



## **Hospitality Properties Trust Announces That It Will Begin Paying a Cash Quarterly Dividend of \$0.45 per Common Share**

NEWTON, Mass., Dec 07, 2009 (BUSINESS WIRE) -- Hospitality Properties Trust (NYSE: HPT) today announced that it will begin paying a quarterly cash distribution to common shareholders of \$0.45/share (\$1.80/share per year) in 2010. HPT expects that a distribution to common shareholders may be declared in January 2010 and be paid in February 2010.

In April 2009, HPT announced that it had suspended payment of common share distributions and that it would make an announcement in December 2009 regarding the amount of common share distributions which it would pay in 2009 in order to comply with Internal Revenue Service ("IRS") rules applicable to real estate investment trusts, or REITs, and whether the 2009 distribution, if any, would be paid in cash or some combination of cash and common shares. Simultaneously with today's announcement concerning 2010 distributions, HPT announced that it will declare no additional common share distributions for 2009 because it has met its minimum IRS distribution requirements for 2009.

Hospitality Properties Trust is a REIT which owns 289 hotels and 185 travel centers located throughout the United States and in Puerto Rico and Ontario, Canada. HPT is headquartered in Newton, MA.

### **WARNING REGARDING FORWARD LOOKING STATEMENTS**

THIS PRESS RELEASE CONTAINS FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND OTHER FEDERAL SECURITIES LAWS. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON HPT'S CURRENT BELIEFS AND EXPECTATIONS BUT THEY ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR FOR VARIOUS REASONS, INCLUDING SOME REASONS WHICH ARE BEYOND HPT'S CONTROL. FOR EXAMPLE:

THIS PRESS RELEASE STATES THAT HPT EXPECTS TO DECLARE A CASH QUARTERLY DISTRIBUTION OF \$0.45/SHARE (\$1.80/SHARE PER YEAR) IN JANUARY 2010 AND TO PAY THAT DISTRIBUTION IN FEBRUARY 2010. AN IMPLICATION OF THESE STATEMENTS MAY BE THAT HPT WILL IN FACT DECLARE A DISTRIBUTION OF \$0.45/SHARE IN JANUARY 2010, PAY THAT DISTRIBUTION IN FEBRUARY 2010 AND THAT HPT WILL CONTINUE TO PAY QUARTERLY DISTRIBUTIONS IN CASH FOR AT LEAST ONE YEAR. IN FACT, HPT'S FUTURE PAYMENTS OF DISTRIBUTIONS AND THE AMOUNTS OF FUTURE DISTRIBUTIONS ARE DEPENDENT UPON FUTURE DECISIONS BY HPT'S BOARD OF TRUSTEES WHICH MAY TAKE ACCOUNT OF NUMEROUS FACTORS AFFECTING HPT'S BUSINESS, INCLUDING:

- THE OPERATIONS OF HPT'S OWNED HOTELS ARE NOT NOW PRODUCING SUFFICIENT CASH FLOW TO PAY CONTRACTUAL MINIMUM AMOUNTS DUE TO HPT. WITH RESPECT TO TWO OF HPT'S COMBINATION CONTRACTS AFFECTING 53 HOTELS, MARRIOTT INTERNATIONAL, INC. IS PAYING HPT ONLY THE AMOUNTS EARNED AT THE HOTELS. THROUGH DECEMBER 7, 2009, HPT HAS SATISFIED THE MINIMUM AMOUNTS DUE UNDER THESE CONTRACTS BY REDUCING ITS LIABILITIES FOR SECURITY DEPOSITS BY APPROXIMATELY \$14.5 MILLION (LEAVING ADDITIONAL DEPOSITS AVAILABLE OF APPROXIMATELY \$50.2 MILLION). THESE SECURITY DEPOSITS MAY BECOME EXHAUSTED AND HPT DOES NOT RECEIVE CASH FLOW WHEN SECURITY DEPOSITS ARE USED TO SATISFY THESE OBLIGATIONS DUE TO HPT. MOREOVER, ALL OF HPT'S OTHER HOTEL MANAGERS AND TENANTS APPEAR TO BE MAKING PAYMENTS TO HPT BY HONORING GUARANTEE OBLIGATIONS OR FOR OTHER BUSINESS REASONS. IF THE PRESENT BUSINESS CIRCUMSTANCES AFFECTING THE OPERATIONS OF HPT'S HOTELS DO NOT IMPROVE BUT CONTINUE FOR AN EXTENDED PERIOD OR WORSEN, HPT'S HOTEL OPERATORS' LIMITED GUARANTEES AND SECURITY DEPOSITS MAY BE EXHAUSTED AND HPT'S HOTEL OPERATORS MAY BECOME UNABLE OR UNWILLING TO PAY THE MINIMUM RENTS AND RETURNS DUE UNDER HPT'S HOTEL CONTRACTS. IF HPT DOES NOT RECEIVE THE MINIMUM RENTS AND RETURNS DUE UNDER ITS HOTEL CONTRACTS, HPT MAY BE UNABLE OR UNWILLING TO CONTINUE PAYING QUARTERLY CASH DISTRIBUTIONS OF \$0.45/SHARE (\$1.80/SHARE PER YEAR). ACCORDINGLY, THE AMOUNT OF HPT'S FUTURE DISTRIBUTIONS MAY BE REDUCED OR ELIMINATED, OR FUTURE DISTRIBUTIONS MAY BE PAID IN SHARES INSTEAD OF CASH.
- TRAVELCENTERS OF AMERICA, LLC ("TA") IS HPT'S LARGEST TENANT. IN AUGUST 2008, HPT ENTERED A RENT DEFERRAL AGREEMENT WITH TA WHICH ALLOWS TA TO DEFER UP TO \$5 MILLION PER MONTH THROUGH

