

FelCor Lodging Trust Inc
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Trust Incorporated

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NEWS RELEASE

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ASHFORD TRUST REPORTS FOURTH QUARTER AND YEAR END 2016 RESULTS

Comparable RevPAR Growth for all Hotels Not Under Renovation was 3.2%

Comparable Hotel EBITDA Margin for all Hotels Not Under Renovation Increased 46 bps

Comparable Hotel EBITDA Flow-Through for all Hotels Not Under Renovation was 51%

Appoints Douglas A. Kessler as Chief Executive Officer

Makes Public Offer to Acquire FelCor Lodging Trust Incorporated

DALLAS, February 23, 2017 Ashford Hospitality Trust, Inc. (NYSE: AHT) (Ashford Trust or the Company) today reported financial results and performance measures for the fourth quarter ended December 31, 2016. The performance measurements for Occupancy, Average Daily Rate

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(ADR), Revenue Per Available Room (RevPAR), and Hotel EBITDA are comparable assuming each of the hotel properties in the Company's hotel portfolio as of December 31, 2016 were owned as of the beginning of each of the periods presented. Unless otherwise stated, all reported results compare the fourth quarter ended December 31, 2016, with the fourth quarter ended December 31, 2015 (see discussion below). The reconciliation of non-GAAP financial measures is included in the financial tables accompanying this press release.

STRATEGIC OVERVIEW

- Opportunistic focus on upper-upscale, full-service hotels
- Targets moderate debt levels of approximately 55 - 60% net debt/gross assets
- Highly-aligned management team and advisory structure
- One of the highest long-term total shareholder returns in the industry
- Attractive dividend yield of approximately 6.4%
- Targets cash and cash equivalents at a level of 25 - 35% of total equity market capitalization for the purposes of:
 - working capital needs at property and corporate levels
 - hedging against a downturn in the economy or hotel fundamentals
 - being prepared to pursue accretive investments or stock buybacks as those opportunities arise

FINANCIAL AND OPERATING HIGHLIGHTS

- Net loss attributable to common stockholders was \$57.3 million or \$0.61 per diluted share for the quarter. For the full year of 2016, net loss attributable to common stockholders was \$88.7 million or \$0.95 per diluted share.
 - Comparable RevPAR for all hotels not under renovation increased 3.2% during the quarter
 - Comparable Hotel EBITDA Margin for all hotels not under renovation increased 46 basis points for the quarter
 - Comparable Hotel EBITDA flow-through for all hotels not under renovation was 51% for the quarter
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- Adjusted EBITDA was \$84.1 million for the quarter. Adjusted EBITDA for the full year of 2016 was \$431.1 million, which reflected a 6% growth rate over 2015.
- Adjusted funds from operations (AFFO) was \$0.16 per diluted share for the quarter. For the full year of 2016, AFFO per diluted share was \$1.51 compared with \$1.44 for the full year of 2015, an increase of 5% over the prior year.
- The Company's common stock is currently trading at an approximate 6.4% dividend yield
- Capex invested in the quarter was \$66.1 million

TRANSACTION HIGHLIGHTS

- Completed the sale of the 162-room SpringHill Suites Gaithersburg in Gaithersburg, MD for approximately \$13.2 million (\$81,000 per key)
- Completed the sale of the two-hotel portfolio comprised of the 151-room Courtyard Palm Desert and the 130-room Residence Inn Palm Desert for \$36 million (\$128,000 per key)
- Refinanced four mortgage loans with existing outstanding balances totaling approximately \$415 million with a new loan totaling \$450 million
- Priced an underwritten public offering of 6,200,000 shares of 7.375% Series G Cumulative Preferred Stock at \$25.00 per share

