

STARWOOD HOTELS & RESORTS

Form 425

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Filed by Host Marriott Corporation pursuant to Rule 425

under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

under the Securities Exchange Act of 1934

Subject Company: Starwood Hotels & Resorts

Commission File No.: 333-130249

Information about the Proposed Transactions and Where to Find It

In connection with the proposed transactions, Host Marriott Corporation filed a preliminary proxy statement/prospectus as part of a registration statement on Form S-4 on December 9, 2005 and other documents regarding the proposed transactions with the Securities and Exchange Commission (SEC). In addition, Host Marriott Corporation will prepare and file a definitive proxy statement/prospectus and other documents regarding the proposed transactions with the SEC. **Investors and security holders are urged to read the proxy statement/prospectus (and all amendments and supplements to it) when it becomes available because it contains important information about Host Marriott Corporation, Starwood Hotels & Resorts and the proposed transactions.** A definitive proxy statement/prospectus will be sent to stockholders of Host Marriott Corporation seeking their approval of the issuance of shares of Host Marriott Corporation common stock in the transactions contemplated by the master agreement. Investors and security holders may obtain a free copy of the definitive proxy statement/prospectus (when available) and other documents filed by Host Marriott Corporation with the SEC at the SEC's web site at www.sec.gov. The definitive proxy statement/prospectus and other relevant documents may also be obtained, when available, free of cost by directing a request to Host Marriott Corporation, 6903 Rockledge Drive, Suite 1500, Bethesda, MD 20817, Attention Investor Relations, (telephone 240-744-1000). Investors and security holders are urged to read the proxy statement/prospectus and other relevant material when they become available before making any voting or investment decisions with respect to the proposed transactions.

Host Marriott Corporation and its directors and executive officers may be deemed, under SEC rules, to be participants in the solicitation of proxies from the stockholders of Host Marriott Corporation in respect of the proposed transactions. Information about Host Marriott Corporation and its directors and executive officers, and their ownership of securities in Host Marriott Corporation, is set forth in the proxy statement for Host Marriott Corporation's 2005 Annual Meeting of Stockholders, which was filed with the SEC on April 11, 2005. Additional information regarding the direct and indirect interests of those persons may be obtained by reading the proxy statement/prospectus regarding the proposed transactions.

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Cautionary Language Concerning Forward-Looking Statements

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This filing contains forward-looking statements within the meaning of federal securities regulations. 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, and other similar terms and phrases, including references to assumptions and forecasts of future results, statements about the expected scope and timing of the acquisition, expected financial results and credit effects of the acquisition, consequences of management efforts, opportunities for growth and expectations as to timing, nature and terms of financing and other sources of funds. 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. These risks include, but are not limited to: national and local economic and business conditions, including 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 pending acquisitions and dispositions; and our ability to continue to satisfy complex rules in order for us to qualify as a real estate investment trust for federal income tax purposes and other risks and uncertainties associated with our business described in Host Marriott Corporation's filings with the SEC. The completion of the transaction with Starwood (either in whole or in part relating to the acquisition of certain hotels) is subject to numerous closing conditions and there can be no assurances that the transactions as a whole, or portions of these transactions, will be completed. These closing conditions include, but are not limited to: Host Marriott Corporation receiving approval from its stockholders to issue shares to Starwood's Class B holders, obtaining various lender consents and regulatory approvals, the accuracy of representations and warranties and compliance with covenants, the absence of material events or conditions, and other customary closing conditions. Our expectations as to the financial consequences of the acquisition may be affected by the risks noted above and factors unique to acquisitions, including the timing and successful integration of these hotels into our portfolio and the number and location of the hotels we ultimately acquire with the acquisition. Although Host Marriott Corporation believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information is as of the date of this filing and Host Marriott Corporation undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in expectations.

