

LANDandBUILDINGS

Land and Buildings Comments on Ashford's Offer to Acquire FelCor Lodging Trust

- *Believes Ashford's offer for FelCor is woefully inadequate –*
- *Pleased that the Transaction Committee established by the FelCor board is reviewing the Ashford offer to maximize value for all FelCor shareholders rather than accept Ashford's woefully inadequate offer –*
 - *Land and Buildings has estimated FelCor's net asset value at \$10.50 per share –*
- *Strongly believes that any offer by Ashford should consist of at least the nearly \$5 per share of cash balances at Ashford –*
- *A full cash offer could be made considering the likely proceeds from the asset sales being marketed –*

Stamford, CT (February 27, 2017) – Land and Buildings Investment Management, LLC ("Land and Buildings") today issued the following letter to the shareholders of FelCor Lodging Trust (NYSE: FCH) ("FelCor" or the "Company") regarding the offer by Ashford Hospitality Trust (NYSE: AHT) to acquire the Company:

Dear fellow FelCor shareholders:

Land and Buildings owns 6.1% of FelCor's (NYSE: FCH) common stock. We believe Ashford Hospitality Trust's (NYSE: AHT) offer announced last week for FelCor is woefully inadequate. As a reference point, in our January 28, 2016 public FelCor presentation we estimated FelCor's net asset value at \$10.50 per share.

Given the substantial cash at both AHT and Ashford Inc. (NYSE: AINC), the external manager of AHT, totaling approximately \$640 million, or nearly \$5 per FelCor share¹, we are struggling to understand why any offer did not include a substantial cash component of at least the cash on hand. We would also note that a full cash offer could be made considering the likely proceeds from the assets being marketed at both companies.

Furthermore, the Ashford offer assigns no value to the perpetual management contract the FelCor assets would be encumbered with after the merger, which is likely worth in excess of \$300 million, or more than \$2 per FelCor share.

Rather than accept Ashford's woefully inadequate offer that undervalues the Company, we are pleased that the Transaction Committee established by the FelCor board is reviewing the Ashford offer to maximize value for all FelCor shareholders.

Sincerely,



¹ Based on December 31, 2016 cash, cash equivalent, restricted cash and marketable securities balances.

Jonathan Litt

Founder & CIO

Land and Buildings Investment Management, LLC

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About Land and Buildings:

Land and Buildings is a registered investment manager specializing in publicly traded real estate and real estate related securities. Land and Buildings seeks to deliver attractive risk adjusted returns by opportunistically investing in securities of global real estate and real estate related companies, leveraging its investment professionals' deep experience, research expertise and industry relationships.

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