HOST HOTELS & RESORTS, INC.
Form 424B5
April 24, 2009
Table of Contents

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, nor are they soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-155689

SUBJECT TO COMPLETION, DATED APRIL 23, 2009

Preliminary Prospectus Supplement

(To Prospectus dated November 25, 2008)

60,000,000 Shares

Common Stock

We are offering 60,000,000 shares of our common stock, par value $0.01 per share, to be sold in this offering. Our common stock is listed on the New York Stock Exchange under the symbol HST. On April 22, 2009, the last reported sale price of our common stock on the New York Stock Exchange was $6.08 per share.

To assist us in complying with federal income tax requirements applicable to real estate investment trusts, among other purposes, our charter contains certain restrictions on the ownership and transfer of our common stock. See Description of Capital Stock Restrictions on Ownership and Transfer in the accompanying prospectus.

Investing in our common stock involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement, as well as beginning on page 16 of our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$

Underwriting discount	$	$
Proceeds to Host Hotels & Resorts, Inc. (before expenses)	$	$

We have granted the underwriters the right to purchase within 30 days from the date of this prospectus supplement up to an additional 9,000,000 shares of our common stock from us at the public offering price, less the underwriting discounts, to cover any over-allotments.

The underwriters expect to deliver the shares of our common stock to investors on April , 2009. The underwriters are offering the common stock as set forth under Underwriting.

Joint Book-Running Managers

Merrill Lynch & Co. **Deutsche Bank Securities**

The date of this prospectus supplement is April , 2009.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

You should read this prospectus supplement along with the accompanying prospectus, as well as the information incorporated by reference herein and therein, carefully before you invest in our common stock. These documents contain important information that you should consider before making your investment decision. This prospectus supplement and the accompanying prospectus contain the terms of this offering of common stock. The accompanying prospectus contains information about our securities generally, some of which does not apply to the common stock covered by this prospectus supplement. This prospectus supplement may add, update or change information contained in or incorporated by reference in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with any information contained in or incorporated by reference in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the inconsistent information contained in or incorporated by reference in the accompanying prospectus.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus before making your investment decision. You should also read and consider the additional information incorporated by reference in this prospectus supplement and the accompanying prospectus before making your investment decision. See Where You Can Find More Information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission (the SEC). Neither we nor the underwriters have authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless this prospectus supplement otherwise indicates or the context otherwise requires, the terms our, us and we as used in this prospectus supplement refer to Host Hotels & Resorts, Inc. and Host Hotels & Resorts, L.P. together. We also use the term Host to specifically refer to Host Hotels & Resorts, Inc. and Host LP to refer to Host Hotels & Resorts, L.P. and its consolidated subsidiaries in cases where it is important to distinguish between Host and Host LP. Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement assumes that the over-allotment option granted to the underwriters is not exercised in whole or in part.

Table of Contents

FORWARD-LOOKING STATEMENTS

Information included and incorporated by reference in this prospectus supplement and the accompanying prospectus contains forward-looking statements, which are made pursuant to the safe-harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Because these forward-looking statements involve numerous risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future events. The events or circumstances reflected in the forward-looking statements might not occur. These forward-looking statements are identified by their use of terms and phrases such as anticipate, believe, could, estimate, expect, intend, may, plan, predict, project, will, continue and other similar terms and phrases, including references to a forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. There is no assurance that the events or circumstances reflected in forward-looking statements will occur or be achieved. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We caution you that many forward-looking statements presented in the prospectus supplement and the accompanying prospectus are based on management s beliefs and assumptions made by, and information currently available to, management. Statements contained and incorporated by reference in this prospectus supplement and accompanying prospectus that are not historical facts may be forward-looking statements. Such statements relate to our future performance and plans, results of operations, capital expenditures, acquisitions, and operating improvements and costs.

