FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-13079

GAYLORD ENTERTAINMENT COMPANY
(Exact name of registrant as specified in its charter)

Delaware	73-0664379
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Gaylord Drive
Nashville, Tennessee 37214
(Address of principal executive offices)
(Zip Code)

(615) 316-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AS OF APRIL 30, 2003
Common Stock, $.01 par value	33,792,238 shares

GAYLORD ENTERTAINMENT COMPANY

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2003

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PART I - FINANCIAL INFORMATION
ITEM 1. - FINANCIAL STATEMENTS

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	2003	2002
Revenues	$ 114,380	$ 99,657
Operating expenses:		
Operating costs	65,696	68,182
Selling, general and administrative	27,573	26,487
Preopening costs	1,580	5,429
Depreciation	13,342	14,293
Amortization	1,231	937
Operating income (loss)	4,958	(15,671)
Interest expense, net of amounts capitalized	(9,372)	(11,601)
Interest income	519	527
Unrealized gain (loss) on Viacom stock	(46,652)	46,433
Unrealized gain (loss) on derivatives	39,466	(29,697)
Other gains and losses	222	(618)
Loss before income taxes and discontinued operations	(10,859)	(10,627)
Benefit for income taxes	(4,236)	(4,094)
Loss from continuing operations	(6,623)	(6,533)
Income from discontinued operations, net of taxes	167	958
Cumulative effect of accounting change, net of taxes	--	(2,572)
Net loss	$ (6,456)	$ (8,147)
Income (loss) per share:		
Loss from continuing operations	$ (0.20)	$ (0.19)
Income from discontinued operations, net of taxes	0.01	0.03
Cumulative effect of accounting change, net of taxes	--	(0.08)
Net loss	$ (0.19)	$ (0.24)
Income (loss) per share - assuming dilution:		
Loss from continuing operations	$ (0.20)	$ (0.19)
Income from discontinued operations, net of taxes	0.01	0.03
Cumulative effect of accounting change, net of taxes	--	(0.08)
Net loss	$ (0.19)	$ (0.24)

The accompanying notes are an integral part of these condensed consolidated financial statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
MARCH 31, 2003 AND DECEMBER 31, 2002
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	MARCH 31, 2003	DECEMBER 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	$ 30,196	$ 98,632
Cash and cash equivalents - restricted	33,621	19,323
Trade receivables, less allowance of $522 and $467, respectively	33,503	22,374
Deferred financing costs	26,865	26,865
Deferred income taxes	20,553	20,553
Other current assets	26,916	25,889
Current assets of discontinued operations	4,206	4,095
Total current assets	175,860	217,731
Property and equipment, net of accumulated depreciation	1,147,899	1,110,163
Goodwill	6,915	6,915
Amortized intangible assets, net of accumulated amortization	1,987	1,996
Investments	462,427	509,080
Estimated fair value of derivative assets	232,168	207,727
Long-term deferred financing costs	92,148	100,933
Other long-term assets	25,410	24,323
Long-term assets of discontinued operations	12,596	13,328
Total assets	$ 2,157,410	$ 2,192,196
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 8,546	$ 8,526
Accounts payable and accrued liabilities	72,585	80,685
Current liabilities of discontinued operations	6,981	6,652
Total current liabilities	88,112	95,863
Secured forward exchange contract	613,054	613,054
Long-term debt, net of current portion	330,310	332,112
Deferred income taxes, net	239,902	244,372
Estimated fair value of derivative liabilities	33,621	48,647
Other long-term liabilities	69,164	67,895
Long-term liabilities of discontinued operations	83	789
Minority interest of discontinued operations	1,730	1,885
Stockholders' equity:		
Preferred stock, $.01 par value, 100,000 shares authorized, no shares issued or outstanding	--	--
Common stock, $.01 par value, 150,000 shares authorized, 33,789 and 33,782 shares issued and outstanding, respectively	338	338
Additional paid-in capital	520,947	520,796
Retained earnings	276,342	282,798
Other stockholders' equity	(16,193)	(16,353)
Total stockholders' equity	781,434	787,579
Total liabilities and stockholders' equity	$ 2,157,410	$ 2,192,196

The accompanying notes are an integral part of these condensed consolidated financial statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(UNAUDITED)
(IN THOUSANDS)

	2003	2002
Cash Flows from Operating Activities:		
Net loss	$ (6,456)	$ (8,147)
Amounts to reconcile net loss to net cash flows used in operating activities:		
Gain on discontinued operations, net of taxes	(167)	(958)
Cumulative effect of accounting change, net of taxes	--	2,572
Unrealized gain (loss) on Viacom stock and related derivatives	7,186	(16,736)
Depreciation and amortization	14,573	15,230
Provision (benefit) for deferred income taxes	(4,236)	324
Amortization of deferred financing costs	8,886	8,923
Changes in (net of acquisitions and divestitures):		
Trade receivables	(11,129)	(24,712)
Accounts payable and accrued liabilities	(8,892)	(9,107)
Other assets and liabilities	361	3,829
Net cash flows provided by (used in) operating activities - continuing operations	126	(28,782)
Net cash flows provided by (used in) operating activities - discontinued operations	(578)	189
Net cash flows used in operating activities	(452)	(28,593)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(49,265)	(28,966)
Other investing activities	(3,214)	1,471
Net cash flows used in investing activities - continuing operations	(52,479)	(27,495)
Net cash flows provided by investing activities - discontinued operations	696	80,734
Net cash flows provided by (used in) investing activities	(51,783)	53,239
Cash Flows from Financing Activities:		
Repayment of long-term debt	(2,001)	(100,398)
Proceeds from issuance of long-term debt	--	30,000
(Increase) decrease in restricted cash and cash equivalents	(14,298)	49,827
Proceeds from exercise of stock option and purchase plans	52	555
Other financing activities, net	140	1,120
Net cash flows used in financing activities - continuing operations	(16,107)	(18,896)
Net cash flows used in financing activities - discontinued operations	(94)	(437)
Net cash flows used in financing activities	(16,201)	(19,333)
Net change in cash and cash equivalents	(68,436)	5,313
Cash and cash equivalents - unrestricted, beginning of period	98,632	9,194
Cash and cash equivalents - unrestricted, end of period	$ 30,196	$ 14,507

The accompanying notes are an integral part of these condensed consolidated financial statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION:

The condensed consolidated financial statements include the accounts of Gaylord Entertainment Company and subsidiaries (the "Company") and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the financial information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002, filed with the Securities and Exchange Commission. In the opinion of management, all adjustments necessary for a fair statement of the results of operations for the interim period have been included. All adjustments are of a normal, recurring nature. The results of operations for such interim period are not necessarily indicative of the results for the full year.

2. CONSTRUCTION FUNDING REQUIREMENTS

Additional long-term financing is required to fund the Company's construction commitments related to its hotel development projects and to fund its overall anticipated operating losses in 2003. As of March 31, 2003, the Company had $30.2 million in unrestricted cash in addition to the net cash flows from certain operations to fund its cash requirements including the Company's 2003 construction commitments related to its hotel construction projects. These resources are not adequate to fund all of the Company's 2003 construction commitments. As a result of these required future financing requirements, the Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements.

During the first quarter of 2003, the Company received a commitment for a $225 million credit facility arranged by Deutsche Bank Trust Company Americas, Bank of America, N.A., and CIBC Inc. (collectively, the "Lenders"). However, the commitment is subject to the completion of certain remaining due diligence by the Lenders and the Lenders have the right to revise the credit facility structure and/or decline to perform under the commitment if certain conditions are not fulfilled or if certain changes occur within the financial markets. The proceeds of this financing will be used to repay the Company's existing $60 million Term Loan and to complete the construction of the Texas hotel.

Management currently anticipates finalizing the long-term financing under the existing commitment from the Lenders and expects to close the financing during May 2003. If the Company is unable to secure a portion of the additional financing it is seeking, or if the timing of such financing is significantly delayed, the Company will be required to curtail certain of its development expenditures on current and future construction projects to ensure adequate liquidity to fund the Company's operations.

3. INCOME PER SHARE:

The weighted average number of common shares outstanding is calculated as follows:

(in thousands)	THREE MONTHS ENDED MARCH 31, 2003	2002
Weighted average shares outstanding	33,784	33,741
Effect of dilutive stock options	--	--
Weighted average shares outstanding - assuming dilution	33,784	33,741

For the three months ended March 31, 2003 and 2002, the Company's effect of dilutive stock options was the equivalent of 345 and 43,000 shares, respectively, of common stock outstanding. These incremental shares were excluded from the computation of diluted earnings per share as the effect of their inclusion would have been anti-dilutive.

4. COMPREHENSIVE INCOME:

Comprehensive income (loss) is as follows for the three months of the respective periods:

(in thousands)	THREE MONTHS ENDED MARCH 31, 2003	2002
Net loss	$(6,456)	$(8,147)
Unrealized gain (loss) on interest rate hedges	75	(148)
Foreign currency translation	--	792
Comprehensive loss	$(6,381)	$(7,503)

5. DISCONTINUED OPERATIONS:

In August 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 144, which superceded SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and the accounting and reporting provisions for the disposal of a segment of a business of Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". SFAS No. 144 retains the requirements of SFAS No. 121 for the recognition and measurement of an impairment loss and broadens the presentation of discontinued operations to include a component of an entity (rather than a segment of a business).

In accordance with the provisions of SFAS No. 144, the Company has presented the operating results, financial position, cash flows and any gain or loss on disposal of the following businesses as discontinued operations in its financial statements as of March 31, 2003 and December 31, 2002 and for the three months ended March 31, 2003 and 2002:

WSM-FM, WWTN(FM), Acuff-Rose Music Publishing, the Oklahoma Redhawks (the "Redhawks"), Word Entertainment ("Word") and the Company's international cable networks.

WSM-FM and WWTN(FM)

During the first quarter of 2003, the Company committed to a plan of disposal of WSM-FM and WWTN(FM) (collectively, the "Radio operations"). Subsequent to committing to a plan of disposal during the first quarter, the Company, through a wholly-owned subsidiary, entered into an agreement to sell the assets primarily used in the operations of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. ("Cumulus"), and the Company entered into a joint sales agreement with Cumulus for WSM-AM in exchange for approximately $65 million in cash. Consummation of the sale of assets is subject to customary closing conditions, including regulatory approvals, and is expected to take place in the second or third quarter of 2003. In connection with this agreement, the Company also entered into a local marketing agreement with Cumulus pursuant to which, from April 21, 2003 until the closing of the sale of the assets, the Company will, for a fee, make available to Cumulus substantially all of the broadcast time on WSM-FM and WWTN(FM). In turn, Cumulus will provide programming to be broadcast during such broadcast time and will collect revenues from the advertising that it sells for broadcast during this programming time. The Company will continue to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus will sell all of the commercial advertising on WSM-AM and provide certain sales promotion and billing and collection services relating to WSM-AM, all for a specified fee. The joint sales agreement has a term of five years.

Acuff-Rose Music Publishing

During the second quarter of 2002, the Company committed to a plan of disposal of its Acuff-Rose Music Publishing catalog entity. During the third quarter of 2002, the Company finalized the sale of the Acuff-Rose Music Publishing entity to Sony/ATV Music Publishing for approximately $157.0 million in cash before royalties payable to Sony for the period beginning July 1, 2002 until the sale date. Proceeds of $25.0 million were used to reduce the Company's outstanding indebtedness as further discussed in Note 6.

OKC Redhawks

During the first quarter of 2002, the Company committed to a plan of disposal of its ownership interests in the Redhawks, a minor league baseball team based in Oklahoma City, Oklahoma.

Word Entertainment

The Company committed to a plan to sell Word during the third quarter of 2001. As a result of the decision to sell Word, the Company reduced the carrying value of Word to its estimated fair value by recognizing a pretax charge of $29.0 million in discontinued operations during the third quarter of 2001. The estimated fair value of Word's net assets was determined based upon ongoing negotiations with potential buyers. During January 2002, the Company sold Word's domestic operations to an affiliate of Warner Music Group for $84.1 million in cash (subject to certain future purchase price adjustments). The Company recognized a pretax gain of $0.5 million during the three months ended March 31, 2002 related to the sale in discontinued operations in the accompanying condensed consolidated statements of operations. Proceeds from the sale of $80.0 million were used to reduce the Company's outstanding indebtedness as further discussed in Note 6.

