

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K

### CURRENT REPORT

#### Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 23, 2017**

### RLJ LODGING TRUST

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of incorporation)

**001-35169**

(Commission File Number)

**27-4706509**

(IRS Employer Identification Number)

**3 Bethesda Metro Center**

**Suite 1000**

**Bethesda, MD**

(Address of principal executive offices)

**20814**

(Zip Code)

**(301) 280-7777**

(Registrant's telephone number, including area code)

**Not applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

#### Item 8.01. Other Events.

On April 23, 2017, RLJ Lodging Trust, a Maryland real estate investment trust ("RLJ"), RLJ Lodging Trust, L.P., a Delaware limited partnership (the "Operating Partnership"), Rangers Sub I, LLC, a Maryland limited liability company and a wholly owned subsidiary of RLJ, Rangers Sub II, LP, a Delaware limited partnership and an indirect wholly owned subsidiary of the Operating Partnership, FelCor Lodging Trust Incorporated, a Maryland corporation ("FelCor"), and FelCor Lodging Limited Partnership, a Delaware limited partnership, entered into a definitive Agreement and Plan of Merger (the "Merger Agreement"). On April 24, 2017, RLJ and FelCor issued a joint press release announcing the execution of the Merger Agreement. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In addition, RLJ and FelCor will hold a conference call on April 24, 2017 at 8:00 a.m. Eastern Time regarding the proposed transaction during which its management will discuss a presentation to analysts and investors. The slides to be used in connection with this analyst and investor presentation are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

The information required to be reported on Form 8-K with respect to the Merger Agreement will be filed in a separate Current Report on Form 8-K.

#### Item 9.01 Financial Statements and Exhibits.

(d) The following exhibits are attached to this Current Report on Form 8-K:

99.1 Joint Press Release issued by RLJ Lodging Trust and FelCor Lodging Trust Incorporated on April 24, 2017

## Forward Looking Statements

The information presented herein may contain forward looking statements. These forward looking statements, which are based on current expectations, estimates and projections about the industry and markets in which RLJ and FelCor operate and beliefs of and assumptions made by RLJ management and FelCor management, involve significant risks and uncertainties, which are difficult to predict and are not guarantees of future performances, that could significantly affect the financial results of RLJ or FelCor or the combined company. Words such as “projects,” “will,” “could,” “continue,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “forecast,” “guidance,” “outlook,” “may,” and “might” and variations of such words and similar expressions are intended to identify such forward looking statements, which generally are not historical in nature. Such forward-looking statements may include, but are not limited to, statements about the anticipated benefits of the proposed merger between FelCor and RLJ, including future financial and operating results, the attractiveness of the value to be received by FelCor stockholders, the attractiveness of the value to be received by RLJ, the combined company’s plans, objectives, expectations and intentions, the timing of future events, anticipated administrative and operating synergies, the anticipated impact of the merger on net debt ratios, cost of capital, future dividend payment rates, forecasts of FFO accretion, projected capital improvements, expected sources of financing, and descriptions relating to these expectations. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to expected synergies, improved liquidity and balance sheet strength — are forward looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward looking statements. Some of the factors that may materially and adversely affect our business, financial condition, liquidity, results of operations and prospects, as well as our ability to make distributions to our shareholders, include, but are not limited to: (i) national, regional and local economic climates, (ii) changes in the real estate industry, financial markets and interest rates, or to the business or financial condition of either company or business, (iii) increased or unanticipated competition for the companies’ properties, (iv) risks associated with acquisitions, including the integration of the combined companies’ businesses, (v) the potential liability for the failure to meet regulatory requirements, including the maintenance of REIT status, (vi) availability of financing and capital, (vii) risks associated with achieving expected revenue synergies or cost savings, (viii) risks associated with the companies’ ability to consummate the merger and the timing of the closing of the merger, (ix) the outcome of claims and litigation involving or affecting either company, (x) applicable regulatory changes, and (xi) those additional risks and factors discussed in reports filed with the Securities and Exchange Commission (“SEC”) by RLJ and FelCor from time to time, including those discussed under the heading “Risk Factors” in their respective most recently filed reports on Forms 10K and 10Q. Neither RLJ nor FelCor, except as required by law, undertakes any duty to update any forward looking statements appearing in this document, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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## Additional Information about the Proposed Transaction and Where to Find It

This communication relates to the proposed merger transaction pursuant to the terms of the Merger Agreement.

In connection with the proposed merger, RLJ expects to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of RLJ and FelCor that also constitutes a prospectus of RLJ, which joint proxy statement/prospectus will be mailed or otherwise disseminated to RLJ shareholders and FelCor stockholders when it becomes available. RLJ and FelCor also plan to file other relevant documents with the SEC regarding the proposed transaction. **INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** You may obtain a free copy of the joint proxy statement/prospectus and other relevant documents (if and when they become available) filed by RLJ and FelCor with the SEC at the SEC’s website at [www.sec.gov](http://www.sec.gov). Copies of the documents filed by RLJ with the SEC will be available free of charge on RLJ’s website at [www.rljlodgingtrust.com](http://www.rljlodgingtrust.com) or by emailing RLJ Investor Relations at [ir@rljlodgingtrust.com](mailto:ir@rljlodgingtrust.com) or at 301-280-7774. Copies of the documents filed by FelCor with the SEC will be available free of charge on FelCor’s website at [www.felcor.com](http://www.felcor.com) or by contacting FelCor Investor Relations at [asalami@felcor.com](mailto:asalami@felcor.com) or at 972-444-4967.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

## Participants in the Solicitation

RLJ and FelCor and their respective trustees, directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. You can find information about RLJ’s executive officers and Trustees in RLJ’s definitive proxy statement filed with the SEC on March 28, 2017 in connection with its 2017 annual meeting of shareholders and in Form 4s of RLJ’s trustees and executive officers filed with the SEC. You can find information about FelCor’s executive officers and directors in FelCor’s preliminary proxy statement filed with the SEC on March 24, 2017 in connection with its 2017 annual meeting of stockholders. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and other relevant documents filed with the SEC if and when they become available. You may obtain free copies of these documents from RLJ or FelCor using the sources indicated above.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 24, 2017

By: /s/ Frederick D. McKalip  
Frederick D. McKalip  
Senior Vice President and General Counsel

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**EXHIBIT LIST**

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
99.1	Joint Press Release issued by RLJ Lodging Trust and FelCor Lodging Trust Incorporated on April 24, 2017
99.2	Investor Presentation Material

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## Press Release

### **RLJ Lodging Trust and FelCor Lodging Trust to Merge Creating \$7 Billion Leading Lodging REIT**

- Creates Third Largest Pure-Play Lodging REIT -
- Attractive Strategic Combination with Complementary Portfolios and Value Creating Opportunities -
- Broad Diversification and Strong Presence in Key Markets -
- Investor Conference Call and Webcast at 8:00 am ET -

Bethesda, MD, April 24, 2017 — RLJ Lodging Trust (“RLJ”) (NYSE: RLJ) and FelCor Lodging Trust Incorporated (“FelCor”) (NYSE: FCH) today announced that they have entered into a definitive merger agreement (the “Merger Agreement”) under which FelCor will merge with and into a wholly-owned subsidiary of RLJ in an all-stock transaction. Post-merger, RLJ is expected to have a pro forma equity market capitalization of approximately \$4.2 billion and a total enterprise value of \$7 billion, creating the largest pure-play public REIT dedicated to owning focused-service and compact full-service hotels.

The merger will establish the third biggest pure-play lodging REIT by enterprise value, creating meaningful scale to capitalize on cost efficiencies, negotiate leverage and access to capital, and the opportunity to strategically recycle assets and optimize the portfolio. The combined company will have ownership interests in 160 hotels, including premium-branded hotels located primarily in urban and coastal markets with multiple demand generators. The combination also provides significant penetration within key high-growth markets and broad geographic and brand diversity. With a strong and flexible balance sheet and disciplined approach to portfolio and asset management, the combined company will have the attributes and capabilities to drive accretive growth and to pursue additional opportunities to enhance value.

Robert L. Johnson, Executive Chairman of RLJ Lodging Trust, stated, “As Chairman of RLJ Lodging Trust, I would like to say that we are very excited about this combination with FelCor. I am confident that, under the management of our seasoned team of executives, this portfolio will yield significant benefits to the shareholders of both companies.”

“We are truly excited about this unique opportunity as we transform our two companies into one of the largest pure-play lodging REITs. Combining these two complementary portfolios creates a best-in-class platform that is well positioned to deliver long-term growth and generate significant shareholder value,” commented Ross H. Bierkan, RLJ’s President and Chief Executive Officer. “In addition to being immediately accretive to our RevPAR, merging with FelCor expands our geographic footprint in highly-desirable markets on the West Coast, while strengthening our presence in other coastal markets in the East and the South. RLJ’s enhanced scale post-merger is expected to generate both

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corporate- and property-level operating cost benefits and market leverage opportunities, which will drive shareholder value over time.”

Steven R. Goldman, FelCor’s Chief Executive Officer, stated, “We are very pleased to combine with RLJ Lodging Trust to create a leading lodging REIT that is positioned for significant long-term growth. This merger creates a company that has greater reach in key markets with a streamlined operating structure and more advantageous cost of capital. FelCor shareholders are receiving an attractive valuation for the company’s hotel assets and have the opportunity to benefit from a highly respected management team with a history of value creation.”