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- national and local economic and business conditions, including the continued negative impact of the current recession on overall lodging demand, as well as the potential for terrorist attacks, that will affect occupancy rates at our hotels and the demand for hotel products and services;
- operating risks associated with the hotel business;
- risks associated with the level of our indebtedness and our ability to meet covenants in our debt agreements;
- relationships with property managers;
- our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures;
- changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; our ability to complete acquisitions and dispositions;
- our ability to continue to satisfy complex rules in order for us to qualify as a REIT for federal income tax purposes and other risks and uncertainties associated with our business described in our filings with the SEC;
- our ability to acquire or develop additional properties and the risk that potential acquisitions or developments may not perform in accordance with expectations;

our degree of leverage, which may affect our ability to obtain financing in the future;

the reduction in our operating flexibility and the limitation on our ability to pay dividends resulting from restrictive covenants in our debt agreements, which limit the amount of distributions from Host LP to Host, and other risks related to restricting covenants in our debt agreements, including the risk of default that could occur;

- government approvals, actions and initiatives, including the need for compliance with environmental and safety requirements, and changes in laws and regulations or the interpretation thereof;

- the effects of tax legislative action;

- the effect of any rating agency downgrades on the cost and availability of new debt financings;

- the relatively fixed nature of our property-level operating costs and expenses;

- our ability to recover fully under our existing insurance for terrorist acts and our ability to maintain adequate or full replacement cost all-risk property insurance on our properties on commercially reasonable terms; and

- changes in the accounting method for exchangeable debt securities, which may result in increased dilution to the income available to shareholders.

Our success also depends upon economic trends generally, various market conditions and fluctuations and those other risk factors discussed under the heading Risk Factors herein and in the accompanying prospectus and under the heading Risk Factors in our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q and in our other filings with the SEC that are incorporated by reference in this prospectus supplement and the accompanying prospectus. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak as of the date of this prospectus supplement or the accompanying prospectus, as applicable, or as of the dates indicated in the statements. All of our forward-looking statements, including those included and incorporated by reference in this prospectus supplement and the accompanying prospectus, are qualified in their entirety by this statement. We undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in the our expectations.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary may not contain all the information that may be important to you in deciding whether to invest in the common stock. You should read the entire prospectus supplement and the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference herein and therein, including the financial statements and related notes before making an investment decision.

The Company

Host Hotels & Resorts, Inc. is a Maryland corporation that operates as a self-managed and self-administered real estate investment trust, or REIT. Host Hotels & Resorts, Inc. owns properties and conducts operations through Host Hotels & Resorts, L.P., a Delaware limited partnership, of which Host Hotels & Resorts, Inc. is the sole general partner and in which it holds approximately 97% of the partnership interests.

As of March 27, 2009, our lodging portfolio consisted of 116 luxury and upper-upscale hotels containing approximately 63,000 rooms. Our portfolio is geographically diverse with hotels in most of the major metropolitan areas in 26 states, Washington, D.C., Toronto and Calgary, Canada, Mexico City, Mexico and Santiago, Chile. Additionally, we own a 32.1% interest in a European joint venture that owns eleven luxury and upper-upscale hotels containing approximately 3,500 rooms located in cities in Italy, Spain, Poland, Belgium, The Netherlands and the United Kingdom.

The address of our principal executive office is 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland, 20817. Our phone number is 240-744-1000.

Table of Contents

Recent Developments

Results of Operations

The following table reflects certain line items derived from our unaudited condensed consolidated statements of operations and other significant operating statistics for the periods indicated incorporated by reference into this prospectus supplement. You should read this information in conjunction with the consolidated financial statements and notes and Management s Discussion and Analysis of Results of Operations and Financial Condition in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, and our Quarterly Report on Form 10-Q for the quarter ended March 27, 2009, which are incorporated by reference into this prospectus supplement. Our historical results are not necessarily indicative of future operating results. The information for the interim periods is unaudited, but includes all adjustments, consisting only of normal recurring adjustments, which are, in management s opinion, necessary for a fair statement of the results of these periods (in millions, except operating statistics and percentages):

	Quarter ended		
	March 27, 2009	**March 21, 2008**	**% Increase (Decrease)**
Revenues:			
Total hotel sales	$ 853	$ 1,023	(16.6)%
Total revenues	882	1,053	(16.2)
Operating costs and expenses:			
Property-level costs (1)	870	910	(4.4)
Corporate and other expenses	15	17	(11.8)
Gain on insurance settlement		7	N/M
Operating profit (loss)	(3)	133	N/M
Interest expense	87	83	4.8
Income (loss) attributable to non-controlling interests	(1)	9	N/M
Income from discontinued operations	17	1	N/M
Net income (loss)	(60)	63	N/M
Net income (loss) attributable to common stockholders	(59)	54	N/M
Basic and diluted earnings (loss) per common share	(.12)	.10	N/M
All hotel operating statistics (2):			
RevPAR	$ 110.08	$ 137.25	(19.8)%
Average room rate	$ 181.12	$ 198.00	(8.5)%
Average occupancy	60.8%	69.3%	(8.5)pts.
Comparable hotel operating statistics (3):			
RevPAR	$ 110.20	$ 137.47	(19.8)%
Average room rate	$ 181.39	$ 198.44	(8.6)%
Average occupancy	60.8%	69.3%	(8.5)pts.