International Cable Networks

On June 1, 2001, the Company adopted a formal plan to dispose of its international cable networks. During the first quarter of 2002, the Company finalized a transaction to sell certain assets of its Asia and Brazil networks. The terms of this transaction included the assignment of certain transponder leases, which resulted in a reduction of the Company's transponder lease liability and a related $3.8 million pretax gain which is reflected in discontinued operations in the accompanying condensed consolidated statements of operations. The Company guaranteed $0.9 million in future lease payments by the assignee, which is not included in the pretax gain above and continues to be reserved as a lease liability. In addition, the Company ceased its operations based in Argentina during 2002.

The following table reflects the results of operations of businesses accounted for as discontinued operations for the three months ended March 31:

(in thousands)	THREE MONTHS ENDED MARCH 31, 2003	2002
REVENUES:		
Radio operations	$ 2,731	$ 1,972
Acuff-Rose Music Publishing	--	3,250
Redhawks	81	114
Word	--	2,594
International cable networks	--	744
Total revenues of discontinued operations	$ 2,812	$ 8,674
OPERATING INCOME (LOSS):		
Radio operations	$ 425	$ (136)
Acuff-Rose Music Publishing	--	337
Redhawks	(647)	(814)
Word	--	(852)
International cable networks	--	(1,576)
Total operating loss of discontinued operations	(222)	(3,041)
INTEREST EXPENSE	--	(80)
INTEREST INCOME	2	23
OTHER GAINS AND LOSSES	155	4,969
Income (loss) before provision (benefit) for income taxes	(65)	1,871
PROVISION (BENEFIT) FOR INCOME TAXES	(232)	913
Income from discontinued operations	$ 167	$ 958

The assets and liabilities of the discontinued operations presented in the accompanying condensed consolidated balance sheets are comprised of:

(in thousands)	MARCH 31, 2003	DECEMBER 31, 2002
Current assets:		
Cash and cash equivalents	$ 1,647	$ 1,812
Trade receivables, less allowance of $202 and $490, respectively	1,930	1,600
Inventories	265	163
Prepaid expenses	328	127
Other current assets	36	393
Total current assets	4,206	4,095
Property and equipment, net of accumulated depreciation	5,064	5,157
Goodwill	3,527	3,527
Amortizable intangible assets, net of accumulated amortization	3,942	3,942
Other long-term assets	63	702
Total long-term assets	12,596	13,328
Total assets	$16,802	$17,423
Current liabilities:		
Current portion of long-term debt	$ --	$ 94
Accounts payable and accrued expenses	6,981	6,558
Total current liabilities	6,981	6,652
Other long-term liabilities	83	789
Total long-term liabilities	83	789
Total liabilities	7,064	7,441
Minority interest of discontinued operations	1,730	1,885
Total liabilities and minority interest of discontinued operations	$ 8,794	$ 9,326

6. DEBT:

2003 Loan
The Company anticipates finalizing, in May 2003, a $225 million credit facility ("2003 Loan") with Deutsche Bank, Bank of America and CIBC. The 2003 Loan will consist of a $25 million senior revolving facility, a $150 million senior term loan and a $50 million subordinated term loan. The 2003 Loan will be due in 2006. The senior loan is expected to bear interest at LIBOR plus 3.5%. The subordinated loan is expected to bear interest at LIBOR plus 8.0%. In addition, the Company will be required to pay a commitment fee equal to 0.5% per year of the average daily unused portion of the 2003 Loan. Proceeds of the 2003 Loan will be used to pay off the Term Loan as discussed below and the remaining proceeds will be deposited into an escrow account for the completion of the construction of the Texas hotel. The provisions of the 2003 Loan contain covenants and restrictions including compliance with certain financial covenants, restrictions on additional indebtedness, escrowed cash balances, as well as other customary restrictions. The terms of the 2003 Loan will require the Company to purchase interest rate swaps. The purchase of the interest rate swaps are expected to minimize the fluctuation in interest rate expense related to the 2003 Loan. The interest rate swaps related to the 2003 Loan are discussed in more detail in Note 8.

Term Loan
During 2001, the Company entered into a three-year delayed-draw senior term loan (the "Term Loan") of up to $210.0 million with Deutsche Banc Alex. Brown Inc., Salomon Smith Barney, Inc. and CIBC World Markets Corp. (collectively the "Banks"). Proceeds of the Term Loan were used to finance the construction of Gaylord Palms and the initial construction phases of the Gaylord hotel in Texas as well as for general operating purposes. The Term Loan is primarily secured by the Company's ground lease interest in Gaylord Palms. At the Company's option, amounts outstanding under the Term Loan bear interest at the prime interest rate plus 2.125% or the one-month Eurodollar rate plus 3.375%. The terms of the Term Loan required the purchase of interest rate hedges in notional amounts equal to $100.0 million in order to protect against adverse changes in the one-month Eurodollar rate. Pursuant to these agreements, the Company purchased instruments that cap its exposure to the one-month Eurodollar rate at 6.625% as discussed below and in Note 8. The Term Loan contains provisions that allow the Banks to syndicate the Term Loan, which could result in a change to the terms and structure of the Term Loan, including an increase in interest rates. In addition, the Company is required to pay a commitment fee equal to 0.375% per year of the average unused portion of the Term Loan.

During the first three months of 2002, the Company sold Word's domestic operations as described in Note 5, which required the prepayment of the Term Loan in the amount of $80.0 million. As required by the Term Loan, the Company used $15.9 million of the net cash proceeds, as defined under the Term Loan agreement, received from the 2002 sale of the Opry Mills investment to reduce the outstanding balance of the Term Loan. In addition, the Company used $25.0 million of the net cash proceeds, as defined under the Term Loan agreement, received from the 2002 sale of Acuff-Rose Music Publishing to reduce the outstanding balance of the Term Loan. During 2003 and 2002, the Company made principal payments of approximately $0 and $4.1 million, respectively, under the Term Loan. Net borrowings under the Term Loan for 2003 and 2002 were $0 and $85.0 million, respectively. As of March 31, 2003 and December 31, 2002, the Company had outstanding borrowings of $60.0 million under the Term Loan and was required to escrow certain amounts for Gaylord Palms. The Company's ability to borrow additional funds under the Term Loan expired during 2002. However, the lenders could reinstate the Company's ability to borrow additional funds at a future date.

The terms of the Term Loan required the Company to purchase an interest rate instrument which caps the interest rate paid by the Company. This instrument expired in the fourth quarter of 2002. Due to the expiration of the interest rate instrument, the Company was out of compliance with the terms of the Term Loan. Subsequent to December 31, 2002, the Company obtained a waiver from the lenders whereby this event of non-compliance was waived as of December 31, 2002 and also removed the requirement to maintain such instruments for the remaining term of the Term Loan. The maximum amount available under the Term Loan is reduced to $50.0 million in April 2004, with full repayment due in October 2004. Debt repayments under the Term Loan reduce the borrowing capacity and are not eligible to be re-borrowed. The Term Loan requires the Company to maintain certain escrowed cash balances and comply with certain financial covenants, and imposes limitations related to the payment of dividends, the incurrence of debt, the guaranty of liens, and the sale of assets, as well as other customary covenants and restrictions. At March 31, 2003 and December 31, 2002, the unamortized balance of the deferred financing costs related to the Term Loan was $1.8 million and $2.4 million, respectively. The weighted average interest rates, including amortization of deferred financing costs, under the Term Loan for the three months ended March 31, 2003 and 2002 were 9.6% and 13.0%, respectively. The weighted average interest rates for the three months ended March 31, 2003 and 2002 includes 4.8% and 7.8%, respectively, related to commitment fees and the amortization of deferred financing costs.

Senior Loan and Mezzanine Loan

In 2001, the Company, through wholly owned subsidiaries, entered into two loan agreements, a $275.0 million senior loan (the "Senior Loan") and a $100.0 million mezzanine loan (the "Mezzanine Loan") (collectively, the "Nashville Hotel Loans") with affiliates of Merrill Lynch & Company acting as principal. The Senior Loan is secured by a first mortgage lien on the assets of Gaylord Opryland and is due in 2004. Amounts outstanding under the Senior Loan bear interest at one-month LIBOR plus approximately 1.02%. The Mezzanine Loan, secured by the equity interest in the wholly-owned subsidiary that owns Gaylord Opryland, is due in 2004 and bears interest at one-month LIBOR plus 6.0%. At the Company's option, the Nashville Hotel Loans may be extended for two additional one-year terms beyond their scheduled maturities, subject to Gaylord Opryland meeting certain financial ratios and other criteria. The Company currently anticipates exercising the options to extend the Nashville Hotel Loans. The Nashville Hotel Loans require monthly principal payments of $0.7 million during their three-year terms in addition to monthly interest payments. The terms of the Senior Loan and the Mezzanine Loan required the Company to purchase interest rate hedges in notional amounts equal to the outstanding balances of the Senior Loan and the Mezzanine Loan in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, the Company has purchased instruments that cap its exposure to one-month LIBOR at 7.5% as discussed in Note 8. The Company used $235.0 million of the proceeds from the Nashville Hotel Loans to refinance the Interim Loan discussed below. At closing, the Company was required to escrow certain amounts, including $20.0 million related to future renovations and related capital expenditures at Gaylord Opryland. The net proceeds from the Nashville Hotel Loans after refinancing of the Interim Loan and paying required escrows and fees were approximately $97.6 million. At March 31, 2003 and December 31, 2002 the unamortized balance of the deferred financing costs related to the Nashville Hotel Loans was $5.8 million and $7.3 million, respectively. The weighted average interest rates for the Senior Loan for the three months ended March 31, 2003 and 2002, including amortization of deferred financing costs, were 4.3% and 4.4%, respectively. The weighted average interest rates for the Mezzanine Loan for the three months ended March 31, 2003 and 2002, including amortization of deferred financing costs, were 10.8% and 10.2%, respectively.

The terms of the Nashville Hotel Loans require that the Company maintain certain escrowed cash balances and comply with certain financial covenants, and impose limits on transactions with affiliates and indebtedness. The financial covenants under the Nashville Hotel Loans are structured such that noncompliance at one level triggers certain cash management restrictions and noncompliance at a second level results in an event of default. Based upon the financial covenant calculations at December 31, 2002, the cash management restrictions were in effect which requires that all excess cash flows, as defined, be escrowed and may be used to repay principal amounts owed on the Senior Loan. As of March 31, 2003, the second level default was cured and the cash management restrictions were lifted. During 2002, the Company negotiated certain revisions to the financial covenants under the Nashville Hotel Loans and the Term Loan. After these revisions, the Company was in compliance with the covenants under the Nashville Hotel Loans and the covenants under the Term Loan in which the failure to comply would result in an event of default at March 31, 2003 and December 31, 2002. There can be no assurance that the Company will remain in compliance with the covenants that would result in an event of default under the Nashville Hotel Loans or the Term Loan. The Company believes it has certain other possible alternatives to reduce borrowings outstanding under the Nashville Hotel Loans which would allow the Company to remedy any event of default. Any event of noncompliance that results in an event of default under the Nashville Hotel Loans or the Term Loan would enable the lenders to demand payment of all outstanding amounts, which would have a material adverse effect on the Company's financial position, results of operations and cash flows.

Interim Loan
During 2000, the Company entered into a six-month $200.0 million interim loan agreement (the "Interim Loan") with Merrill Lynch Mortgage Capital, Inc. During 2000, the Company utilized $83.2 million of the proceeds from the Interim Loan to prepay the remaining contract payments required by the SFEC discussed in Note 7. During 2001, the Company increased the borrowing capacity under the Interim Loan to $250.0 million. The Company used $235.0 million of the proceeds from the Nashville Hotel Loans discussed previously to refinance the Interim Loan during March 2001.