#### **Transaction Terms**

Under the terms of the Merger Agreement, each share of FelCor common stock will be converted into 0.362 shares of newly issued common shares of RLJ common stock in a taxable merger. FelCor’s operating units will be exchanged for limited partnership units in RLJ’s operating partnership at a similar exchange ratio of 0.362. Following the merger, RLJ’s shareholders are expected to own approximately 71 percent of the combined company’s fully diluted equity, and FelCor’s shareholders are expected to own the remaining 29 percent.

This strategic merger was unanimously approved by the Boards of both companies. Once the merger is consummated, the company will retain the RLJ Lodging Trust name and will trade under the ticker symbol “RLJ” (NYSE).

#### **Summary of Strategic Benefits**

Merging RLJ and FelCor positions the combined company to enhance shareholder value as an industry leader among lodging REITs, with the following highlights:

- **Combination creates the third largest pure-play lodging REIT with a combined enterprise value of \$7 billion**
  - Increased shareholder liquidity and cost of capital efficiencies
  - Stock transaction allows both sets of shareholders to participate in the upside
  - Enhanced positioning with brands and operators
- **Leading upscale portfolio of compact full-service and premium focused-service hotels generating strong operating margins**
  - Combined portfolio will include 160 hotels in 26 states and the District of Columbia, diversified across Marriott, Hilton, Hyatt and Wyndham flags
  - Broad geographic diversity and strengthened presence in key markets such as California, Florida and Boston
- **Positive financial impact and positioning for future value creation**

- Accretive in first full year
  - Expected cash G&A expense savings of approximately \$12 million and approximately \$10 million of potential savings from stock-based compensation expense and capitalized cash G&A
  - Opportunity for additional ongoing operating and cash flow improvements through greater purchasing power, market leverage and capital expenditure efficiencies
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- **Future opportunities to unlock value from portfolio repositioning**

- Potential conversion and redevelopment opportunities
- Opportunity to actively refine portfolio

- **Strong and flexible balance sheet**

- Significant liquidity, minimal near-term maturities and opportunity to lower cost of capital

### **Pro Forma Operations and Balance Sheet**

The combined entity will have 31,467 rooms across 160 hotels. The merger will be immediately accretive to RLJ's RevPAR with Pro forma 2016 RevPAR increasing 5.4% to \$137.

The merger of RLJ and FelCor will produce significant economies of scale, including approximately \$22 million of expected savings from the elimination of duplicative corporate general and administrative costs. The combined company is also expected to benefit from long-term, property level savings in the areas of energy/utility contracts, insurance and furniture, fixture and equipment (FF&E) procurement. Finally, the merger will augment RLJ's human capital by adding a number of talented FelCor professionals to the RLJ team.

The combined entity will have significant financial strength and flexibility, including approximately \$700 million of available liquidity, which includes approximately \$400 million of an undrawn credit facility. The combined entity's projected Pro forma Net Debt to EBITDA ratio during the first full-year of operations is expected to be less than 4.5x (or less than 5.0x including convertible perpetual preferred equity) and is expected to improve each year thereafter.

### **Leadership and Organization**

The combined company will continue to be led by Robert L. Johnson as Executive Chairman, Ross H. Bierkan as President and Chief Executive Officer, and Leslie D. Hale as Chief Operating Officer and Chief Financial Officer. Upon completion, the company's headquarters will remain in Bethesda, Maryland. The number of Trustees on RLJ's Board will be increased to eight, with one existing FelCor director mutually acceptable to FelCor and RLJ being appointed to the RLJ Board upon closing.

### **Dividend Policy and Declaration**

Both RLJ and FelCor are expected to continue to follow their respective dividend policies until the closing of the merger. Following the closing of the transaction, the new company expects to pay a quarterly dividend of \$0.33 per common share of beneficial interest, consistent with RLJ's current dividend policy. Any post-merger dividends are subject to the approval of RLJ's Board.

### **Closing of the Transaction**

A joint proxy statement/prospectus will be filed with the Securities and Exchange Commission and, following its effectiveness, will be mailed to the shareholders of both companies. The transaction is expected to close by the end of 2017. The merger is subject

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to customary closing conditions, including the approval of both RLJ and FelCor shareholders.

### **Advisors**

Barclays is acting as the financial advisor to RLJ and Hogan Lovells and Arent Fox are serving as legal advisors. BofA Merrill Lynch is acting as the financial advisor to FelCor, and Sidley Austin, Polsinelli and Jones Day provided legal advice to FelCor. ICR, LLC and Financial Profiles, Inc. are serving as communications advisors for the transaction.

### **Conference Call and Webcast**

The companies will host a joint conference call on Monday, April 24, 2017 at 8:00 am (Eastern Time) to discuss the proposed merger. Participants will include Ross H. Bierkan, President and Chief Executive Officer of RLJ, Steven R. Goldman, Chief Executive Officer of FelCor, Leslie D. Hale, Chief Operating Officer and Chief Financial Officer of RLJ, and Michael C. Hughes, Chief Financial Officer of FelCor. The conference call can be accessed by dialing (877) 407-3982 or (201) 493-6780 for international participants and ask for the RLJ Special Conference Call. A replay of the call will be available from 11:00 am (Eastern Time) on April 24, 2017, until midnight (Eastern Time) on May 8, 2017. The replay can be accessed by dialing (844) 512-2921 or (412) 317-6671 for international callers, and entering pin number 13660980.

A live webcast of the conference call will also be available online at RLJ's website, [www.rljlodgingtrust.com](http://www.rljlodgingtrust.com), and at FelCor's website, [www.felcor.com](http://www.felcor.com). A replay of the webcast will be archived and will be available, along with an investor presentation regarding the transaction, in the Investor Relations sections of each company's website.

### **About RLJ Lodging Trust**

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 owns 122 hotels with approximately 20,100 rooms, located in 21 states and the District of Columbia.

### **About FelCor Lodging Trust**

FelCor Lodging Trust, a real estate investment trust, owns a diversified portfolio of primarily upper-upscale full-service hotels that are located in major urban and resort markets throughout the U.S. FelCor partners with leading hotel companies who operate its properties under globally renowned names and as premier independent hotels.

### **Forward Looking Statements**

*Certain statements in this press release that are not in the present or past tense or that discuss the expectations of RLJ Lodging Trust (“RLJ”) and/or FelCor Lodging Trust Incorporated (“FelCor”) are forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward looking statements, which are based on current expectations, estimates and projections about the industry and markets in which RLJ and FelCor operate and beliefs of and assumptions made by RLJ management and FelCor management, involve uncertainties that could significantly affect the financial results of RLJ or FelCor or the combined company. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “forecast,”*

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*“guidance,” “outlook,” “may,” and “might” and variations of such words and similar expressions are intended to identify such forward looking statements, which generally are not historical in nature. Such forward-looking statements may include, but are not limited to, statements about the anticipated benefits of the proposed merger between RLJ and FelCor, including future financial and operating results, the attractiveness of the value to be received by FelCor stockholders, the attractiveness of the value to be received by RLJ, the combined company’s plans, objectives, expectations and intentions, the timing of future events, anticipated administrative and operating synergies, the anticipated impact of the merger on net debt ratios, cost of capital, future dividend payment rates, forecasts of FFO accretion, projected capital improvements, expected sources of financing, and descriptions relating to these expectations. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to expected synergies, improved liquidity and balance sheet strength — are forward looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, regional and local economic climates, (ii) changes in the real estate industry, financial markets and interest rates, or to the business or financial condition of either company or business (iii) increased or unanticipated competition for the companies’ properties, (iv) risks associated with acquisitions, including the integration of the combined companies’ businesses, (v) the potential liability for the failure to meet regulatory requirements, including the maintenance of REIT status, (vi) availability of financing and capital, (vii) risks associated with achieving expected revenue synergies or cost savings, (viii) risks associated with the companies’ ability to consummate the merger and the timing of the closing of the merger, (ix) the outcome of claims and litigation involving or affecting either company, (x) applicable regulatory changes, and (xi) those additional risks and factors discussed in reports filed with the Securities and Exchange Commission (“SEC”) by RLJ and FelCor from time to time, including those discussed under the heading “Risk Factors” in their respective most recently filed reports on Forms 10K and 10Q. Neither RLJ nor FelCor undertakes any duty to update any forward looking statements appearing in this document.*

### **Additional Information about the Proposed Merger and Where to Find It**

*This communication relates to the proposed transaction pursuant to the terms of the Agreement and Plan of Merger, dated as of April 23, 2017, by and among RLJ Lodging Trust and FelCor Lodging Trust, Inc. In connection with the proposed merger, RLJ expects to file with the SEC a registration statement on Form S4 that will include a joint proxy statement of RLJ and FelCor that also constitutes a prospectus of RLJ, which joint proxy statement/prospectus will be mailed or otherwise disseminated to RLJ shareholders and FelCor stockholders when it becomes available. RLJ and FelCor also plan to file other relevant documents with the SEC regarding the proposed transaction. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT*

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*INFORMATION. You may obtain a free copy of the joint proxy statement/prospectus and other relevant documents (if and when they become available) filed by RLJ and FelCor with the SEC at the SEC’s website at [www.sec.gov](http://www.sec.gov). Copies of the documents filed by RLJ with the SEC will be available free of charge on RLJ’s website at [www.rljodgingtrust.com](http://www.rljodgingtrust.com) or by emailing RLJ Investor Relations at [ir@rljodgingtrust.com](mailto:ir@rljodgingtrust.com) or at 301-280-7774. Copies of the documents filed by FelCor with the SEC will be available free of charge on FelCor’s website at [www.felcor.com](http://www.felcor.com) or by contacting FelCor Investor Relations at [asalami@felcor.com](mailto:asalami@felcor.com) or at 972-444-4967.*

