
Rooms	$ 718	$ 664	$600
Food and beverage	351	340	312
Other operating departments	77	75	72
	1,146	1,079	984
Operating Expenses			
Rooms	198	185	171
Food and beverage	259	257	237
Other operating departments	36	34	32
Administrative and general	63	60	53
Local taxes, rent and insurance	67	69	68
Advertising and business promotion	74	70	65
Property maintenance and energy	94	87	82
Management fees	30	29	28
Allocated corporate expenses	7	6	4
Commissions and other	23	19	22
Depreciation and amortization	101	121	120
	952	937	882
Operating income	194	142	102
Interest expense	91	96	109
Income before income taxes	103	46	(7)
Income tax (expense) benefit	(5)	3	21
Net income	$ 98	$ 49	$ 14

The accompanying notes to financial statements are an integral part of the above statements.

ACQUIRED BUSINESSES

COMBINED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31, 2005	2004	2003
Operating Activities			
Net income	$ 98	$ 49	$ 14
Adjustments to income from continuing operations:			
Depreciation and amortization	101	121	120
Changes in working capital:			
Restricted cash	64	(65)	(2)
Accounts receivable	(5)	1	1
Inventories	(1)	1	1
Prepaid expenses and other	1	(6)	1
Accounts payable and accrued expenses	3	(21)	1
Accrued and deferred income taxes	(17)	(8)	19
Other, net	(11)	4	(4)
Cash from operating activities	233	76	151
Investing Activities			
Purchases of plant, property and equipment	(112)	(74)	(57)
Cash used for investing activities	(112)	(74)	(57)
Financing Activities			
Long-term debt issued	9	7	42
Long-term debt repaid	(466)	(47)	(308)
Capital contributions	347	37	198
Cash used for financing activities	(110)	(3)	(68)
Exchange rate effect on cash and cash equivalents	(4)	3	3
Increase (decrease) in cash and cash equivalents	7	2	29
Cash and cash equivalents—beginning of period	42	40	11
Cash and cash equivalents—end of period	$ 49	$ 42	$ 40
Supplemental Disclosures of Cash Flow Information			
Cash paid during the period for:			
Interest	$ 95	$ 92	$ 110
Income taxes, net of refunds	$ 2	$ 1	$ 1

The accompanying notes to financial statements are an integral part of the above statements.

ACQUIRED BUSINESSES

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The combined financial statements are presented using accounting principles generally accepted in the United States of America and have been derived from the accounting records of Starwood Hotels & Resorts Worldwide, Inc. (the "Corporation") and Starwood Hotels & Resorts (the "Trust" and together with the Corporation, the "Seller") and their subsidiaries using the historical results of operations and historical basis of assets and liabilities of 35 properties and the stock of certain controlled corporations (the "Acquired Businesses") to be acquired by Host Marriott Corporation and Host Marriott, L.P., excluding certain liabilities or obligations agreed to be retained by the Seller as outlined in the Master Agreement and Plan of Merger dated November 14, 2005 and as amended by the Amendment Agreement dated March 24, 2006. These combined financial statements were prepared solely for purposes of presenting the historical results of the Acquired Businesses.

The combined financial statements include allocations of certain Seller's expenses, assets and liabilities. Management believes these allocations as well as other assumptions underlying the combined financial statements are reasonable. However, the combined financial statements included herein may not necessarily reflect the Acquired Businesses' results of operations, financial position and cash flows in the future or what its results of operations, financial position and cash flows would have been had the Acquired Businesses been a stand-alone company during the periods presented.

Note. 2. Significant Accounting Policies

Principles of Combination. The accompanying combined financial statements of the Acquired Businesses include the assets, liabilities, revenues and expenses of the Acquired Businesses. Intercompany transactions and balances have been eliminated in combination.

***Cash and Cash Equivalents*.** The Acquired Businesses consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash. The Acquired Businesses have cash escrow deposits, property tax payments and debt agreements that require cash to be restricted.

***Inventories*.** Inventory consists of food and beverage stock items as well as linens, china, glass, silver, uniforms, utensils and guest room items. The food and beverage inventory items are recorded at the lower of FIFO cost (first-in, first-out) or market. Significant purchases of linens, china, glass, silver, uniforms, utensils and guest room items are recorded at purchased cost and amortized to 50% of their cost over 36 months. Normal replacement purchases are expensed as incurred.

***Plant, Property and Equipment*.** Plant, property and equipment are recorded at cost. The cost of improvements that extend the life of plant, property and equipment are capitalized. These capitalized costs may include structural improvements, equipment and fixtures. Costs for normal repairs and maintenance are expensed as incurred. Depreciation is provided on a straight-line basis over the estimated useful economic lives of 15 to 40 years for buildings and improvements; 3 to 10 years for furniture, fixtures and equipment; 3 to 7 years for information technology software and equipment and the lesser of the lease term or the economic useful life for leasehold improvements.

The carrying value of the Acquired Businesses has been evaluated for impairment. For assets in use when the trigger events specified in Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," are met, the expected undiscounted future cash flows of the assets are compared to the net book value of the assets. If the expected undiscounted future cash flows are less than the net book value of the assets, the excess of the net book value over the estimated fair value is charged to current earnings. Fair value is determined based upon discounted cash flows of the assets at rates deemed reasonable for the type of property and prevailing market conditions, appraisals and, if appropriate, current estimated net sales proceeds from pending offers.

Goodwill. An allocation of goodwill which arose in connection with prior acquisitions made by the Seller was made to the Acquired Businesses based on the calculation of the Seller's total hotel segment goodwill balance multiplied by the ratio of the sales price over the Seller's segment value. The Acquired Businesses review all goodwill for impairment by comparisons of fair value to book value annually, or upon the occurrence of a trigger event. Impairment charges, if any, will be recognized in operating results. In connection with the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," the Acquired Businesses have completed their initial and subsequent annual recoverability tests on goodwill and intangible assets, which did not result in any impairment charges.

Foreign Currency Translation. Balance sheet accounts are translated at the exchange rates in effect at each period end and income and expense accounts are translated at the average rates of exchange prevailing during the year. The national currencies of foreign operations are generally the functional currencies. Gains and losses from foreign exchange translation are included in other comprehensive income. Gains and losses from foreign currency transactions are reported currently in costs and expenses and were insignificant for all periods presented.

Income Taxes. The Acquired Businesses provide for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the new rate is enacted.

The Trust has elected to be treated as a REIT under the provisions of the Code. As a result, the Trust is not subject to federal income tax on its taxable income at corporate rates provided it distributes annually all of its taxable income to its shareholders and complies with certain other requirements. Accordingly, no tax provision on deferred tax assets or liabilities has been recorded.

Revenue Recognition. The Acquired Businesses' revenues are primarily derived from hotel revenues. Hotel revenues are derived from its operations and include revenues from the rental of rooms, food and beverage sales, telephone usage and other service revenue. Revenue is recognized when rooms are occupied and services have been performed.

