

## **FelCor Repaying \$177 Million of Debt at Substantial Discount; RevPAR and EBITDA Significantly Ahead of Expectations**

June 8, 2010 4:41 PM ET

IRVING, Texas, Jun 08, 2010 (BUSINESS WIRE) --FelCor Lodging Trust Incorporated (NYSE: FCH) today announced that it has agreed to repay \$177 million of secured debt at a significant discount to the principal balance. The two loans bear interest at LIBOR plus 155 basis points and are scheduled to mature in May 2012. The loans will be settled for \$130 million, plus accrued interest, representing a 27% discount to the principal balance. The two hotels that secure the loans have a combined 921 guest rooms and more than 100,000 square feet of meeting space. The payment, approximately \$141,000 per room, will be funded with cash on hand and reflects a substantial discount to replacement cost.

Revenue per available room ("RevPAR") for our 83 consolidated hotels increased 8.0% during May and 5.2% during the first two months of the quarter, compared to the same period in 2009, which was significantly better than the company's expectations. The positive flow-through to EBITDA on the improvement to budgeted revenue remains very strong. As a result, Adjusted EBITDA and Net loss for the two months ending May 31, 2010 were significantly better than the high end of expectations and are trending above current analysts' expectations for the quarter.

"The lodging industry's recovery continues to accelerate and has been more robust than we anticipated, leading to much stronger than expected RevPAR. Our diversified, well-located and high-quality portfolio continues to outperform the industry," said Richard A. Smith, FelCor's President and Chief Executive Officer. "We remain committed to looking for opportunities that will strengthen our balance sheet and improve shareholder value. This repayment, at a discount of nearly \$50 million, allows us to reduce our leverage substantially and unencumber two hotels, which makes tremendous sense for our shareholders," added Mr. Smith.

Adjusted EBITDA is derived by adding depreciation and amortization, amortization of stock compensation, interest expense, and noncontrolling interest in other partnerships to net loss.

*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 greater detail 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. We undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in our expectations.*

FelCor, a real estate investment trust, is the nation's largest owner of upper upscale, all-suite hotels. FelCor owns interests in 84 hotels and resorts, located in 23 states and Canada. FelCor's portfolio consists mostly of upper upscale hotels, which are flagged under global brands - Embassy Suites Hotels(R), Doubletree(R), Hilton(R), Marriott(R), Renaissance(R), Sheraton(R), Westin (R) and Holiday Inn(R). Additional information can be found on the Company's Web site at [www.felcor.com](http://www.felcor.com).

SOURCE: FelCor Lodging Trust Incorporated

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