Accrued interest payable at March 31, 2003 and December 31, 2002 was $0.5 million and $0.6 million, respectively, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

7. SECURED FORWARD EXCHANGE CONTRACT:

During May 2000, the Company entered into a seven-year secured forward exchange contract ("SFEC") with an affiliate of Credit Suisse First Boston with respect to 10,937,900 shares of Viacom Stock. The seven-year SFEC has a notional amount of $613.1 million and required contract payments based upon a stated 5% rate. The SFEC protects the Company against decreases in the fair market value of the Viacom Stock while providing for participation in increases in the fair market value, as discussed below. The Company realized cash proceeds from the SFEC of $506.5 million, net of discounted prepaid contract payments and prepaid interest related to the first 3.25 years of the contract and transaction costs totaling $106.6 million. In October 2000, the Company prepaid the remaining 3.75 years of contract interest payments required by the SFEC of $83.2 million. As a result of the prepayment, the Company will not be required to make any further contract payments during the seven-year term of the SFEC. Additionally, as a result of the prepayment, the Company was released from certain covenants of the SFEC, which related to sales of assets, additional indebtedness and liens. The unamortized balances of the prepaid contract interest are classified as current assets of $26.9 million as of March 31, 2003 and December 31, 2002 and long-term assets of $84.6 million and $91.2 million in the accompanying consolidated balance sheets as of March 31, 2003 and December 31, 2002, respectively. The Company is recognizing the prepaid contract payments and deferred financing charges associated with the SFEC as interest expense over the seven-year contract period using the effective interest method.

In accordance with the provisions of SFAS No. 133, as amended, certain components of the secured forward exchange contract are considered derivatives, as discussed in Note 8.

8. DERIVATIVE FINANCIAL INSTRUMENTS:

The Company is expected to purchase interest rate swaps as required by the 2003 Loans as discussed in Note 6. The interest rate swap will hedge the variable interest rate for a fixed interest rate and will minimize the fluctuation in interest rate expense related to the 2003 Loan.

The Company utilizes derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of its Viacom Stock. For the three months ended March 31, 2003, the Company recorded net pretax gains in the Company's consolidated statement of operations of $39.5 million related to the increase in the fair value of the derivatives associated with the SFEC. For the three months ended March 31, 2002, the Company recorded net pretax losses in the Company's consolidated statement of operations of $29.7 million related to the decrease in the fair value of the derivatives associated with the SFEC.

During 2001, the Company entered into three contracts to cap its interest rate risk exposure on its long-term debt. Two of the contracts cap the Company's exposure to one-month LIBOR rates on up to $375.0 million of outstanding indebtedness at 7.5%. Another interest rate cap, which caps the Company's exposure on one-month Eurodollar rates on up to $100.0 million of outstanding indebtedness at 6.625%, expired in October 2002. These interest rate caps qualify for treatment as cash flow hedges in accordance with the provisions of SFAS No. 133, as amended. As such, the effective portion of the gain or loss on the derivative instrument is initially recorded in accumulated other comprehensive income as a separate component of stockholder's equity and subsequently reclassified into earnings in the period during which the hedged transaction is recognized in earnings. The ineffective portion of the gain or loss, if any, is reported in income (expense) immediately.

9. RESTRUCTURING CHARGES:

The following table summarizes the activities of the restructuring charges for the three months ended March 31, 2003:

(in thousands)	BALANCE AT DECEMBER 31, 2002	RESTRUCTURING CHARGES AND ADJUSTMENTS	PAYMENTS	BALANCE AT MARCH 31, 2003
2001 restructuring charges	$ 431	$ --	$ 104	$ 327
2000 restructuring charges	270	--	21	249
	$ 701	$ --	$ 125	$ 576

2001 Restructuring Charges
During 2001, the Company recognized net pretax restructuring charges from continuing operations of $5.8 million related to streamlining operations and reducing layers of management. These restructuring charges were recorded in accordance with EITF No. 94-3. During the second quarter of 2002, the Company entered into two subleases to lease certain office space the Company previously had recorded in the 2001 restructuring charges. As a result, the Company reversed $0.9 million of the 2001 restructuring charges during 2002 related to continuing operations based upon the occurrence of certain triggering events. Also during the second quarter of 2002, the Company evaluated the 2001 restructuring accrual and determined certain severance benefits and outplacement agreements had expired and adjusted the previously recorded amounts by $0.2 million. As of March 31, 2003, the Company has recorded cash payments of $4.5 million against the 2001 restructuring accrual. The remaining balance of the 2001 restructuring accrual at March 31, 2003 of $0.3 million is included in accounts payable and accrued liabilities in the consolidated balance sheets. The Company expects the remaining balances of the 2001 restructuring accrual to be paid during 2003.

2000 Restructuring Charges
As part of the Company's 2000 strategic assessment, the Company recognized pretax restructuring charges of $13.1 million related to continuing operations during 2000, in accordance with EITF Issue No. 94-3. Additional restructuring charges of $3.2 million during 2000 were included in discontinued operations. During the second quarter of 2002, the Company entered into a sublease that reduced the liability the Company was originally required to pay and the Company reversed $0.1 million of the 2000 restructuring charge related to the reduction in required payments. During 2001, the Company negotiated reductions in certain contract termination costs, which allowed the reversal of $3.7 million of the restructuring charges originally recorded during 2000. As of March 31, 2003, the Company has recorded cash payments of $9.4 million against the 2000 restructuring accrual related to continuing operations. The remaining balance of the 2000 restructuring accrual at March 31, 2003 of $0.2 million, from continuing operations, is included in accounts payable and accrued liabilities in the consolidated balance sheets, which the Company expects to be paid during 2003.

10. SUPPLEMENTAL CASH FLOW DISCLOSURES:

Cash paid for interest related to continuing operations for the three months ended March 31, 2003 and 2002 was comprised of:

(in thousands)	THREE MONTHS ENDED MARCH 31, 2003	2002
Debt interest paid	$ 3,208	$ 4,526
Capitalized interest	(2,718)	(1,661)
Cash interest paid, net of capitalized interest	$ 490	$ 2,865

Income tax refunds received were $1.5 million and $0 million for the three months ended March 31, 2003 and 2002 respectively.

11. GOODWILL AND INTANGIBLES:

In June 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 supersedes APB Opinion No. 16, "Business Combinations" and requires the use of the purchase method of accounting for all business combinations prospectively. SFAS No. 141 also provides guidance on recognition of intangible assets apart from goodwill. SFAS No. 142 supercedes APB Opinion No. 17, "Intangible Assets", and changes the accounting for goodwill and intangible assets. Under SFAS No. 142, goodwill and intangible assets with indefinite useful lives will not be amortized but will be tested for impairment at least annually and whenever events or circumstances occur indicating that these intangible assets may be impaired. The Company adopted the provisions of SFAS No. 141 in June of 2001. The Company adopted the provisions of SFAS No. 142 effective January 1, 2002, and as a result, the Company ceased the amortization of goodwill on that date.

The transitional provisions of SFAS No. 142 required the Company to perform an assessment of whether goodwill was impaired at the beginning of the fiscal year in which the statement is adopted. Under the transitional provisions of SFAS No. 142, the first step was for the Company to evaluate whether the reporting unit's carrying amount exceeded its fair value. If the reporting unit's carrying amount exceeds it fair value, the second step of the impairment test would be completed. During the second step, the Company compared the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets and liabilities in a manner similar to a purchase price allocation in accordance with SFAS No. 141, to its carrying amount.

The Company completed the transitional goodwill impairment reviews required by SFAS No. 142 during the second quarter of 2002. In performing the impairment reviews, the Company estimated the fair values of the reporting units using a present value method that discounted estimated future cash flows. Such valuations are sensitive to assumptions associated with cash flow growth, discount rates and capital rates. In performing the impairment reviews, the Company determined one reporting unit's goodwill to be impaired. Based on the estimated fair value of the reporting unit, the Company impaired the recorded goodwill amount of $4.2 million associated with the Radisson Hotel at Opryland in the hospitality segment. The circumstances leading to the goodwill impairment assessment for the Radisson Hotel at Opryland primarily relate to the effect of the September 11, 2001 terrorist attacks on the hospitality and tourism industries. In accordance with the provisions of SFAS No. 142, the Company has reflected the impairment charge as a cumulative effect of a change in accounting principle in the amount of $2.6 million, net of tax benefit of $1.6 million, as of January 1, 2002 in the accompanying condensed consolidated statements of operations.

The Company performed the annual impairment review on all goodwill at December 31, 2002 and determined that no further impairment, other than the goodwill impairment of the Radisson Hotel at Opryland as discussed above, would be required during 2002.

During the three months ended March 31, 2003, there were no changes to the carrying amounts of goodwill. The carrying amounts of goodwill are included in the Attractions and Opry Group at March 31, 2003 and December 31, 2002.

The Company also reassessed the useful lives and classification of identifiable finite-lived intangible assets, at December 31, 2002, and determined the lives of these intangible assets to be appropriate. The carrying amount of amortized intangible assets in continuing operations, including the intangible assets related to benefit plans, was $2.4 million at March 31, 2003 and December 31, 2002. The related accumulated amortization of intangible assets in continuing operations was $454,000 and $445,000 at March 31, 2003 and December 31, 2002, respectively. The amortization expense related to intangibles from continuing operations during the three months ended March 31, 2003 and 2002 was $10,000 and $14,000, respectively. The estimated amounts of amortization expense for the next five years are equivalent to $58,000 per year.

12. STOCK PLANS:

SFAS No. 123, "Accounting for Stock-Based Compensation", encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for employee stock-based compensation using the intrinsic value method as prescribed in APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations, under which no compensation cost related to employee stock options has been recognized. In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of SFAS No. 123". SFAS No. 148 amends SFAS No. 123 to provide two additional methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. This statement also amends the disclosure requirements of SFAS No. 123 to require certain disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company adopted the amended disclosure provisions of SFAS No. 148 on December 31, 2002 and the information contained in this report reflects the disclosure requirements of the new pronouncement. The Company will continue to account for employee stock-based compensation in accordance with APB Opinion No. 25.

If compensation cost for these plans had been determined consistent with the provisions of SFAS No. 123, the Company's net income (loss) and income (loss) per share for the three months ended March 31, 2003 and 2002 would have been reduced (increased) to the following pro forma amounts:

(net loss in thousands)
(per share data in dollars)

	2003	2002
Net loss:		
As reported	$(6,456)	$ (8,147)
Stock-based employee compensation, net of tax effect	795	641
Pro forma	$(7,251)	$ (8,788)
Net loss per share:		
As reported	$ (0.19)	$ (0.24)
Pro forma	$ (0.21)	$ (0.26)
Net loss per share assuming dilution:		
As reported	$ (0.19)	$ (0.24)
Pro forma	$ (0.21)	$ (0.26)

At March 31, 2003 and December 31, 2002, 3,678,211 and 3,241,037 shares, respectively, of the Company's common stock were reserved for future issuance pursuant to the exercise of stock options under the stock option and incentive plan. Under the terms of this plan, stock options are granted with an exercise price equal to the fair market value at the date of grant and generally expire ten years after the date of grant. Generally, stock options granted to non-employee directors are exercisable immediately, while options granted to employees are exercisable two to five years from the date of grant. The Company accounts for this plan under APB Opinion No. 25 and related interpretations, under which no compensation expense for employee and non-employee director stock options has been recognized.

The plan also provides for the award of restricted stock. At March 31, 2003 and December 31, 2002, awards of restricted stock of 93,275 and 86,025 shares, respectively, of common stock were outstanding. The market value at the date of grant of these restricted shares was recorded as unearned compensation as a component of stockholders' equity. Unearned compensation is amortized and expensed over the vesting period of the restricted stock.

The Company has an employee stock purchase plan whereby substantially all employees are eligible to participate in the purchase of designated shares of the Company's common stock at a price equal to the lower of 85% of the closing price at the beginning or end of each quarterly stock purchase period. The Company issued 3,413 and 2,031 shares of common stock at an average price of $15.28 and $21.21 pursuant to this plan during the three months ended March 31, 2003 and 2002, respectively.

13. RETIREMENT PLANS AND RETIREMENT SAVINGS PLAN:

Effective December 31, 2001, the Company amended its retirement plans and its retirement savings plan. As a result of these amendments, the retirement cash balance benefit was frozen and the policy related to future Company contributions to the retirement savings plan was changed. The Company recorded a pretax charge of $5.7 million in the first quarter of 2002 related to the write-off of unamortized prior service cost in accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", and related interpretations, which is included in selling, general and administrative expenses. In addition, the Company amended the eligibility requirements of its postretirement benefit plans effective December 31, 2001. In connection with the amendment and curtailment of the plans and in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and related interpretations, the Company recorded a gain of $2.1 million which is reflected as a reduction in corporate and other selling, general and administrative expenses in the first quarter of 2002.