### **Certain Information Regarding Participants**

*RLJ and FelCor and their respective trustees, directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. You can find information about RLJ’s executive officers and Trustees in RLJ’s definitive proxy statement filed with the SEC on March 28, 2017 in connection with its 2017 annual meeting of shareholders and in Form 4s of RLJ’s trustees and executive officers filed with the SEC. You can find information about FelCor’s executive officers and directors in FelCor’s preliminary proxy statement filed with the SEC on March 24, 2017 in connection with its 2017 annual meeting of stockholders. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and other relevant documents filed with the SEC if and when they become available. You may obtain free copies of these documents from RLJ or FelCor using the sources indicated above.*

### **No Offer or Solicitation**

*This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*

*No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.*

**RLJ Contacts:**

Investors: Leslie D. Hale, Chief Operating Officer and Chief Financial Officer,  
RLJ Lodging Trust (301) 280-7774  
Media: Phil Denning ICR, LLC Phil.Denning@icrinc.com (646) 277-1258

**FelCor Contacts:**

Investors: Michael C. Hughes, Chief Financial Officer,  
FelCor Lodging Trust (972) 444-4967  
Media: Jason Chudoba ICR, LLC Jason.chudoba@icrinc.com (646) 277-1249

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# Investor Presentation

April 2017



**RLJ Lodging Trust And FelCor Lodging Trust Combine to  
Create Third Largest Pure-Play Public Lodging REIT**

**RLJ** | Lodging Trust



# Transaction Overview

<b>Transaction Details</b>	<ul style="list-style-type: none"> <li>• 100% stock-for-stock combination by RLJ Lodging Trust (“RLJ”) of FelCor Lodging Trust (“FelCor” or “FCH”)             <ul style="list-style-type: none"> <li>– 0.362x fixed exchange ratio (0.362 RLJ shares issued for each FCH share)</li> <li>– Pro forma ownership of 71% RLJ / 29% FCH</li> <li>– RLJ will be the surviving public company</li> <li>– RLJ will assume FelCor’s debt and preferred stock at closing without any expected breakage costs</li> </ul> </li> </ul>
<b>Management and Board</b>	<ul style="list-style-type: none"> <li>• All senior management positions continue to be led by RLJ             <ul style="list-style-type: none"> <li>– Ross Bierkan, President and CEO</li> <li>– Leslie Hale, EVP, COO and CFO</li> </ul> </li> <li>• At closing, RLJ Board’s Trustees will be expanded by one additional Trustee             <ul style="list-style-type: none"> <li>– This additional Trustee to be a FelCor designee acceptable to RLJ</li> </ul> </li> </ul>
<b>Cost Savings and Benefits</b>	<ul style="list-style-type: none"> <li>• Expect ~\$22 million of annualized general and administrative cost savings primarily related to the elimination of duplicative corporate overhead and operating costs             <ul style="list-style-type: none"> <li>– Expect ~\$11.5 million of cash G&amp;A expense savings, ~\$4.5 million of potential capitalized G&amp;A savings and ~\$6.0 million of potential stock-based compensation savings</li> </ul> </li> </ul>
<b>Earnings and Dividend</b>	<ul style="list-style-type: none"> <li>• Expected to be accretive in first full year</li> <li>• RLJ intends to maintain its current quarterly dividend of \$0.33 per share (\$1.32 on an annualized basis)</li> </ul>
<b>Expected Close</b>	<ul style="list-style-type: none"> <li>• Expected closing by the end of 2017; subject to customary closing conditions, including RLJ and FelCor shareholder approvals</li> </ul>

# Strategic Rationale and Transaction Benefits

<b>Provides Scale Benefits</b>	<ul style="list-style-type: none"><li>• Creates third largest public lodging REIT and one of top 40 largest U.S. REITs<ul style="list-style-type: none"><li>– Combined enterprise value of \$7.0 billion <sup>(1)</sup></li></ul></li><li>• Expect annual general and administrative cost savings of ~\$22 million</li><li>• Increased shareholder liquidity and cost of capital efficiencies</li><li>• Enhanced brand and operator leverage</li></ul>
<b>Provides Portfolio Strategy and Diversification Benefits</b>	<ul style="list-style-type: none"><li>• Creates largest publicly traded portfolio of upscale premium brand focused-service and compact full-service hotels<ul style="list-style-type: none"><li>– <u>High RevPAR with high profit margins</u></li></ul></li><li>• Combined portfolio will include 160 consolidated hotels <sup>(2)</sup> across 26 states and the District of Columbia<ul style="list-style-type: none"><li>– Marriott 41% of rooms; Hilton 36%; Hyatt 8%; Wyndham 8%</li></ul></li><li>• Increased portfolio diversification reduces market specific exposure as a percentage of total portfolio</li></ul>
<b>Positive Financial Impact and Positioned for Value Creation</b>	<ul style="list-style-type: none"><li>• Expected to be accretive in first full year</li><li>• Opportunity for additional ongoing operating and financial improvements<ul style="list-style-type: none"><li>– Purchasing power, capital expenditure efficiencies, cost-of-capital efficiencies</li></ul></li><li>• Potential conversion and redevelopment opportunities</li><li>• Opportunity to actively refine combined portfolio</li><li>• Strong and flexible balance sheet with significant liquidity and minimal near-term maturities<ul style="list-style-type: none"><li>– Future potential interest expense savings from refinancing FelCor debt</li></ul></li></ul>

1. Based on RLJ share price as of 4/21/2017. Assumes a fixed exchange ratio of 0.362 RLJ shares issued per FelCor share.  
2. Excludes Chateau LeMoine (171 rooms) which is held in an unconsolidated joint venture.

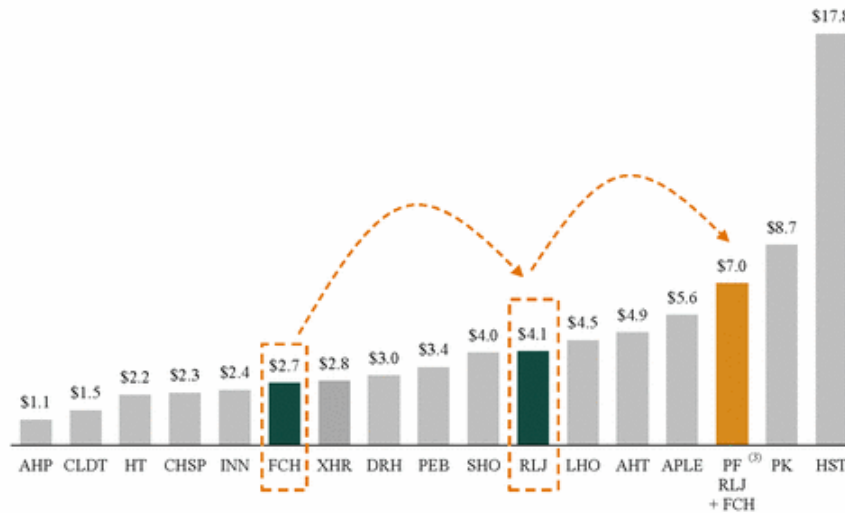
# Combination Creates Third Largest Public Lodging REIT

## Enhanced size and scale allow for significant cost savings

- Meaningful overhead (G&A) efficiencies
- Increased negotiating leverage with brands, managers, and vendors
- Ongoing cost-of-capital efficiencies (refinancing FelCor debt, greater shareholder liquidity)

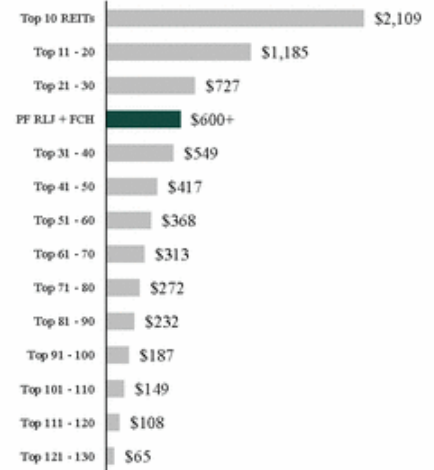
**Creates Third Largest Public Lodging REIT (Enterprise Value) <sup>(1)</sup>**

(\$ in billions)



**Creates A Top U.S. REIT by EBITDA <sup>(2)</sup>**

(\$ in millions)



Sources: Company filings, FactSet, NAREIT REITWatch, and SML Financial. Market data as of 4/21/2017.

1. Enterprise value as of 4/21/2017 (excludes HPT given lease structure).

2. Pro Forma RLJ / FelCor reflects 2016 reported corporate EBITDA. Peer deciles reflect average LTM 12/31/2016 adjusted EBITDA for companies in each decile.

