Hospitality Properties Trust Announces New Management Agreements with Hyatt Corporation and Carlson Hotels Worldwide

NEWTON, Mass.--Hospitality Properties Trust (NYSE: HPT) today announced that it has entered new management agreements with Hyatt Corporation ("Hyatt") and Carlson Hotels Worldwide ("Carlson") with respect to the portfolio of 36 hotels previously managed by Prime Hospitality Corporation ("Prime"). In October 2004 Blackstone Group acquired Prime, and in January 2005 Blackstone sold Prime's AmeriSuites brand to Hyatt. As part of its AmeriSuites acquisition, Hyatt acquired the rights and obligations under HPT's management contract covering 24 AmeriSuites and 12 Prime Hotels. HPT's 24 AmeriSuites have performed well during the first quarter of 2005 and HPT believes Hyatt is committed to continued improvement in the operations of these hotels and the brand. The 12 full service Prime Hotels have not achieved the operating results previously anticipated by HPT. HPT and Hyatt have now agreed to transfer management of these 12 hotels to Carlson; and HPT believes Carlson is committed to improve the operations of these hotels.

The new agreements announced today split the previous agreements into two; one with Hyatt for 24 limited service AmeriSuites and one with Carlson for the 12 Prime Hotels, which are expected to be rebranded with Carlson brands, including Radisson Hotels and Resorts and Country Inn & Suites, by year end 2005. The economic terms of the new agreements on a combined basis are unchanged from the previous agreement with Prime, but because the two agreements each include a smaller number of hotels and are less diverse certain security features, including guarantees from Hyatt and Carlson, have been changed.

As a result of the agreements announced today, approximately 95% of HPT's annual minimum returns and rents will be derived from hotels operated by four of the largest and most experienced hotel management companies in the world, each of whom own the hotel brands under which they will operate for HPT: Marriott International - 46%; InterContinental Hotels - 41%; Hyatt Corporation - 5%; and Carlson Hotels Worldwide - 3%.

Hospitality Properties Trust is a real estate investment trust based in Newton, MA which owns 297 hotels in 38 states, Puerto Rico and Ontario, Canada.

WARNING REGARDING FORWARD LOOKING STATEMENTS

THE FOREGOING PRESS RELEASE CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND FEDERAL SECURITIES LAWS. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON HPT'S PRESENT BELIEFS AND EXPECTATIONS, BUT THEY MAY NOT OCCUR FOR VARIOUS REASONS. FOR EXAMPLE:

- THIS PRESS RELEASE STATES HPT'S BELIEF THAT HYATT IS COMMITTED TO IMPROVE THE OPERATIONS OF THE 24 AMERISUITES HOTELS. HOWEVER, HYATT MAY BE UNABLE TO CONTINUE TO DO SO. THESE OPERATIONS MAY DECLINE AND HPT'S CASH FLOWS REALIZED FROM THESE HOTELS MAY BE LESS THAN IT IS CURRENTLY.

- THIS PRESS RELEASE STATES HPT'S BELIEF THAT CARLSON IS COMMITTED TO IMPROVE THE OPERATIONS OF THE 12 PRIME HOTELS. HOWEVER, CARLSON MAY BE UNABLE TO IMPROVE THESE OPERATIONS. AS A RESULT OF CARLSON'S OPERATIONS THESE OPERATIONS MAY DECLINE AND HPT'S CASH FLOWS REALIZED FROM THESE HOTELS MAY BE LESS THAN IF THEY CONTINUED TO BE OPERATED BY HYATT.

- THIS PRESS RELEASE STATES THAT THE OWNER'S PRIORITY PAYMENTS DUE FROM THE OPERATION OF THE 24 AMERISUITES HOTELS BY HYATT HAVE BEEN GUARANTEED BY HYATT. THESE STATEMENTS IMPLY THAT HPT MAY RECEIVE AT LEAST THESE OWNER'S PRIORITY PAYMENTS FROM HYATT. IN FACT, HPT MAY NOT RECEIVE THESE PAYMENTS BECAUSE THE GUARANTY AMOUNT IS EXHAUSTED, BECAUSE HYATT'S FINANCIAL CONDITION DETERIORATES AND IT IS UNABLE TO MEET ITS OBLIGATIONS OR FOR SOME OTHER REASON.

- SIMILARLY, THIS PRESS RELEASE STATES THAT THE OWNER'S PRIORITY PAYMENTS DUE FROM THE OPERATION OF THE 12 HOTELS BY CARLSON HAVE BEEN GUARANTEED BY CARLSON. THESE STATEMENTS IMPLY THAT HPT WILL RECEIVE AT LEAST THESE OWNER'S PRIORITY PAYMENTS FROM CARLSON. IN FACT, HPT MAY NOT RECEIVE THESE PAYMENTS BECAUSE THE GUARANTY AMOUNT IS EXHAUSTED, BECAUSE CARLSON'S FINANCIAL

CONDITION DETERIORATES AND IT IS UNABLE TO MEET ITS OBLIGATIONS OR FOR SOME OTHER REASON.

FORWARD LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE UPON FORWARD LOOKING STATEMENTS.

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