14. FINANCIAL REPORTING BY BUSINESS SEGMENTS:

The Company's continuing operations are organized and managed based upon its products and services. The Company has restated its reportable segments during the first quarter of 2003 primarily due to the Company's decision to dispose of WSM-FM and WWTN(FM). Prior year information has been restated to conform to the 2003 presentation. The following information from continuing operations is derived directly from the segments' internal financial reports used for corporate management purposes.

(in thousands)	THREE MONTHS ENDED MARCH 31, 2003	THREE MONTHS ENDED MARCH 31, 2002
Revenues:		
Hospitality	$ 99,515	$ 80,296
Attractions and Opry Group	14,817	19,305
Corporate and other	48	56
Total	$ 114,380	$ 99,657
Depreciation and amortization:		
Hospitality	$ 11,608	$ 12,329
Attractions and Opry Group	1,404	1,490
Corporate and other	1,561	1,411
Total	$ 14,573	$ 15,230
Operating income (loss):		
Hospitality	$ 18,626	$ 3,527
Attractions and Opry Group	(1,597)	(836)
Corporate and other	(10,491)	(12,933)
Preopening costs	(1,580)	(5,429)
Total	$ 4,958	$ (15,671)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS SEGMENTS

The Company has restated its reportable segments during the first quarter of 2003 primarily due to the Company's decision to dispose of WSM-FM and WWTN(FM). Prior year information has been restated to conform to the 2003 presentation. Gaylord Entertainment Company is a diversified hospitality and entertainment company operating, through its subsidiaries, principally in three business segments: hospitality; attractions and Opry group; and corporate and other. The Company is managed using the three business segments described above.

CONSTRUCTION COMMITMENTS

Additional long-term financing is required to fund the Company's construction commitments related to its hotel development projects and to fund its overall anticipated operating losses in 2003. As of March 31, 2003, the Company had $30.2 million in unrestricted cash in addition to the net cash flows from certain operations to fund its cash requirements including the Company's 2003 construction commitments related to its hotel construction projects. These resources are not adequate to fund all of the Company's 2003 construction commitments. As a result of these required future financing requirements, the Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements.

During the first quarter of 2003, the Company received a commitment for a $225 million credit facility arranged by Deutsche Bank Trust Company Americas, Bank of America, N.A., and CIBC Inc. (collectively, the "Lenders"). However, the commitment is subject to the completion of certain remaining due diligence by the Lenders and the Lenders have the right to revise the credit facility structure and/or decline to perform under the commitment if certain conditions are not fulfilled or if certain changes occur within the financial markets. The proceeds of this financing will be used to repay the Company's existing $60 million Term Loan and to complete the construction of the Texas hotel.

Management currently anticipates finalizing the long-term financing under the existing commitment from the Lenders and expects to close the financing during May 2003. If the Company is unable to secure a portion of the additional financing it is seeking, or if the timing of such financing is significantly delayed, the Company will be required to curtail certain of its development expenditures on current and future construction projects to ensure adequate liquidity to fund the Company's operations.

CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. Accounting estimates are an integral part of the preparation of the consolidated financial statements and the financial reporting process and are based upon current judgments. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Certain accounting estimates are particularly sensitive because of their complexity and the possibility that future events affecting them may differ materially from the Company's current judgments and estimates.

This listing of critical accounting policies is not intended to be a comprehensive list of all of the Company's accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles, with no need for management's judgment regarding the accounting policy. The Company believes that of its significant accounting policies, the following may involve a higher degree of judgment and complexity.

Revenue Recognition

The Company recognizes revenue from its rooms as earned on the close of business each day. Revenues from concessions and food and beverage sales are recognized at the time of the sale. The Company recognizes revenues from the attractions and Opry group segment when services are provided or goods are shipped, as applicable. Provision for returns and other adjustments are provided for in the same period the revenues are recognized. The Company defers revenues related to deposits on advance room bookings and advance ticket sales at the Company's tourism properties until such amounts are earned.

Impairment of Long-Lived Assets and Goodwill

In accounting for the Company's long-lived assets other than goodwill, the Company applies the provisions of Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". In June 2001, SFAS No. 142, "Goodwill and Other Intangible Assets" was issued. SFAS No. 142 was effective January 1, 2002. Under SFAS No. 142, goodwill and other intangible assets with indefinite useful lives are no longer amortized but will be tested for impairment at least annually and whenever events or circumstances occur indicating that these intangibles may be impaired. The determination and measurement of an impairment loss under these accounting standards require the significant use of judgment and estimates. The determination of fair value of these assets and the timing of an impairment charge are two critical components of recognizing an asset impairment charge that are subject to the significant use of judgment and estimation. Future events may indicate differences from these judgments and estimates.

Restructuring Charges

Historically, the Company has recognized restructuring charges in accordance with Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" in its consolidated financial statements. Effective January 1, 2003 all future restructuring charges will be recorded in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". Restructuring charges are based upon certain estimates of liabilities related to costs to exit an activity. Liability estimates may change as a result of future events, including negotiation of reductions in contract termination liabilities and expiration of outplacement agreements.

Derivative Financial Instruments

The Company utilizes derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of certain owned marketable securities. The Company records derivatives in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which was subsequently amended by SFAS No. 138. SFAS No. 133, as amended, established accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires all derivatives to be recognized in the statement of financial position and to be measured at fair value. Changes in the fair value of those instruments will be reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting. The measurement of the derivative's fair value requires the use of estimates and assumptions. Changes in these estimates or assumptions could materially impact the determination of the fair value of the derivatives.

RESULTS OF OPERATIONS

The following table contains unaudited selected summary financial data from continuing operations for the three month periods ended March 31, 2003 and 2002. The table also shows the percentage relationships to total revenues and, in the case of segment operating income (loss), its relationship to segment revenues.

(in thousands)	THREE MONTHS ENDED MARCH 31, 2003	%	2002	%
Revenues:				
Hospitality	$ 99,515	87.0	$ 80,296	80.6
Attractions and Opry group	14,817	13.0	19,305	19.4
Corporate and other	48	--	56	--
Total revenues	114,380	100.0	99,657	100.0
Operating expenses:				
Operating costs	65,696	57.4	68,182	68.4
Selling, general & administrative	27,573	24.1	26,487	26.6
Preopening costs	1,580	1.4	5,429	5.4
Depreciation and amortization:				
Hospitality	11,608		12,329	
Attractions and Opry group	1,404		1,490	
Corporate and other	1,561		1,411	
Total depreciation and amortization	14,573	12.8	15,230	15.3
Total operating expenses	109,422	95.7	115,328	115.7
Operating income (loss):				
Hospitality	18,626	18.7	3,527	4.4
Attractions and Opry group	(1,597)	(10.8)	(836)	(4.3)
Corporate and other	(10,491)	--	(12,933)	--
Preopening costs	(1,580)	--	(5,429)	--
Total operating income (loss)	4,958	4.3	(15,671)	(15.7)
Interest expense, net of amounts capitalized	(9,372)	--	(11,601)	--
Interest income	519	--	527	--
Gain (loss) on Viacom and derivatives, net	(7,187)	--	16,736	--
Other gains and losses	223	--	(618)	--
Benefit for income taxes	4,236	--	4,094	--
Income from discontinued operations, net of taxes	167	--	958	--
Cumulative effect of accounting change, net of taxes	--	--	(2,572)	--
Net loss	$ (6,456)	--	$ (8,147)	--

PERIOD ENDED MARCH 31, 2003 COMPARED TO PERIOD ENDED MARCH 31, 2002

HOSPITALITY

The Hospitality segment comprises the operations of the Gaylord Hotel properties and the Radisson Hotel at Opryland. The Gaylord Hotel properties consist of the Gaylord Opryland Resort and Convention Center located in Nashville, Tennessee ("Gaylord Opryland") and the Gaylord Palms Resort and Convention Center located in Kissimmee, Florida ("Gaylord Palms").

The Company considers Revenue per Available Room (RevPAR) to be a meaningful indicator of our hospitality segment performance because it measures the period over period change in room revenues. The Company calculates RevPAR by dividing room sales for comparable properties by room nights available to guests for the period. RevPAR is not comparable to similarly titled measures such as revenues. Occupancy, average daily rate and RevPAR for Gaylord Opryland and Gaylord Palms, subsequent to its January 2002 opening, are shown in the following table.

	For the three months ended March 31,	
	2003	2002
Gaylord Opryland		
Occupancy	77.91%	64.76%
Average Daily Rate	$135.10	$139.75
RevPAR	$105.26	$ 90.50
Gaylord Palms		
Occupancy	76.38%	71.54%
Average Daily Rate	$188.71	$180.40
RevPAR	$144.14	$129.07

Total revenues in the hospitality segment increased $19.2 million, or 23.9%, to $99.5 million in the first three months of 2003. The increase in revenues was attributable to higher revenues at Gaylord Opryland and Gaylord Palms. Revenue of Gaylord Palms increased $9.9 million, to $42.9 million, for the three months ended March 31, 2003 as compared to the period ended March 31, 2002 subsequent to its January 2002 opening. Revenue of Gaylord Opryland increased $9.2 million, to $55.0 million, for the three months ended March 31, 2003 compared to the same period of 2002. Revenues increased for Gaylord Opryland and Gaylord Palms due the increase in occupancy and RevPAR as displayed in the table above. The increase in occupancy is attributable to higher customer satisfaction, as well as the lower than anticipated results in 2002 due to the effects of the September 11, 2001 terrorist attacks.

Total operating expenses, which consists of direct operating costs and selling, general and administrative expenses, in the hospitality segment increased $4.8 million, or 7.5%, to $69.3 million in the first three months of 2003 as compared to the same period in 2002. Gaylord Palms operating expenses increased $3.6 million, to $29.3 million and Gaylord Opryland operating expenses increased $1.1 million, to $38.8 million.

Operating costs consists of direct costs associated with the daily operations of the Company's assets. Operating costs in the hospitality segment increased $2.3 million, or 4.5%, to $53.8 million. Operating costs at Gaylord Opryland increased

$2.0 million, to $31.9 million primarily due to higher costs associated with the increased revenues. The increase of operating costs at Gaylord Opryland is also due to increased utilities expense primarily the natural gas expense increase of $0.6 million. Operating costs at Gaylord Palms increased $0.3 million, to $21.1 million primarily due to higher costs associated with the increased revenues.

Selling, general and administrative expenses consists of administrative and overhead costs. Selling, general and administrative expenses in the hospitality segment increased $2.5 million, or 19.4%, to $15.5 million, for the three months ended March 31, 2003 compared to the same period ended 2002. Selling, general and administrative expenses at Gaylord Palms increased $3.3 million, to $8.2 million, for the three months ended March 31, 2003 as compared to the period ended March 31, 2002 subsequent to the January 2002 opening primarily due to increased bonus accruals and additional positions filled since the January 2002 opening. Selling, general and administrative expenses at Gaylord Opryland decreased $0.8 million, to $6.9 million primarily due to less advertising expenses associated with local events that are not recurring in 2003.

ATTRACTIONS AND OPRY GROUP

The Attractions and Opry Group consists of the Grand Ole Opry, WSM-AM, the Ryman Auditorium, the General Jackson showboat, the Springhouse Golf Course and Corporate Magic, a company specializing in the production of creative and entertainment events in support of the corporate and meeting marketplace.

Revenues in the Attractions and Opry Group segment decreased $4.5 million, or 23.2%, to $14.8 million for the three months ended March 31, 2003 as compared to the three months ended March 31, 2002. The decrease in revenues in the Attractions and Opry Group are primarily due to a $5.3 million decrease at Corporate Magic due to decreased corporate spending during the first quarter of 2003, as compared to the same period of 2002.

Total operating expenses in the Attractions and Opry Group segment decreased $3.6 million, or 19.5%, to $15.0 million for the three months ended March 31, 2003 as compared to the three months ended March 31, 2002. The decrease in total operating expense is primarily due to the decrease in operating expenses of Corporate Magic as discussed below.