3. Based on RLJ share price as of 4/21/2017. Assumes a fixed exchange ratio of 0.362 RLJ shares issued per FelCor share.

# Combination Creates Leading Lodging Platform

	RLJ	FelCor	RLJ + FelCor Combined
<b>Equity Value</b>	\$3.0bn	\$1.2bn <sup>(1)</sup>	\$4.2bn <sup>(1)</sup>
<b>Enterprise Value</b>	\$4.1bn	\$2.9bn <sup>(1)</sup>	\$7.0bn <sup>(1)</sup>
<b>Number of Hotels</b>	122	38 <sup>(2)</sup>	160 <sup>(2)</sup>
<b>Number of Rooms</b>	20,138	11,329 <sup>(2)</sup>	31,467 <sup>(2)</sup>
<b>2016A RevPAR</b>	\$130	\$150 <sup>(3)</sup>	\$137 <sup>(3)</sup>
<b>2016A Hotel EBITDA</b>	\$400mm	\$239mm <sup>(3)</sup>	\$639mm <sup>(3)</sup>
<b>2016A Hotel EBITDA Margin</b>	36.1%	30.6% <sup>(3)</sup> / 31.8% <sup>(4)</sup>	33.8% <sup>(3)</sup> / 34.4% <sup>(4)</sup>
<b>2016A Hotel EBITDA / Hotel</b>	\$3.3mm	\$6.5mm <sup>(3)</sup>	\$4.0mm <sup>(3)</sup>

Sources: Company provided information.

Note: RLJ figures are shown consolidated.

1. Based on RLJ share price as of 4/21/2017. Assumes a fixed exchange ratio of 0.362 RLJ shares issued per FelCor share.

2. Excludes Chateau LeMoine (171 rooms) which is held in an unconsolidated joint venture.

3. As reported 2016 same-store figures. Includes 37 consolidated FelCor hotels and excludes The Knickerbocker.

4. 2016A Hotel EBITDA margin as reported, as further adjusted to exclude Morgans New York and Royalton New York.

# Combination Advances RLJ's Portfolio Strategy

## *RLJ Lodging Trust Investment Strategy*

### Investment Thesis

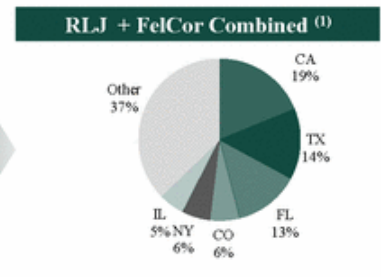
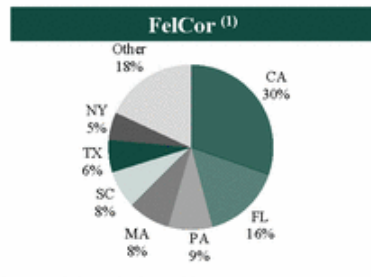
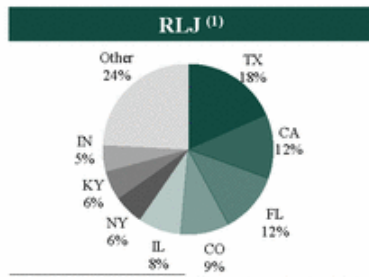
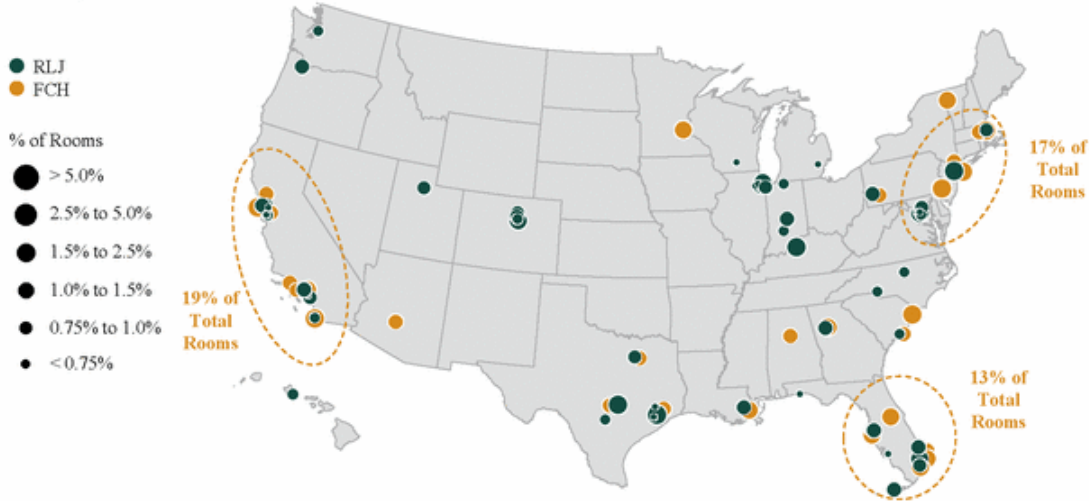
- Acquire premium branded, focused-service and compact full-service hotels with **Marriott, Hilton** and Hyatt flags
  - Courtyard by Marriott, Hilton Garden Inn, Hyatt Place, **Marriott** and **Embassy Suites**
- **Emphasis on urban markets with high barriers-to-entry and multiple demand generators**

### Advantages of Focused-Service / Compact Full-Service Strategy

- RevPAR comparable to traditional full-service hotels with more efficient operating model
  - Less square footage, fewer food and beverage outlets, limited meeting space and majority of revenue from hotel rooms
- **Higher margins / higher return on investment**

# Attractive Geographic Diversification Across Target Markets

*FelCor's portfolio adds significant scale to RLJ's existing strong presence in California (30% of FelCor's rooms) and creates new scale in Boston*



1. Figures based on room count. Figures exclude Chateau LeMoyne which is held in an unconsolidated joint venture.

## Favorable Shift in Market Exposures

*FelCor's portfolio significantly enhances RLJ's scale in the target markets of California and Boston, while at the same time reducing overall market specific earnings volatility and risk*

#	Market	% of 2016A EBITDA <sup>(1)</sup>		
		RLJ	Combined RLJ + FelCor	Ranking Change
1	Northern California	11%	15%	↑
2	Southern California	5%	8%	↑
3	South Florida	9%	8%	↓
4	Austin	9%	7%	↓
5	Denver	8%	5%	↓
6	Boston	2%	5%	↑
7	New York	5%	5%	↔
8	Washington, DC	7%	4%	↓
9	Chicago	7%	4%	↓
10	Houston	5%	4%	↓

1. Based on RLJ's 2016A Pro Forma Consolidated Hotel EBITDA and FelCor's reported same-store Hotel EBITDA for the 37 consolidated hotels, as adjusted to include The Enckebocker for 2016.

# Combined Portfolio Of Premium Assets In High Demand Markets

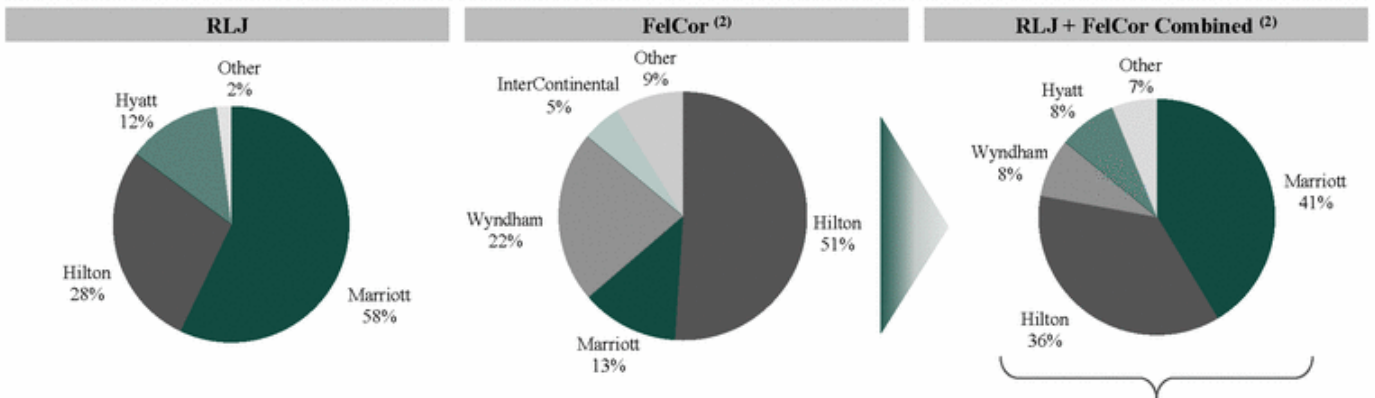
Marriott	 <p>Marriott San Francisco Union Square</p>	 <p>Residence Inn Courtyard Austin</p>	 <p>Courtyard Manhattan Upper East Side</p>	 <p>Renaissance Ft. Lauderdale</p>
Hilton	 <p>Hilton Garden Inn San Francisco</p>	 <p>DoubleTree SVU Metropolitan</p>	 <p>DoubleTree Orlando</p>	 <p>Hilton Myrtle Beach</p>
Hilton – Embassy Suites	 <p>Embassy Suites Newport, CA</p>	 <p>Embassy Suites San Francisco Waterfront, CA</p>	 <p>Embassy Suites Boston, MA</p>	 <p>Embassy Suites Ft. Lauderdale</p>
Hyatt	 <p>Hyatt House Santa Clara</p>	 <p>Hyatt House San Francisco</p>	 <p>Hyatt Atlanta Midtown</p>	 <p>Hyatt House Miami</p>
Wyndham	 <p>Wyndham Boston Beacon Hill</p>	 <p>Wyndham The Mills House Charleston</p>	 <p>Wyndham New Orleans French Quarter</p>	 <p>Wyndham San Diego Bayside</p>



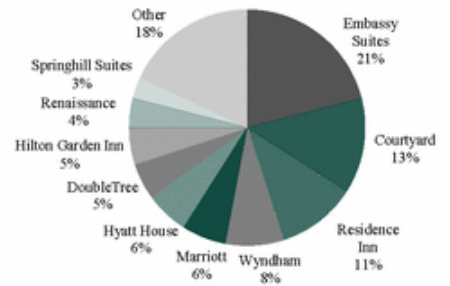
# Balanced Brand Diversification

**Combination creates well-balanced diversification across Marriott, Hilton, Hyatt and Wyndham brands**

Brand Mix <sup>(1)</sup>



RLJ + FelCor Combined Flags



Source: Company filings.