(1) Amount represents total operating costs and expenses per our condensed consolidated statements of operations less corporate expenses and gains on insurance settlement.
(2) Operating statistics are for all properties as of March 27, 2009 and March 21, 2008 and include the results of operations for hotels we have sold prior to their disposition.
(3) Comparable hotel operating statistics for March 27, 2009 and March 21, 2008 are based on 116 comparable hotels as of March 27, 2009.
(4) N/M=Not Meaningful.

Asset Impairments

We analyze our assets for impairment when events or circumstances occur that indicate the carrying value may not be recoverable. We record an impairment charge when the future undiscounted cash flows over our

remaining estimated holding period is less than the carrying value of the asset. During the first quarter of 2009, we tested several properties for impairment based on management s estimate of expected future undiscounted cash flows over our expected holding period taking into account the probability of consummating the sales. For the two assets where the undiscounted, probability-weighted cash flows were below the carrying value, we recorded non-cash impairment charges totaling $40 million based on the difference between the property s fair value and the carrying value. These impairments are included in depreciation expense in our unaudited condensed consolidated statements of operations included in our Form 10-Q for the quarterly period ended March 27, 2009, filed with the SEC on April 23, 2009 and incorporated herein by reference. For a more detailed description of these impairments, see Management s Discussion and Analysis of Results of Operations and Financial Condition Critical Accounting Policies included in our Form 10-Q for the quarterly period ended March 27, 2009.

Application of New Accounting Standards

Effective January 1, 2009, we have adopted SFAS 160, Non-controlling Interests in Consolidated Financial Statements an amendment of ARB No. 51, (FAS 160), which defines a non-controlling interest in a consolidated subsidiary as the portion of the equity (net assets) in a subsidiary not attributable, directly or indirectly, to a parent and requires such non-controlling interest to be presented as a separate component of equity in the consolidated balance sheet subject to the provisions of EITF Topic D-98. FAS 160 also modifies the presentation of net income by requiring earnings and other comprehensive income to be attributed to controlling and non-controlling interests.

Effective January 1, 2009, we have also retrospectively adopted FASB staff position APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement) (FSP 14-1). FSP 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity s nonconvertible debt borrowing rate on the instrument s issuance date when interest cost is recognized. Our 3.25% Exchangeable Senior Debentures due 2024, or the 2024 Exchangeable Senior Debentures, and 2 $^{5}/8$% Exchangeable Senior Debentures due 2027, or the 2027 Exchangeable Senior Debentures, and together with the 2024 Exchangeable Senior Debentures, the Exchangeable Senior Debentures, are within the scope of FSP 14-1; therefore, we are required to record the debt components of the debentures at fair value as of the date of issuance and amortize the resulting discount as an increase to interest expense over the expected life of the debt. We measured the fair value of the debt components of the 2024 Debentures and 2027 Debentures at issuance based on effective interest rates of 6.8% and 6.5%, respectively. As a result, we attributed $165 million of the proceeds received to the conversion feature of the debentures. This amount represents the excess proceeds received over the fair value of the debt at the date of issuance and is included in additional paid-in capital on the accompanying balance sheets.

For a more detailed description of the impact of our adoption of these accounting standards, see Management s Discussion and Analysis of Results of Operations and Financial Condition Critical Accounting Policies and Footnote 2 to our Condensed Consolidated Financial Statements, in each case, included in our Form 10-Q for the quarterly period ended March 27, 2009, filed with the SEC on April 23, 2009 and incorporated herein by reference.

