



Gaylord Entertainment Announces Warner Music Group to Acquire Christian Music Company Word Entertainment for \$84.1 Million

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NASHVILLE, Tenn., Nov 26, 2001 (BUSINESS WIRE) --

-Company Divests Non-Core Entertainment Asset as Part of Strategic Refocusing-

Gaylord Entertainment Company (NYSE:GET), the hospitality and entertainment company whose holdings include the Gaylord Hotels and the Grand Ole Opry, today announced a contract to sell its Word Entertainment division to Warner Music Group (WMG) for \$84.1 million in cash. Gaylord previously announced it was in discussions with various parties to sell Word in conjunction with its plans to divest non-essential assets and sharpen its focus on the company's core hospitality and entertainment businesses.

"We have analyzed the asset mix and financial returns of Gaylord's portfolio of holdings," stated Colin V. Reed, chief executive officer of Gaylord Entertainment. "We said we would not retain assets and companies within Gaylord which did not create a strategic link to our core hospitality business, represent a nationally recognized brand which we possessed the expertise to develop fully, or provide a threshold level return on our investment. As a result of this analysis, we made the decision to sell Word Entertainment to Warner Music Group, an organization that possesses the capabilities necessary to maximize the potential of Word. We believe the purchase price represents a full and fair value for Word and we will utilize the proceeds to pay down debt."

The Word Entertainment transaction is expected to close in January 2002. Malcolm Mimms will remain on as president and chief operating officer and Word will continue to be based in Nashville, Tenn. It is anticipated the majority of the Word employees will be retained by Warner Music Group. Word Entertainment is a leading player in the multi-faceted contemporary Christian music industry. The company is home to more than 30 active artists on several record labels and has approximately 45 Christian songwriters under contract. Deutsche Banc Alex. Brown Inc., served as financial advisor to Gaylord on this transaction.

Recent Initiatives at Gaylord

Gaylord Entertainment recently announced a number of initiatives targeted to narrow the strategic focus of the company and return it to profitability. Changes include the rebranding of its hotel properties to Gaylord Hotels, formerly Opryland Hotels. The Gaylord name better depicts the high quality and upscale image of the properties the company has in Nashville and is opening in Florida and Texas. Gaylord Hotels resorts and convention centers are focused on meeting the needs of its target customer of meeting planners, groups and conventions and are unique in their size and breadth of offerings. The Company also has recently undertaken a restructuring, reducing layers of management and allowing for a direct reporting relationship between the operating businesses and the CEO. Additionally, Gaylord has brought in many new senior management team members to build the internal capabilities of the company in the areas of finance, legal, marketing, technology, communications, development and customer service. As a result of these organizational changes, Gaylord now has a capable and talented management team in place and will save approximately \$8 million on an annual basis. Finally, in October the company secured a bank financing for \$210 million to finance the completion of the company's Kissimmee, Florida, Gaylord Palms Resort and Convention center, located approximately one mile from the main gate of the Walt Disney World(R) Resort. This Orlando-area property is on track to open on time in February 2002 and will be state-of-the-industry for convention and meeting guests from around the country.

Mr. Reed said, "We are making significant progress on our strategy to transition Gaylord Entertainment to a new, focused Gaylord. We are building a company that leverages the strength of its Gaylord Hotels hospitality brand to be the premier meetings and convention hotel organization in the industry, with a dedicated focus on high levels of customer satisfaction. We will also grow those entertainment businesses which have demonstrated a foundation or a strong brand on which to build a profitable and sustainable business such as the Grand Ole Opry."

This press release contains statements as to the company's beliefs and expectations of the outcome of future events that are forward-looking

statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. These include the risks and uncertainties associated with economic conditions affecting the hospitality business generally, the timing of the opening of new hotel facilities, the ability to successfully complete the potential divestitures described herein, and the ability to consummate the financing for new developments described herein. Other factors that could cause operating and financial results to differ are described in the filings made from time to time by Gaylord Entertainment with the Securities and Exchange Commission.

Gaylord Entertainment does not undertake any obligation to release publicly any revisions to forward-looking statements made by it to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events.

Gaylord Entertainment Company is a diversified hospitality and entertainment company headquartered in Nashville, Tenn., and its stock is traded on the New York Stock Exchange (symbol: GET). Among its businesses are the Gaylord Hotels, the Grand Ole Opry, Acuff-Rose Music Publishing, and WSM Radio.

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