DECEMBER 31, 2010, AND TA HAS TO DATE TAKEN FULL ADVANTAGE OF ITS DEFERRAL RIGHTS. TA HAS A SHORT HISTORY OF OPERATIONS AND IT HAS BEEN UNABLE TO PRODUCE CONSISTENT PROFITABLE OPERATIONS. IF CURRENT BUSINESS CONDITIONS AFFECTING TA'S OPERATIONS DO NOT IMPROVE BUT CONTINUE FOR AN EXTENDED PERIOD OR WORSEN, TA MAY BECOME UNABLE OR UNWILLING TO PAY THE DEFERRED RENT AMOUNTS DUE HPT OR MAY BECOME UNABLE OR UNWILLING TO PAY THE NON-DEFERRED RENTS DUE HPT (APPROXIMATELY \$14.2 MILLION PER MONTH IN CASH, OR \$170.2 MILLION/YEAR AS OF DECEMBER 7, 2009). IF TA FURTHER REDUCES THE RENT IT PAYS HPT OR CEASES TO PAY RENTS, HPT MAY BECOME UNABLE OR UNWILLING TO CONTINUE PAYING QUARTERLY CASH DISTRIBUTIONS OF \$0.45/SHARE (\$1.80/SHARE PER YEAR); AND THE AMOUNT OF HPT'S FUTURE DISTRIBUTIONS MAY BE REDUCED OR ELIMINATED, OR FUTURE DISTRIBUTIONS MAY BE PAID IN SHARES RATHER THAN CASH.

- OTHER FACTORS SUCH AS HPT'S INABILITY TO RE-FINANCE DEBT MATURITIES COULD ALSO CAUSE THE AMOUNT OF HPT'S FUTURE CASH DISTRIBUTIONS TO COMMON SHAREHOLDERS TO DECLINE OR BE ELIMINATED.

THIS PRESS RELEASE ALSO STATES THAT HPT WILL DECLARE NO ADDITIONAL COMMON SHARE DISTRIBUTIONS IN 2009 BECAUSE IT HAS MET ITS MINIMUM IRS DISTRIBUTION REQUIREMENTS FOR 2009. THIS STATEMENT IS BASED UPON AN ESTIMATE OF 2009 TAXABLE INCOME. IN FACT, HOWEVER, HPT CAN NOT CALCULATE A FINAL AMOUNT OF ITS 2009 TAXABLE INCOME UNTIL AFTER THE END OF 2009 AND ANY DETERMINATION OF TAXABLE INCOME MAY BE SUBJECT TO AUDIT OR OTHERWISE DISPUTED BY THE IRS. IF, UPON FINAL DETERMINATION OF ITS TAXABLE INCOME OR AS A RESULT OF AN IRS AUDIT, IT APPEARS THAT HPT HAS NOT PAID SUFFICIENT DISTRIBUTIONS IN 2009, HPT MAY HAVE TO PAY TAXES AND MAY BECOME SUBJECT TO VARIOUS PENALTIES, INCLUDING POSSIBLE LOSS OF ITS STATUS AS A REIT UNDER IRS RULES.

FOR THESE REASONS, AMONG OTHERS, INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE UPON FORWARD LOOKING STATEMENTS IN THIS PRESS RELEASE. EXCEPT AS MAY BE REQUIRED BY LAW, HPT DOES NOT INTEND TO IMPLY THAT IT HAS ANY OBLIGATION TO UPDATE ANY FORWARD LOOKING STATEMENTS IN THIS PRESS RELEASE BECAUSE OF CHANGED CIRCUMSTANCES OR OTHERWISE.

*A Maryland Real Estate Investment Trust with transferable shares of beneficial interest listed on the New York Stock Exchange. No shareholder, Trustee or officer is personally liable for any act or obligation of the Trust.*

SOURCE: Hospitality Properties Trust

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