



HPT Announces Second Quarter 2002 Operating Results

Newton, MA (August 5, 2002): Hospitality Properties Trust (NYSE:HPT) today announced its results of operations for the quarter ended June 30, 2002:

(amounts in thousands, except per share data)

	Quarter Ended June 30, 2002		Six Months Ended June 30, 2002	
	2002	2001	2002	2001
Net income	\$35,490	\$31,428	\$68,821	\$61,516
Net income available for common shareholders	\$33,709	\$29,647	\$65,258	\$57,953
Funds from operations ("FFO")	\$62,495	\$57,393	\$121,882	\$113,391
Cash available for distribution ("CAD")	\$52,912	\$47,094	\$103,636	\$93,771
Common distributions declared	\$45,034	\$40,120	\$89,436	\$79,675

Per common share amounts:

Net income available for common shareholders	\$0.54	\$0.52	\$1.04	\$1.03
Funds from operations ("FFO")	\$1.00	\$1.02	\$1.95	\$2.01
Cash available for distribution ("CAD")	\$0.85	\$0.83	\$1.66	\$1.66
Common distributions	\$0.72	\$0.71	\$1.43	\$1.41
Weighted average common shares outstanding	62,538	56,507	62,529	56,501

Hospitality Properties Trust is a real estate investment trust, or 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.

Hospitality Properties Trust
CONSOLIDATED STATEMENT OF INCOME, FUNDS FROM OPERATIONS
AND CASH AVAILABLE FOR DISTRIBUTION
(amounts in thousands, except per share data)

	Quarter Ended June 30, 2002		Six Months Ended June 30, 2002	
	2002	2001	2002	2001
Revenues:				
Rental income	\$ 62,082	\$ 60,114	\$120,429	\$119,516
Hotel operating revenues (1)	20,310	2,783	38,449	2,783

FF&E reserve income (2)	5,669	7,145	10,935	13,554
Interest income	54	97	236	459
Total revenues	88,115	70,139	170,049	136,312
Expenses:				
Hotel operating expenses (1)	13,229	1,855	24,398	1,855
Interest (including amortization of deferred financing costs of \$718, \$604, \$1,323 and \$1,207, respectively)	11,066	10,520	21,113	20,706
Depreciation and amortization	24,186	22,491	47,920	44,629
General and administrative	4,144	3,845	7,797	7,606
Total expenses	52,625	38,711	101,228	74,796
Net income	35,490	31,428	68,821	61,516
Preferred distributions	1,781	1,781	3,563	3,563
Net income available for common shareholders	\$ 33,709	\$ 29,647	\$ 65,258	\$ 57,953
Net income available for common shareholders	\$ 33,709	\$ 29,647	\$ 65,258	\$ 57,953
Add: FF&E deposits not in net income (2)	3,959	3,967	7,398	7,826
Depreciation and amortization	24,186	22,491	47,920	44,629
Deferred percentage rent (3)	641	1,288	1,306	2,983
Funds from operations ("FFO")	\$ 62,495	\$ 57,393	\$121,882	\$113,391
FFO	\$ 62,495	\$ 57,393	\$121,882	\$113,391
Add: Non-cash expenses	1,099	949	2,084	1,896
Less: FF&E reserves income (1) (2)	6,723	7,281	12,932	13,690
FF&E deposits not in net income (2)	3,959	3,967	7,398	7,826
Cash available for distribution ("CAD")	\$ 52,912	\$ 47,094	\$103,636	\$ 93,771
Weighted average common shares outstanding	62,538	56,507	62,529	56,501
Per common share amounts:				
Net income available for common shareholders	\$ 0.54	\$ 0.52	\$ 1.04	\$ 1.03
FFO	\$ 1.00	\$ 1.02	\$ 1.95	\$ 2.01

CAD	\$ 0.85	\$ 0.83	\$ 1.66	\$ 1.66
Common distributions declared	\$ 0.72	\$ 0.71	\$ 1.43	\$ 1.41

(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 from time to time over the next two years, but no later than June 30, 2004. The amounts in the following table include the net revenues over expenses and FF&E escrows of the ten hotels leased to our subsidiary tenant beginning June 15, 2001, for the 2001 periods and, of the 16 hotels leased to our subsidiary tenant for the entire period for the 2002 periods. During the quarter and six months ended June 30, 2002, \$720 and \$2,315, respectively, of hotel operating expenses were funded by Marriott and are reflected as a reduction in hotel operating expenses.

	Quarter Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Hotel operating revenues	\$20,310	\$ 2,783	\$38,449	\$ 2,783
Less: Hotel operating expenses	13,229	1,855	24,398	1,855
Net payments by our manager to our subsidiary tenant	7,081	928	14,051	928
Less: Payments made into FF&E Reserve escrows	1,054	136	1,997	136
Net	\$ 6,027	\$ 792	\$12,054	\$ 792

(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) HPT 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 (1)

(33,759 rooms and 247 hotels)	Second Quarter			Year to Date		
	2002	2001	Change	2002	2001	Change
Average Daily Rate ("ADR")	\$ 79.70	\$ 88.21	-9.6%	\$ 80.60	\$ 89.13	-9.6%
Occupancy	75.8%	76.0%	-0.3%	72.6%	74.4%	-2.4%
Revenue Per Available Room ("RevPAR")	\$ 60.41	\$ 67.04	-9.9%	\$ 58.52	\$ 66.31	-11.7%

Excludes 4 properties containing 525 rooms, not open for a full year as of January 1, 2002.

(1) Includes data for the three and six months ended June 30, except for our 125 hotels (17,926 rooms) operated by Marriott which are for the 12 and 24 week periods ended June 14, 2002 and June 15, 2001, respectively.

Key Balance Sheet Statistics

	June 30, 2002	December 31, 2001
Cash	\$ 487,000	\$ 38,962,000
Real Estate, at cost	\$2,778,761,000	\$2,629,153,000
Debt:		
Floating rate -		
Credit Facility, due 2005	\$ 98,000,000	\$ --
Fixed rate - 8.250%		
Senior Notes, due 2005 (1)	115,000,000	115,000,000
Fixed rate - 7.000%		
Senior Notes, due 2008	149,847,000	149,834,000
Fixed rate - 8.500%		
Senior Notes, due 2009	150,000,000	150,000,000
Fixed rate - 9.125%		
Senior Notes, due 2010	49,951,000	49,947,000
	\$ 562,798,000	\$ 464,781,000
Book Equity:		
9.5% Preferred		
(3,000,000 shares		
outstanding)	\$ 72,207,000	\$ 72,207,000
Common (62,547,348 and		
62,515,940 shares		
outstanding)	1,509,756,000	1,532,312,000
	\$1,581,963,000	\$1,604,519,000

(1) On July 18, 2002, these notes were prepaid with a portion of the proceeds from our issuance of \$125,000,000 of 6.85% senior notes due 2012.