MAKES PUBLIC OFFER TO ACQUIRE FELCOR LODGING TRUST

On February 21, 2017, the Company announced that it had submitted a non-binding proposal to acquire FelCor Lodging Trust Incorporated (NYSE: FCH) (FelCor) for \$9.27 per share comprised of 1.192 shares of Ashford Trust in exchange for each share of FelCor and securities in Ashford Inc. The Company believes the proposed combination has compelling strategic, operational, and financial merit, presenting shareholders of FelCor and Ashford Trust with a substantial value creation opportunity. The combined company would be the largest pure-play publicly traded lodging REIT by number of hotels, second-largest by room count, and third-largest by enterprise value. Ashford Trust has attempted to conduct good faith discussions with FelCor for the last several months. However, even with a fully-executed non-disclosure agreement in place, FelCor has failed to meaningfully engage and has refused to provide customary information to allow Ashford Trust to fully evaluate this significant opportunity to unlock value for shareholders of both companies. As a result, Ashford Trust decided to make the proposal

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public in order to inform FelCor's shareholders of its intent.

In a letter to FelCor's Board of Directors dated February 21, 2017 and in an investor presentation presented that same day, Ashford Trust detailed the potential strategic and financial benefits of the proposed combination, including:

- Significant value creation potential for both sets of shareholders;
- Significant margin enhancements and G&A and operating synergies opportunities with the potential for material value creation;
- Creation of the third largest pure-play lodging REIT by enterprise value with a larger and more diversified portfolio of 159 properties and 36,657 keys, limiting exposure to market specific volatility;
- Enhanced size and scale of combined platform should enable a larger equity float and trading volume, expanded growth opportunities, and broad-based access to multiple sources of capital;
- Strong balance sheet with flexibility;
- Leading management team at Ashford Trust with proven track record of delivering significant shareholder returns; and
- Strong alignment of interest with management through high insider ownership, backed by shareholder friendly corporate governance with further enhancements.

The Company also submitted to FelCor a proposed slate of director nominees to stand for election at FelCor's next annual shareholder's meeting.

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APPOINTS DOUGLAS A. KESSLER AS CHIEF EXECUTIVE OFFICER

On February 21, 2017, the Company announced that its Board of Directors had appointed Douglas A. Kessler as the Chief Executive Officer of the Company, effective immediately. Monty J. Bennett, the Company's previous Chief Executive Officer, remains Chairman of the Board of Ashford Trust. Mr. Kessler was previously President of the Company.

CAPITAL STRUCTURE

At December 31, 2016, the Company had total assets of \$4.9 billion. As of December 31, 2016, the Company had \$3.8 billion of mortgage debt. The Company's total combined debt had a blended average interest rate of 5.4%.

On October 10, 2016, the Company announced it had refinanced four mortgage loans with existing outstanding balances totaling approximately \$415 million. The previous mortgage loans that were refinanced had final maturity dates in April 2017, and the JP Morgan Chase Marriott Fremont loan had a final maturity date in August 2019. The mortgage loans were refinanced through one new mortgage loan, totaling \$450 million, with a two-year initial term and four one-year extension options, subject to the satisfaction of certain conditions. The new loan is interest only, provides for a floating interest rate of LIBOR + 4.55%, and contains flexible release provisions for the potential sale of assets. The next non-extendable debt maturity for the Company is a \$16 million loan that matures in June 2017.

On October 13, 2016, the Company announced that it had priced an underwritten public offering of 6,200,000 shares of 7.375% Series G Cumulative Preferred Stock at \$25.00 per share. Dividends on the Series G Preferred Stock will accrue at a rate of 7.375% per annum on the liquidation preference of \$25.00 per share.

SELECT-SERVICE HOTEL PORTFOLIO SALES PROCESS

During the quarter, the Company closed on the sales of the 162-room SpringHill Suites Gaithersburg in Gaithersburg, MD for approximately \$13.2 million (\$81,000 per key) and the two-hotel portfolio comprised of the 151-room Courtyard Palm Desert and the 130-room Residence Inn Palm Desert for \$36 million (\$128,000 per key). The Company will continue to pursue the opportunistic sales of its non-core, select-service hotels over time. Since the announcement of the strategy, the Company has sold nine hotels for approximately \$218 million resulting in the paydown of approximately \$153 million of associated debt.