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Company History

Largest owner of luxury and upper upscale full-service hotels

Irreplaceable assets in premier markets with high barriers to entry

Focused on urban and resort convention hotels

107 hotels (over 55,000 rooms)

Total Enterprise Value of approximately \$12 billion

Largest lodging REIT

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Company History
Marriott Corporation
Host Marriott

Lodging real estate (25 full-service hotels)

Airport concessions operator

Marriott International

Lodging management

Contract services businesses

October 1993

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Company History

January 1996

Host Marriott Corporation spins off the airport terminal concession business.

The Company owns 55 full-service properties with over 25,000 rooms

April 1998

Multi-brand strategy launched: 12 world-class hotels (four Hyatts, two Four Seasons and four

Swissôtel)

January 1999

REIT conversion. The Company owns 126 hotels with over 58,000 rooms.

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Company History

January 2004

First Starwood-branded hotel: Host Marriott rebrands the Swissôtel, Atlanta into the Atlanta Westin

2003-2005

Host Marriott acquires five hotels for approximately \$1.1 billion. (Fairmont Kea Lani, Maui, Hyatt Maui Resort and Spa, Scottsdale Marriott at McDowell Mountains,

Hyatt Regency Capitol Hill in Washington,
DC, and Embassy Suites, Chicago)

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Company History

November 2005

Host Marriott announces the acquisition of
38 hotels from Starwood

Enhances brand diversification,

Creates a significant relationship with an
outstanding hotel operating/brand company;
launches expansion into Europe

Establishes international platform for growth.
Upon completion of the transaction, the
Company will own 145 hotels with over
74,000 rooms.

7

Green Street Advisors: Based on quality, location, and property condition, Host Marriott possesses the most desirable collection of hotels owned by a public company.

Current Portfolio of Brands

8
Ritz-Carlton, Naples

New
York
Marriott
Marquis

Hyatt Regency Maui

The Fairmont, Kea Lani

Toronto Marriott Eaton Centre

Orlando World Center Marriott

Embassy Suites Chicago Lakefront

Atlanta Buckhead Westin

Hyatt Regency, Washington D.C.

Starwood Portfolio
Acquisition

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Starwood Portfolio

Portfolio of 38 upper upscale and luxury full-service hotels (18,964 rooms), including 25 domestic and 13 international assets:

-

20 Sheratons

-

13 Westins

-

2 Ws

-

2 Luxury/St. Regis

-

1 Unbranded

Purchase price: \$4.0 billion

Transaction expected to close at the end of 1st Quarter 2006 and is subject to a Host Marriott stockholder vote and other closing conditions

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Strong Portfolio
World-class
portfolio
in
terms
of
asset
quality
and
positioning
(Average
Hotel:
500
rooms
/

\$117
RevPAR).
Matches
up
well
with
Host s
existing
portfolio
100%
luxury
and
upscale
hotels.
Includes
six
city-center
hotels
with
over
750
rooms
Urban
/
Convention
/
Resort
Concentration.
80%
of
the
portfolio*
International
Diversification.
29%
of
the
portfolio*
outside
U.S.
(15%
in
Europe)
* Based on revenues.

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Profile of Hotel Portfolio

Brand Mix (Based on Revenue)

Host Marriott Stand-alone

12%

6%

9%

1%

70%

2%
Starwood Portfolio
3%
9%
55%
33%
Combined
4%
2%
2%
7%
9%
53%
14%
9%
Marriott
Sheraton
Westin
Ritz-Carlton
Hyatt
Fairmont
W
Other

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Profile of Hotel Portfolio
Geographic Scope (Based on Revenue)
Host Marriott Stand-alone
3%
97%
Starwood Portfolio
71%
29%

Combined
9%
91%
International
Domestic

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Profile of Hotel Portfolio

Geographic Coverage

Host Marriott Portfolio

Host Marriott Portfolio

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Profile of Hotel Portfolio

Geographic Coverage

Combined Portfolio

Starwood Portfolio

Host Marriott Portfolio

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Benefits to Host From the
Acquisition

Brand
Diversification.
Creates
significant
relationship
with
another
major
hotel
operating
/
brand

company

Market
Share
Upside.
Great
potential
among
Starwood
brands

Asset
Management
/
Value
Enhancement.
Opportunities
to
improve
growth

Expansion
in
Europe.
Six
hotels
form
a
strong
foundation
for
future
growth

Partnership
with
Starwood.
Enhance
future
growth
opportunities

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Post-closing Brand
Portfolio