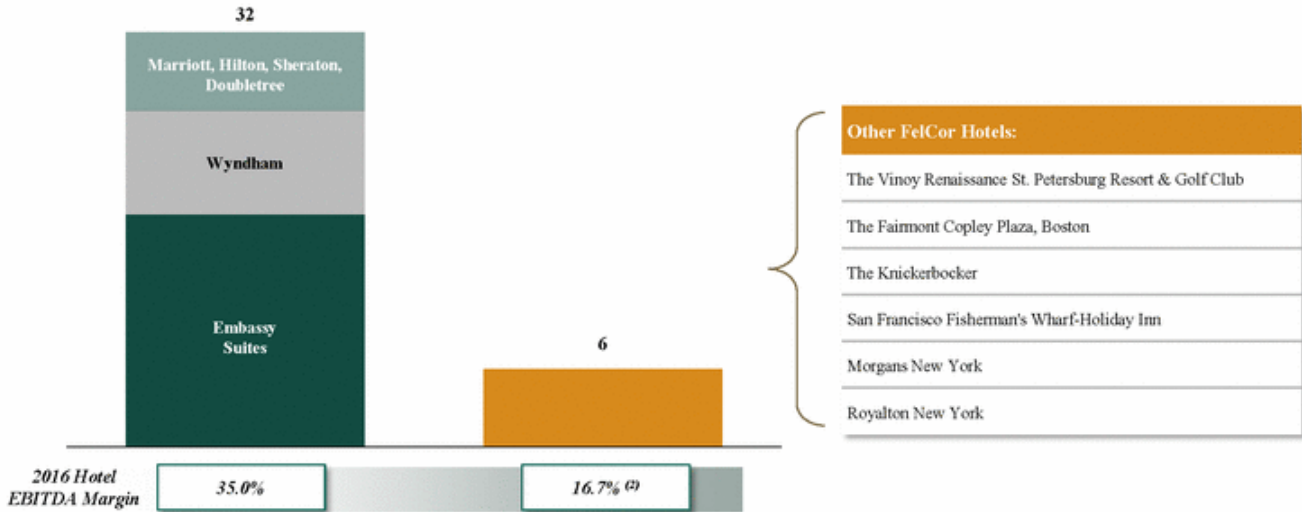
1. Figures based on room count.

2. Figures exclude Chateau LeMoyne which is held in an unconsolidated joint venture.

# Complementary Margins

**FelCor's portfolio is highly complementary with RLJ's focus on premium branded high EBITDA margin hotels (RLJ 2016A Hotel EBITDA Margin of 36.1%)**

FelCor Hotel Portfolio (# Hotels) <sup>(1)</sup>



Source: Company filings.

1. Figures exclude Chateau LeMayne which is held in an unconsolidated joint venture.

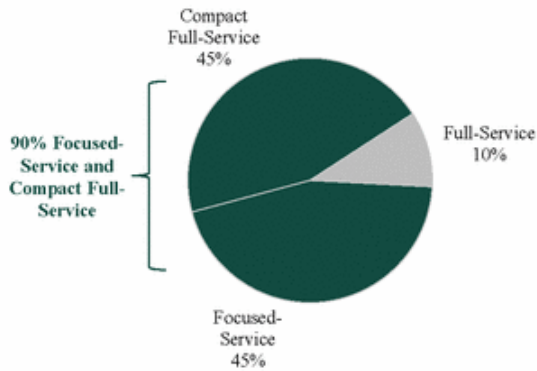
2. Hotel EBITDA margin includes The Vinoy Renaissance, The Fairmont Copley Plaza, Holiday Inn Fisherman's Wharf, Morgans New York and Royalton New York. Does not include The Knickerbocker.

# Unique Focused–Service / Compact Full–Service Strategy

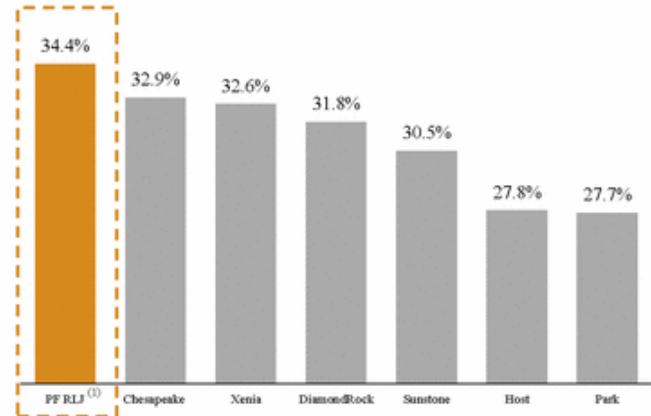
## ***Combination solidifies RLJ position as the largest Focused–Service / Compact Full–Service public hotel REIT***

- RLJ intends to build on this position to develop the premier investment vehicle for this upscale blend of hotels, with RevPAR similar to our peers but with superior margins
- 2016A Pro Forma Hotel EBITDA margin of 34.4%<sup>(1)</sup>

Pro Forma RLJ Service-Level Mix (% of 2016A EBITDA)



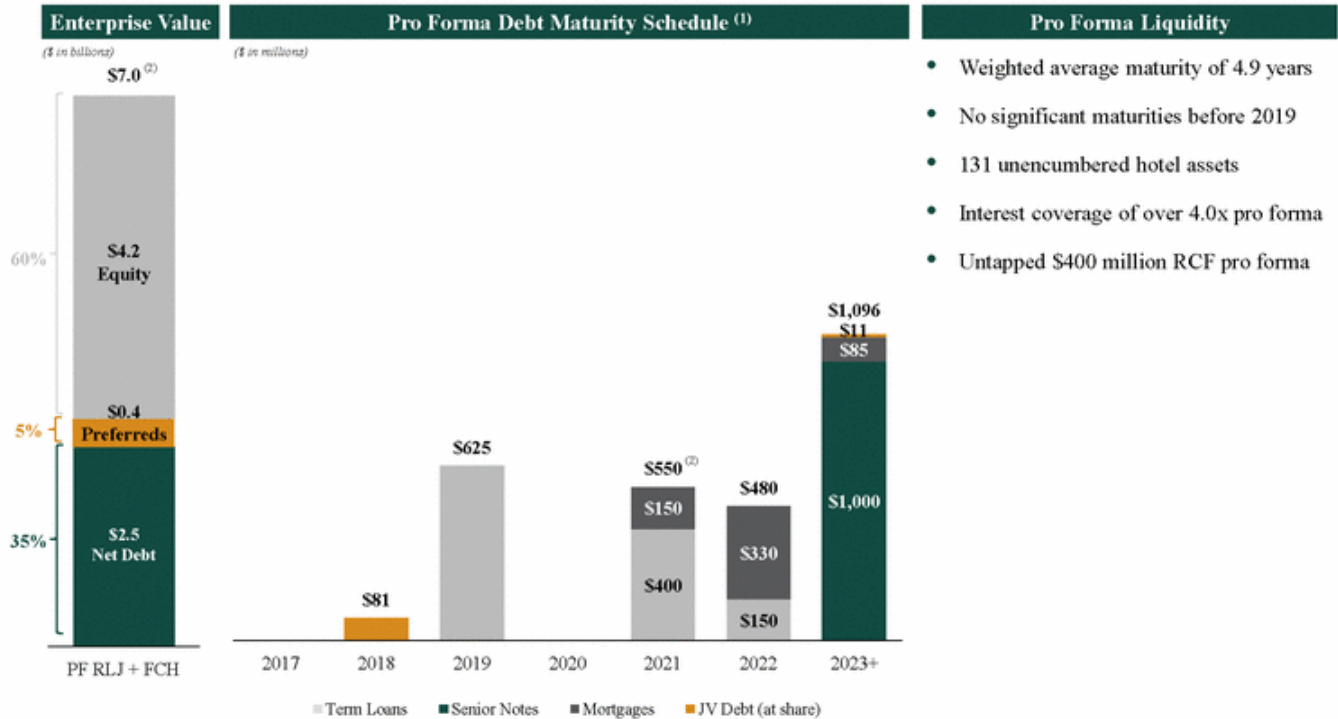
2016A Hotel EBITDA Margins



Source: Company filings.  
 1. 2016A Hotel EBITDA margin as reported, as further adjusted to exclude Morgans New York and Royalton New York.

# Strong and Flexible Balance Sheet

**RLJ's balance sheet and liquidity remain strong, with 131 unencumbered hotel assets, an untapped \$400 million revolver and interest coverage of over 4.0x**



Sources: Company filings, FactSet, and SML. Balances as of 12/31/2016 as reported. Market data as of 4/21/2017.  
 1. Excludes RLJ's undrawn \$400mm revolver which matures in 2021. Assumes FcCor's existing revolver balances repaid.  
 2. Based on RLJ share price as of 4/21/2017. Assumes a fixed exchange ratio of 0.362 RLJ shares issued per FcCor share.