Operating costs of the Attractions and Opry Group segment decreased $5.2 million, or 34.3%, to $9.9 million for the three months ended March 31, 2003 as compared to the same period of 2002. The decrease in operating costs is attributable to the decrease of operating costs of Corporate Magic. The operating costs of Corporate Magic decreased $4.5 million, to $4.5 million for the three months ended March 31, 2003 as compared to the three months ended March 31, 2002. The decrease in Corporate Magic operating costs during 2003 is attributable to the decrease in revenue.

Selling, general and administrative expenses of the Attractions and Opry Group increased $1.6 million for the three months ended March 31, 2003 as compared to the three months ended March 31, 2002. The increase in selling, general and administrative expenses is primarily due to the increase in certain profit sharing and bonus plan expenses.

CORPORATE AND OTHER

Corporate and Other consists of the naming rights agreement, salaries and benefits, legal, human resources, accounting, pension and other administrative costs. Total operating expenses in the Corporate and Other segment decreased $2.6 million, or 22.5%, to $9.0 million during the three months ended March 31, 2003 as compared to the three months ended March 31, 2002. Effective December 31, 2001, the Company amended its retirement plans and its retirement savings plan. As a result of these amendments, the retirement cash balance benefit was frozen and the policy related to future Company contributions to the retirement savings plan was changed. The Company recorded a pretax charge of $5.7 million in the first quarter of 2002 related to the write-off of unamortized prior service cost in accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", and related interpretations, which is included in selling, general and administrative expenses. In addition, the Company amended the eligibility requirements of its postretirement benefit plans effective December 31, 2001. In connection with the amendment and curtailment of the plans and in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and related interpretations, the Company recorded a gain of $2.1 million which is reflected as a reduction in corporate and other selling, general and administrative expenses in the first quarter of 2002. The change in operating costs associated with the change in pension plans was a net increase of selling, general and administrative costs in 2002 of $3.3 million. These nonrecurring gains and losses were recorded in the corporate and other segment and were not allocated to the Company's other operating segments.

PREOPENING COSTS

Preopening costs are costs related to the Company's hotel development activities. Preopening costs decreased $3.8 million, or 70.9%, to $1.6 million for the three months ended March 31, 2003 as compared to the three months ended March 31, 2002. The decrease in preopening costs is attributable to the opening of Gaylord Palms in January 2002. Preopening costs for the periods ending March 31 are as follows:

(in thousands)

	2003	2002
Gaylord Palms	$ --	$ 4,805
Texas hotel	1,542	624
Other preopening	38	--
Total preopening costs	$1,580	$ 5,429

The Company expects preopening costs to increase during the remainder of 2003 as a result of the Texas hotel which is scheduled to open in April 2004. The Company anticipates preopening costs associated with the Texas hotel to total $9.7 million for the twelve months ended December 31, 2003.

Consolidated Operating Income (Loss)

Total operating income increased $20.6 million from an operating loss to operating income of $5.0 million in the three month period ended March 31, 2003 as compared to the three months ended March 31, 2002. Operating income in the hospitality segment increased $15.1 million during the first three months of 2003 primarily as a result of Gaylord Palms and Gaylord Opryland increased revenue. Operating income of the attractions and Opry group segment decreased $0.8 million to an operating loss of $1.6 million for the first three months of 2003. The operating income of the attractions and Opry group segment decreased as a result of decreased operating income of Corporate Magic of $0.5 million due to decreased corporate spending and a reduction in corporate events for the first three months of 2003 as compared to the first three months of 2002. Operating loss of the corporate and other segment decreased $2.4 million during the first three months of 2003 primarily due to the net charges related to the Company's amendment of its retirement plans, retirement savings plan and postretirement benefits plans discussed above.

Consolidated Interest Expense

Consolidated interest expense, including amortization of deferred financing costs, decreased $2.2 million to $9.4 million for the first quarter of 2003. The decrease in the first three months of 2003 was primarily caused by an increase in capitalized interest of $1.1 million related to the increase in capitalized interest of the Texas hotel during the first quarter of 2003. The decrease in interest expense is also attributable to lower average borrowing levels and lower weighted average interest rates. The Company's weighted average interest rate on its borrowings, including the interest expense related to the secured forward exchange contract, was 5.1% in the first three months of 2003 as compared to 5.3% in the first three months of 2002.

Consolidated Interest Income

Interest income remained constant at $0.5 million for the first three months of 2003 as compared to the first three months of 2002.

Unrealized Gain (Loss) on Viacom Stock and Derivatives

During 2000, the Company entered into a seven-year secured forward exchange contract with respect to 10.9 million shares of its Viacom stock investment. Effective January 1, 2001, the Company adopted the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended, and reclassified its investment in Viacom stock from available-for-sale to trading. Under SFAS No. 133, components of the secured forward exchange contract are considered derivatives.

For the three months ended March 31, 2003, the Company recorded net pretax losses of $46.7 million related to the decrease in fair value of the Viacom Stock. For the three months ended March 31, 2003, the Company recorded net pretax gains of $39.5 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract. For the three months ended March 31, 2002, the Company recorded net pretax gains of $46.4 million related to the increase in fair value of the Viacom Stock. For the three months ended March 31, 2002, the Company recorded net pretax losses of $29.7 million related to the decrease in fair value of the derivatives associated with the secured forward exchange contract.

Consolidated Other Gains and Losses

Other gains and losses increased $0.8 million during the three months ended March 31, 2003 as compared to the same period in 2002.

Consolidated Income Taxes

The benefit for income taxes increased $0.1 million to a $4.2 million benefit in the first quarter of 2003. The effective tax rate for income taxes was 39.0% for the first three months of 2003 compared to 38.5% for the first three months of 2002.

Discontinued Operations

In accordance with the provisions of SFAS No. 144, the Company has presented the operating results, financial position, cash flows and any gain or loss on disposal of the following businesses as discontinued operations in its financial statements as of March 31, 2003 and December 31, 2002 and for the three months ended March 31, 2003 and 2002: WSM-FM, WWTN(FM), Acuff-Rose Music Publishing, the Oklahoma Redhawks (the "Redhawks"), Word Entertainment ("Word") and the Company's international cable networks.

WSM-FM and WWTN(FM)

During the first quarter of 2003, the Company committed to a plan of disposal of WSM-FM and WWTN(FM) (collectively, the "Radio operations"). Subsequent to committing to a plan of disposal during the first quarter, the Company, through a wholly-owned subsidiary, entered into an agreement to sell the assets primarily used in the operations of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. ("Cumulus"), and the Company entered into a joint sales agreement with Cumulus for WSM-AM in exchange for approximately $65 million in cash. Consummation of the sale of assets is subject to customary closing conditions, including regulatory approvals, and is expected to take place in the second or third quarter of 2003. In connection with this agreement, the Company also entered into a local marketing agreement with Cumulus pursuant to which, from April 21, 2003 until the closing of the sale of the assets, the Company will, for a fee, make available to Cumulus substantially all of the broadcast time on WSM-FM and WWTN(FM). In turn, Cumulus will provide programming to be broadcast during such broadcast time and will collect revenues from the advertising that it sells for broadcast during this programming time. The Company will continue to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus will sell all of the commercial advertising on WSM-AM and provide certain sales promotion and billing and collection services relating to WSM-AM, all for a specified fee. The joint sales agreement has a term of five years.

Acuff-Rose Music Publishing

During the second quarter of 2002, the Company committed to a plan of disposal of its Acuff-Rose Music Publishing catalog entity. During the third quarter of 2002, the Company finalized the sale of the Acuff-Rose Music Publishing entity to Sony/ATV Music Publishing for approximately $157.0 million in cash before royalties payable to Sony for the period beginning July 1, 2002. Proceeds of $25.0 million were used to reduce the Company's outstanding indebtedness.

OKC Redhawks

During the first quarter of 2002, the Company committed to a plan of disposal of its ownership interests in the Redhawks, a minor league baseball team based in Oklahoma City, Oklahoma.

Word Entertainment

The Company committed to a plan to sell Word during the third quarter of 2001. As a result of the decision to sell Word, the Company reduced the carrying value of Word to its estimated fair value by recognizing a pretax charge of $29.0 million in discontinued operations during the third quarter of 2001. The estimated fair value of Word's net assets was determined based upon ongoing negotiations with potential buyers. During January 2002, the Company sold Word's domestic operations to an affiliate of Warner Music Group for $84.1 million in cash (subject to certain future purchase price adjustments). The Company recognized a pretax gain of $0.5 million during the three months ended March 31, 2002 related to the sale in discontinued operations. Proceeds from the sale of $80.0 million were used to reduce the Company's outstanding indebtedness.

International Cable Networks

On June 1, 2001, the Company adopted a formal plan to dispose of its international cable networks. During the first quarter of 2002, the Company finalized a transaction to sell certain assets of its Asia and Brazil networks. The terms of this transaction included the assignment of certain transponder leases, which resulted in a reduction of the Company's transponder lease liability and a related $3.8 million pretax gain which is reflected in discontinued operations in the accompanying condensed consolidated statements of operations. The Company guaranteed $0.9 million in future lease payments by the assignee, which is not included in the pretax gain above and continues to be reserved as a lease liability. In addition, the Company ceased its operations based in Argentina during 2002.

The following table reflects the results of operations of businesses accounted for as discontinued operations for the three months ended March 31:

(in thousands)	THREE MONTHS ENDED MARCH 31, 2003	THREE MONTHS ENDED MARCH 31, 2002
REVENUES:		
Radio operations	$ 2,731	$ 1,972
Acuff-Rose Music Publishing	--	3,250
Redhawks	81	114
Word	--	2,594
International cable networks	--	744
Total revenues of discontinued operations	$ 2,812	$ 8,674
OPERATING INCOME (LOSS):		
Radio operations	$ 425	$ (136)
Acuff-Rose Music Publishing	--	337
Redhawks	(647)	(814)
Word	--	(852)
International cable networks	--	(1,576)
Total operating loss of discontinued operations	(222)	(3,041)
INTEREST EXPENSE	--	(80)
INTEREST INCOME	2	23
OTHER GAINS AND LOSSES	155	4,969
Income (loss) before provision (benefit) for income taxes	(65)	1,871
PROVISION (BENEFIT) FOR INCOME TAXES	(232)	913
Income from discontinued operations	$ 167	$ 958

The assets and liabilities of the discontinued operations presented in the accompanying condensed consolidated balance sheets are comprised of:

(in thousands)	MARCH 31, 2003	DECEMBER 31, 2002
Current assets:		
Cash and cash equivalents	$ 1,647	$ 1,812
Trade receivables, less allowance of $202 and $490, respectively	1,930	1,600
Inventories	265	163
Prepaid expenses	328	127
Other current assets	36	393
Total current assets	4,206	4,095
Property and equipment, net of accumulated depreciation	5,064	5,157
Goodwill	3,527	3,527
Amortizable intangible assets, net of accumulated amortization	3,942	3,942
Other long-term assets	63	702
Total long-term assets	12,596	13,328
Total assets	$16,802	$17,423
Current liabilities:		
Current portion of long-term debt	$ --	$ 94
Accounts payable and accrued expenses	6,981	6,558
Total current liabilities	6,981	6,652
Other long-term liabilities	83	789
Total long-term liabilities	83	789
Total liabilities	7,064	7,441
Minority interest of discontinued operations	1,730	1,885
Total liabilities and minority interest of discontinued operations	$ 8,794	$ 9,326

Cumulative Effect of Accounting Change

During the second quarter of 2002, the Company completed its transitional goodwill impairment test as required by SFAS No. 142. In accordance with the provisions of SFAS No. 142, the Company has reflected the pretax $4.2 million impairment charge as a cumulative effect of a change in accounting principle in the amount of $2.6 million, net of tax benefit of $1.6 million, as of January 1, 2002 in the consolidated statements of operations.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Net cash flows used in operating activities totaled $0.5 million and $28.6 million for the three months ended March 31, 2003 and 2002, respectively. The decrease in the total used in operating activities was primarily related to the change in the Viacom stock and the related derivatives. Net cash flows from investing activities was a net use of $51.8 million for the three months ended March 31, 2003 and was a net source of $53.2 million for the three months ended March 31, 2002. The decrease was primarily attributable to the sale of Word during the first quarter of 2002 and increased levels of capital spending related to Gaylord Opryland Texas. Net cash flows for financing activities for the three months ended March 31, 2003 was a use of $16.2 million compared to a use of $19.3 million for the three months ended March 31, 2002. The change in financing activities was primarily due to a decrease in the repayment of long-term debt.