Allocated Corporate Expenses. Certain general and administrative costs of the Seller were allocated to the Acquired Businesses based upon estimated levels of effort devoted by its general and administrative departments and the relative size of the Acquired Businesses. In the opinion of the Seller's management, the methods for allocating corporate, general and administrative expenses and other direct costs are reasonable. It is not practical to estimate the costs that would have been incurred by the Acquired Businesses had they been operated on a stand-alone basis.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Restricted Cash

Provisions of certain of the Seller's secured debt being assumed by the Acquired Businesses require that cash reserves be maintained. Additional cash reserves are required if aggregate operations of the related hotels fall below a specified level over a specified time period. Additional cash reserves for certain debt were required in late 2003 following a difficult period in the hospitality industry, resulting from the war in Iraq and the worldwide economic downturn. As of December 31, 2005 and 2004, $5 million and $71 million, respectively, represents the portion of such reserves allocated to the Acquired Businesses and are included in restricted cash in the accompanying combined balance sheets. In 2005 the aggregate hotel operations met the specified levels over the required time period, and the additional cash reserves, plus accrued interest, were released to the Acquired Businesses and the Seller.

Note 4. Plant, Property and Equipment

Plant, property and equipment consisted of the following (in millions):

	December 31, 2005	December 31, 2004
Land and improvements	$ 387	$ 400
Buildings and improvements	2,285	2,276
Furniture, fixtures and equipment	651	640
Construction work in process	44	13
	3,367	3,329
Less accumulated depreciation and amortization	(1,039)	(960)
	$ 2,328	$ 2,369

The Acquired Businesses stopped recording depreciation expense as of November 14, 2005, the date of the Master Agreement and Plan of Merger between the Seller and Host Marriott Corporation and Host Marriott, L.P.

Note 5. Income Taxes

Income tax data from continuing operations of the Acquired Businesses is as follows (in millions):

	Year Ended December 31,		
	2005	2004	2003
Pretax income (loss)			
U.S.	$ 75	$ 27	$ (29)
Foreign	28	19	22
	$103	$ 46	$ (7)
Provision (benefit) for income tax			
Current:			
U.S. federal	$ 7	$ (2)	$ (31)
State and local	1	—	(5)
Foreign	16	3	—
	24	1	(36)
Deferred:			
U.S. federal	(11)	(7)	8
State and local	(2)	(1)	1
Foreign	(6)	4	6
	(19)	(4)	15
	$ 5	$ (3)	$ (21)

No provision has been made for U.S. taxes payable on undistributed foreign earnings amounting to approximately $97 million as of December 31, 2005, since these amounts are permanently reinvested.

Deferred income taxes represent the tax effect of the differences between the book and tax basis of assets and liabilities. Deferred tax assets (liabilities) include the following (in millions):

	December 31,	
	2005	2004
Plant, property and equipment	$(59)	$ (75)
Allowances for doubtful accounts and other reserves	1	1
Employee benefits	7	3
Other	(13)	(12)
Deferred income taxes	$(64)	$ (83)

A reconciliation of the tax provision of the Acquired Businesses at the U.S. statutory rate to the provision for income tax as reported is as follows (in millions):

	Year Ended December 31,		
	2005	2004	2003
Tax provision at U.S. statutory rate	$ 36	$ 16	$ (2)
U.S. state and local income taxes	(1)	(1)	(3)
Exempt Trust income	(30)	(19)	(14)
Foreign tax rate differential	—	1	(2)
Provision for income tax (benefit)	$ 5	$ (3)	$(21)

The Seller's tax provision has been allocated to the Acquired Businesses based upon their relative contribution to the Seller's consolidated taxable income, computed at statutory rates for each jurisdiction and adjusted for any permanent items. For those hotels owned by the Acquired Businesses which currently are being held by the Trust, there have been no federal income tax provision or any deferred tax assets or liabilities computed.

Note 6. Derivative Financial Instruments

The Seller enters into interest rate swap agreements to manage interest expense. The Seller's objective is to manage the impact of interest rates on the results of operations, cash flows and the market value of the Seller's debt.

In March 2004, the Seller terminated certain interest rate swap agreements with a nominal amount of $450 million under which the Seller was paying floating rates and receiving fixed rates of interest ("Fair Value Swaps"), resulting in an approximate $11 million cash payment to the Seller. The proceeds were used for general corporate purposes and has resulted in a reduction of the 2004 and 2005 interest expense on the corresponding underlying debt (Sheraton Holding public debt).

Note 7. Debt

In January 1999, the Seller completed a $542 million long-term financing (the "Facility") secured by mortgages on a portfolio of 11 hotels. The Facility matures in February 2009 and bears interest at a fixed rate of 6.98%. As of December 31, 2005 and 2004, $255 million and $262 million, respectively, of the outstanding Facility have been allocated to the Acquired Businesses and is included in the accompanying combined balance sheets. Interest charges related to the Facility of $19 million in each of the years ended December 31, 2005, 2004 and 2003, have been allocated to the Acquired Businesses and are included in the accompanying combined statements of income.

In February 2006, the Seller defeased approximately $470 million of the Facility. In order to accomplish this, the Seller purchased Treasury securities sufficient to make the monthly debt service payments and the balloon payment due under the loan agreement. The Treasury securities were then substituted for the real estate and hotels that originally served as collateral for the loan. As part of the defeasance, the Treasury securities and the debt were transferred to a third party successor borrower who in turn is "liable" for all obligations under this debt. As such, this debt will not be reflected on the Seller's balance sheet in the future.

Long-term debt and short-term borrowings consisted of the following (in millions):

	December 31,	
	2005	2004
Sheraton Holding public debt, interest rates ranging from 4.05% to 6.75%, maturing through 2025	$ 598	$1,058
Mortgages and other, interest rates ranging from 1.95% to 9.21%, various maturities	405	421
	1,003	1,479
Less current maturities	38	503
Long-term debt	$ 965	$ 976

Aggregate debt maturities for each of the years ended December 31 are as follows (in millions):

2006	$ 38
2007	15
2008	14
2009	270
2010	3
Thereafter	663
	$ 1,003

For adjustable rate debt, fair value approximates carrying value due to the variable nature of the interest rates. For non-public fixed rate debt, fair value is determined based upon discounted cash flows for the debt at rates deemed reasonable for the type of debt and prevailing market conditions and the length to maturity for the debt. The estimated fair value of debt at December 31, 2005 and 2004 was $1.075 billion and $1.568 billion, respectively, and was determined based on quoted market prices and/or discounted cash flows.

Note 8. Equity of the Acquired Businesses

Activity in the Acquired Businesses' equity account for the years ended December 31, 2005, 2004 and 2003, was as follows (in millions):

	2005	2004	2003
Balance, beginning of period	$1,391	$1,267	$1,003
Net income	98	49	14
Net capital contributions	347	37	198
Foreign currency translation	(48)	38	52
Balance, end of period	$1,788	$1,391	$1,267

Note 9. Leases and Rentals

The Acquired Businesses' lease certain equipment for the hotels' operations under various lease agreements. The leases extend for varying periods through 2011 and generally are for a fixed amount each month. In addition, several of the Hotels are subject to leases of land which extend for varying periods through 2069 and generally contain fixed and variable components.

