

Sale of Hotel Portfolio to Host - Frequently Asked Questions

What was the distribution of cash and shares of Host (NYSE: HST)?

On April 10, 2006, Starwood Hotels & Resorts Worldwide, Inc. shareholders received 0.6122 shares of Host Hotels & Resorts, Inc. stock (NYSE: HST) and 50.3 cents in cash (or approximately \$13.07 in value based on HST stock price as of Friday, April 7, 2006, the last trading day before the transaction was completed) for each Class B share they owned.

How do I know if I own(ed) Class B shares of Starwood Hotels & Resorts Worldwide, Inc.?

Prior to the close of the Host Hotels & Resorts, Inc. transaction on April 10, 2006, Starwood Hotels & Resorts, Worldwide, Inc. stock traded on the NYSE as two securities: one share of stock in our C Corp (common stock or Class A shares) and one share of stock in our REIT (Class B shares). The shares traded as a "unit" (pair) with the price quoted on the stock exchange being the price for both securities combined. If you purchased your HOT stock prior to April 10, 2006 and continue to hold a certificate with the CUSIP number 85590A203, then you owned one share of stock in our REIT (Class B shares), which would have converted into Host Hotels & Resorts, Inc. (HST) stock and cash on April 10, 2006.

Is this transaction taxable to HOT shareholders?

Yes, this transaction is taxable to shareholders. The tax will be based on the consideration received for the Class B shares (approximately \$13.07 in value based on HST stock price as of Friday, April 7, 2006, the last trading day prior to the closing of the transaction) and your tax basis in such Class B shares.

How do I calculate the tax basis for the Host Hotels & Resorts, Inc. shares I received on April 10, 2006?

Refer to the 2006 tax summary provided to shareholders. The letter on page 3 describes the conversion details to determine the tax basis in paired shares attributable to Class B shares.