HOST HOTELS & RESORTS

2009 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(unaudited)	2009	2008
OPERATING DATA (IN MILLIONS)		
Revenues	$ 4,158	$ 5,139
Operating profit	98	739
Net income (loss)	(258)	414
DILUTED INCOME (LOSS) PER COMMON SHARE		
Income (loss) from continuing operations	$ (.43)	$ .65
Diluted income (loss)	$ (.45)	$ .72
Diluted weighted average shares outstanding *(in millions)*	587.2	527.4
BALANCE SHEET DATA (IN MILLIONS)		
Total assets	$12,555	$11,950
Debt	5,837	5,876
Equity	6,211	5,614
OTHER DATA		
Adjusted EBITDA[(1)(2)] *(in millions)*	$ 798	$ 1,365
Funds from operations per diluted share[(1)(2)]	.51	1.71
Stock price on December 31st	11.67	7.57
COMPARABLE HOTEL DATA[(3)]		
Number of properties	111	111
Number of rooms	61,168	61,168
Average daily rate	$171.61	$198.30
Occupancy percentage	66.2%	71.6%
RevPAR[(4)]	$113.68	$ 141.97

(1) Funds from Operations (FFO) per diluted share and Adjusted Earnings before Interest Expense, Income Taxes, Depreciation, Amortization and other items (Adjusted EBITDA) are not generally accepted accounting principles (GAAP) financial measures within the meaning of the rules of the Securities & Exchange Commission and these measures have been reconciled to comparable GAAP measures. For reconciliations of FFO per diluted share and Adjusted EBITDA to the comparable GAAP measures, see page 12 of this report.

(2) FFO per diluted share and Adjusted EBITDA were significantly affected by certain transactions. For further discussion, see our news release dated February 17, 2010, which can be found on our website: www.hosthotels.com.

(3) 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, whether as continuing operations or discontinued operations, for the entirety of the reporting periods being compared, and that have not sustained substantial property damage or undergone large-scale capital projects during the reporting periods being compared.

(4) 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.

CONTENTS

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 2009 Annual Report forms our annual report to stockholders within the meaning of SEC rules.

[COVER] OVERLOOKING THE CHICAGO RIVER AND LAKE MICHIGAN, **THE SWISSÔTEL CHICAGO** IS AN ALL-GLASS ARCHITECTURAL MASTERPIECE WHERE GUESTS FIND PERSONALIZED SERVICE AND LUXURIOUS ACCOMMODATIONS. IN 2009, WE RENOVATED ALL 661 GUEST ROOMS AND OPENED THE 38,000 SQUARE FOOT EVENT CENTRE FEATURING PREMIERE MEETING AND BALLROOM SPACE WITH STATE OF THE ART TECHNOLOGY.

TO OUR STOCKHOLDERS

W. EDWARD WALTER
President and Chief Executive Officer

RICHARD E. MARRIOTT
Chairman of the Board

2009 was a year of exceptional challenges in the hospitality industry. The recession affected all the key drivers of lodging demand, including significantly lower GDP and business investment, further disruption in the credit markets and increasing unemployment. Compounding these difficulties, political pressure and public relations concerns over corporate travel further diminished booking activity and reduced attendance at group events. These factors combined to make 2009 the most difficult year operationally in Host's history, which was reflected in the 19.9% decline in RevPAR at our properties.

While the decline in operations in 2009 was dramatic, our history of considered and prudent capital and asset management left us well-positioned to weather this difficult economic period and prepared to take advantage of opportunities created by the downturn. Our long-term focus on a strong balance sheet with balanced debt maturities and a liquidity profile that matches our capital commitments enabled us to successfully execute key financial transactions. We raised over $1.9 billion in capital in 2009 by issuing $790 million in common stock and $920 million of debt, as well as completing over $200 million in assets sales. The proceeds were deployed to repay debt, thereby reducing our leverage levels and annual cash interest payments, and to make significant capital investments in our properties. As a result of these efforts, and despite the historic nature of the downturn in operations, we currently have over $1.1 billion of cash and $600 million of availability on our credit facility, with limited debt maturities over the next two years. Our ability to raise capital during such a difficult time is a testament to the successful execution of a long-term strategic plan and intelligent capital allocation, which has ultimately resulted in maximizing our financial flexibility as we move into 2010.