# RLJ Lodging Trust - Proven Track Record of Successful Portfolio Management

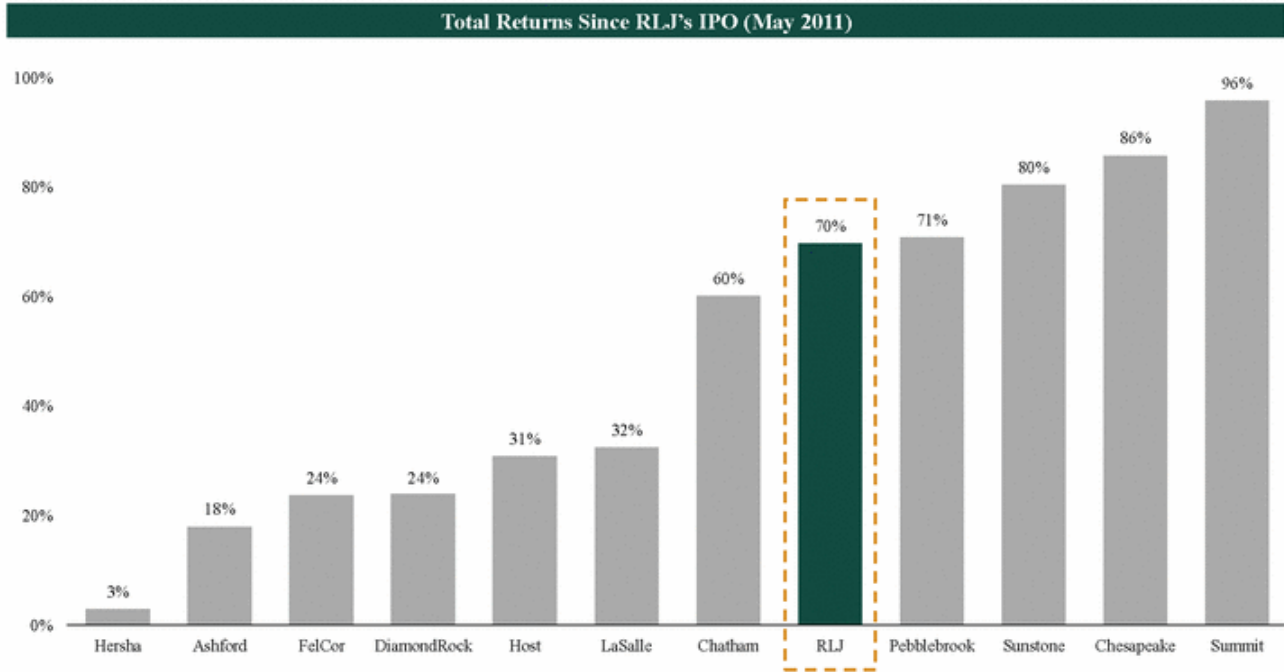
- Leading shareholder returns
  - 70% total shareholder return since May 2011 IPO (fifth best among public lodging REITs)
  - Returned \$986 million to shareholders in dividends and share repurchases since May 2011 IPO
- Disciplined, active hotel portfolio management
  - 30 hotels acquired since May 2011 IPO (\$2.3 billion of acquisitions since January 1, 2010)
  - 46 hotels sold since IPO
  - 9 hotel conversions since IPO (award winners with Marriott, Hilton and IHG)
- Proven senior management team and long tenure of success together
- Best-in-class corporate governance with independent and experienced Board

## RLJ's Management Team

Name	Title	RLJ Tenure
Robert L. Johnson	Executive Chairman	16 years
Ross Bierkan	President and Chief Executive Officer	16 years
Leslie Hale	EVP Chief Operating Officer and Chief Financial Officer	12 Years
Frederick McKalip	SVP General Counsel	15 Years
Kate Henriksen	SVP Investment & Portfolio Analysis	15 Years
Carl Mayfield	SVP Design & Construction	13 Years
Jeff Dauray	SVP Acquisitions	8 Years

# Track Record of Delivering Leading Shareholder Returns

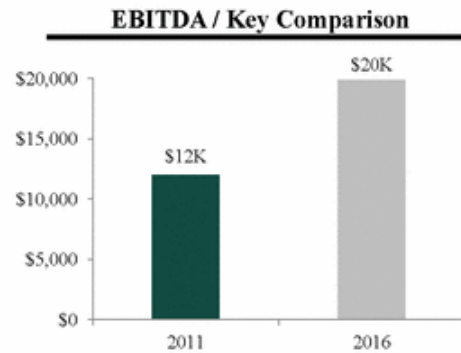
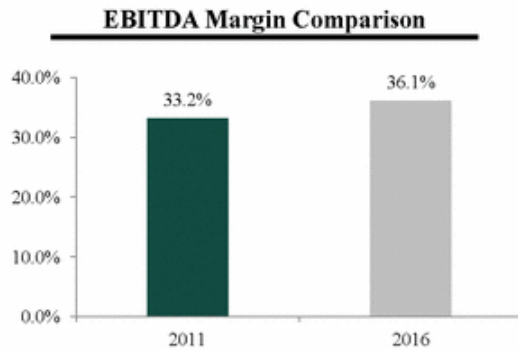
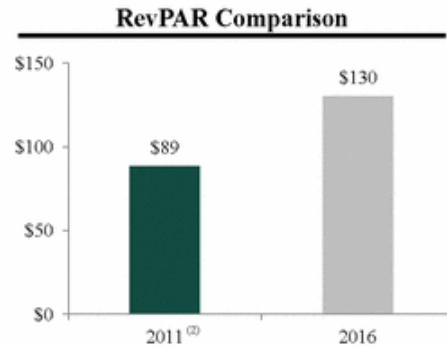
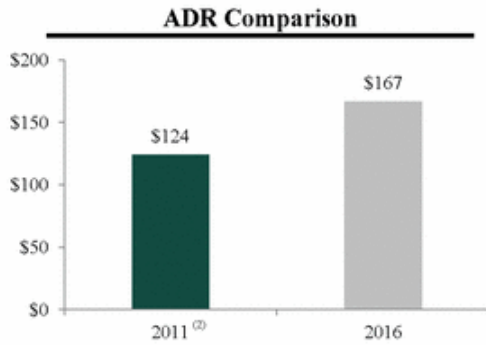
*RLJ's disciplined, active portfolio management has generated leading shareholder returns since its May 2011 IPO*



Source: SNL Financial.  
Note: Market data as of 4/21/17.

# Persistent Focus on Improving Overall Portfolio Performance

**RLJ has sold 44 “non-core” hotels since our 2011 IPO creating significant improvements in overall portfolio performance <sup>(1)</sup>**

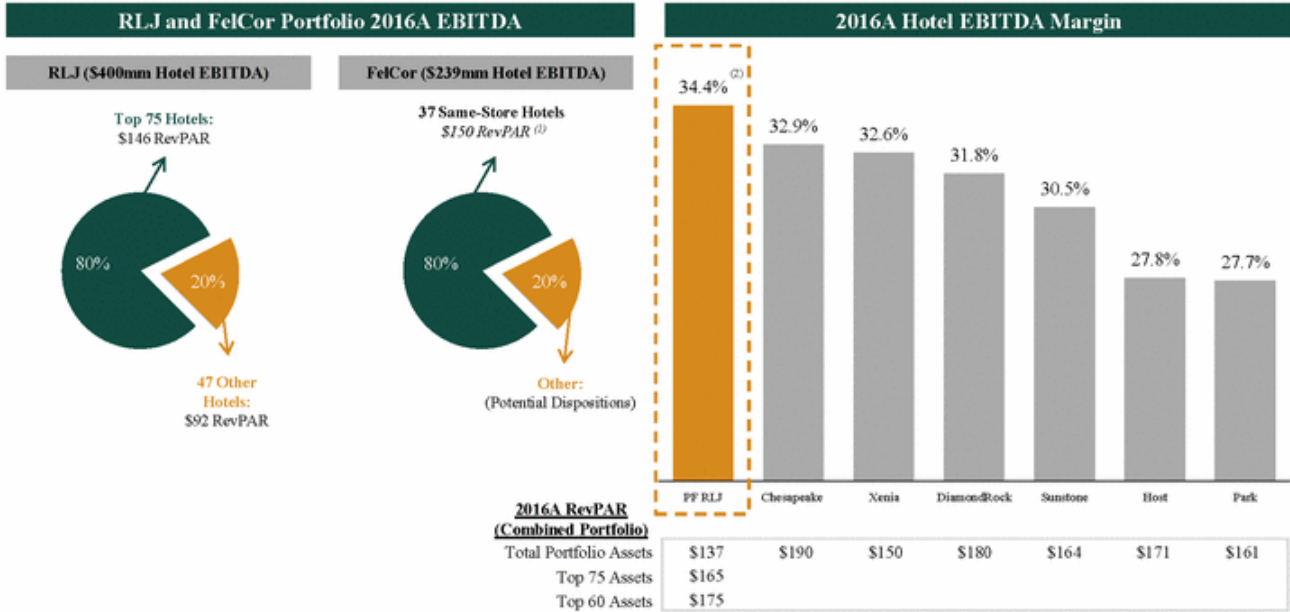


Note: RLJ portfolio metrics based on pro forma results for full year 2011 and 2016 which includes prior ownership for acquisitions and excludes assets sold. Disposition assets metrics based on the TTM prior to sale.  
 1. Excludes Hilton Garden Inn New York West 35th Street and Hilton New York Fashion District as the assets do not represent “non-core” dispositions.  
 2. 2011 ADR and RevPAR as reported.