26
Overview
9
3
Countries
Over 50
Over 35
Markets
18
14

Brands
\$9 billion
\$6 billion
Equity Market
Cap.
6
-Largest
REIT
9
-Largest
REIT
Largest Lodging REIT
Largest Lodging REIT
Largest Public Lodging Co.
3
-Largest Pub. Lodging Co.
Scale
\$16 billion
\$12 billion
TEV
74,185
55,221
No. of Rooms
145
107
No. of Hotels
HOST
hotels & resorts
rd
th
th

Host Marriott Strategy
Host Marriott Strategy

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Core Strategy and Values

Best in Class

-

Best assets

-

Best brands

-

Best management

-

Best growth

Company Values --

EPIC

-

Passionate about *Excellence*

-

Dedicated to *Partnership*

-

Committed to *Integrity*

-

One with our *Community*

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Strategic Focus

Provide outstanding returns to our
shareholders by focusing on:

-

Intelligent portfolio management

-

Disciplined capital allocation

-

Sound financial management

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Intelligent Portfolio
Management

The Mission of Asset Management

Best in Class portfolio stewardship

Build strong stakeholder relationships

Maximize

cash

flow

growth

and

asset

appreciation

Optimize
portfolio
through
disciplined
capital
allocation and
implementation

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Intelligent Portfolio
Management (cont.)
Understanding the Business
Real Estate Experience

Consulting

Real Estate Ownership
Operational Experience

General Manager

Director of Finance/Controller

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Intelligent Portfolio
Management (cont.)
Operational Consulting
Balanced Scorecard

Associate satisfaction

Guest satisfaction

Financial performance

Market share

Periodic property visits and inspections

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Intelligent Portfolio

Management (cont.)

Operational Consulting

Financial Analysis

Revenue/Cost improvement opportunities

Benchmarking (Best Practices)

Market analysis

Market share

Competitive positioning

Demand trends

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2006 Key Objectives

Maximize RevPAR

growth

Enhance catering revenue growth

Achieve significant improvement in

House profit margin

Focus on market share growth

Investment of Choice/Cash Flow

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Intelligent Portfolio

Management (cont.)

Value Enhancement

-

Carefully evaluate the capital needs and opportunities for each property

-

Focus on long-term sustainability

-

Maximize competitive position of each asset

-

Return on investment (e.g., space conversion)

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Intelligent Portfolio

Management (cont.)

Partnership & Challenges

-

Cultural differences

-

Host is looking to learn from you

Partnership

Together we can accomplish great things!

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2006 Key Objectives

Improve the Partner Index Score

Sharing of ideas / Best Practices

Mutual respect

Partner

of

Choice

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What is the most important
element to a hotel reaching it's
potential?

Leadership

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Good To Great
Personal
humility,
understated,
professional
will
Ambitious
for
the
company
first,
not
for
themselves
Set

up
their
successors
for
even
greater
success
in
the
next
generation
Level 5 Leaders

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continued

Fanatically driven, infected with an incurable need to produce sustained results

Display a workmanlike diligence; more plow horse than race horse

Attribute success to factors other than themselves

When things go poorly, they blame themselves, taking full responsibility

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Potential
Common Vision
+
Strong Partnership
+
EPIC Values
= Amazing Results

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Disciplined Capital
Allocation

Target Acquisition Profile:

-

Upper Upscale/Luxury

-

Urban/Resort/Convention

-

Best operators and brands

Since November 2003, acquired approximately

\$1.1

billion

of

upper

upscale/luxury

properties

Intend to utilize European platform to drive
further growth in Europe

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Sound Financial
Management

Continue to maximize liquidity and flexibility

Strong balance sheet

-

currently, \$12 billion enterprise value

-

post-acquisition, \$16 billion enterprise value, making
Host the largest lodging company in the U.S. and the
sixth largest REIT