Additional long-term financing is required to fund the Company's construction commitments related to its hotel development projects and to fund its overall anticipated operating losses in 2003. As of March 31, 2003, the Company had $30.2 million in unrestricted cash in addition to the net cash flows from certain operations to fund its cash requirements including the Company's 2003 construction commitments related to its hotel construction projects. These resources are not adequate to fund all of the Company's 2003 construction commitments. As a result of these required future financing requirements, the Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements.

During the first quarter of 2003, the Company received a commitment for a $225 million credit facility arranged by Deutsche Bank Trust Company Americas, Bank of America, N.A., and CIBC Inc. (collectively, the "Lenders"). However, the commitment is subject to the completion of certain remaining due diligence by the Lenders and the Lenders have the right to revise the credit facility structure and/or decline to perform under the commitment if certain conditions are not fulfilled or if certain changes occur within the financial markets. The proceeds of this financing will be used to repay the Company's existing $60 million Term Loan and to complete the construction of the Texas hotel.

Management currently anticipates finalizing the long-term financing under the existing commitment from the Lenders and expects to close the financing during May 2003. If the Company is unable to secure a portion of the additional financing it is seeking, or if the timing of such financing is significantly delayed, the Company will be required to curtail certain of its development expenditures on current and future construction projects to ensure adequate liquidity to fund the Company's operations.

Financing

The Company anticipates finalizing, in May 2003, a $225 million credit facility ("2003 Loan") with Deutsche Bank, Bank of America and CIBC. The 2003 Loan will consist of a $25 million senior revolving facility, a $150 million senior term loan and a $50 million subordinated term loan. The 2003 Loan will be due in 2006. The senior loan is expected to bear interest at LIBOR plus 3.5%. The subordinated loan is expected to bear interest at LIBOR plus 8.0%. In addition, the Company will be required to pay a commitment fee equal to 0.5% per year of the average daily unused portion of the 2003 Loan. Proceeds of the 2003 Loan will be used to pay off the Term Loan as discussed below and the remaining proceeds will be deposited into an escrow account for the completion of the construction of the Texas hotel. The provisions of the 2003 Loan contain covenants and restrictions including compliance with certain financial covenants, restrictions on additional indebtedness, escrowed cash balances, as well as other customary restrictions. The terms of the 2003 Loan will require the Company to purchase interest rate swaps. The purchase of the interest rate swaps are expected to minimize the fluctuation in interest rate expense related to the 2003 Loan.

During 2001, the Company entered into a three-year delayed-draw senior term loan (the "Term Loan") of up to $210.0 million with Deutsche Banc Alex. Brown Inc., Salomon Smith Barney, Inc. and CIBC World Markets Corp. (collectively the "Banks"). Proceeds of the Term Loan were used to finance the construction of Gaylord Palms and the initial construction phases of the Gaylord hotel in Texas as well as for general operating purposes. The Term Loan is primarily secured by the Company's ground lease interest in Gaylord Palms. At the Company's option, amounts outstanding under the Term Loan bear interest at the prime interest rate plus 2.125% or the one-month Eurodollar rate plus 3.375%. The terms of the Term Loan required the purchase of interest rate hedges in notional amounts equal to $100.0 million in order to protect against adverse changes in the one-month Eurodollar rate. Pursuant to these agreements, the Company purchased instruments that cap its exposure to the one-month Eurodollar rate at 6.625% as discussed below. The Term Loan contains provisions that allow the Banks to syndicate the Term Loan, which could result in a change to the terms and structure of the Term Loan, including an increase in interest rates. In addition, the Company is required to pay a commitment fee equal to 0.375% per year of the average unused portion of the Term Loan.

During the first three months of 2002, the Company sold Word's domestic operations which required the prepayment of the Term Loan in the amount of $80.0 million. As required by the Term Loan, the Company used $15.9 million of the net cash proceeds, as defined under the Term Loan agreement, received from the 2002 sale of the Opry Mills investment to reduce the outstanding balance of the Term Loan. In addition, the Company used $25.0 million of the net cash proceeds, as defined under the Term Loan agreement, received from the 2002 sale of Acuff-Rose Music Publishing to reduce the outstanding balance of the Term Loan. During 2003 and 2002, the Company made principal payments of approximately $0 and $4.1 million, respectively, under the Term Loan. Net borrowings under the Term Loan for 2003 and 2002 were $0 and $85.0 million, respectively. As of March 31, 2003 and December 31, 2002, the Company had outstanding borrowings of $60.0 million under the Term Loan and was required to escrow certain amounts for Gaylord Palms. The Company's ability to borrow additional funds under the Term Loan expired during 2002. However, the lenders could reinstate the Company's ability to borrow additional funds at a future date.

The terms of the Term Loan required the Company to purchase an interest rate instrument which caps the interest rate paid by the Company. This instrument expired in the fourth quarter of 2002. Due to the expiration of the interest rate instrument, the Company was out of compliance with the terms of the Term Loan. Subsequent to December 31, 2002, the Company obtained a waiver from the lenders whereby this event of non-compliance was waived as of December 31, 2002 and also removed the requirement to maintain such instruments for the remaining term of the Term Loan. The maximum amount available under the Term Loan is reduced to $50.0 million in April 2004, with full repayment due in October 2004. Debt repayments under the Term Loan reduce the borrowing capacity and are not eligible to be re-borrowed. The Term Loan requires the Company to maintain certain escrowed cash balances and comply with certain financial covenants, and imposes limitations related to the payment of dividends, the incurrence of debt, the guaranty of liens, and the sale of assets, as well as other customary covenants and restrictions. At March 31, 2003 and December 31, 2002, the unamortized balance of the deferred financing costs related to the Term Loan was $1.8 million and $2.4 million, respectively. The weighted average interest rates, including amortization of deferred financing costs, under the Term Loan for the three months ended March 31, 2003 and 2002 were 9.6% and 13.0%, respectively. The weighted average interest rates for the three months ended March 31, 2003 and 2002 includes 4.8% and 7.8%, respectively, related to commitment fees and the amortization of deferred financing costs.

In 2001, the Company, through wholly owned subsidiaries, entered into two loan agreements, a $275.0 million senior loan (the "Senior Loan") and a $100.0 million mezzanine loan (the "Mezzanine Loan") (collectively, the "Nashville Hotel Loans") with affiliates of Merrill Lynch & Company acting as principal. The Senior Loan is secured by a first mortgage lien on the assets of Gaylord Opryland and is due in 2004. Amounts outstanding under the Senior Loan bear interest at one-month LIBOR plus approximately 1.02%. The Mezzanine Loan, secured by the equity interest in the wholly-owned subsidiary that owns Gaylord Opryland, is due in 2004 and bears interest at one-month LIBOR plus 6.0%. At the Company's option, the Nashville Hotel Loans may be extended for two additional one-year terms beyond their scheduled maturities, subject to Gaylord Opryland meeting certain financial ratios and other criteria. The Nashville Hotel Loans require monthly principal payments of $0.7 million during their three-year terms in addition to monthly interest payments. The terms of the Senior Loan and the Mezzanine Loan required the Company to purchase interest rate hedges in notional amounts equal to the outstanding balances of the Senior Loan and the Mezzanine Loan in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, the Company has purchased instruments that cap its exposure to one-month LIBOR at 7.5%. The Company used $235.0 million of the proceeds from the Nashville Hotel Loans to refinance the Interim Loan. At closing, the Company was required to escrow certain amounts, including $20.0 million related to future renovations and related capital expenditures at Gaylord Opryland. The net proceeds from the Nashville Hotel Loans after refinancing of the Interim Loan and paying required escrows and fees were approximately $97.6 million. At March 31, 2003 and December 31, 2002, the unamortized balance of the deferred financing costs related to the Nashville Hotel Loans was $5.8 million and $7.3 million, respectively. The weighted average interest rates for the Senior Loan for the three months ended March 31, 2003 and 2002, including amortization of deferred financing costs, were 4.3% and 4.4%, respectively. The weighted average interest rates for the Mezzanine Loan for the three months ended March 31, 2003 and 2002, including amortization of deferred financing costs, were 10.8% and 10.2%, respectively.

The terms of the Nashville Hotel Loans require that the Company maintain certain escrowed cash balances and comply with certain financial covenants, and impose limits on transactions with affiliates and indebtedness. The financial covenants under the Nashville Hotel Loans are structured such that noncompliance at one level triggers certain cash management restrictions and noncompliance at a second level results in an event of default. Based upon the financial covenant calculations at December 31, 2002, the cash management restrictions were in effect which requires that all excess cash flows, as defined, be escrowed and may be used to repay principal amounts owed on the Senior Loan. As of March 31, 2003, the second level default was cured and the cash management restrictions were lifted. During 2002, the Company negotiated certain revisions to the financial covenants under the Nashville Hotel Loans and the Term Loan. After these revisions, the Company was in compliance with the covenants under the Nashville Hotel Loans and the covenants under the Term Loan in which the failure to comply would result in an event of default at March 31, 2003 and December 31, 2002. There can be no assurance that the Company will remain in compliance with the covenants that would result in an event of default under the Nashville Hotel Loans or the Term Loan. The Company believes it has certain other possible alternatives to reduce borrowings outstanding under the Nashville Hotel Loans which would allow the Company to remedy any event of default. Any event of noncompliance that results in an event of default under the Nashville Hotel Loans or the Term Loan would enable the lenders to demand payment of all outstanding amounts, which would have a material adverse effect on the Company's financial position, results of operations and cash flows.

The following table summarizes our significant contractual obligations as of March 31, 2003, including long-term debt and operating lease commitments:

(in thousands)

CONTRACTUAL OBLIGATIONS	TOTAL AMOUNTS COMMITTED	LESS THAN 1 YEAR	1-2 YEARS	3-4 YEARS	OVER 4 YEARS
Long-term debt	$ 337,184	$ 8,004	$ 329,180	$ --	$ --
Capital leases	1,672	542	934	176	20
Construction commitments	252,000	232,000	20,000	--	--
Arena naming rights	61,323	2,373	5,108	5,632	48,210
Operating leases	713,933	8,281	19,480	6,690	679,482
Other	5,525	325	650	650	3,900
Total contractual obligations	$1,371,637	$ 251,525	$ 375,352	$ 13,148	$ 731,612

The total operating lease amount of $713.9 million above includes the 75-year operating lease agreement the Company entered into during 1999 for 65.3 acres of land located in Osceola County, Florida for the land where Gaylord Palms is located.

Capital Expenditures

The Company currently projects capital expenditures for the twelve months of 2003 to total approximately $228.7 million, which includes continuing construction costs at the new Gaylord hotel in Grapevine, Texas of approximately $202.0 million, approximately $0.6 million related to the possible development of a new Gaylord hotel in Prince George's County, Maryland and approximately $12.4 million related to Gaylord Opryland. In addition, the Company anticipates approximately $5.6 million of capital expenditures related to the Grand Ole Opry. The Company's capital expenditures for continuing operations for the three months ended March 31, 2003 were $49.3 million.

During the third quarter of 2002, the Company announced that the Gaylord Opryland Texas Resort and Convention Center, located near the Dallas/Fort Worth airport, is projected to open in April 2004, two months earlier than previously announced.

FORWARD-LOOKING STATEMENTS / RISK FACTORS

This report contains statements with respect to the Company's beliefs and expectations of the outcomes 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, including, without limitation, the risks and uncertainties associated with economic conditions affecting the hospitality business generally, the timing of the opening of new hotel facilities, costs associated with developing new hotel facilities, business levels at the Company's hotels, the ability to successfully complete potential divestitures, the ability to consummate the financing for new developments and the other factors set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2002. Forward-looking statements include discussions regarding the Company's operating strategy, strategic plan, hotel development strategy, industry and economic conditions, financial condition, liquidity and capital resources, and results of operations. You can identify these statements by forward-looking words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," and similar expressions. Although we believe that the plans, objectives, expectations and prospects reflected in or suggested by our forward-looking statements are reasonable, those statements involve uncertainties and risks, and we cannot assure you that our plans, objectives, expectations and prospects will be achieved. Our actual results could differ materially from the results anticipated by the forward-looking statements as a result of many known and unknown factors, including, but not limited to, those contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this report. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements. The Company does not undertake any obligation to update or to release publicly any revisions to forward-looking statements contained in this report to reflect events or circumstances occurring after the date of this report or to reflect the occurrence of unanticipated events.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discusses the Company's exposure to market risk related to changes in stock prices, interest rates and foreign currency exchange rates.