Outlook

The United States is currently in the midst of a recession and the future economic environment is likely to be less favorable than that of recent years. The recessionary environment in 2009, specifically declining GDP, employment, business investment, corporate profits and consumer spending, has and will continue to negatively impact overall lodging demand. We believe that consumer and commercial spending and lodging demand will continue to decline in 2009 and, in particular, we expect lodging demand in the luxury segment will continue to underperform other property types as consumers continue to utilize less expensive alternatives. We do not anticipate an improvement in lodging demand until the current economic trends reverse course, particularly the

Table of Contents

expected continued weakness in the overall economy and the lack of liquidity in the credit markets. While new supply in 2009 is expected to be moderately above the historical average, we expect that, as a result of the current fiscal environment, increases in lodging supply will likely slow significantly over the next few years. This may be particularly relevant for the markets and lodging sectors in which we compete due to the long-term planning and high level of investment associated with these properties.

We believe that the economic slowdown will continue to significantly affect both the group and transient elements of our business. Based on reservation activity for 2009, we expect that group demand will continue to decline as companies continue to reduce travel expenditures, which will lead to increased cancellations, diminished booking activity and reduced attendance at group events resulting in lower banquet and food and beverage and other revenues. Similarly, the continued reduction in corporate travel budgets will affect the transient business traveler. The consumer-led elements of this economic slowdown will also decrease demand at leisure-dependent destinations, such as Hawaii and Florida, as both U.S. and international leisure travelers are likely to continue to reduce discretionary spending. Certain expenditures may also increase as a result of continued uncertainty in the economy, such as increased insurance expense.

The general economic trends discussed above make it difficult to predict our future operating results. However, there can be no assurances that we will not experience further declines in hotel revenues or earnings at our properties for any number of reasons, including, but not limited to, greater than anticipated weakness in the economy, changes in travel patterns and the combined impact of the trends identified above. For a general overview of our business and a discussion of our reporting periods, see our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

Table of Contents

The Offering

Issuer	Host Hotels & Resorts, Inc.
Common stock offered by us	60,000,000 shares (or 69,000,000 shares if the underwriters exercise their over-allotment option in full).
Common stock to be outstanding after this offering	586.4 million shares (or 595.4 million shares if the underwriters exercise their over-allotment option in full).
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $349 million (or approximately $402 million if the underwriters exercise their over-allotment option in full). We intend to use up the net proceeds from this offering for general corporate purposes and the repayment of indebtedness. Pending application of the net proceeds, we may invest the proceeds in short-term securities. See Use of Proceeds on page S-8 of this prospectus supplement.
Restrictions on Ownership and Transfer	To assist us in complying with certain federal income tax requirements applicable to real estate investment trusts, among other purposes, our charter imposes certain restrictions on ownership and transfer of our common stock. See Description of Capital Stock Restrictions on Ownership and Transfer in the accompanying prospectus.
Listing	Our common stock is listed on the NYSE under the symbol HST.

The number of shares of common stock to be outstanding after this offering is based upon 526.4 million shares outstanding as of March 27, 2009. This number excludes 3.2 million shares of common stock underlying options outstanding as of March 27, 2009 granted under our stock option, incentive and compensation plans; 2.4 million shares of common stock reserved and available for future issuance as of March 27, 2009 under our stock option, incentive and compensation plans; 14.4 million shares of common stock issuable upon exchange of common limited partnership units of Host LP and 59.4 million shares of common stock issuable upon exchange of the Exchangeable Senior Debentures.

For additional information regarding our common stock, see Description of Capital Stock in the accompanying prospectus. For a description of the U.S. federal income tax considerations reasonably anticipated to be material to prospective holders in connection with the purchase, ownership and disposition of our common stock, see the Form 8-K that we filed with the SEC on March 2, 2009 that is incorporated herein by reference.

Risk Factors

An investment in our common stock involves various risks and prospective investors should carefully consider the matters discussed under Risk Factors in this prospectus supplement, as well as the other risks described in this prospectus supplement and the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference herein and therein, before making a decision to invest in the common stock.

Table of Contents

RISK FACTORS

Your investment in our common stock involves certain risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the factors set forth below as well as the risk factors discussed in the accompanying prospectus, our Annual Report on Form 10-K for the year ended December 31, 2008 and any subsequently filed periodic reports which are incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether an investment in our common stock is suitable for you.

We may change the dividend policy for our common shares in the future.

