

## **FelCor Announces Completion of \$115 Million Tender Offer for Senior Notes Due 2008**

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IRVING, Texas, July 27 /PRNewswire-FirstCall/ -- FelCor Lodging Trust Incorporated (NYSE: FCH), the nation's second largest lodging real estate investment trust (REIT), and its subsidiary FelCor Lodging Limited Partnership (FelCor LP), today reported the completion of its previously announced tender offer for \$115 million in principal amount of its outstanding 9 1/2% Senior Notes due 2008, which currently bear interest at 10% per year. Through July 26, when the tender offer expired, the Company had received tenders for \$222.3 million, or 81% of the notes outstanding at the commencement of the tender offer, substantially all of which were tendered prior to the early tender date of July 12, 2004. Of the bonds tendered, \$93.1 million were purchased on July 13, 2004, and \$21.9 million were purchased on July 27, 2004. The bonds tendered were accepted and purchased on a pro rata basis. Pursuant to the tender offer, the Company paid \$1,041.62 per \$1,000 in principal amount of accepted and purchased bonds, plus the early tender premium of \$20 per \$1,000 of principal amount tendered prior to July 12, 2004. In addition, interest accrued to the date of purchase was paid on all bonds accepted and purchased.

Andrew J. Welch, FelCor's Senior Vice President and Treasurer said, "We are very pleased to have been able to reduce, through open market purchases and two tender offers, this issue of bonds from \$600 million to less than \$160 million in outstanding principal amount, while reducing our interest costs, extending our maturity dates and reducing our overall leverage."

FelCor is the nation's second largest lodging REIT and the largest owner of full service, all-suite hotels. FelCor's consolidated portfolio is comprised of 152 hotels, located in 33 states and Canada. FelCor owns 71 upscale, all-suite hotels, and is the owner of the largest number of Embassy Suites Hotels(R) and Doubletree Guest Suites(R) hotels in the U.S. FelCor's portfolio also includes 71 hotels in the upscale and full service segments. FelCor has a current market capitalization of approximately \$3.0 billion. Additional information can be found on FelCor's Web site at <http://www.felcor.com>.

With the exception of historical information, the matters discussed in this news release include "forward looking statements" within the meaning of the federal securities laws. Forward looking statements are not guarantees of future performance. Numerous risks and uncertainties, and the occurrence of future events, may cause actual results to differ materially from those currently anticipated. Certain of these risks and uncertainties are described in our filings with the Securities and Exchange Commission. Although we believe our current expectations to be based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that actual results will not differ materially.

SOURCE FelCor Lodging Trust Incorporated

CONTACT: Andrew J. Welch, Senior Vice President and Treasurer, +1-972-444-4982, or [awelch@felcor.com](mailto:awelch@felcor.com), or Monica L. Hildebrand, Vice President of Communications, +1-972-444-4917, or [mhildebrand@felcor.com](mailto:mhildebrand@felcor.com), or Stephen A. Schafer, Vice President of Investor Relations, +1-972-444-4912, or [sschafer@felcor.com](mailto:sschafer@felcor.com), all of FelCor Lodging Trust Incorporated