Investments - At March 31, 2003, the Company held an investment of 11.0 million shares of Viacom Class B common stock, which was received as the result of the sale of television station KTVT to CBS in 1999 and the subsequent acquisition of CBS by Viacom in 2000. The Company entered into a secured forward exchange contract related to 10.9 million shares of the Viacom stock in 2000. The secured forward exchange contract protects the Company against decreases in the fair market value of the Viacom stock, while providing for participation in increases in the fair market value. At March 31, 2003, the fair market value of the Company's investment in the 11.0 million shares of Viacom stock was $401.8 million, or $36.52 per share. The secured forward exchange contract protects the Company from market decreases below $56.04 per share, thereby limiting the Company's market risk exposure related to the Viacom stock. At per share prices greater than $56.04, the Company retains 100% of the per-share appreciation to a maximum per-share price of $75.66. For per-share appreciation above $75.66, the Company participates in 25.9% of the appreciation.

Interest Rate Swaps - The Company enters into interest rate swap agreements to manage its exposure to interest rate changes. The swaps involve the exchange of fixed and variable interest rate payments without changing the principal payments. The fair market value of these interest rate swap agreements represents the estimated receipts or payments that would be made to terminate the agreements. The fair market value of the interest rate swap agreements is determined by the lender. Changes in certain market conditions could materially affect the Company's consolidated financial position.

Outstanding Debt - The Company has exposure to interest rate changes primarily relating to outstanding indebtedness under the Term Loan, the Nashville Hotel Loans and potentially, with future financing arrangements. The Term Loan bears interest, at the Company's option, at the prime interest rate plus 2.125% or the Eurodollar rate plus 3.375%. The terms of the Term Loan required the purchase of interest rate hedges in notional amounts equal to $100 million in order to protect against adverse changes in the one-month Eurodollar rate. Pursuant to these agreements, the Company purchased instruments that cap its exposure to the one-month Eurodollar rate at 6.625%. During the third quarter of 2002, the instruments expired and the Company was not required to purchase any additional coverage. The terms of the Nashville Hotel Loans require the purchase of interest rate hedges in notional amounts equal to the outstanding balances of the Nashville Hotel Loans in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, the Company has purchased instruments that cap its exposure to one-month LIBOR at 7.50%. The Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements. If LIBOR and Eurodollar rates were to increase by 100 basis points each, the estimated impact on the Company's consolidated financial statements would be to reduce net income for the three months ended March 31, 2003 by approximately $0.5 million after taxes based on debt amounts outstanding at March 31, 2003.

Cash Balances - Certain of the Company's outstanding cash balances are occasionally invested overnight with high credit quality financial institutions. The Company does not have significant exposure to changing interest rates on invested cash at March 31, 2003. As a result, the interest rate market risk implicit in these investments at March 31, 2003, if any, is low.

Foreign Currency Exchange Rates - Substantially all of the Company's revenues are realized in U.S. dollars and are from customers in the United States. Although the Company owns certain subsidiaries that conduct business in foreign markets and whose transactions are settled in foreign currencies, these operations are not material to the overall operations of the Company. Therefore, the Company does not believe it has any significant foreign currency exchange rate risk. The Company does not hedge against foreign currency exchange rate changes and does not speculate on the future direction of foreign currencies.

Summary - Based upon the Company's overall market risk exposures at March 31, 2003, the Company believes that the effects of changes in the stock price of its Viacom stock or interest rates could be material to the Company's consolidated financial position, results of operations or cash flows. However, the Company believes that the effects of fluctuations in foreign currency exchange rates on the Company's consolidated financial position, results of operations or cash flows would not be material.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains controls and procedures designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed within 90 days of the filing date of this report, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the Company's disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Inapplicable

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Inapplicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Inapplicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Inapplicable

ITEM 5. OTHER INFORMATION

Inapplicable

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) See Index to Exhibits following the Signatures page.

(b) (i) A Current Report on Form 8-K, dated January 17, 2003, announcing the Company intended to make certain changes to its previously issued historical financial statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GAYLORD ENTERTAINMENT COMPANY

Date: May 15, 2003

By: /s/ Colin V. Reed
Colin V. Reed
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ David C. Kloeppel
David C. Kloeppel
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Kenneth A. Conway
Kenneth A. Conway
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

CERTIFICATIONS

I, Colin V. Reed, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaylord Entertainment Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

By: /s/ Colin V. Reed

Colin V. Reed
President and Chief Executive Officer

I, David C. Kloeppel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaylord Entertainment Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

By: /s/ David C. Kloeppel

David C. Kloeppel
Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

4.1	Stock Purchase Warrant, dated November 7, 2002, by the Company to Gilmore Entertainment Group, LLC.
10.1	Second Amendment to Mezzanine Loan Agreement, dated April 30, 2003, by and between Opryland Mezzanine Trust 2001-1 and OHN Holdings, LLC.
99.1	Certification of Colin V. Reed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
99.2	Certification of David C. Kloeppel pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

EXHIBIT 4.1

STOCK PURCHASE WARRANT

This Warrant is issued this 7th day of November, 2002, by GAYLORD ENTERTAINMENT COMPANY, a Delaware corporation (the "Company"), to GILMORE ENTERTAINMENT GROUP, LLC, a South Carolina limited liability company (the "Holder").

AGREEMENT:

1. Issuance of Warrant; Term. For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby grants to Holder the right to purchase 5,000 shares of the Company's common stock, par value $.01 per share (the "Common Stock"). The shares of Common Stock issuable upon exercise of this Warrant are hereinafter referred to as the "Shares". This Warrant shall be exercisable at any time and from time to time from the date hereof until November 7, 2012 (the "Expiration Date").

2. Exercise Price. The exercise price (the "Exercise Price") per share for which the Shares may be purchased pursuant to the terms of this Warrant shall be $35.00.

3. Exercise. Pursuant to the terms and subject to the conditions hereof, this Warrant may be exercised by the Holder hereof (but only on the conditions hereafter set forth) in whole but not in part, upon delivery of written notice of intent to exercise to the Company at the following address: One Gaylord Drive, Nashville, TN, 37214, Attention: President, or such other address as the Company shall designate in a written notice to the Holder hereof, together with this Warrant and payment to the Company of the aggregate Exercise Price of the Shares. The Exercise Price shall be payable by a certified or bank check. Upon exercise of this Warrant as aforesaid, the Company shall as promptly as practicable, and in any event within fifteen (15) days thereafter, execute and deliver to the Holder of this Warrant a certificate for the total number of whole Shares for which this Warrant is being exercised.

4. Covenants and Conditions. The above provisions are subject to the following:

(a) Neither this Warrant nor the Shares have been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws (the "Blue Sky Laws"). This Warrant has been acquired for investment purposes and not with a view to distribution or resale and may not be pledged, hypothecated, sold, made subject to a security interest, or otherwise transferred without (i) an effective registration statement for such Warrant under the Securities Act and such applicable Blue Sky Laws, or (ii) an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the Company and its counsel, that registration is not required under the Securities Act or under any applicable Blue Sky Laws. Transfer of the Shares issued upon the exercise of this Warrant shall be restricted in the same manner and to the same extent as the Warrant, and the certificates representing such Shares shall bear substantially the following legend:

> THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT

BE TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT UNDER THE ACT OR SUCH APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (II) IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY, REGISTRATION UNDER SUCH SECURITIES ACTS OR SUCH APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER.

The Holder hereof and the Company agree to execute such other documents and instruments as counsel for the Company reasonably deems necessary to effect the compliance of the issuance of this Warrant and any shares of Common Stock issued upon exercise hereof with applicable federal and state securities laws.

(b) The Company covenants and agrees that all Shares which may be issued upon exercise of this Warrant will, upon issuance and payment therefor, be legally and validly issued and outstanding, fully paid and nonassessable, free from all taxes, liens, charges and preemptive rights, if any, with respect thereto or to the issuance thereof. The Company shall at all times reserve and keep available for issuance upon the exercise of this Warrant such number of authorized but unissued shares of Common Stock as will be sufficient to permit the exercise in full of this Warrant.

5. Transfer of Warrant. This Warrant may not be transferred, in whole or in part, to any person or business entity, without prior approval of the Company. Upon approval of a transfer of the Warrant by the Company, the Warrant may be transferred in whole but not in part, subject to the provisions of Section 4 hereof, by presentation of the Warrant to the Company with written instructions for such transfer. Upon such presentation for transfer, the Company shall promptly execute and deliver a new Warrant or Warrants in the form hereof in the name of the assignee or assignees and in the denominations specified in such instructions.

6. Warrant Holder Not Shareholder. This Warrant does not confer upon the Holder, as such, any right whatsoever as a shareholder of the Company, including, but not limited to, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issue or reclassification of stock, merger or conveyance or otherwise), or to receive notice of meetings, or to receive dividends or subscription rights, until the Holder shall have exercised this Warrant in accordance with the provisions hereof.

7. Adjustment Upon Changes in Stock. If all or any portion of this Warrant shall be exercised subsequent to any stock split, stock dividend, recapitalization, combination of shares of the Company, or other similar event, occurring after the date hereof, then the Holder exercising this Warrant shall receive, for the aggregate price paid upon such exercise, the aggregate number and class of shares which such Holder would have received if this Warrant had been exercised immediately prior to such stock split, stock dividend, recapitalization, combination of shares, or other similar event. The Company reserves the right to terminate this Warrant at any time prior to exercise by paying to the Holder a per share amount equal to the difference between the closing price of the Company's stock and the Exercise Price.

8. Notices. Except as otherwise expressly provided herein, all notices referred to in this Warrant will be in writing and will be delivered personally, sent by reputable express courier service (charges prepaid) or sent by registered or certified mail, return receipt requested, postage prepaid and

will be deemed to have been given when so delivered, one business day after being so sent or three business days after being so deposited in the U.S. Mail (i) to the Company, at its principal executive offices, and (ii) to the Holder of this Warrant, at such holder's address as it appears in the records of the Company (unless otherwise indicated by any such holder).

9. Descriptive Headings; Governing Law. The descriptive headings of the several Sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The construction, validity and interpretation of this Warrant will be governed by the internal law, and not the conflicts law, of the State of Tennessee.

10. Miscellaneous. No amendment or modification hereof shall be effective except in a writing executed by each of the parties hereto. This Warrant between the Company and Holder represents the entire agreement between the parties concerning the subject matter hereof, and all oral discussions and prior agreements are merged herein. This Warrant may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Warrant.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date first above written.

GAYLORD ENTERTAINMENT COMPANY
a Delaware corporation

By: /s/ Carter R. Todd

Title: Senior Vice President

HOLDER:
GILMORE ENTERTAINMENT GROUP, LLC

By: /s/ Calvin Gilmore

Title: Chief Executive Officer

SECOND AMENDMENT TO MEZZANINE LOAN AGREEMENT

This Second Amendment to Mezzanine Loan Agreement (this AGREEMENT) is entered into on April 30, 2003, by and between Opryland Mezzanine Trust 2001-1, a Delaware business trust (the MEZZANINE LENDER), and OHN Holdings, LLC, a Delaware limited liability company (the MEZZANINE BORROWER).

RECITALS

A. The Mezzanine Borrower and Merrill Lynch Mortgage Capital Inc., as predecessor to the Mezzanine Lender, entered into a Mezzanine Loan Agreement (the ORIGINAL AGREEMENT) dated as of March 27, 2001.

B. The Mezzanine Borrower and the Mezzanine Lender entered into a First Amendment to Mezzanine Loan Agreement on January 18, 2002 (the FIRST AMENDMENT).

B. The Mezzanine Borrower and the Mezzanine Lender have agreed to further amend the Mezzanine Loan Agreement as set forth in this Agreement.

AGREEMENTS

Now, therefore, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

SECTION 1. DEFINITIONS USED IN THIS AGREEMENT

(a) In this Agreement, the term MEZZANINE LOAN AGREEMENT means the Original Agreement as amended by the First Amendment and this Agreement.