While our finance team was enhancing our already sound balance sheet, our asset managers were working with our operators to maximize revenues and minimize operating costs. For 2009, this meant directing our operators to implement contingency plans to reduce overall costs and slow margin deterioration, including right-sizing the work force to the amount of business being generated and reducing discretionary spending. At the same time, our managers accessed additional revenue channels, particularly e-commerce channels, in an effort to offset the decline in revenues from more traditional sources. Not only did these efforts help to keep our margin decline to more manageable levels, but we believe many of the cost savings realized will improve the bottom line going forward, as the economy and our operations recover.

Despite the difficult economy in 2009, we continued to make thoughtful investments to maintain the world-class quality of our lodging portfolio. During the year, we completed $340 million of capital expenditures, which included $176 million of return on investment (ROI)/repositioning expenditures and value enhancement projects at numerous properties. While this represents a decline in spending levels from the significant three-year capital program we completed in 2008, it assures that our hotels are maintained at the highest standards of excellence while benefiting from lower, recession-driven construction costs. These investments provide some of our highest investment yields and are designed to take advantage of changing customer demographics while leveraging the favorable attributes of our urban and resort destinations, driving increased profitability and long-term stockholder value. These projects included the construction of a 38,000 square foot ballroom addition at the Swissôtel Chicago, a 12,000 square foot ballroom at The Ritz-Carlton, Amelia Island and a 10,000 square foot oceanview ballroom at the Harbor Beach Marriott Resort & Spa. We have now invested over $2.1 billion in the last four years, including the renovation of approximately 34,000 rooms and 2.0 million square feet of meeting space. Other projects span a broad array of areas including lobbies and public spaces, food and beverage facilities, spas, retail outlets, meeting space and rooms, as well as green energy conservation projects that yield a strong return on our investment.

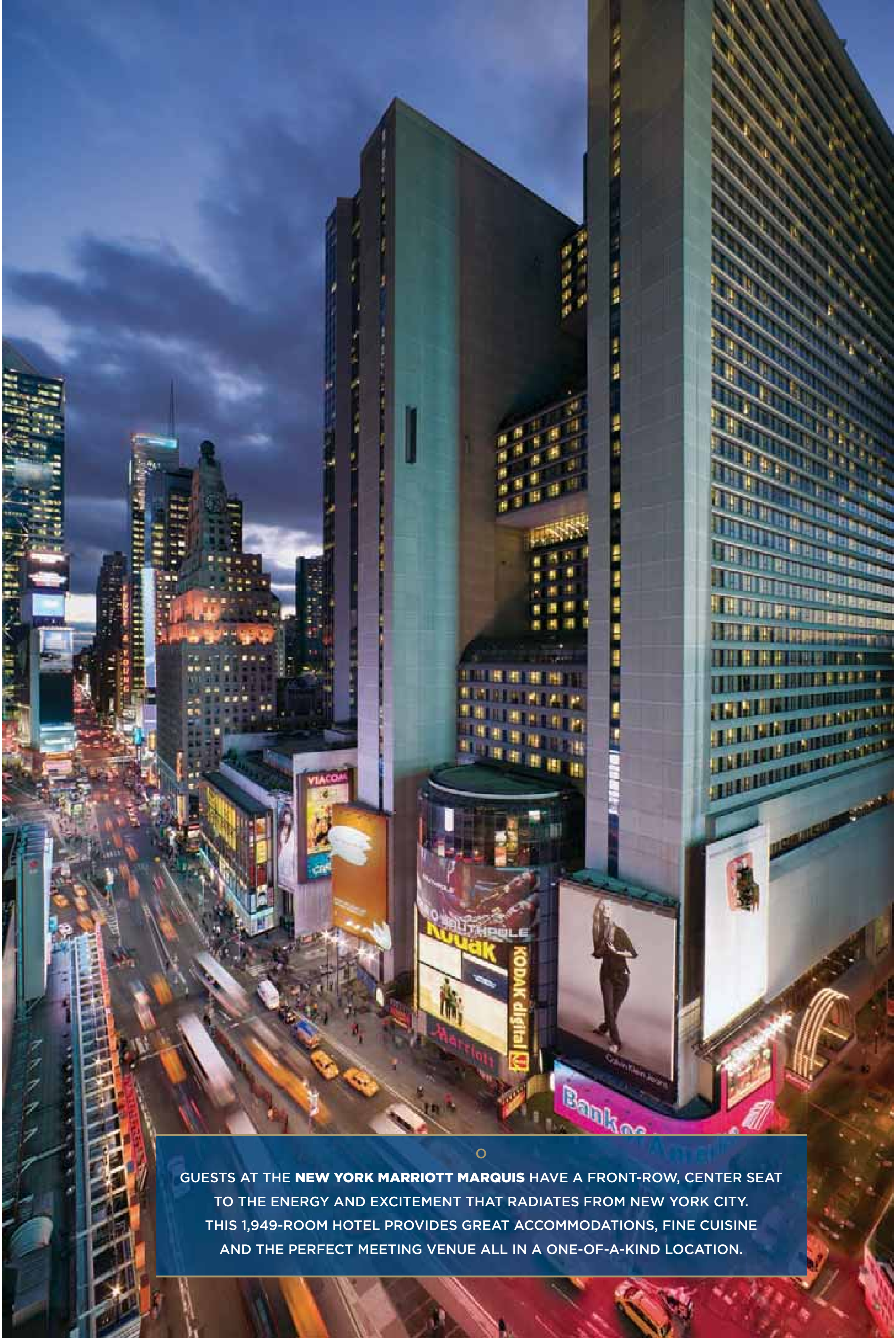
The economy began a tentative recovery late in 2009, which we hope will continue to strengthen throughout 2010 and create the foundation for growth in operations in the lodging industry; however, with adversity comes opportunity, and Host is poised to take advantage. The strength and flexibility of our balance sheet provides us with a strong platform to acquire quality assets where we believe we can generate the highest returns. We remain focused on acquiring premium-branded properties in gateway cities and destinations with high barriers to entry and broad customer appeal. While our primary emphasis will remain on domestic investments, we will continue to diversify our holdings internationally by exploring opportunities in Asia, Europe and Latin America, in an effort to enhance stockholder returns.

