Gaylord Entertainment Reports 1999 First Quarter Net Income Of $2.41 Per Diluted Share Including Gain On Charter Transaction

April 22, 1999

NASHVILLE, TN, April 22, 1999 -- Gaylord Entertainment Company (NYSE: GET) today announced net income for the first quarter of 1999 ended March 31 of $79.8 million, or $2.41 per diluted share, compared with net income of $2.0 million, or $0.06 per diluted share in the first quarter of 1998.

Revenues for the first quarter of 1999 were $113.1 million, a 4.7% increase over the first quarter of 1998. The increase in revenues was principally due to the Opryland Hotel in Nashville, which had solid results in the initial 1999 reporting period. Operating cash flow (operating income plus depreciation and amortization) was $7.4 million, a decline of 28.3% from the corresponding prior year period. The decline in operating cash flow, which was expected, was primarily due to the nonrecurring positive effects of the first quarter 1998 airing of the Winter Olympics at KTVT-TV in Dallas-Fort Worth. The Company recently announced an agreement for CBS Corporation to acquire the Company's entire interest in the entities that own KTVT in exchange for $485 million of CBS common stock.

The Company recorded a gain in the first quarter of 1999 of $84.4 million net of taxes, or $2.55 per diluted share, related to the previously announced collection of proceeds from certain equity participation rights realized upon the acquisition of Charter Communications by investor Paul G. Allen. The Company recorded a gain on the sale of marketable securities in the first quarter of 1998 of $2.0 million, or $0.06 per diluted share. Excluding nonrecurring items, the Company recorded a net loss for the first quarter of 1999 of $4.6 million, or $0.14 per diluted share.

"Our results for the first quarter are in line with our expectations," said Terry E. London, President and Chief Executive Officer. "The Opryland Hotel is off to a good start and we are continuing our persistent efforts to streamline existing operations and integrate acquired businesses. We remain very optimistic about our future. We have three solid core franchises from which we can continue to grow our Company. The recent Charter and KTVT transactions will provide us with additional sources of capital which we can redeploy into strengthening and building these core businesses and to make strategic acquisitions as opportunities arise."

First quarter 1999 hospitality and attractions revenues increased 9.7% to $67.4 million compared to the corresponding prior year period, while operating cash flow increased 6.4% to $11.1 million. Revenues increased 9.5% to $57.6 million at the Opryland Hotel, which had an occupancy rate in the first quarter of 1999 of 81.4% compared with the 78.4% occupancy rate that was recorded in the initial quarter of 1998. The average room rate at the hotel for the quarter was $131.40 compared to the $132.98 recorded in first quarter 1998. The performance of the hotel was offset in part by the equity in the results of the Company's Bass Pro Shops investment, which was lower in the first quarter of 1999 due to an increase in startup expenses related to the rollout of additional retail stores. Seasonal losses at the Oklahoma Redhawks and increased startup expenses for the Opryland Lodging Group also impacted first quarter 1999 results.

The broadcasting and music segment, which includes television and radio stations, Word Entertainment, Acuff-Rose music publishing operations and the Pandora film business, recorded a 3.0% increase in revenues to $44.7 million from $43.4 million in first quarter 1998. This growth was driven by Word Entertainment, which had revenue growth in the quarter of approximately 10%, and revenues generated by Pandora, offset by a decline in KTVT's revenues of approximately 24%. Broadcasting and music operating cash flow for the first quarter of 1999 declined by $3.8 million, virtually all of which can be attributed to KTVT.

First quarter 1999 revenues for the cable networks segment were $1.0 million, down from revenues of $3.1 million in the first quarter of 1998. The decline in revenues is due to the shut down of CMT Europe as of March 31, 1998. Operating losses associated with the cable networks were $1.9 million in the first quarter of 1999 compared with operating losses of $3.1 million in the first quarter of 1998. The reduction in losses is primarily due to the Z Music Christian video network, which has recently switched to a less expensive digital satellite transponder.

The Company believes its operating results for the full year are generally on track with prior estimates with the exception of transitional issues at KTVT. Currently, the good performance of the Opryland Hotel is expected to continue in the second quarter of this year, offset by the start up expenses at Bass Pro Shops and a shift of certain product releases at Word Entertainment into the second half of the year. The anticipated result of these issues is an overall decline in operating cash flow of 10-15% in the second quarter of 1999, with a strengthening of operating results in the last half of the year.

Gaylord Entertainment Company is a diversified entertainment company operating principally in three industry segments: hospitality and attractions; broadcasting and music; and cable networks.

(Note: Certain matters discussed herein are forward looking statements that involve risks and uncertainties, including growth in the popularity of country music and country lifestyles; growth in the popularity of Christian music and family values lifestyles; the ability to control costs relating to the development of the Opry Mills retail complex; the ability to integrate the operations of acquired businesses into the Company's operations; the advertising market in the United States in general and in the Company's local television and radio markets in particular; the perceived attractiveness of Nashville, Tennessee and the Company's properties as a convention and tourist destination; the ability of the Opryland Lodging Group to successfully develop hotel properties in other markets; consumer tastes and preferences for the Company's programming and other entertainment offerings; competition; the impact of weather on construction schedules; and consolidation in the broadcasting and cable distribution industries. These risks and uncertainties are detailed from time to time in the Company's SEC reports, including the report on Form 10-K for the year ended December 31, 1998.)