



HPT Announces 2002 First Quarter Operating Results

NEWTON, Mass.--(BUSINESS WIRE)--May 6, 2002: Hospitality Properties Trust (NYSE: HPT) today announced its results of operations for the quarter ended March 31, 2002, as follows:

(amounts in thousands, except per share amounts)

	Quarter Ended March 31,	
	2002	2001
Net income	\$33,331	\$30,088
Net income available for common shareholders	\$31,550	\$28,307
Funds from operations ("FFO")	\$59,388	\$55,999
Cash available for distribution ("CAD")	\$50,725	\$46,678
Common distributions	\$44,386	\$39,554
Per common share amounts:		
Net income available for common shareholders	\$ 0.50	\$ 0.50
Funds from operations ("FFO")	\$ 0.95	\$ 0.99
Cash available for distribution ("CAD")	\$ 0.81	\$ 0.83
Common distributions	\$ 0.71	\$ 0.70
Weighted average common shares outstanding	62,520	56,495

Hospitality Properties Trust is a REIT headquartered in Newton, Massachusetts which invests in hotels. HPT currently has investments of approximately \$2.7 billion in 251 hotels located in 37 states.

	Quarter Ended March 31, 2002	Quarter Ended March 31, 2001
Revenues:		
Minimum rent	\$58,347	\$59,402
Hotel operating revenues (1)	18,139	--
FF&E reserve income (2)	5,266	6,409
Interest income	182	362
Total revenues	81,934	66,173
Expenses:		
Hotel operating expenses (1)	11,169	--

Interest (including amortization of deferred financing costs of \$605 and \$603, respectively)	10,047	10,186
Depreciation and amortization	23,734	22,138
General and administrative	3,653	3,761
 Total expenses	 48,603	 36,085
 Net income	 33,331	 30,088
Preferred distributions	1,781	1,781
 Net income available for common shareholders	 \$31,550	 \$28,307
 Net income available for common shareholders	 \$31,550	 \$28,307
Add: FF&E deposits not in net income (2)	3,439	3,859
Depreciation and amortization	23,734	22,138
Deferred percentage rent (3)	665	1,695
 Funds from operations ("FFO")	 \$59,388	 \$55,999
 FFO	 \$59,388	 \$55,999
Add: Non-cash expenses	985	947
 Less: FF&E reserve income (1) (2)	 6,209	 6,409
FF&E deposits not in net income (2)	3,439	3,859
 Cash available for distribution ("CAD")	 \$50,725	 \$46,678
 Weighted average common shares outstanding	 62,520	 56,495
 Per common share amounts:		
Net income available for common shareholders	\$ 0.50	\$ 0.50
FFO	\$ 0.95	\$ 0.99
CAD	\$ 0.81	\$ 0.83
Common distributions declared	\$ 0.71	\$ 0.70

(1) All of our hotels are leased to or operated by third-parties; HPT does not operate hotels. At various times during 2001, 16 of our hotels, containing 2,380 rooms, began to be operated by Marriott International under a long-term management contract; most of these hotels were previously leased to Marriott. These hotels are now leased to a 100% subsidiary of ours, as allowed by the REIT Modernization Act which became effective in 2001. Although our long-term management contract with Marriott includes security features which are similar to those under our leases, after a property begins to be operated under a management contract rather than under a lease, our consolidated revenues include hotel sales rather than rental income and our expenses include hotel operating expenses. We have agreed to this new arrangement for a total of 35 hotels, containing 5,382 rooms and expect it to begin for the remaining 19 hotels during 2002. For the 2002 first quarter, the 16 hotels leased to our subsidiary tenant generated net revenues over expenses and FF&E escrows, as follows:

First Quarter	
Hotel operating revenues	\$18,139
Less: Hotel operating expenses	11,169
Net payments by our manager to our subsidiary tenant	6,970
Less: Payments made into FF&E Reserve escrows	943
Net	

\$ 6,027

(2) Some of the HPT leases provide that FF&E Reserve escrows are owned by HPT. Other leases provide that FF&E Reserve escrows are owned by the tenant and HPT has a security and remainder interest in the escrow account. When HPT owns the escrow, generally accepted accounting principles require that payments into the escrow be reported as additional rent. When

HPT has a security and remainder interest in the escrow account, deposits are not included in revenue but are included in FFO. CAD excludes all FF&E Reserves.

(3) The Company recognizes percentage rental income received for the first, second and third quarters in the fourth quarter. Although recognition of revenue is deferred for purposes of calculating net income, the calculations of FFO and CAD include amounts received with respect to the periods shown.

Hospitality Properties Trust
Key Property Statistics(a)

	1st Quarter 2002	1st Quarter 2001	Change
Hotel Statistics (34,007 rooms and 228 hotels):			
Average Daily Rate ("ADR")	\$84.16	\$92.58	-9.1%
Occupancy	68.9%	72.8%	-3.9 pts
Revenue per Available Room ("RevPAR")	\$57.99	\$67.40	-14.0%

(a) Excludes 2 properties containing 277 rooms, not open for a full year as of January 1, 2002.

Key Balance Sheet Statistics

	March 31, 2002	Dec. 31, 2001
Cash	\$ 32,846,000	\$ 38,962,000
Real Estate, at cost	\$2,632,197,000	\$2,629,153,000
Debt		
Fixed rate - 8.25% Senior Notes, due 2005	\$ 115,000,000	\$ 115,000,000
Fixed rate - 7.00% Senior Notes, due 2008	149,840,000	149,834,000
Fixed rate - 8.50% Senior Notes, due 2009	150,000,000	150,000,000
Fixed rate - 9.125% Senior Notes, due 2010	49,949,000	49,947,000
	\$ 464,789,000	\$ 464,781,000
Book Equity		
9.5% Preferred (3,000,000 shares outstanding)	\$ 72,207,000	\$ 72,207,000
Common (62,537,598 and 62,515,940 shares outstanding)	1,520,095,000	1,532,312,000
	\$1,592,302,000	\$1,604,519,000