The Acquired Businesses' minimum future rents at December 31, 2005 payable under non-cancelable operating leases with third parties are as follows (in millions):

2006	$ 5
2007	$ 4
2008	$ 4
2009	$ 4
2010	$ 4
Thereafter	$103

Rent expense under non-cancelable operating leases was $14 million, $14 million and $12 million in 2005, 2004 and 2003, respectively.

Note 10. Related Party Transactions

The Seller charges the Acquired Businesses for certain management responsibilities that are provided by the Seller. Management fees are reflected in the combined financial statements for hotels that have a management agreement in place as of the periods presented. For the years ended December 31, 2005, 2004 and 2003 those fees were $29 million, $27 million and $26 million, respectively.

The Seller also charges the Acquired Businesses for certain reimbursable expenses including payroll and employee benefit costs, insurance premiums paid by the Seller on behalf of the Acquired Businesses for general liability and workers' compensation insurance as well as any direct costs incurred on behalf of the Acquired Businesses. The amounts charged to the Acquired Businesses for these services and reimbursable costs were $90 million, $82 million, and $87 million for the years ended December 31, 2005, 2004 and 2003, respectively.

The Acquired Businesses participate in national marketing, co-op advertising, and frequent guest programs operated by the Seller under the Sheraton, Westin, W, St. Regis, Luxury Collection, Four Points by Sheraton and Starwood brands. Fees for these programs were $23 million, $22 million, and $21 million for the years ended December 31, 2005, 2004 and 2003, respectively.

From time to time, the Seller incurs certain other costs on behalf of the Acquired Businesses, which are reimbursed to the Seller. In addition, from time to time, the Sellers make certain management decisions on behalf of the Acquired Businesses that result in the Acquired Businesses incurring costs on the Seller's behalf. Such costs, if paid by the Acquired Businesses, are generally reimbursed by the Seller. During the years ended December 31, 2005, 2004 and 2003, these costs were not material.

Note 11. Commitments and Contingencies

Litigation. The Acquired Businesses are involved in various legal matters that have arisen in the normal course of business, some of which include claims for substantial sums. Accruals have been recorded when the outcome is probable and can be reasonably estimated. While the ultimate results of claims and litigation cannot be determined, the Acquired Businesses do not expect that the resolution of all legal matters will have a material adverse effect on its combined results of operations, financial position or cash flow. As noted in Note 1. Basis of Presentation, certain liabilities will be retained by the Seller, including litigation.

Note 12. Geographical Information

The following table presents revenues and long-lived assets by geographical region (in millions):

	Revenues			Long-Lived Assets	
	2005	2004	2003	2005	2004
United States	$ 906	$ 851	$775	$1,861	$1,854
All international	240	228	209	467	515
Total	$1,146	$1,079	$984	$2,328	$2,369

There were no individual international countries which comprised over 10% of the total revenues of the Acquired Businesses for the years ended December 31, 2005, 2004 or 2003 or 10% of the total long-lived assets of the Acquired Businesses as of December 31, 2005 or 2004.

ACQUIRED BUSINESSES

COMBINED BALANCE SHEET
(unaudited, in millions)

	February 28, 2006
ASSETS	
Current assets:	
Cash and cash equivalents	$ 42
Restricted cash	3
Accounts receivable, net of allowance for doubtful accounts of $3	71
Inventories	19
Prepaid expenses and other	18
Total current assets	153
Plant, property and equipment, net	2,355
Goodwill	500
Other assets	6
	$ 3,014
LIABILITIES AND EQUITY	
Current liabilities:	
Short-term borrowings and current maturities of long-term debt	$ 31
Accounts payable	24
Accrued expenses	57
Accrued salaries, wages and benefits	40
Accrued taxes and other	22
Total current liabilities	174
Long-term debt	716
Deferred income taxes	64
Other liabilities	18
	972
Commitments and contingencies	
Equity of Acquired Businesses	2,042
	$ 3,014

The accompanying notes to financial statements are an integral part of the above statements.

ACQUIRED BUSINESSES

COMBINED STATEMENTS OF OPERATIONS

(unaudited, in millions)

	Two Months Ended February 28,	
	2006	2005
Operating Revenues		
Rooms	$ 102	$ 96
Food and beverage	53	48
Other operating departments	12	13
	167	157
Operating Expenses		
Rooms	31	30
Food and beverage	42	38
Other operating departments	6	6
Administrative and general	11	10
Local taxes, rent and insurance	12	11
Advertising and business promotion	12	11
Property maintenance and energy	17	16
Management fees	4	4
Allocated corporate expenses	1	1
Commissions and other	2	3
Depreciation and amortization	—	19
	138	149
Operating income	29	8
Interest expense	31	16
Loss before income taxes	(2)	(8)
Income tax expense	1	1
Net loss	$ (3)	$ (9)

The accompanying notes to financial statements are an integral part of the above statements.

ACQUIRED BUSINESSES

COMBINED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Two Months Ended February 28, 2006	2005
Operating Activities		
Net loss	$ (3)	$ (9)
Adjustments to income from continuing operations:		
Depreciation and amortization	—	19
Changes in working capital:		
Restricted cash	4	(9)
Accounts receivable	(6)	(1)
Prepaid expenses and other	(4)	(1)
Accounts payable and accrued expenses	20	21
Accrued and deferred income taxes	2	2
Other, net	6	(2)
Cash from operating activities	19	20
Investing Activities		
Purchases of plant, property and equipment	(23)	(17)
Cash used for investing activities	(23)	(17)
Financing Activities		
Long-term debt repaid	(258)	(2)
Capital contributions	255	6
Cash from (used for) financing activities	(3)	4
Exchange rate effect on cash and cash equivalents	—	—
Increase (decrease) in cash and cash equivalents	(7)	7
Cash and cash equivalents — beginning of period	49	42
Cash and cash equivalents — end of period	$ 42	$ 49
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for:		
Interest	$ 24	$ 3
Income taxes, net of refunds	$ —	$ —

The accompanying notes to financial statements are an integral part of the above statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The combined financial statements are presented using accounting principles generally accepted in the United States of America and have been derived from the accounting records of Starwood Hotels & Resorts Worldwide, Inc. (the "Corporation") and Starwood Hotels & Resorts (the "Trust" and together with the Corporation, the "Seller") and their subsidiaries using the historical results of operations and historical basis of assets and liabilities of 35 properties and the stock of certain controlled corporations (the "Acquired Businesses") to be acquired by Host Marriott Corporation and Host Marriott, L.P., excluding certain liabilities or obligations agreed to be retained by the Seller as outlined in the Master Agreement and Plan of Merger dated November 14, 2005 and as amended by the Amendment Agreement dated March 24, 2006. These combined financial statements were prepared solely for purposes of presenting the historical results of the Acquired Businesses. In the opinion of the Seller's management, all adjustments necessary for fair presentation, consisting of normal recurring adjustments, have been included. Results for the two months ended February 28, 2006 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2006.