Our goal is to be the premier lodging real estate company and to generate superior returns with reduced volatility to our stockholders by investing in the top domestic and international markets in the most profitable lodging properties. We appreciate the support of our stockholders, and we remain committed to providing you with attractive returns and increasing stockholder value.

Richard E. Marriott
Chairman of the Board

W. Edward Walter
President and Chief Executive Officer

March 12, 2010



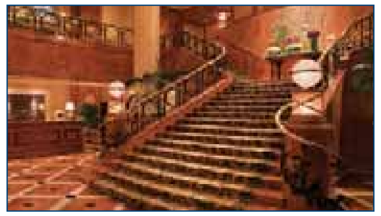
GUESTS AT THE **NEW YORK MARRIOTT MARQUIS** HAVE A FRONT-ROW, CENTER SEAT TO THE ENERGY AND EXCITEMENT THAT RADIATES FROM NEW YORK CITY. THIS 1,949-ROOM HOTEL PROVIDES GREAT ACCOMMODATIONS, FINE CUISINE AND THE PERFECT MEETING VENUE ALL IN A ONE-OF-A-KIND LOCATION.

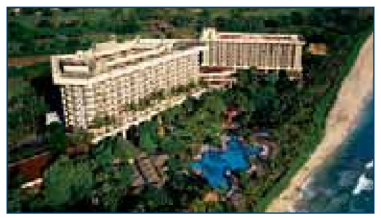
[ABOVE] GENERALLY RECOGNIZED AS ONE OF THE BEST HOTELS IN THE WORLD, **THE HOTEL ARTS, BARCELONA** DAZZLES GUESTS AND IS ONE OF THE TRUE GEMS OF THIS VIBRANT SPANISH CITY.

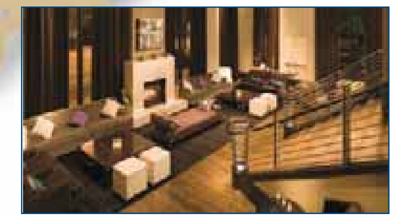
THE WESTIN EUROPA & REGINA IS A ROMANTIC AND PICTURESQUE ESCAPE HOUSED IN MAGNIFICENT BUILDINGS THAT DATE FROM THE 17TH CENTURY.

