

RLJ Lodging Trust Expands into Hawaii: Acquires the Courtyard by Marriott Waikiki Beach for \$75.3 Million

June 18, 2013

BETHESDA, Md.--(BUSINESS WIRE)--Jun. 18, 2013-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that it acquired the long-term leasehold interest in the 399-room Courtyard by Marriott Waikiki Beach (the "Hotel") for a purchase price of \$75.3 million, or approximately \$189,000 per key. The purchase price represents a forward capitalization rate of approximately 7.8% based on the Hotel's projected 2014 net operating income. The Company purchased this asset with cash available on its balance sheet.

"We are excited to increase our presence in the west and expand our geographic footprint into another gateway market," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "The Hotel's strong brand affiliation and prime location in Waikiki will allow us to capitalize on the strong lodging fundamentals in Oahu."

The Hotel is located in Honolulu, on the Hawaiian island of Oahu. Honolulu serves as a major gateway for travelers from the Pacific Rim and is ranked as the fourth highest port of entry for international travelers to the U.S., behind only New York City, Miami, and Los Angeles. In 2012, visitor arrivals and spending exceeded historical 2006 and 2007 peak levels. According to the Department of Business, Economic Development & Tourism, in 2012 visitor arrivals increased 9.6% and visitor spending increased 18.5% over prior year. Strong demand from Asia and the South Pacific region are projected to drive further growth for the market.

As one of the leading hotel markets in the U.S. and a major tourist destination, the Oahu market recorded revenue per available room ("RevPAR") growth of 16.7% in 2012, which was the highest among the top 25 U.S. lodging markets according to Smith Travel Research. Year-to-date through April 2013, the strong growth continued as RevPAR increased 17.9% over the same time period in 2012. The Hotel's RevPAR, which represents more than a 40% premium to the Company's 2012 pro forma RevPAR, will be among the Company's Top 10 hotels and further enhance the composition of the portfolio.

The Hotel's prime location in the world famous neighborhood of Waikiki is in close proximity to the most visited tourist attractions in the area and various cultural and entertainment options. The Company expects that the Hotel will benefit from the positive momentum in the leisure and hospitality sectors as well as from demand generated by all four branches of the U.S. military, which have a significant presence on the island.

The Waikiki submarket is currently underrepresented by Marriott branded hotels. The Company expects that the Hotel's affiliation with Marriott's strong reservation system and guest loyalty program, as well as its proximity to the most visited attractions in the area, will benefit the asset and position it for strong growth. With limited supply and robust demand, the Company expects that this Hotel has significant upside and is well positioned to outperform.

With the addition of this asset, the Company now owns 149 properties, comprised of 148 hotels with more than 22,300 rooms and one planned hotel conversion, located in 22 states and the District of Columbia.

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.

Forward Looking Statements

The following information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," "may" or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty, increased direct competition, changes in government regulations or accounting rules, changes in local, national and global real estate conditions, declines in the lodging industry, seasonality of the lodging industry, risks related to natural disasters, such as earthquakes and hurricanes, hostilities, including future terrorist attacks or fear of hostilities that affect travel, the Company's ability to obtain lines of credit or permanent financing on satisfactory terms, changes in interest rates, access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt, the Company's ability to identify suitable acquisitions, the Company's ability to close on identified acquisitions and integrate those businesses and inaccuracies of the Company's accounting estimates. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward-looking statements and urge investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the SEC.

RLJ Lodging Trust
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