The combined financial statements include allocations of certain Seller's expenses, assets and liabilities. Management believes these allocations as well as other assumptions underlying the combined financial statements are reasonable. However, the combined financial statements included herein may not necessarily reflect the Acquired Businesses' results of operations, financial position and cash flows in the future or what its results of operations, financial position and cash flows would have been had the Acquired Businesses been a stand-alone company during the periods presented.

Note. 2. Significant Accounting Policies

Principles of Combination. The accompanying combined financial statements of the Acquired Businesses include the assets, liabilities, revenues and expenses of the Acquired Businesses. Intercompany transactions and balances have been eliminated in combination.

Cash and Cash Equivalents**.** The Acquired Businesses consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash. The Acquired Businesses have cash escrow deposits, property tax payments and debt agreements that require cash to be restricted.

Inventories**.** Inventory consists of food and beverage stock items as well as linens, china, glass, silver, uniforms, utensils and guest room items. The food and beverage inventory items are recorded at the lower of FIFO cost (first-in, first-out) or market. Significant purchases of linens, china, glass, silver, uniforms, utensils and guest room items are recorded at purchased cost and amortized to 50% of their cost over 36 months. Normal replacement purchases are expensed as incurred.

Plant, Property and Equipment**.** Plant, property and equipment are recorded at cost. The cost of improvements that extend the life of plant, property and equipment are capitalized. These capitalized costs may include structural improvements, equipment and fixtures. Costs for normal repairs and maintenance are expensed as incurred. Depreciation is provided on a straight-line basis over the estimated useful economic lives of 15 to 40 years for buildings and improvements; 3 to 10 years for furniture, fixtures and equipment; 3 to 7 years for information technology software and equipment and the lesser of the lease term or the economic useful life for leasehold improvements.

The Acquired Businesses stopped recording depreciation expense as of November 14, 2005, the date of the Master Agreement and Plan of Merger between the Seller and Host Marriott Corporation and Host Marriott L.P.

The carrying value of the Acquired Businesses has been evaluated for impairment. For assets in use when the trigger events specified in Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," are met, the expected undiscounted future cash flows of the assets are compared to the net book value of the assets. If the expected undiscounted future cash flows are less than the net book value of the assets, the excess of the net book value over the estimated fair value is charged to current earnings. Fair value is determined based upon discounted cash flows of the assets at rates deemed reasonable for the type of property and prevailing market conditions, appraisals and, if appropriate, current estimated net sales proceeds from pending offers.

Goodwill. An allocation of goodwill which arose in connection with prior acquisitions made by the Seller was made to the Acquired Businesses based on the calculation of the Seller's total hotel segment goodwill balance multiplied by the ratio of the sales price over the Seller's segment value. The Acquired Businesses review all goodwill for impairment by comparisons of fair value to book value annually, or upon the occurrence of a trigger event. Impairment charges, if any, will be recognized in operating results. In connection with the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," the Acquired Businesses have completed their initial and subsequent annual recoverability tests on goodwill and intangible assets, which did not result in any impairment charges.

Foreign Currency Translation. Balance sheet accounts are translated at the exchange rates in effect at each period end and income and expense accounts are translated at the average rates of exchange prevailing during the year. The national currencies of foreign operations are generally the functional currencies. Gains and losses from foreign exchange translation are included in other comprehensive income. Gains and losses from foreign currency transactions are reported currently in costs and expenses and were insignificant for all periods presented.

Income Taxes. The Acquired Businesses provide for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the new rate is enacted.

The Trust has elected to be treated as a REIT under the provisions of the Code. As a result, the Trust is not subject to federal income tax on its taxable income at corporate rates provided it distributes annually all of its taxable income to its shareholders and complies with certain other requirements. Accordingly, no tax provision on deferred tax assets or liabilities has been recorded.

Revenue Recognition. The Acquired Businesses' revenues are primarily derived from hotel revenues. Hotel revenues are derived from its operations and include revenues from the rental of rooms, food and beverage sales, telephone usage and other service revenue. Revenue is recognized when rooms are occupied and services have been performed.

Allocated Corporate Expenses. Certain general and administrative costs of the Seller were allocated to the Acquired Businesses based upon estimated levels of effort devoted by its general and administrative departments and the relative size of the Acquired Businesses. In the opinion of the Seller's management, the methods for allocating corporate, general and administrative expenses and other direct costs are reasonable. It is not practical to estimate the costs that would have been incurred by the Acquired Businesses had they been operated on a stand-alone basis.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Restricted Cash

Provisions of certain of the Seller's secured debt being assumed by the Acquired Businesses require that cash reserves be maintained. As of February 28, 2006 and December 31, 2005, $418,000 and $5 million, respectively, represents the portion of such reserves allocated to the Acquired Businesses and are included in restricted cash in the accompanying combined balance sheet.

Note 4. Equity of the Acquired Businesses

Activity in the Acquired Businesses' equity account for the two months ended February 28, 2006 and 2005 was as follows (in millions):

	2006	2005
Balance, beginning of period	$1,788	$1,391
Net loss	(3)	(9)
Net capital contributions	255	6
Foreign currency translation	2	(10)
Balance, end of period	$2,042	$1,378

Note 5. Debt Defeasance

In February 2006 the Seller defeased approximately $470 million of debt secured in part by several hotels that are part of the Acquired Businesses. In order to accomplish this, the Seller purchased Treasury securities sufficient to make the monthly debt service payments and the balloon payments due under the loan agreement. The Treasury securities were then substituted for the real estate and hotels that originally served as collateral for the loan. As part of the defeasance, the Treasury securities and the debt were transferred to a third party successor borrower who in turn is "liable" for all obligations under this debt. As such, this debt is no longer reflected on the Seller's balance sheet. Transaction costs related to this defeasance were $36 million of which $19 million are reflected in interest expense of the Acquired Businesses.

Note 6. Commitments and Contingencies

Litigation. The Acquired Businesses are involved in various other legal matters that have arisen in the normal course of business, some of which include claims for substantial sums. Accruals have been recorded when the outcome is probable and can be reasonably estimated. While the ultimate results of claims and litigation cannot be determined, the Acquired Businesses do not expect that the resolution of all legal matters will have a material adverse effect on its combined results of operations, financial position or cash flow. As noted in Note 1. Basis of Presentation, certain liabilities will be retained by the Seller, including litigation.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

Host, together with Host LP, entered into the master agreement, and other transaction agreements, each as amended, to acquire a portfolio of 35 hotels from Starwood. The terms of the Starwood Transactions are described in more detail in our previous reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. On April 10, 2006, we completed the initial stage of the transaction through the purchase of 28 hotels from Starwood. In May and June of 2006, a joint venture in Europe, in which we own a 32.1% general and limited partner interest, acquired five European hotels from Starwood. For a discussion of the terms of the joint venture, see "Management's Discussion and Analysis of Financial Condition – Recent Events – European Joint Venture" in our Current Report on Form 8-K, filed on June 16, 2006. Additionally, we contributed the Sheraton Warsaw Hotel & Towers, which we purchased on April 10, 2006, to the joint venture. The purchase of the remaining two hotels has been deferred subject to the resolution of certain notice periods and approvals that were not lapsed or received as of June 15, 2006.