In 2008, our Board of Directors declared a total dividend of $0.65 per share. Recognizing the need to maintain maximum financial flexibility in light of the current state of the capital markets, we previously announced our intention to suspend our regular quarterly dividend on our common stock during 2009. Based on the expected issuance of shares in this offering, the company expects the common stock dividend to be paid in the fourth quarter would be $0.27 to $0.32 per share, which may be paid either in cash or a combination of cash and shares of common stock. We currently intend to continue paying dividends on our preferred stock.

A recent Internal Revenue Service revenue procedure allows us to satisfy the REIT income distribution requirements with respect to our 2009 taxable year by distributing up to 90% of our 2009 dividends on our common stock in shares of our common stock in lieu of paying dividends entirely in cash so long as we qualify as a REIT and follow a process allowing our shareholders to elect cash or stock, subject to a cap that we impose on the maximum amount of cash that can be paid. We have made no decision yet whether to pay a portion of the common stock dividend that we expect to declare in the fourth quarter of 2009 in shares of common stock pursuant to this revenue procedure. In the event that we pay a portion of a dividend in our common shares using the process outlined above, taxable U.S. shareholders would be required to pay tax on the entire amount of the dividend, including the portion paid in common shares, in which case such shareholders might have to pay the tax using cash from other sources. If a U.S. shareholder sells the shares it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending upon the market price of our shares at the time of the sale as compared to the market price at the time of the dividend. Furthermore, with respect to non-U.S. shareholders, we may be required to withhold U.S. tax with respect to such dividend, including in respect of all or a portion of such dividend that is payable in shares. In addition, if a significant number of our shareholders sell our common shares in order to pay taxes owed on dividends, such sales would put downward pressure on the market price of our common shares.

The decision to declare and pay dividends on our common shares in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our Board of Directors and will depend on our earnings, funds from operations, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness and preferred shares, the annual distribution requirements under the REIT provisions of the Code, state law and such other factors as our Board of Directors deems relevant. While the statements above concerning the remaining dividends for 2009 represent our current expectation, the actual dividend payable will be determined by our Board of Directors based upon the circumstances at the time of declaration and the actual dividend payable may vary from such expected amounts. Any change in our dividend policy could have a material adverse effect on the market price of our common stock.

This offering is expected to be dilutive, and there may be future dilution of our common shares.

Giving effect to the issuance of common shares in this offering, the receipt of the expected net proceeds and the use of those proceeds, we expect that this offering will have a dilutive effect on our expected earnings per share and funds from operations per share for the year ending December 31, 2009. The actual amount of such dilution cannot be determined at this time and will be based on numerous factors. Additionally, we are not restricted from issuing additional shares of our common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or

Table of Contents

any substantially similar securities. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market after this offering or the perception that such sales could occur.

The market price of our common stock may be adversely affected by market conditions affecting the stock markets in general, including price and trading fluctuations on the NYSE.

The market price of our common stock may be adversely affected by market conditions affecting the stock markets in general, including price and trading fluctuations on the NYSE. These conditions may result in (1) volatility in the level of, and fluctuations in, the market prices of stocks generally and, in turn, our common stock and (2) sales of substantial amounts of our common stock in the market, in each case being unrelated or disproportionate to changes in our operating performance. The overall weakness in the economy and the current financial crisis have recently contributed to the extreme volatility of the markets, including the market price of our common stock.

Table of Contents

USE OF PROCEEDS

We estimate the net proceeds from the sale of common stock from this offering will be approximately $349 million after deducting underwriting discounts and commissions and estimated transaction expenses payable by us of approximately $16 million (or approximately $18 million if the underwriters over-allotment option is exercised in full), in each case assuming a public offering price of $6.08 per share, which was the last reported sale price of our common stock on the New York Stock Exchange on April 22, 2009.

A $1.00 increase (decrease) in the assumed public offering price of $6.08 per share, the closing price of our common stock on the New York Stock Exchange on April 22, 2009, would increase (decrease) the net proceeds to us from this offering by approximately $58 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus supplement, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) the expected net proceeds from this offering by approximately $5.8 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, assuming a public offering price of $6.08 per share.

We intend to use up the net proceeds from this offering for general corporate purposes and the repayment of indebtedness. Pending application of the net proceeds, we may invest the proceeds in short-term securities.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 27, 2009, on an actual basis and on an as adjusted basis to give effect to the offering and sale of 60,000,000 shares of our common stock in this offering at an assumed public offering price per share of $6.08, which was the last reported sales price of our common stock on the New York Stock Exchange on April 22, 2009, after deducting underwriting discounts and commissions and estimated transaction expenses payable by us.

