



RLJ Lodging Trust Acquires the Residence Inn Atlanta Midtown Historic

August 20, 2013

BETHESDA, Md.--(BUSINESS WIRE)--Aug. 20, 2013-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that it has acquired the 78-room Residence Inn Atlanta Midtown Historic (the "Hotel") located in Atlanta, GA. In November 2009, the Company purchased a mortgage loan collateralized by the Hotel for approximately \$5.0 million, or approximately \$64,000 per key. The Company initiated and successfully acquired the asset through a foreclosure sale after the borrower defaulted on the loan in early 2013. The successful bid, which was equal to the Company's basis in the mortgage loan, represents a significant discount to the Hotel's value.

The Hotel will be closed later this year to undergo a comprehensive renovation that will include upgrades to the guestrooms and public spaces. When the Hotel re-opens in the third quarter of 2014, it will continue to have the Residence Inn by Marriott flag. The Company expects that the total investment, including capital expenditures, will represent a forward capitalization rate of approximately 12% based on the Hotel's 2015 net operating income.

"Our acquisition of this mortgage loan provided us with yet another opportunity to purchase an attractive asset in a key market at a significant discount to replacement cost," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "Our initial investment thesis for this mortgage loan included us owning the underlying real estate. We immediately recognized the value of this asset given its location in such a desirable submarket of Atlanta and the strength of the Residence Inn brand."

Located in one of the country's major gateways to the southeast, the Hotel will benefit from Atlanta's diverse economy. The Atlanta market has a strong corporate presence with several Fortune 500 companies headquartered in the metro, such as The Coca-Cola Company, UPS, Home Depot, and Delta Air Lines. Given the availability of a variety of conference facilities, Atlanta also attracts major group events and is considered one of the top convention destinations in the United States. Furthermore, Atlanta is recognized as one of the premier entertainment districts in the region, attracting multiple cultural and sporting events that drive a steady flow of tourism.

The Hotel is located in Midtown Atlanta, which is known for its urban, high-density office, commercial, and residential setting. Midtown is home to major employers including the Federal Reserve Bank of Atlanta, Georgia Institute of Technology, Equifax, Norfolk Southern, and PricewaterhouseCoopers. With approximately 16.5 million square feet of total office space within close proximity, the Hotel benefits from a stable supply of corporate demand. In addition, the Hotel also benefits from its close proximity to several local tourist attractions such as the High Museum of Art, Fox Theatre, and Piedmont Park.

The Company expects that the Hotel will continue to benefit from its strong location, brand affiliation, and once completed, from its comprehensive renovation. With the addition of this asset, the Company now owns 150 properties, comprised of 148 hotels with more than 22,300 rooms and two planned hotel conversions, 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.

Source: RLJ Lodging Trust

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Leslie D. Hale, Chief Financial Officer

301-280-7774