The following unaudited pro forma financial statements have been prepared based upon the audited consolidated financial statements of Host and the audited combined financial statements of the Starwood portfolio for the year ended December 31, 2005, the unaudited financial statements of Host for the quarter ended March 24, 2006 and the Starwood portfolio for the two months ended February 28, 2006, respectively, and based upon certain assumptions, as set forth in the notes to the unaudited pro forma financial statements, that Host believes are reasonable under the circumstances.

The unaudited pro forma statements of operations of Host for the quarter ended March 24, 2006 and year ended December 31, 2005 reflect the following transactions as if they had been completed on January 1, 2005:

- the acquisition of the Starwood portfolio;
- the formation of the European joint venture, which owns six hotels located in Europe, including the contribution by Host LP of the Sheraton Warsaw Hotel & Towers and cash;
- the probable acquisition of The Westin Kierland Resort & Spa;
- the issuance of $800 million of $6\,^{3}/_{4}$% Series P senior notes on April 4, 2006;
- the redemption of $136 million of $7\,^{7}/_{8}$% Series B senior notes on May 15, 2006;
- the repayment of $84 million of 8.39% mortgage debt on the Boston Marriott Copley Place on June 1, 2006;
- the redemption of $150 million of our 10% Class C preferred stock on May 19, 2006;
- the January 2006 issuance of mortgage debt of $135 million Canadian Dollars ($116 million U.S. Dollars) with an interest rate of 5.195% secured by four of our Canadian properties;
- the conversion by Host of all of the Convertible Subordinated Debentures into approximately 30.8 million shares of Host common stock during 2005 and the first quarter of 2006 and the redemption of the remaining approximately $2 million of Convertible Subordinated Debentures for cash on May 5, 2006;
- the February 2006 dispositions of the Chicago Marriott Deerfield Suites and the Marriott at Research Triangle Park, and the disposition of the Swissôtel The Drake, New York, on March 31, 2006;
- the acquisition of the Hyatt Regency Washington on Capitol Hill on September 30, 2005;
- the May 2005 redemption of $100 million of our 10% Class B preferred stock;
- the disposition of 85% of our ownership interest in CBM Joint Venture LLC on March 29, 2005;
- the March 2005 refinancing of approximately $609 million of senior notes and mortgage debt through the issuance of the $650 million $6\,^{3}/_{8}$% Series N senior notes; and

- certain other investing and financing activities during 2005 and 2006.

The unaudited pro forma balance sheet of Host as of March 24, 2006 reflects the following transactions as if they had been completed on March 24, 2006:

- the acquisition of the Starwood portfolio, including the formation of the European joint venture;
- the probable acquisition of The Westin Kierland Resort & Spa, including the assumption mortgage debt of $135 million with a fair value of $133 million at March 24, 2006;
- the issuance of $800 million of 6 3/4% Series P senior notes on April 4, 2006;
- the redemption of $136 million of 7 7/8% Series B senior notes on May 15, 2006;
- the repayment of $84 million of 8.39% mortgage debt on the Boston Marriott Copley Place;
- the redemption of $150 million of our 10% Class C preferred stock on May 19, 2006;
- the redemption of the remaining $2 million of outstanding Convertible Subordinated Debentures for cash on May 5, 2006; and
- the disposition of the Swissôtel The Drake, New York on March 31, 2006.

In accordance with the Statement of Financial Accounting Standards No. 141, "Business Combinations," we accounted for the acquisition of the Starwood portfolio as a business combination. Upon consummation of the transactions, we recorded the cash consideration, the market value of the Host common stock issued, the fair value of the assets and liabilities assumed, as well as any direct transaction costs. Based on the guidance set forth in Emerging Issues Task Force Issue No. 99-12, the market value of the Host common stock, or $16.97, was calculated based on the average of the closing prices of Host common stock during the range of trading days from two days before and after November 14, 2005, the announcement date.

The total transaction costs for the acquisition of the Starwood portfolio consist of the following (in millions):

Issuance of 133.5 million shares of Host common stock at $16.97 per share	$2,266
Assumption of $108 million of mortgage debt with a fair value of $126 million	126
Cash (1)	1,400
Total consideration to Starwood and Starwood equityholders	3,792
Costs and expenses (1)	70
Total transaction costs	$3,862

(1) For purposes of the preparation of these unaudited pro forma financial statements, these amounts were funded from available cash. Costs and expenses include approximately $7 million for property-level working capital.

For purposes of the preparation of the unaudited pro forma financial statements, we have presented the assets and liabilities at their book value except for the following:

- Property and equipment is recorded at the fair value based on the purchase price noted above; and
- Mortgage debt assumed is recorded at fair value based on the expected future debt service payments discounted at risk adjusted market interest rates as of March 24, 2006.

The pro forma adjustments as presented are based on estimates and certain information that are currently available and may change as additional information becomes available, as estimates are refined or as additional events occur. Specifically, while the purchase price has been allocated among individual properties, we are in the beginning stages of evaluating the fair value of the allocation of the purchase price among each individual hotel's assets and liabilities including land, property and equipment items, other assets and liabilities, assumed agreements, including ground and retail space leases and other intangible assets. Management does not anticipate that there will be material changes in the total purchase price allocation as presented in these unaudited pro forma financial statements. To the extent there is any excess of the purchase price over the fair value of the net assets acquired, it will be recorded as goodwill for accounting purposes.

The unaudited pro forma financial statements are for illustrative purposes only and do not purport to be indicative of the financial position or results of operations that would actually have been achieved had the transactions occurred on the dates indicated or which may be achieved in the future. In the opinion of management, all material adjustments necessary to reflect the effects of the transactions that can be factually supported within the SEC regulations covering the preparation of unaudited pro forma financial statements have been made.

The unaudited pro forma financial statements should be read in conjunction with the separate historical consolidated financial statements and accompanying notes included in our previous reports filed with the Commission and the combined financial statements and accompanying notes of the Starwood portfolio acquired in the transactions which are included as Exhibits 99.2 and 99.3 to this Current Report on Form 8-K.