PORTFOLIO REVPAR

As of December 31, 2016, the portfolio consisted of direct hotel investments with 123 properties. During the fourth quarter of 2016, 105 of the Company's hotels were not under renovation. The Company believes reporting its operating metrics for its hotels on a comparable total basis (all 123 hotels) and comparable not under renovation basis (105 hotels) is a measure that reflects a meaningful and focused comparison of the operating results in its portfolio. Details of each category are provided in the tables attached to this release.

- Comparable RevPAR increased 1.6% to \$109.35 for all hotels on a 1.5% increase in ADR and a 0.1% increase in occupancy
- Comparable RevPAR increased 3.2% to \$109.95 for hotels not under renovation on a 1.9% increase in ADR and a 1.3% increase in occupancy

HOTEL EBITDA MARGINS AND QUARTERLY SEASONALITY TRENDS

The Company believes year-over-year Comparable Hotel EBITDA and Comparable Hotel EBITDA Margin comparisons are more meaningful to gauge the performance of the Company's hotels than sequential quarter-over-quarter comparisons. Given the substantial seasonality in the Company's portfolio and its active capital recycling,

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to help investors better understand this seasonality, the Company provides quarterly detail on its Comparable Hotel EBITDA and Comparable Hotel EBITDA Margin for the current and certain prior-year periods based upon the number of hotels in the Company's portfolio as of the end of the current period. As the Company's portfolio mix changes from time to time so will the seasonality for Comparable Hotel EBITDA and Comparable Hotel EBITDA Margin. The details of the quarterly calculations for the previous four quarters for the 123 hotels are provided in the table attached to this release.

COMMON STOCK DIVIDEND

On December 12, 2016, the Company announced that its Board of Directors had declared a quarterly cash dividend of \$0.12 per diluted share for the Company's common stock for the fourth quarter ending December 31, 2016, payable on January 17, 2017, to shareholders of record as of December 30, 2016.

The Board also approved the Company's dividend policy for 2017. The Company expects to pay a quarterly cash dividend of \$0.12 per share for 2017, or \$0.48 per share on an annualized basis. The Board will continue to review its dividend policy on a quarter-to-quarter basis. The adoption of a dividend policy does not commit the Board of Directors to declare future dividends or the amount thereof.

We are hopeful that the FelCor Board of Directors will engage with us pertaining to a combination that we believe will result in significant value creation for both of our shareholders, commented Douglas A. Kessler, Ashford Trust's Chief Executive Officer. As it relates to our quarterly performance, we are pleased with the fourth quarter, which highlights the quality of our portfolio, our diverse market exposure and our exceptional asset management capabilities. Looking ahead, we are well positioned to capitalize on improving business sentiment and positive economic trends and remain committed to maximizing value for our shareholders.

INVESTOR CONFERENCE CALL AND SIMULCAST

Ashford Hospitality Trust, Inc. will conduct a conference call on Friday, February 24, 2017, at 11:00 a.m. ET. The number to call for this interactive teleconference is (719) 325-4819. A replay of the conference call will be available through Friday, March 3, 2017, by dialing (719) 457-0820 and entering the confirmation number, 3774749.

The Company will also provide an online simulcast and rebroadcast of its fourth quarter 2016 earnings release conference call. The live broadcast of Ashford Hospitality Trust's quarterly conference call will be available online at the Company's web site, www.ahltreit.com on Friday, February 24, 2017, beginning at 11:00 a.m. ET. The online replay will follow shortly after the call and continue for approximately one year.

Substantially all of our non-current assets consist of real estate investments and debt investments secured by real estate. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most industry investors consider supplemental measures of performance, which are not measures of operating performance under GAAP, to assist in evaluating a real estate company's operations. These supplemental measures include FFO, AFFO, EBITDA, and Hotel EBITDA. FFO is computed in accordance with our interpretation of standards established by NAREIT, which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the NAREIT definition differently than us. Neither FFO, AFFO, EBITDA, nor Hotel EBITDA represents cash generated from operating activities as determined by GAAP and should not be considered as an alternative to a) GAAP net income (loss) as an indication of our financial performance or b) GAAP cash flows from operating activities as a measure of our liquidity, nor are such measures indicative of funds available to satisfy our cash needs, including our ability to make cash distributions. However, management believes FFO, AFFO, EBITDA, and Hotel EBITDA to be meaningful measures of a REIT's performance and should be considered along with, but not as an alternative to, net income and cash flow as a measure of our operating performance.

