



## RLJ Lodging Trust Completes a \$700 Million Unsecured Credit Facility

November 26, 2012

**-Transaction Upsized due to Excess Demand**

**-Significant Interest Expense Savings in 2013 of \$8 Million to \$10 Million**

BETHESDA, Md.--(BUSINESS WIRE)--Nov. 26, 2012-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that it successfully completed a \$700 million unsecured credit facility (the "Facility") that is expandable to \$1.2 billion. The Facility consists of a five-year and a seven-year unsecured term loan for an aggregate amount of \$400 million (the "Term Loans") and a \$300 million unsecured revolving line of credit (the "Revolving Credit Facility"). The new Revolving Credit Facility replaces the Company's existing revolver. As a result of these combined transactions, the Company expects to have significant interest expense savings of approximately eight to ten million dollars in 2013.

"These transactions strengthen our balance sheet and demonstrate our commitment to maintain a conservative capital structure," said Thomas J. Baltimore, Jr., President and Chief Executive Officer. "By adding unsecured debt to our capital structure, we were able to take our first significant step towards becoming investment grade."

Proceeds from the Term Loans were used to pay down approximately \$70 million of the \$85 million outstanding on the Company's Revolving Credit Facility and retire four secured mortgage loans, totaling approximately \$330 million that were scheduled to mature in 2013. Upon retiring these loans, four key assets were unencumbered, including the Company's largest asset the DoubleTree by Hilton Metropolitan New York City. As a result, the Company's unencumbered hotels increased from 53 to 57 hotels and now represent approximately 52% of the total portfolio's 2011 hotel EBITDA.

The interest rates for the Term Loans are based on a pricing grid tied to the Company's leverage ratio. At closing, the Company's third quarter leverage ratio resulted in blended term loan pricing that was more than 300 basis points lower than the 5.8% weighted average interest rate of the four loans that were paid off.

In addition to retiring four higher priced mortgaged loans; the Company's Revolving Credit Facility was amended and restated with favorable terms and conditions, including a maturity extension of an incremental two and a half years beyond the current year and a half remaining, improved financial covenants, and a reduction of approximately 65 basis points on average across the pricing grid.

Excluding the Revolving Credit Facility, the Company's aggregate weighted average cost of debt will decrease by approximately 100 basis points to 4.6% from 5.6%. The Company expects to generate substantial interest expense savings of approximately eight to ten million dollars, of which the actual savings realized will ultimately be predicated on the Company's hedging strategy. The overall savings will have a significant benefit to the Company's 2013 FFO.

"We received considerable interest during the syndication process and were significantly over subscribed," said Leslie Hale, Chief Financial Officer, Treasurer, and Senior Vice President. "We had a hundred percent participation from all of our existing lenders and added several new banks. The overall size of our Facility and our ability to execute a seven-year term loan reaffirms the confidence that our financial partners have in our balance sheet."

Utilizing the proceeds from the Term Loans to pay down near term maturities and extending the maturity of the Revolving Credit Facility has positioned the Company with ample flexibility and liquidity to pursue its growth objectives. The Company's debt maturities are well staggered; including all extension options, the next tranche of debt will mature in 2015.

The Revolving Credit Facility and the five-year term loan were arranged by Wells Fargo Securities, LLC, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Lead Arrangers and Joint Bookrunners. The seven-year term loan was arranged by Wells Fargo Securities, LLC and PNC Capital Markets LLC, as Joint Lead Arrangers and Joint Bookrunners.

### About Us

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust focused on acquiring premium-branded, focused service and compact full-service hotels. The Company's portfolio consists of 145 hotels in 21 states and the District of Columbia, with a total of more than 21,600 rooms. Additional information may be found on the Company's website: <http://rljlodgingtrust.com>.

### Forward Looking Statements

*This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, that may cause actual results to differ significantly from those expressed in any forward-looking statement, including statements related to, among other things, the timing, price or amount of purchases, if any, under the Company's common stock repurchase program, the Company's target leverage ratio, potential acquisitions or dispositions, the completion of the 2012 capital improvement plan, RevPAR growth, EBITDA growth, Hotel EBITDA margins or cash G&A expenses. All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other*

*factors that could cause the Company's future results to differ materially from any forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's Annual report on Form 10-K for the year ended December 31, 2011, and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission.*

Source: RLJ Lodging Trust

**RLJ Lodging Trust**  
**Leslie D. Hale, 301-280-7707**  
**Chief Financial Officer**

*For additional information or to receive press releases via email, please visit our website:*

<http://rljlodgingtrust.com>