HOST HOTELS & RESORTS, INC.
UNAUDITED PRO FORMA BALANCE SHEET
MARCH 24, 2006
(IN MILLIONS)

		A	B	C	D	E	F	G	H	I	J	K	
	Host Historical Balance Sheet	**Starwood Portfolio Historical**	**Starwood Portfolio Adjustments**	**European Joint Venture**	**Host Pro Forma For Starwood Acquisition**	**Probable 2006 Acquisition**	**Senior Notes Issuance**	**Convertible Subordinated Debentures Conversion**	**Swissôtel The Drake, New York Disposition**	**Senior Notes Redemption**	**Preferred Stock Redemption**	**Repayment of Mortgage Debt**	**Host Pro Forma Balance Sheet**
ASSETS													
Property and equipment, net	**$ 7,244**	$ 2,355	$ 1,498	$ (632)	**$ 10,465**	$ 391	$ —	$ —	$ —	$ —	$ —	$ —	**$ 10,856**
Assets held for sale	**191**	—	—	—	**191**	—	—	—	(191)	—	—	—	**—**
Goodwill	**—**	500	(500)	—	**—**	—	—	—	—	—	—	—	**—**
Due from managers	**81**	7	—	(2)	**86**	1	—	—	—	—	—	—	**87**
Investments in affiliates	**24**	—	—	71	**95**	—	—	—	—	—	—	—	**95**
Deferred financing costs	**53**	—	—	—	**53**	—	13	—	—	(1)	—	—	**65**
Furniture, fixtures and equipment replacement fund	**129**	—	1	—	**130**	—	—	—	—	—	—	—	**130**
Other	**194**	6	(6)	—	**194**	—	—	—	—	—	—	—	**194**
Restricted cash	**88**	3	—	—	**91**	5	—	—	—	—	—	—	**96**
Cash	**481**	—	(1,470)	563	**(426)**	(264)	787	(2)	426	(138)	(151)	(84)	**148**
Total assets	**$ 8,485**	$ 2,871	$ (477)	$ —	**$ 10,879**	$ 133	$ 800	$ (2)	$ 235	$ (139)	$ (151)	$ (84)	**$ 11,671**
LIABILITIES AND PARTNERS' CAPITAL													
Debt													
Senior notes	**$ 3,047**	$ 598	$ (598)	$ —	**$ 3,047**	$ —	$ 800	$ —	$ —	$ (136)	$ —	$ —	**$ 3,711**
Mortgage debt	**1,927**	149	(23)	—	**2,053**	133	—	—	—	—	—	(84)	**2,102**
Convertible Subordinated Debentures	**2**	—	—	—	**2**	—	—	(2)	—	—	—	—	**—**
Other	**88**	—	—	—	**88**	—	—	—	—	—	—	—	**88**
Total debt (L)	**5,064**	747	(621)	—	**5,190**	133	800	(2)	—	(136)	—	(84)	**5,901**
Accounts payable and accrued expenses	**169**	—	2	—	**171**	—	—	—	—	—	—	—	**171**
Other	**211**	82	(82)	—	**211**	—	—	—	—	—	—	—	**211**
Total liabilities	**5,444**	829	(701)	—	**5,572**	133	800	(2)	—	(136)	—	(84)	**6,283**
Minority interest of Host LP	**130**	—	62	—	**192**	—	—	—	—	—	—	—	**192**
Minority interest of outside partners	**29**	—	—	—	**29**	—	—	—	—	—	—	—	**29**
Stockholders' equity	**2,882**	2,042	162	—	**5,086**	—	—	—	235	(3)	(151)	—	**5,167**
Total liabilities and partners' capital	**$ 8,485**	$ 2,871	$ (477)	$ —	**$ 10,879**	$ 133	$ 800	$ (2)	$ 235	$ (139)	$ (151)	$ (84)	**$ 11,671**

See Notes to Unaudited Pro Forma Balance Sheet.

HOST HOTELS & RESORTS, INC.
NOTES TO UNAUDITED PRO FORMA BALANCE SHEET

A. This column represents the historical balance sheet for the Starwood portfolio. There are several differences in the financial statement presentation for our financial statements and the financial statements of the Starwood portfolio. The historical financial information for the Starwood portfolio has been adjusted to reflect a presentation consistent with our financial statements. These adjustments include:

- Our balance sheet is presented on an unclassified basis (without regard to whether an asset or liability is current or long-term), consistent with real estate industry practice. The financial statements of the Starwood portfolio are presented on a classified basis, which designates assets or liabilities as current or long-term; and,
- Our financial statements present working capital provided to the managers of the company's hotels on a net basis as one line-item ("due from manager"). The financial statements of the Starwood portfolio present each of the separate components of amounts due from manager.

B. This column represents adjustments to the financial statements of the Starwood portfolio that are necessary to reflect our cost basis in the acquisition of the Starwood portfolio. There are also other differences with respect to the composition of line items (such as debt repaid prior to closing by Starwood that will not be assumed by us, deferred tax liabilities and severance liabilities that will not be assumed by us and other such items). Accordingly, we have reflected the following adjustments to record the transactions:

- increase the historical property and equipment balance for the Starwood portfolio by $1,498 million to $3,853 million for the acquisition of 35 hotels;
- decrease the historical senior notes balance of the Starwood portfolio to reflect approximately $600 million of senior notes assumed or redeemed by Starwood;
- decrease the historical mortgage debt balance of the Starwood portfolio to reflect the $41 million amount of mortgage debt that was retained or repaid by Starwood prior to closing. The remaining balance of $126 million (principal amount of $108 million) reflects the fair value of the mortgage debt as of March 24, 2006 that was assumed as part of the acquisition;
- decrease cash by $1,470 million to fund the remaining portion of the purchase price and estimated transaction costs; and
- increase the historical stockholders' equity of the Starwood portfolio by $224 million to reflect the difference between the historical equity balance of the Starwood portfolio of $2,042 million and the fair value of our common stock issuance of $2,266 million, which is based on the issuance of 133.5 million common shares at $16.97 per share.

C. The joint venture, in which we own 32.1% of the general and limited partnership interests, acquired five European properties from Starwood in May and June of 2006. Accordingly, we have reduced the property and equipment of the Starwood portfolio by $632 million for the stepped up basis of six hotels, which includes the Sheraton Warsaw Hotel & Towers, which we contributed to the joint venture. The joint venture provided approximately $563 million of financing for the acquisition, including new debt issued by the joint venture but excluding our portion of the capital contributions to the joint venture. We have recorded our $71 million interest in the joint venture as investment in affiliates which reflects the value of the Sheraton Warsaw Hotel & Towers and approximately $12 million of cash.

D. Represents our pro forma balance sheet as adjusted to reflect the acquisition of the Starwood portfolio.

E. Represents the adjustment to record the expected purchase of The Westin Kierland Resort & Spa for approximately $393 million, including the assumption of $135 million of mortgage debt, with a fair value of

$133 million on March 24, 2006 and the purchase of approximately $1 million of working capital and $5 million of restricted cash held by the lender for furniture, fixtures and replacements.

F. Represents the adjustment to record the issuance of $800 million of 6 3/4% Series P senior notes, including deferred financing costs of $13 million.

G. Represents the redemption of approximately $2 million of our Convertible Subordinated Debentures for cash on May 5, 2006.