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Ashford Hospitality Trust is a real estate investment trust (REIT) focused on investing opportunistically in the hospitality industry in upper upscale, full-service hotels.

Follow Chairman Monty Bennett on Twitter at www.twitter.com/MBennettAshford or @MBennettAshford.

Ashford has created an Ashford App for the hospitality REIT investor community. The Ashford App is available for free download at Apple's App Store and the Google Play Store by searching Ashford.

Forward Looking Statements

Certain statements and assumptions in this press release contain or are based upon forward-looking information and are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward looking statements in this press release include, among others, statements about the Company's strategy and future plans. These forward-looking statements are subject to risks and uncertainties. When we use the words will likely result, may, anticipate, estimate, should, expect, believe, intend, or similar expressions, we intend to identify forward-looking statements. Such statements are subject to numerous assumptions and uncertainties, many of which are outside Ashford Trust's control.

These forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated, including, without limitation: general volatility of the capital markets and the market price of our common stock; changes in our business or investment strategy; availability, terms and deployment of capital; availability of qualified personnel; changes in our industry and the market in which we operate, interest rates or the general economy; the degree and nature of our competition; risks that Ashford Trust will ultimately not pursue a transaction with FelCor or FelCor will reject engaging in any transaction with Ashford Trust; if a transaction is negotiated between Ashford Trust and FelCor, risks related to Ashford Trust's ability to complete the acquisition on the proposed terms; the possibility that competing offers will be made; risks associated with business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the acquisition will not be realized; risks related to future opportunities and plans for the combined company, including uncertainty of the expected financial performance and results of the combined company following completion of the proposed acquisition; disruption from the proposed acquisition, making it more difficult to conduct business as usual or maintain relationships with customers, employees, managers or franchisors; and the possibility that if the combined company does not achieve the perceived benefits of the proposed acquisition as rapidly

or to the extent anticipated by financial analysts or investors, the market price of Ashford Trust's shares could decline. These and other risk factors are more fully discussed in Ashford Trust's filings with the Securities and Exchange Commission. EBITDA is defined as net income before interest, taxes, depreciation and amortization. EBITDA yield is defined as trailing twelve month EBITDA divided by the purchase price. A capitalization rate is determined by dividing the property's annual net operating income by the purchase price. Net operating income is the property's funds from operations minus a capital expense reserve of either 4% or 5% of gross revenues. Hotel EBITDA flow-through is the change in Hotel EBITDA divided by the change in total revenues. Hotel EBITDA Margin is Hotel EBITDA divided by total revenues. Funds from operations (FFO), as defined by the White Paper on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts (NAREIT) in April 2002, represents net income (loss) computed in accordance with generally accepted accounting principles (GAAP), excluding gains (or losses) from sales of properties and extraordinary items as defined by GAAP, plus depreciation and amortization of real estate assets, and net of adjustments for the portion of these items related to unconsolidated entities and joint ventures.

The forward-looking statements included in this press release are only made as of the date of this press release. Investors should not place undue reliance on these forward-looking statements. We are not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events or circumstances, changes in expectations or otherwise.

Additional Information

This communication does not constitute an offer to buy or solicitation of any offer to sell securities. This communication relates to a proposal which Ashford Trust has made for a business combination transaction with FelCor. In furtherance of this proposal and subject to future developments, Ashford Trust (and, if a negotiated transaction is agreed, FelCor) may file one or more registration statements, prospectuses, proxy statements or other documents with the SEC. This communication is not a substitute for any registration statement, prospectus, proxy statement or other document Ashford Trust or FelCor may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS OF ASHFORD TRUST AND FELCOR ARE URGED TO READ CAREFULLY THE REGISTRATION STATEMENT(S), PROSPECTUS(ES), PROXY STATEMENT(S) AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ASHFORD TRUST, FELCOR AND THE PROPOSED TRANSACTION.