The capitalization table should be read in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	March 27, 2009	
	Actual	As adjusted(1)
	(in millions)	
Cash and cash equivalents (2)	$ 653	$ 1,002
Debt		
Senior notes, including $852 million, net of discount of Exchangeable Senior Debentures (3)	$ 3,879	$ 3,879
Mortgage debt	1,517	1,517
Credit Facility (4)	410	410
Other	87	87
Total debt (5)	5,893	5,893
Non-controlling interests of Host LP (6)	147	142
Equity		
Cumulative redeemable preferred stock (liquidation preference $100 million) 50 million shares authorized, 4.0 million shares issued and outstanding, actual and as adjusted	97	97
Common Stock, par value $0.01, 750 million shares authorized, 526.4 million shares issued and outstanding, actual; 586.4 shares issued and outstanding, as adjusted	5	6
Additional paid-in capital	5,882	6,235
Accumulated other comprehensive income	2	2
Deficit	(448)	(448)
Total Host stockholders equity	5,538	5,892
Non-controlling interests other consolidated partnerships (6)	24	24
Total equity	5,562	5,916
Total capitalization	$ 11,602	$ 11,951

(1) A $1.00 increase (decrease) in the assumed public offering price of $6.08 per share, the closing price of our common stock on the New York Stock Exchange on April 22, 2009, would increase (decrease) each of cash and cash equivalents, additional paid in capital, total Host stockholders equity, total equity and total capitalization by approximately $58 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus supplement, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) each of cash and cash equivalents, additional paid in capital, total Host stockholders equity, total equity and total capitalization by approximately $5.8 million, after underwriting underwriter discounts and commissions and estimated offering expenses payable by us, at an assumed public offering price of $6.08 per share.

Table of Contents

(2) As adjusted cash and cash equivalents reflects the following (in millions):

Cash and cash equivalents at March 27, 2009	$ 653
Net proceeds from the issuance of the common stock offered hereby after deducting estimated offering expenses (a)	349
As adjusted cash and cash equivalents at March 27, 2009	$1,002

(a) We have estimated $16 million of offering expenses.

(3) As a result of the adoption of FASB Staff position APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement) (FSP 14-1), the principal balance of our Exchangeable Senior Debentures was reduced by $66 million as of March 27, 2009, with an offsetting increase to equity. The decline in principal reflects the unamortized discount related to the implementation of FSP 14-1. For a detailed description of the impact of our adoption of this accounting standard, see Footnote 2 to our Condensed Consolidated Financial Statements included in our Form 10-Q for the quarterly period ended March 27, 2009, filed with the SEC on April 23, 2009 and incorporated herein by reference.

(4) We currently have availability of $400 million under our credit facility.

(5) The debt balance does not reflect the planned use of net proceeds to repay indebtedness or reduce future borrowings.

(6) As a result of the adoption of SFAS 160, Non-controlling Interests in Consolidated Financial Statements an amendment of ARB No. 51 , (FAS 160), which modifies the presentation of certain balance sheet items such that non-controlling interests of other consolidated partnerships (previously referred to as Interest of minority partners of other consolidated partnerships) is now included as a separate component of equity. For a detailed description of the impact of our adoption of this accounting standard, see Footnote 2 to our Condensed Consolidated Financial Statements included in our Form 10-Q for the quarterly period ended March 27, 2009, filed with the SEC on April 23, 2009 and incorporated herein by reference.

Table of Contents

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the NYSE under the symbol HST. On April 22, 2009, the last reported sale price per share of our common stock on the NYSE was $6.08. The table below sets forth, for the periods indicated, the high and low closing sales prices per share of our common stock, as reported by the NYSE, and the cash dividends declared per share with respect to such periods. The dividend with respect to each fiscal quarter was paid in the following fiscal quarter.

	Price Per Share of Common Stock		Distributions Declared
	High	Low	Per Share
2007			
First Quarter	$ 28.71	$ 23.89	$ 0.20
Second Quarter	27.04	23.31	0.20
Third Quarter	26.01	20.35	0.20
Fourth Quarter	23.40		