H. Represents the adjustment to record the sale of the Swissôtel The Drake, New York on March 31, 2006.

I. Represents the redemption of $136 million of our 7 7/8% Series B senior notes, which we redeemed on May 15, 2006.

J. Represents the redemption of $150 million of our 10% Class C preferred stock on May 19, 2006.

K. Represents the repayment of $84 million of 8.39% mortgage debt on the Boston Marriott Copley Place on June 1, 2006.

L. The pro forma aggregate debt maturities at March 24, 2006 are as follows (in millions):

2006	$ 133
2007	875
2008	299
2009	924
2010	522
Thereafter	3,149
	5,902
Capital lease obligations	3
Fair value adjustment for interest rate swaps	(9)
Discount on senior notes	(10)
Fair value adjustment for assumed debt	15
	$5,901

HOST HOTELS & RESORTS, INC.
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
QUARTER ENDED MARCH 24, 2006
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

		A	B	C	D	E	F	G	K	L	
	Host Historical Income Statement	**Starwood Portfolio Historical**	**Starwood Portfolio Adjustments**	**European Joint Venture**	**Host Pro Forma for Starwood Acquisition**	**Probable 2006 Acquisition**	**Series P Senior Notes Issuances**	**Convertible Subordinated Debentures Conversion**	**2006 Debt Redemptions**	**Equity Transactions**	**Host Pro Forma Income Statement**
REVENUES											
Rooms	**$ 507**	$ 102	$ —	$ (15)	**$ 594**	$ 9	$ —	$ —	$ —	$ —	**$ 603**
Food and beverage	**261**	53	—	(8)	**306**	8	—	—	—	—	**314**
Other	**51**	12	—	(2)	**61**	3	—	—	—	—	**64**
Total hotel sales	**819**	167	—	(25)	**961**	20	—	—	—	—	**981**
Rental income	**29**	—	—	—	**29**	—	—	—	—	—	**29**
Total revenues	**848**	167	—	(25)	**990**	20	—	—	—	—	**1,010**
EXPENSES											
Rooms	**121**	31	—	(5)	**147**	2	—	—	—	—	**149**
Food and beverage	**189**	42	—	(7)	**224**	4	—	—	—	—	**228**
Hotel departmental expenses	**211**	48	—	(10)	**249**	2	—	—	—	—	**251**
Management fees	**35**	4	4	(1)	**42**	1	—	—	—	—	**43**
Other property-level expenses	**67**	12	—	—	**79**	3	—	—	—	—	**82**
Depreciation and amortization	**89**	—	28	(5)	**112**	3	—	—	—	—	**115**
Corporate and other expenses	**20**	1	—	—	**21**	—	—	—	—	—	**21**
Total operating costs and expenses	**732**	138	32	(28)	**874**	15	—	—	—	—	**889**
OPERATING PROFIT	**116**	29	(32)	3	**116**	5	—	—	—	—	**121**
Interest income	**5**	—	—	—	**5**	—	—	—	—	—	**5**
Interest expense	**(91)**	(31)	29	—	**(93)**	(2)	(13)	2	4	—	**(102)**
Net gains on property transactions	**1**	—	—	—	**1**	—	—	—	—	—	**1**
Minority interest expense	**(13)**	—	3	—	**(10)**	—	—	—	—	—	**(10)**
Equity in earnings (losses) of affiliates	**1**	—	—	(2)	**(1)**	—	—	—	—	—	**(1)**
INCOME (LOSS) BEFORE INCOME TAXES	**19**	(2)	—	1	**18**	3	(13)	2	4	—	**14**
Benefit from (provision for) income taxes	**(1)**	(1)	—	—	**(2)**	—	—	—	—	—	**(2)**
INCOME (LOSS) FROM CONTINUING OPERATIONS	**18**	(3)	—	1	**16**	3	(13)	2	4	—	**12**
Less: Dividends on preferred shares	**(6)**	—	—	—	**(6)**	—	—	—	—	4	**(2)**
Net income (loss) from continuing operations available to common shareholders	**$ 12**	$ (3)	$ —	$ 1	**$ 10**	$ 3	$ (13)	$ 2	$ 4	$ 4	**$ 10**
Basic earnings (loss) from continuing operations per share	**$ 0.03**	$ (0.02)	$ —	$ 0.01	**$ 0.02**						**$ 0.02**
Diluted earnings (loss) from continuing operations per share	**$ 0.03**	$ (0.02)	$ —	$ 0.01	**$ 0.02**						**$ 0.02**
Weighted average basic common shares	**378.0**	133.5	133.5	133.5	**511.5**			2.5			**514.0**
Weighted average diluted common shares	**378.9**	133.5	133.5	133.5	**512.4**			2.5			**514.9**

See Notes to Unaudited Pro Forma Statements of Operations.

HOST HOTELS & RESORTS, INC.
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2005
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