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Investors and security holders may obtain free copies of these documents (if and when they become available) and other related documents filed with the SEC at the SEC's web site at www.sec.gov or by directing a request to Ashford Trust's Investor Relations department at Ashford Hospitality Trust, Inc., Attention: Investor Relations, 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254 or by calling Ashford Trust's Investor Relations department at (972) 490-9600. Investors and security holders may obtain free copies of the documents filed with the SEC on Ashford Trust's website at www.ahtreit.com under the Investor link, at the SEC Filings tab.

Certain Information Regarding Participants

Ashford Trust and Ashford Inc. and their respective directors and executive officers may be deemed participants in the solicitation of proxies in connection with the proposed transaction. You can find information about Ashford Trust's directors and executive officers in Ashford Trust's definitive proxy statement for its most recent annual meeting filed with the SEC on April 25, 2016. You can find information about Ashford Inc.'s directors and executive officers in Ashford Inc.'s definitive proxy statements for its most recent annual meeting and special meeting filed with the SEC on April 28, 2016 and October 7, 2016, respectively. You can find information about FelCor's directors and executive officers in FelCor's definitive proxy statement for its most recent annual meeting filed with the SEC on April 14, 2016. These documents are available free of charge at the SEC's web site at www.sec.gov and (with respect to documents and information relating to Ashford Trust) from Investor Relations at Ashford Trust, as described above. Additional information regarding the interests of such potential participants will be included in one or more registration statements, proxy statements, tender offer statements or other related documents filed with the SEC if and when they become available.

ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

(unaudited)

	December 31, 2016	December 31, 2015
ASSETS		
Investments in hotel properties, net	\$ 4,160,563	\$ 4,419,684
Cash and cash equivalents	347,091	215,078
Restricted cash	144,014	153,680
Marketable securities	53,185	
Accounts receivable, net of allowance of \$690 and \$715, respectively	44,629	40,438
Inventories	4,530	4,810
Note receivable, net of allowance of \$0 and \$7,083, respectively		3,746
Investment in securities investment fund	50,890	55,952
Investment in Ashford Inc.	5,873	6,616
Investment in OpenKey	2,016	
Deferred costs, net	2,846	3,847
Prepaid expenses	17,578	12,458
Derivative assets	3,614	3,435
Other assets	11,718	10,647
Intangible asset, net	10,061	11,343
Due from Ashford Prime OP, net		528
Due from third-party hotel managers	13,348	22,869
Assets held for sale	19,588	
Total assets	\$ 4,891,544	\$ 4,965,131
LIABILITIES AND EQUITY		
Liabilities:		
Indebtedness	\$ 3,723,559	\$ 3,840,617
Accounts payable and accrued expenses	126,986	123,444
Dividends payable	24,765	22,678
Unfavorable management contract liabilities	1,380	3,355
Due to Ashford Inc.	15,716	9,856
Due to Ashford Prime OP, net	488	
Due to related party, net	1,001	1,339
Due to third-party hotel managers	2,714	2,504
Intangible liabilities, net	16,195	16,494
Other liabilities	16,548	14,539
Liabilities associated with assets held for sale	37,047	
Total liabilities	3,966,399	4,034,826
Redeemable noncontrolling interests in operating partnership	132,768	118,449
Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized - Series A Cumulative Preferred Stock 1,657,206 shares issued and outstanding at December 31, 2016 and 2015	17	17
	95	95

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Series D Cumulative Preferred Stock 9,468,706 shares issued and outstanding at
December 31, 2016 and 2015

Series E Cumulative Preferred Stock, 0 and 4,630,000 shares issued and outstanding at
December 31, 2016 and 2015, respectively

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Series F Cumulative Preferred Stock 4,800,000 and 0 shares issued and outstanding at
December 31, 2016 and 2015, respectively

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