



RLJ Lodging Trust Announces Closing of Hilton Cabana Miami Beach Acquisition

June 23, 2014

BETHESDA, Md.--(BUSINESS WIRE)--Jun. 23, 2014-- RLJ Lodging Trust (the "Company") (NYSE:RLJ) today announced that it has closed on the previously announced acquisition of the 231-room Hilton Cabana Miami Beach (the "Hotel") for \$71.6 million, or approximately \$310,000 per key. The purchase price represents a forward capitalization rate of approximately 8.5% on the Hotel's projected 2015 net operating income.

"We are very excited to close on this new oceanfront hotel in the heart of Miami Beach at a significant discount to replacement cost," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "This acquisition is another example of our ability to source and underwrite attractive opportunities. We are excited to add this hotel to our portfolio and expect it will further enhance our diversification and growth profile."

The Hotel is located along the 6200 block of Collins Avenue in Miami Beach, which is in the famed "Millionaire's Row" submarket that is proximate to a variety of restaurants, nightlife, entertainment, and shopping. The Hotel is also located only minutes from South Beach, Bal Harbour, and some of South Florida's most sought after attractions. In addition to guests enjoying the offerings located within the submarket, they will also be able to enjoy the Hotel's semi-private beach, vibrant ocean views, and contemporary public spaces.

According to Smith Travel Research ("STR"), Hilton affiliated hotels represent approximately 1% of the total rooms in the Miami Beach market. The Company expects that the Hotel's association with a premium brand, such as Hilton, will yield strong demand from brand loyal guests seeking accommodations in the area.

Miami's climate, numerous events, and unique amenities make it one of the most active tourist destinations in North America. Additionally, Miami's excellent business climate, with its skilled multilingual and multicultural workforce has attracted numerous international firms and Fortune 500 companies.

As of 2013, the Miami market garnered one of the highest average daily rates and one of the highest revenue per available room among the Top 25 markets as defined by STR, surpassed only by New York, Oahu Island and San Francisco. In the coming years, the Hotel is expected to benefit from Miami's steadily increasing transient demand, robust convention activity, and strong ties to Latin America.

Upon entering into the purchase and sale agreement, the Company made a \$7.2 million deposit. The remaining balance was funded with cash on the balance sheet.

With the addition of this hotel, RLJ now owns 148 properties, comprised of 146 hotels with approximately 23,000 rooms and two planned hotel conversions, located in 21 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.

For additional information or to receive press releases via email, please visit our website: <http://rljlodgingtrust.com>.

Source: RLJ Lodging Trust

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