		A	B	C	D	E	F	G	H	I	J	K	L	
	Host Historical Income Statement	**Starwood Portfolio Historical**	**Starwood Portfolio Adjustments**	**European Joint Venture**	**Host Pro Forma for Starwood Acquisition**	**Probable 2006 Acquisitions**	**Series P Senior Notes Issuance**	**Convertible Subordinated Debentures Conversion**	**2005 Acquisitions**	**2005 Sale of Courtyard by Marriott Joint Venture**	**2006/ 2005 Debt Issuances**	**2006/2005 Debt Redemptions and Prepayments**	**Equity Transactions**	**Host Pro Forma Income Statement**
REVENUES														
Rooms	**$ 2,282**	$ 718	$ —	$ (111)	**$ 2,889**	$ 39	$ —	$ —	$ 28	$ —	$ —	$ —	$ —	**$ 2,956**
Food and beverage	**1,168**	351	—	(64)	**1,455**	39	—	—	14	—	—	—	—	**1,508**
Other	**246**	77	—	(12)	**311**	15	—	—	2	—	—	—	—	**328**
Total hotel sales	**3,696**	1,146	—	(187)	**4,655**	93	—	—	44	—	—	—	—	**4,792**
Rental income	**111**	—	—	—	**111**	—	—	—	—	—	—	—	—	**111**
Total revenues	**3,807**	1,146	—	(187)	**4,766**	93	—	—	44	—	—	—	—	**4,903**
EXPENSES														
Rooms	**550**	198	—	(35)	**713**	9	—	—	4	—	—	—	—	**726**
Food and beverage	**866**	259	—	(47)	**1,078**	25	—	—	11	—	—	—	—	**1,114**
Hotel departmental expenses	**1,013**	290	—	(48)	**1,255**	10	—	—	8	—	—	—	—	**1,273**
Management fees	**167**	30	25	(9)	**213**	4	—	—	3	—	—	—	—	**220**
Other property-level expenses	**286**	67	—	(5)	**348**	19	—	—	4	—	—	—	—	**371**
Depreciation and amortization	**360**	101	18	(20)	**459**	13	—	—	6	—	—	—	—	**478**
Corporate and other expenses	**67**	7	(3)	(3)	**68**	—	—	—	—	—	—	—	—	**68**
Gain on insurance settlement	**(9)**	—	—	—	**(9)**	—	—	—	—	—	—	—	—	**(9)**
Total operating costs and expenses	**3,300**	952	40	(167)	**4,125**	80	—	—	36	—	—	—	—	**4,241**
OPERATING PROFIT	**507**	194	(40)	(20)	**641**	13	—	—	8	—	—	—	—	**662**
Interest income	**21**	—	—	—	**21**	—	—	—	—	—	—	—	—	**21**
Interest expense	**(443)**	(91)	84	—	**(450)**	(7)	(55)	34	—	—	(14)	63	—	**(429)**
Net gains on property transactions	**80**	—	—	—	**80**	—	—	—	—	(69)	—	—	—	**11**
Gain on foreign currency and derivative contracts	**2**	—	—	—	**2**	—	—	—	—	—	—	—	—	**2**
Minority interest expense	**(16)**	—	(2)	—	**(18)**	—	—	—	—	—	—	—	—	**(18)**
Equity in earnings (losses) of affiliates	**(1)**	—	—	(1)	**(2)**	—	—	—	—	4	—	—	—	**2**
INCOME (LOSS) BEFORE INCOME TAXES	**150**	103	42	(21)	**274**	6	(55)	34	8	(65)	(14)	63	—	**251**
Benefit from (provision for) income taxes	**(24)**	(5)	(1)	2	**(28)**	—	—	—	—	26	—	—	—	**(2)**
INCOME (LOSS) FROM CONTINUING OPERATIONS	**126**	98	41	(19)	**246**	6	(55)	34	8	(39)	(14)	63	—	**249**
Less: Dividends on preferred shares	**(27)**	—	—	—	**(27)**	—	—	—	—	—	—	—	18	**(9)**
Issuance costs of redeemed preferred shares	**(4)**	—	—	—	**(4)**	—	—	—	—	—	—	—	4	**—**
Net income (loss) from continuing operations available to common shareholders	**$ 95**	$ 98	$ 41	$ (19)	**$ 215**	$ 6	$ (55)	$ 34	$ 8	$ (39)	$ (14)	$ 63	$ 22	**$ 240**
Basic earnings (loss) from continuing operations per share	**$ 0.27**	$ 0.73	$ 0.31	$ (0.14)	**$ 0.44**									**$ 0.46**
Diluted earnings (loss) from continuing operations per share	**$ 0.27**	$ 0.73	$ 0.31	(0.14)	**$ 0.44**									**$ 0.46**
Weighted average basic common shares	**353.0**	133.5	133.5	133.5	**486.5**			30.8						**517.3**
Weighted average diluted common shares	**355.5**	133.5	133.5	133.5	**489.0**			30.8						**519.8**

See Notes to Unaudited Pro Forma Statements of Operations.

HOST HOTELS & RESORTS, INC.
NOTES TO THE UNAUDITED PRO FORMA STATEMENTS OF OPERATIONS

A. Represents the historical results of operations for the Starwood portfolio.

B. Represents certain adjustments to the historical results of operations for the Starwood portfolio including:

- An adjustment to depreciation expense for property and equipment to reflect expected depreciation based on Host’s stepped-up basis;
- An adjustment to eliminate interest expense for debt not assumed in the transaction;
- An adjustment to management fee expense to reflect the new license and operating agreements under which the properties will operate upon completion of the transactions;
- An adjustment to reduce the historical corporate expenses of the Starwood portfolio to reflect the incremental corporate expenses expected to be incurred by Host as a result of the acquisition; and
- An adjustment to reflect the effect of the acquisition of the Starwood portfolio on income taxes.

C. Represents the elimination of the operations and owner expenses of the Starwood portfolio related to the five hotels acquired by the joint venture, in which we own approximately 32.1% of the general and limited partnership interests, and the Sheraton Warsaw Hotel & Towers which we contributed to the joint venture. We have recorded $1 million and $2 million as equity in losses of affiliates for the full year 2005 and the quarter ended March 24, 2006, respectively, to reflect our portion of the pro forma operations of the joint venture.

D. Represents our pro forma statement of operations as adjusted to reflect the acquisition of the Starwood portfolio.

E. Represents the historical results of operations of The Westin Kierland Resort & Spa which we expect to acquire in the third quarter of 2006. Certain adjustments to the historical results were made, including:

- An adjustment to depreciation expense for property and equipment to reflect expected depreciation based on Host’s stepped-up basis;
- An adjustment to management fee expense to reflect the new license and operating agreement under which the property will operate upon completion of the transaction; and
- An adjustment to reduce historical corporate expenses of the hotel to reflect incremental corporate expenses expected to be incurred by Host as a result of the acquisition.

F. Represents the interest expense, including the related amortization of deferred financing fees, for the $800 million of 6 3/4% Series P senior notes.

G. Represents the adjustment to decrease interest expense due to the conversion or redemption by Host of the Convertible Subordinated Debentures during 2005 and 2006 (including approximately $2 million of Convertible Subordinated Debentures redeemed for cash in the second quarter of 2006) into approximately 30.8 million shares (approximately 24 million of which were converted in 2006) of Host common stock including the elimination of the related amortization of deferred financing fees.

H. Represents the adjustment to record the historical revenues and operating expenses associated with the September 2005 purchase of the Hyatt Regency Washington on Capitol Hill.

I. Represents the adjustment to eliminate the non-recurring gain of $69 million associated with the sale of 85% of our interest in CBM Joint Venture LLC in 2005 and the adjustment to equity in earnings (losses) of affiliates related to our current percentage ownership in the joint venture and the related tax benefit (provision).

J. Represents the adjustment to record interest expense, including the related amortization of deferred financing fees, as a result of the issuance of the $650 million, 6 3/8% Series N senior notes in March 2005 and the issuance of $135 million Canadian Dollar mortgage debt ($116 million U.S. Dollars) with an interest rate of 5.195% in January, 2006.

K. Represents the adjustment to record interest expense (including the prepayment premiums and the recognition of deferred financing fees and original issue discounts) related to the prepayment, redemption or discharge of the following debt in 2005 and 2006:

- $84 million of 8.39% mortgage debt on the Boston Marriott Copley Place;
- $136 million of 7 7/8% Series B senior notes;
- $300 million of 8 3/8% Series E senior notes;
- $140 million of 9% mortgage debt on two Ritz-Carlton hotels;
- $169 million of 7 7/8% Series B senior notes;
- $20 million of 8.35% mortgage associated with the sale of the Hartford Marriott at Farmington; and
- $19 million of variable rate mortgage debt with a weighted average interest rate of 5.76% associated with certain of our Canadian properties.

L. Represents the adjustment to record the effect of dividends paid on preferred stock and issuance costs of redeemed preferred stock due to the redemption of 4 million 10% Class B preferred stock in May 2005 and the redemption of 5.98 million 10% Class C preferred stock on May 19, 2006.