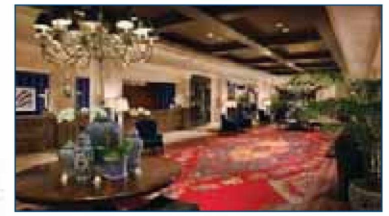
[BELOW] THE 218-ROOM **BRUSSELS MARRIOTT** HOTEL OFFERS SUPERIOR ACCOMMODATIONS IN A HISTORIC SETTING AND IS IDEAL FOR BUSINESS AND LEISURE TRAVELERS.

ALL OF THESE HOTELS ARE OWNED BY OUR EUROPEAN JOINT VENTURE.

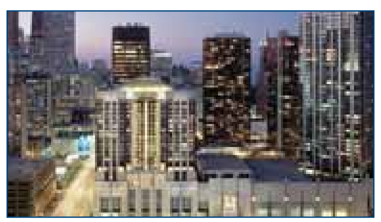






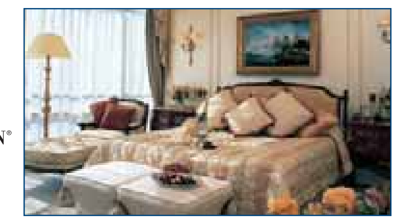


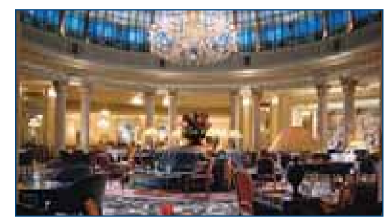
INTERNATIONAL BRANDS AND MARKETS



Discipline and successful execution have been, and always will be, the cornerstone of our global acquisition strategy. We will aggressively pursue properties in key markets that offer the potential for high revenue growth and limited new supply in order to maximize profits and drive stockholder value. We will continue to focus on premium branded, upper-upscale hotels that appeal to multiple customer segments and which meet our demanding, best-in-class standards.

Our acquisition strategy will target the most profitable markets and hotel products, whether in the United States, Europe, Asia or Latin America, that have a diversified corporate, leisure and group demand base, strong and growing destination appeal, with strong airlift and vibrant economies.





[ABOVE] A SPECTACULAR LANDMARK IN ONE OF THE WORLD'S GREATEST CITIES, THE **SAN FRANCISCO MARRIOTT MARQUIS** FEATURES 1,499 ROOMS AND OVER 100,000 SQUARE FEET OF MEETING AND BANQUET SPACE.

THE **FAIRMONT KEA LANI, MAUI** IS HAWAII'S ONLY ALL-SUITE LUXURY RESORT. THE NAME "KEA LANI" MEANS "HEAVENLY WHITE," WHICH APPROPRIATELY DESCRIBES THE GLEAMING WHITE EXTERIOR OF THIS LAVISH RESORT.

[BELOW] **THE HYATT REGENCY WASHINGTON** ON CAPITAL HILL PLACES YOU CLOSE TO GOVERNMENT AND BUSINESS CENTERS, MUSEUMS, MEMORIALS AND OTHER ATTRACTIONS.

SUPERIOR ASSET MANAGEMENT

Our strategy is simple—create significant value through intelligent positioning and operating strategies. To achieve this goal, we analyze each property individually in order to create value from its unique attributes within its specific market. Working with our operators, we strive to develop the optimal business mix for each property, while constantly adapting to the changes in the economic environment to enhance revenue growth. We have employed proprietary benchmarking analysis, taking advantage of the size and composition of our portfolio and affiliation with the leading operators and brands in the industry, to augment the performance of each asset by increasing market share, reducing costs and driving better flow through. We constantly strive to develop more efficient ways to operate our hotels whatever the economic climate, then work to deploy these cost saving initiatives on a system-wide basis. Ultimately, successful execution of these strategies will maximize the performance of our hotels and position us to reap the rewards through higher sales proceeds upon disposition.