# Opportunity For Continued Portfolio Improvements

**RLJ intends to follow our proven investment thesis in reshaping the combined portfolio**

- Continue to improve efficiency by recycling into fewer assets with higher EBITDA Per Key
- Opportunity to drive our combined portfolio of upscale focused-service and lean full-service hotels to a higher RevPAR in-line with full-service REITs but, with superior EBITDA margins



Source: Company filings.

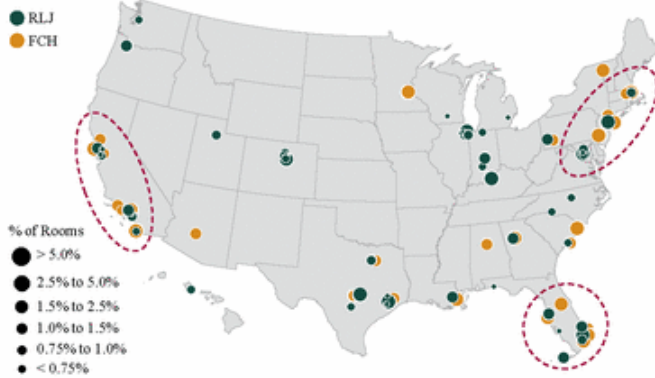
1. As reported same-store figures. Includes 37 consolidated hotels and excludes The Enickerbocker.

2. Reflects 2016A Hotel EBITDA margin as further adjusted to exclude Morgana New York and Royalton New York. Prior to adjustment for Morgana New York and Royalton New York, 2016A Hotel EBITDA margin would be 33.8%.



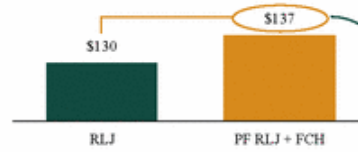
# Attractive Portfolio Positioned To Outperform

## Pro Forma Geographical Overview

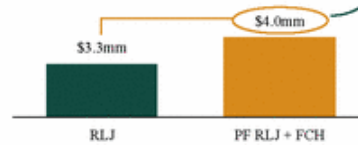


## Improved RevPAR and Efficiency

### RevPAR Accretive <sup>(1)</sup>

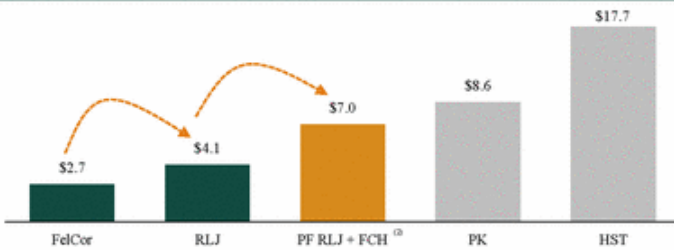


### Asset Management Accretive <sup>(1)</sup> (Hotel EBITDA / Hotel)



Opportunity for future RevPAR and Hotel EBITDA / Hotel gains from portfolio reshaping

## Creates Third Largest Public Lodging REIT <sup>(2)</sup>



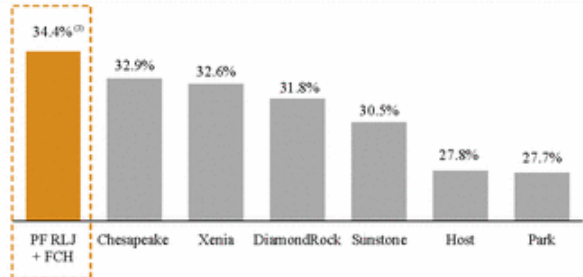
Source: Company provided information.

1. As reported same-store figures. Includes 37 consolidated FelCor hotels and excludes The Knickerbocker.

2. Based on RLJ share price as of 4/21/2017. Assumes a fixed exchange ratio of 0.362 RLJ shares issued per FelCor share.

3. Reflects 2016A Hotel EBITDA margin as further adjusted to exclude Morgans New York and Royalton New York. Prior to adjustment for Morgans New York and Royalton New York, 2016A Hotel EBITDA margin would be 33.8%.

## Leading Hotel EBITDA Margin



# Key Benefits Of The Transaction

## Transaction Creates 3<sup>rd</sup> Largest Pure-Play Lodging REIT

- *Largest focused compact full-service and urban focused-service hotel REIT*
- *Among the highest margins in the lodging REIT sector*

## Meaningful Liquidity and Scale to Execute our Core Investment Strategy

- *Significant dry powder to pursue future growth opportunities and select redevelopments*
- *Flexibility to actively refine both portfolios*

## Increased Portfolio Diversification Across Key Markets and Brands

## Attractive Opportunity for Future Operating and Financial Improvements

- *Purchasing power, capital expenditure efficiencies, cost-of-capital efficiencies*
- *Greater corporate overhead efficiencies with significant annual G&A savings*

## Accretive to Shareholders in First Full Year after Closing

## Non-GAAP Financial Measures

**RLJ** | Lodging Trust

## Non-GAAP Financial Measures

*RLJ and FelCor refer in this Investor Presentation to certain non-GAAP financial measures. These measures, including variations of EBITDA and EBITDA margin, are measures of financial performance that are not calculated and presented in accordance with generally accepted accounting principles, or GAAP. RLJ and FelCor consider these measures useful to investors as key supplemental measures of performance. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as a measure of operating performance. The non-GAAP financial measures, as calculated in this Investor Presentation, may not be comparable to similar non-GAAP measures as reported by other companies that do not define such terms exactly the same way. The tables on the following pages reconcile these non-GAAP measures to the most comparable GAAP financial measures.*

*RLJ and FelCor consider EBITDA useful to an investor in evaluating and facilitating comparisons of RLJ and FelCor's operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from RLJ and FelCor's operating results. In addition, EBITDA is used as one measure in determining the value of hotel acquisitions and disposals.*

*Hotel EBITDA and Hotel EBITDA margin are commonly used measures of performance in the hotel industry and give investors a more complete understanding of the operating results over which RLJ and FelCor's individual hotels and operating managers have direct control. RLJ and FelCor believe that Hotel EBITDA and Hotel EBITDA margin are useful to investors by providing greater transparency with respect to two significant measures used by RLJ and FelCor in financial and operational decision-making. Additionally, using these measures facilitates comparisons with other hotel REITs and hotel owners.*

# Non-GAAP Financial Reconciliation – RLJ

(Figures shown in thousands, except key data)

	For the year ended December 31, 2016
Net income	\$201,314
Depreciation and amortization	162,500
Distributions to preferred unitholders	-
Interest expense, net	58,793
Income tax expense	8,190
Noncontrolling interest in consolidated joint venture	(55)
Adjustments related to consolidated joint venture	(152)
<b>EBITDA</b>	<b>\$430,590</b>
Transaction and pursuit costs	192
IPO Costs	-
Gain on sale of hotel properties	(45,929)
Amortization of share-based compensation	5,990
Gain on extinguishment of indebtedness	-
Loan related costs	924
Other expenses	604
<b>Adjusted EBITDA</b>	<b>\$392,371</b>
General and administrative	25,016
Operating results from noncontrolling interest in JV	207
Other corporate adjustments	(1,142)
<b>Consolidated Hotel EBITDA</b>	<b>\$416,452</b>
Pro forma adjustments - Income from sold properties	(16,106)
<b>Pro forma Consolidated Hotel EBITDA</b>	<b>\$400,346</b>
Non-comparable hotels	(16,251)
<b>Pro forma Hotel EBITDA</b>	<b>\$384,095</b>
Keys	20,138
<b>Pro Forma Consolidated Hotel EBITDA/Key</b>	<b>\$20</b>
<b>EBITDA Margin (unaudited)</b>	
Total revenue	\$1,159,995
Revenue from sold hotels	(52,278)
Revenue from prior ownership	-
Other corporate adjustments	(56)
<b>Pro forma Consolidated Hotel Revenue</b>	<b>\$1,107,661</b>
<b>Pro forma Consolidated Hotel EBITDA</b>	<b>\$400,346</b>
<b>Pro forma Consolidated Hotel EBITDA Margin</b>	<b>36.1%</b>

	For the year ended December 31, 2011 <sup>(1)</sup>
Net income	\$11,709
Depreciation and amortization	130,714
Distributions to preferred unitholders	(61)
Interest expense, net	96,454
Income tax expense	740
Noncontrolling interest in consolidated joint venture	(47)
Adjustments related to consolidated joint venture	(1,007)
<b>EBITDA</b>	<b>\$238,502</b>
Transaction and pursuit costs	3,996
IPO Costs	10,733
Gain on sale of hotel properties	-
Amortization of share-based compensation	3,284
Gain on extinguishment of indebtedness	(23,515)
Loan related costs	-
Other expenses	1,363
<b>Adjusted EBITDA</b>	<b>\$234,363</b>
General and administrative	19,606
Operating results from noncontrolling interest in JV	1,054
Other corporate adjustments	(395)
<b>Consolidated Hotel EBITDA</b>	<b>\$254,628</b>
Pro forma adjustments - Income from sold properties	(1,411)
<b>Pro forma Consolidated Hotel EBITDA</b>	<b>\$253,217</b>
Non-comparable hotels	(836)
<b>Pro forma Hotel EBITDA</b>	<b>\$252,381</b>
Keys	20,470
<b>Pro Forma Consolidated Hotel EBITDA/Key</b>	<b>\$12</b>
<b>EBITDA Margin (unaudited)</b>	
Total revenue	\$758,952
Revenue from sold hotels	-
Revenue from prior ownership	3,188
Other corporate adjustments	-
<b>Pro forma Consolidated Hotel Revenue</b>	<b>\$762,140</b>
<b>Pro forma Consolidated Hotel EBITDA</b>	<b>\$253,217</b>
<b>Pro forma Consolidated Hotel EBITDA Margin</b>	<b>33.2%</b>