[ABOVE] **THE WESTIN SEATTLE'S** UNIQUE DESIGN OFFERS BREATHTAKING VIEWS OF THE NORTHWEST'S BEAUTY, INCLUDING PUGET SOUND AND THE OLYMPIC AND CASCADE MOUNTAIN RANGES.

IN 2008, WE ADDED THE SPECTACULAR 26,000 SQUARE FOOT ATRIUM BALLROOM AT THE **ATLANTA MARRIOTT MARQUIS**, CREATING THE PERFECT ATMOSPHERE FOR CONFERENCES AND MEETINGS.

[BELOW] **THE HARBOR BEACH MARRIOTT RESORT & SPA** IS A WORLD-CLASS LUXURY RESORT LOCATED ON SOUTH FLORIDA'S LARGEST PRIVATE BEACH. WE RECENTLY ADDED A 10,000 SQUARE FOOT BALLROOM AND RESTAURANT AND BAR COMPLEX WITH AN INVITING OCEAN VIEW.

STRATEGIC CAPITAL ALLOCATION AND VALUE ENHANCEMENT

Our business is capital intensive and whether we are acquiring hotels or enhancing our existing portfolio our goal is to drive revenue growth and create long-term stockholder value. We look to reinvest intelligently in our assets, eliminating deferred maintenance that can lead to increased costs and reduced guest satisfaction, while using our scale and industry relationships to reduce purchasing costs and improve quality. We continually explore opportunities to invest in profit-generating projects that will improve cash flow such as the new ballroom at our Atlanta Marriott Marquis (pictured above), or green initiatives, such as cogeneration power plants, laundry water recycling and other energy management systems, that are designed to increase energy efficiency thereby reducing costs. Historically, these expenditures have provided some of the highest investment returns and ensure that our hotels are in superior physical condition, highly competitive in the marketplace and meet our own high-quality standards, as well as those of our managers.

SELECTED FINANCIAL DATA

Reconciliation of Net Income Available to Common Stockholders to Funds From Operations per Diluted Share[a][b]

	YEAR ENDED DECEMBER 31,	
(UNAUDITED, IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	2009	2008
Net income (loss)	$ (258)	$ 414
Less: Net (income) loss attributable to non-controlling interests	6	(19)
Dividends on preferred stock	(9)	(9)
Net income (loss) available to common stockholders	(261)	386
Adjustments:		
Gains on dispositions, net of taxes	(31)	(23)
Amortization of deferred gains and other property transactions, net of taxes	(4)	(4)
Depreciation and amortization	604	578
Partnership adjustments	4	27
FFO of non-controlling interests of Host LP	(7)	(37)
Adjustments for dilutive securities [c]:		
Assuming conversion of 2004 Exchangeable Senior Debentures	—	26
Assuming deduction of gain recognized for the repurchase of 2004 Exchangeable Debentures	(2)	(8)
Diluted FFO [a][b]	$ 303	$ 945
Diluted weighted average shares outstanding	589.0	552.8
Diluted FFO per share [a][b]	$ .51	$ 1.71

Reconciliation of Net Income to EBITDA and Adjusted EBITDA[a][b]

	YEAR ENDED DECEMBER 31,	
(UNAUDITED, IN MILLIONS)	2009	2008
Net income (loss)	$(258)	$ 414
Interest expense	379	375
Depreciation and amortization	597	557
Income taxes	(39)	(3)
Discontinued operations [d]	8	23
EBITDA	687	1,366
Gains on dispositions	(35)	(24)
Non-cash impairment charges	131	3
Amortization of deferred gains	(4)	(4)
Equity investment adjustments:		
Equity in (earnings) losses of affiliates	(3)	10
Pro rata EBITDA of equity investments	33	30
Consolidated partnership adjustments:		
Pro rata EBITDA attributable to non-controlling partners in other consolidated partnerships	(11)	(16)
Adjusted EBITDA[a][b]	$ 798	$1,365

[a] For further discussion of why we believe FFO per diluted share and Adjusted EBITDA are useful supplemental measures of our performance and the limitations on their use, see our news release dated February 17, 2010, which can be found on our website: www.hosthotels.com.