1. Pro forma adjustments exclude Courtyard Charleston Historic District.

# Non-GAAP Financial Reconciliation – FelCor

	Year ended Dec. 31, 2016					
	37 Same Store Hotels	Morgans / Royalties	35 Same Store Hotels	37 Same Store Hotels	Other (1)	32 Same Store Hotels
Net income (loss)	4,193	(25,727)	29,920	4,193	(14,553)	18,746
Depreciation and amortization	114,054	4,764	109,290	114,054	21,430	92,624
Depreciation, unconsolidated entities and other partnerships	1,844	-	1,844	1,844	-	1,844
Interest expense	78,244	-	78,244	78,244	3,118	75,126
Interest expense, unconsolidated entities and other partnerships	366	-	366	366	-	366
Income tax	873	-	873	873	-	873
Noncontrolling interests in preferred distributions, consolidated joint venture	(73)	-	(73)	(73)	-	(73)
Noncontrolling interests in other partnerships	673	-	673	673	-	673
<b>EBITDA</b>	<b>\$ 290,174</b>	<b>\$ (20,963)</b>	<b>\$ 221,137</b>	<b>\$ 290,174</b>	<b>\$ 9,995</b>	<b>\$ 190,179</b>
Impairment / Other	26,459	21,177	5,282	26,459	21,676	4,783
Hurricane loss	740	-	740	740	-	740
Hurricane loss, unconsolidated entities	45	-	45	45	-	45
Loss (gain) on sale of hotels, net of noncontrolling interests in other partnerships	(3,191)	-	(3,191)	(3,191)	-	(3,191)
Other gains	(342)	-	(342)	(342)	-	(342)
Amortization of fixed stock and director/ compensation	6,638	-	6,638	6,638	-	6,638
Severance costs	6,874	-	6,874	6,874	-	6,874
Abandoned projects	620	-	620	620	-	620
Variable stock compensation	450	-	450	450	-	450
Litigation settlement	856	-	856	856	-	856
Pre-opening costs, net of noncontrolling interests	527	-	527	527	-	527
<b>Adjusted EBITDA</b>	<b>\$ 239,850</b>	<b>\$ 214</b>	<b>\$ 239,636</b>	<b>\$ 239,850</b>	<b>\$ 31,671</b>	<b>\$ 208,179</b>
Adjusted EBITDA from hotels disposed and recently opened	(18,077)	-	(18,077)	(18,077)	-	(18,077)
<b>Same Store EBITDA</b>	<b>\$ 221,773</b>	<b>\$ 214</b>	<b>\$ 221,559</b>	<b>\$ 221,773</b>	<b>\$ 31,671</b>	<b>\$ 190,102</b>
Corporate expenses	27,037	-	27,037	27,037	-	27,037
Amortization of fixed stock and director/ compensation	(6,638)	-	(6,638)	(6,638)	-	(6,638)
Variable stock compensation	(450)	-	(450)	(450)	-	(450)
Consolidated hotel lease expense	4,896	-	4,896	4,896	-	4,896
Unconsolidated property taxes, insurance and land lease	(1,983)	-	(1,983)	(1,983)	-	(1,983)
Condominium and other non-hotel revenue	(4,136)	-	(4,136)	(4,136)	-	(4,136)
Equity in income of unconsolidated entities (excluding interest and depreciation)	(4,378)	-	(4,378)	(4,378)	-	(4,378)
Condominium and other non-hotel expenses	3,062	-	3,062	3,062	-	3,062
Non-controlling interest adjustments	(420)	-	(420)	(420)	-	(420)
<b>Hotel EBITDA</b>	<b>\$ 238,764</b>	<b>\$ 214</b>	<b>\$ 238,550</b>	<b>\$ 238,764</b>	<b>\$ 31,671</b>	<b>\$ 207,093</b>
<b>Same Store Operating Revenue</b>	<b>\$ 780,531</b>	<b>\$ 30,432</b>	<b>\$ 750,099</b>	<b>\$ 780,531</b>	<b>\$ 189,216</b>	<b>\$ 591,315</b>
<b>Hotel EBITDA Margin</b>	<b>30.6%</b>	<b>0.7%</b>	<b>31.8%</b>	<b>30.6%</b>	<b>16.7%</b>	<b>35.0%</b>
<b>Same Store Hotels</b>	<b>37</b>	<b>2</b>	<b>35</b>	<b>37</b>	<b>5</b>	<b>32</b>

Source: Company filings and announcements.

1. Hotel EBITDA margin includes The Vinoy Renaissance, The Fairmont Copley Plaza, Holiday Inn Fisherman's Wharf, Morgans New York and Royalton New York. 2016A reported figures do not include The Knickerbocker.

# Forward-Looking Statements

Certain statements in this presentation that are not in the present or past tense or that discuss the expectations of RLJ Lodging Trust ("RLJ") and/or FelCor Lodging Trust Incorporated ("FelCor"), and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward looking statements, which are based on current expectations, estimates and projections about the industry and markets in which RLJ and FelCor operate and beliefs of and assumptions made by RLJ management and FelCor management, involve significant risks and uncertainties, which are difficult to predict and are not guarantees of future performances, that could significantly affect the financial results of RLJ or FelCor or the combined company. Words such as "projects," "will," "could," "continue," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "forecast," "guidance," "outlook," "may," and "might" and variations of such words and similar expressions are intended to identify such forward looking statements, which generally are not historical in nature. Such forward-looking statements may include, but are not limited to, statements about the anticipated benefits of the proposed merger between RLJ and FelCor, including future financial and operating results, the attractiveness of the value to be received by FelCor stockholders, the attractiveness of the value to be received by RLJ, the combined company's plans, objectives, expectations and intentions, the timing of future events, anticipated administrative and operating synergies, the anticipated impact of the merger on net debt ratios, cost of capital, future dividend payment rates, forecasts of FFO accretion, projected capital improvements, expected sources of financing, and descriptions relating to these expectations. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to expected synergies, improved liquidity and balance sheet strength — are forward looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward looking statements. Some of the factors that may materially and adversely affect our business, financial condition, liquidity, results of operations and prospects, as well as our ability to make distributions to our shareholders, include, but are not limited to: (i) national, regional and local economic climates, (ii) changes in the real estate industry, financial markets and interest rates, or to the business or financial condition of either company or business, (iii) increased or unanticipated competition for the companies' properties, (iv) risks associated with acquisitions, including the integration of the combined companies' businesses, (v) the potential liability for the failure to meet regulatory requirements, including the maintenance of REIT status, (vi) availability of financing and capital, (vii) risks associated with achieving expected revenue synergies or cost savings, (viii) risks associated with the companies' ability to consummate the merger and the timing of the closing of the merger, (ix) the outcome of claims and litigation involving or affecting either company, (x) applicable regulatory changes, and (xi) those additional risks and factors discussed in reports filed with the Securities and Exchange Commission ("SEC") by RLJ and FelCor from time to time, including those discussed under the heading "Risk Factors" in their respective most recently filed reports on Forms 10K and 10Q. Neither RLJ nor FelCor, except as required by law, undertakes any duty to update any forward looking statements appearing in this document, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

# Additional Information

## Additional Information about the Proposed Transaction and Where to Find It

This communication relates to the proposed merger transaction pursuant to the terms of the Agreement and Plan of Merger, dated as of April 23, 2017, by and among RLJ Lodging Trust ("RLJ"), RLJ Lodging Trust, L.P., Rangers Sub I, LLC, Rangers Sub II, LP, FelCor Lodging Trust Incorporated ("FelCor") and FelCor Limited Partnership.

In connection with the proposed merger, RLJ expects to file with the SEC a registration statement on Form S4 that will include a joint proxy statement of RLJ and FelCor that also constitutes a prospectus of RLJ, which joint proxy statement/prospectus will be mailed or otherwise disseminated to RLJ shareholders and FelCor stockholders when it becomes available. RLJ and FelCor also plan to file other relevant documents with the SEC regarding the proposed transaction. **INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** You may obtain a free copy of the joint proxy statement/prospectus and other relevant documents (if and when they become available) filed by RLJ and FelCor with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of the documents filed by RLJ with the SEC will be available free of charge on RLJ's website at [www.rjlodgingtrust.com](http://www.rjlodgingtrust.com) or by emailing RLJ Investor Relations at [ir@rjlodgingtrust.com](mailto:ir@rjlodgingtrust.com) or at 301-280-7774. Copies of the documents filed by FelCor with the SEC will be available free of charge on FelCor's website at [www.felcor.com](http://www.felcor.com) or by contacting FelCor Investor Relations at [asalami@felcor.com](mailto:asalami@felcor.com) or at 972-444-4967.

RLJ and FelCor and their respective trustees, directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. You can find information about RLJ's executive officers and Trustees in RLJ's definitive proxy statement filed with the SEC on March 28, 2017 in connection with its 2017 annual meeting of shareholders and in Form 4s of RLJ's trustees and executive officers filed with the SEC. You can find information about FelCor's executive officers and directors in FelCor's preliminary proxy statement filed with the SEC on March 24, 2017 in connection with its 2017 annual meeting of stockholders. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and other relevant documents filed with the SEC if and when they become available. You may obtain free copies of these documents from RLJ or FelCor using the sources indicated above.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.