[b] FFO per diluted share and Adjusted EBITDA were significantly affected by certain transactions. For further discussion, see our news release dated February 17, 2010, which can be found on our website: www.hosthotels.com.

[c] FFO per diluted share in accordance with NAREIT is 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.

[d] Reflects the interest expense, depreciation and amortization and income taxes included in discontinued operations.

MANAGEMENT CERTIFICATIONS

On June 8, 2009, we submitted to the New York Stock Exchange the Chief Executive Officer certification required by Section 303A.12(a) of the NYSE Corporate Governance standards, certifying that as of that date he was not aware of any violation by the Company of the NYSE's Corporate Governance listing standards. In addition, included as exhibit 31 to our annual report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2010 were the Chief Executive Officer and Chief Financial Officer certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 regarding our public reporting. A copy of our annual report on Form 10-K, including these certifications, is available on our website at: www.hosthotels.com.

DIRECTORS, OFFICERS AND MANAGEMENT TEAM

RICHARD E. MARRIOTT
Chairman of the Board

W. EDWARD WALTER
President, Chief Executive Officer

ROBERT M. BAYLIS [2,3]

WILLARD W. BRITTAIN, JR. [1,2]
Chairman, Chief Executive Officer
Preod Corporation

TERENCE C. GOLDEN
Chairman,
Bailey Capital Corporation

ANN MCLAUGHLIN KOROLOGOS [2,3]

JOHN B. MORSE, JR. [1,3]

GORDON H. SMITH [1,3]
President, Chief Executive Officer
National Association of Broadcasters

[1] *Audit Committee*
[2] *Compensation Policy Committee*
[3] *Nominating and Corporate Governance Committee*

W. EDWARD WALTER
President, Chief Executive Officer

ELIZABETH A. ABDOO
Executive Vice President,
General Counsel and Secretary

MINAZ ABJI
Executive Vice President,
Asset Management

JOANNE G. HAMILTON
Executive Vice President,
Human Resources

LARRY K. HARVEY
Executive Vice President,
Chief Financial Officer

GREGORY J. LARSON
Executive Vice President,
Corporate Strategy and Fund Management

JAMES F. RISOLEO
Executive Vice President,
Chief Investment Officer

JEFFREY S. CLARK
Senior Vice President, Tax

ELISA C. GOIS
Senior Vice President,
Portfolio Strategy and Feasibility

GERARD E. HABERMAN
Senior Vice President,
Chief Development Officer

BRIAN G. MACNAMARA
Senior Vice President,
Corporate Controller

NATHAN S. TYRRELL
Senior Vice President, Treasurer

PETER T. MEYER
Managing Director, Asia

CORPORATE INFORMATION

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

WEB SITE
Visit the company's web site at:
www.hosthotels.com

STOCK EXCHANGE LISTING
New York Stock Exchange
Ticker Symbol: HST

STOCKHOLDERS OF RECORD
30,316 at February 22, 2010

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS
KPMG LLP, McLean, VA

ANNUAL MEETING
The 2010 annual meeting of stockholders will be held at 10 a.m., May 6, 2010, at The Ritz-Carlton, Tysons Corner, 1700 Tysons Boulevard, McLean, Virginia, 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 43078
Providence, RI 02940
866/367-6351

COMMON STOCK

	STOCK PRICE HIGH	STOCK PRICE LOW	DIVIDENDS DECLARED PER SHARE
2008			
1st Quarter	$17.41	$15.57	$.20
2nd Quarter	18.76	15.28	.20
3rd Quarter	15.51	11.14	.20
4th Quarter	17.00	5.06	.05
2009			
1st Quarter	$ 8.10	$ 3.40	$ —
2nd Quarter	9.70	3.72	—
3rd Quarter	10.86	7.24	—
4th Quarter	12.13	9.68	.25*

* Paid 90% with Host common stock and 10% in cash.

DESIGN: VIVO DESIGN, INC., PRINTING: PEAKE DELANCEY PRINTERS, LLC

Mixed Sources
Product group from well-managed forests, controlled sources and recycled wood or fiber
www.fsc.org Cert no. SW-COC-002262
FSC

HOST
HOTELS & RESORTS®

6903 ROCKLEDGE DRIVE, SUITE 1500
BETHESDA, MARYLAND 20817