(b) All capitalized terms used in this Agreement which are not otherwise defined in this Agreement shall have the meanings assigned to them in the Mezzanine Loan Agreement, including those definitions added to the Mezzanine Loan Agreement by this Agreement.

SECTION 2. REPRESENTATIONS AND WARRANTIES

In order to induce the Mezzanine Lender to enter into this Agreement, the Mezzanine Borrower makes the following representations and warranties:

(a) Original Agreement Representations. The representations and warranties contained in the Original Agreement remain true and correct in all material respects, except for representations and warranties which by their nature referred to facts at the time the Original Agreement was executed and which would normally be expected to change over time.

(b) Due Authorization, Execution, Etc. This Agreement has been duly authorized, executed and delivered by the Mezzanine Borrower and constitutes the valid and binding obligation of the Mezzanine Borrower, enforceable against the Mezzanine Borrower in accordance with its terms.

(c) No Defaults. There presently exists no Event of Default under the Mezzanine Loan Agreement and no event, fact or circumstance, which, with notice or the passage of time, or both, will become an Event of Default under the Mezzanine Loan Agreement.

SECTION 3. AMENDMENTS TO MEZZANINE LOAN AGREEMENT

(a) Amendment to Section 2.12. Section 2.12 is revised to read as set forth on Exhibit A to this Second Amendment.

(b) Cross-References to Section 2.12. In view of the fact that Section 2.12 has been completely rewritten, all existing references (i.e., other than references added by this Agreement) to any subdivision of Section 2.12 shall be deemed to be references to Section 2.12 and not to any of its subdivisions.

(c) Amendment to Section 3.6. Section 3.6 is revised to read as follows:

> Agent has established and shall maintain with Deposit Bank the Cash Sweep Event Reserve Account as a subaccount of the Deposit Account into which Agent hereby directs Deposit Bank to allocate certain funds from the Deposit Account in accordance with the terms hereof. From and after the occurrence (and during the continuance) of a Cash Sweep Event, all Excess Cash Flow shall be deposited in the Cash Sweep Event Reserve Account as provided under Section 2.12.

(d) Amendment to Section 5.1. Clause (z) of Section 5.1(n)(i) is revised to read "Cash Sweep Event caused by a Financial Covenant Breach in which both of the Financial Covenants Tests are failed as of a Quarterly Test Date and such Financial Covenant Breach is not cured by the following Quarterly Test Date".

(e) Amendment to Section 8.15(b). Clause (12) of Section 8.15(b) is revised to read "any failure to deposit Excess Cash Flow into the Deposit Account during a Cash Sweep Event as required by Section 2.12 hereof, including a failure to remit to the Deposit Bank any funds previously distributed as required by Section 2.12(d)(2)".

SECTION 4. REAFFIRMATION, CONFIRMATIONS AND MISCELLANEOUS

(a) Reaffirmation by the Mezzanine Borrower. The Mezzanine Borrower reaffirms all of its obligations under the Mezzanine Loan Agreement and the other Mezzanine Loan Documents, as the Mezzanine Loan Documents may have been previously amended, or as any of the provisions of the Mezzanine Loan Documents may have been previously waived by the Mezzanine Lender, in either case in writing, and confirm that, as so amended or waived in writing, or both, they remain in full force and effect and otherwise unmodified.

(b) Fees and Expenses. Upon execution of this Agreement, the Mezzanine Borrower shall pay all out-of-pocket expenses incurred by the Mezzanine Lender in connection with this Agreement and the transactions contemplated by this Agreement, including the expenses and reasonable fees of counsel to Archon Group, L.P., which is the Administrator of the Mezzanine Lender, and the expenses and reasonable fees of counsel to the participants in the Mezzanine

Lender (i.e., Merrill Lynch Mortgage Capital Inc., Fleet National Bank, Archon Capital, L.P. and Delaware Securities Holdings, Inc.).

(c) Defenses. The Mezzanine Borrower confirms that it has no defenses against the Mezzanine Lender or any of its obligations under the Mezzanine Loan Agreement or the other Mezzanine Loan Documents. The Mezzanine Borrower confirms that it has no claims against the Mezzanine Lender for any reason whatsoever arising out of the Mezzanine Loan, or the relationship between the parties from the making of the Mezzanine Loan and subsequent transactions relating to the Mezzanine Loan.

(d) Approval by Guarantor. The approval of the Guarantor is set forth below. The Guarantor specifically acknowledges that the amendment to Section 8.15(b) will have the effect of increasing the Guarantor's obligations in certain circumstances.

(e) Existing Cash Sweep Event. Immediately before the execution of this Agreement, the Mezzanine Borrower instructed the Mezzanine Lender to instruct the Deposit Bank to disburse $6,000,000.00 from the Cash Sweep Event Reserve Account to make a principal payment under the Senior Loan, and the Mezzanine Lender did so. Upon the execution of this Agreement, the Mezzanine Lender will instruct the Deposit Bank to release to the Mezzanine Borrower the remainder of the funds in the Cash Sweep Event Reserve Account, and the Mezzanine Lender agrees that, based on the Mezzanine Borrower's financial statements for February and March 2003, the existing Cash Sweep Event, which first occurred as of the 12-month period ended September 30, 2001, has been cured.

In witness whereof, the parties have executed this Agreement on the date first written above.

MEZZANINE BORROWER

OHN HOLDINGS, LLC

BY: /s/ A. Key Foster, III
NAME: A. Key Foster, III
TITLE: Vice President and Treasurer

MEZZANINE LENDER

ARCHON GROUP, L.P., AS ADMINISTRATOR OF OPRYLAND MEZZANINE TRUST 2001-1

BY: /s/ Eleni Antonellos
NAME:Eleni Antonellos
TITLE: Vice President

ACKNOWLEDGMENT AND CONFIRMATION BY GUARANTOR

The Guarantor reaffirms its obligations under its existing Guaranty of Recourse Obligations, and confirm that the Mezzanine Borrower's execution and delivery of this Agreement in no way impairs or limits its obligations under its existing Guaranty of Recourse Obligations.

GAYLORD ENTERTAINMENT COMPANY

BY: /s/ A. Key Foster, III
NAME: A. Key Foster, III
TITLE: Vice President and Treasurer

SECTION 2.12. MANDATORY PREPAYMENTS; CASH SWEEP EVENTS.

(a) Definitions.

(1) "Financial Covenant Breach" means Mezzanine Borrower's failure to pass either or both of the Financial Covenant Tests on a Quarterly Test Date.

(2) "Financial Covenant Tests" means the following two financial tests, which will be measured for a trailing 12 month period ending on a Monthly Test Date or a Quarterly Test Date:

(A) DSCR - the test will be failed if DSCR is less than 1.15 and will be passed if DSCR equals or exceeds 1.15.

(B) Debt Yield - the test will be failed if Debt Yield is less than 13.5% and will be passed if Debt Yield equals or exceeds 13.5%.

(3) "Cash Sweep Event" means the occurrence of an Event of Default or a Financial Covenant Breach, or both.

(4) "Quarterly Test Date" means the last day of a calendar quarter - that is, the last day of March, June, September or December.

(5) "Monthly Test Date" means the last day of a calendar month, whether or not that day is also a Quarterly Test Date.

(6) "Cash Sweep Event Notice" means a written notice sent by Mezzanine Lender to Servicer, Deposit Bank and Mezzanine Borrower, advising them that Mezzanine Lender has determined that a Cash Sweep Event has occurred. A Cash Sweep Event Notice must be delivered in accordance with the notice provisions in Section 8.6, and must include adequate information to allow Mezzanine Borrower to verify Mezzanine Lender's determination that the Cash Sweep Event in question has occurred.

(7) "Actual Financial Statements" means (i) with respect to a Quarterly Test Date, the annual financial statements or quarterly financial statements required to be delivered with respect to the period ended on that Quarterly Test Date pursuant to Section 5.1(j)(1) or (2), respectively, or (ii) with respect to a Monthly Test Date, the monthly financial information required to be delivered with respect to the period ended on that Monthly Test Date pursuant to Section 5.1(j)(5).

(8) "Draft Financial Statements" means, with respect to a Quarterly Test Date or a Monthly Test Date, Mezzanine Borrower's preliminary drafts of the Actual Financial Statements.

(9) "Sweep Month" means one of the three months in the calendar quarter following a Quarterly Test Date on which either Financial Covenant Test is failed or both are failed (whether or not that is the Quarterly Test Date on which the Financial Covenant Breach

first occurs). These three months will be referred to as "Sweep Month 1," Sweep Month 2 or Sweep Month 3. (For example, if the Financial Covenant Tests are failed as of the Quarterly Test Date occurring on June 30, Sweep Month 1 is July, Sweep Month 2 is August and Sweep Month 3 is September.)

(10) "Successful Month" means a Sweep Month for which both Financial Tests are passed (that is, both Financial Tests are passed for the trailing 12 month period ending on the last day of such Sweep Month, which last day, by definition, will be a Monthly Test Date and perhaps a Quarterly Test Date).

(11) "Unsuccessful Month" means a Sweep Month that is not a Successful Month.

(b) Delivery of Cash Sweep Event Notice During Event of Default. If an Event of Default occurs, then, at any time during the continuance of such Event of Default, Mezzanine Lender may deliver a Cash Sweep Event Notice to Servicer, Deposit Bank and Mezzanine Borrower, and a Cash Sweep Event will be deemed to have begun on the day on which the Cash Sweep Event Notice is delivered. Mezzanine Borrower will have no right to cure a Cash Sweep Event resulting from an Event of Default (although Mezzanine Lender will have the ability to waive a Cash Sweep Event resulting from an Event of Default if Mezzanine Lender elects to do so).

(c) Quarterly Testing for Financial Covenant Breach.

(1) Not later than the 10th Business Day of each month that follows a Quarterly Test Date, Mezzanine Borrower will deliver to Mezzanine Lender the Draft Financial Statements for that Quarterly Test Date. Mezzanine Borrower's failure to make this delivery will not constitute a default or an Event of Default; the only consequence of failure to make a timely delivery of the Draft Financial Statements is set forth in paragraph (2).

(2) If, based on its review of the Draft Financial Statements, Mezzanine Lender determines that a Financial Covenant Breach had occurred as of the Quarterly Test Date, Mezzanine Lender will send a Cash Sweep Event Notice to Servicer, Deposit Bank and Mezzanine Borrower, and a Cash Sweep Event will be deemed to have begun on the first day of Sweep Month 1. If Mezzanine Borrower fails to timely deliver the Draft Financial Statements, Mezzanine Lender, in its discretion, may determine, based on any other available information that it believes in good faith is reliable and probative, that a Cash Sweep Event had occurred as of the Quarterly Test Date, in which event Mezzanine Lender will send a Cash Sweep Event Notice to Servicer, Deposit Bank and Mezzanine Borrower, and a Cash Sweep Event will be deemed to have begun on the first day of Sweep Month 1.

(3) Within a reasonable time after the Actual Financial Statements for that Quarterly Test Date are delivered to Mezzanine Lender, Mezzanine Lender will reevaluate whether a Financial Covenant Breach had occurred as of the Quarterly Test Date.

(A) If Mezzanine Lender determines that the Actual Financial Statements confirm the Draft Financial Statements, it will notify Mezzanine Borrower of that determination but need not take any further action with respect to its previous determination as to whether or not a Cash Sweep Event had occurred.

(B) If Mezzanine Lender had determined, based on the Draft Financial Statements, or in the absence of timely-delivered Draft Financial Statements based on other information, that no Financial Covenant Breach had occurred as of the Quarterly Test Date, and determines, based on the Actual Financial Statements, that a Financial Covenant Breach had occurred as of the Quarterly Test Date, then Mezzanine Lender will send a Cash Sweep Event Notice to Servicer, Deposit Bank and Mezzanine Borrower, and a Cash Sweep Event will be deemed to have begun on the first day of Sweep Month 1.

(C) If Mezzanine Lender had determined, based on the Draft Financial Statements, or in the absence of timely-delivered Draft Financial Statements based on other information, that a Financial Covenant Breach had occurred as of the Quarterly Test Date, and determines, based on the Actual Financial Statements, that a Financial Covenant Breach had not occurred as of the Quarterly Test Date, then, unless a Cash Sweep Event exists at the time in question for some other reason (e.g., an Event of Default has occurred and is continuing), Mezzanine Lender promptly will send to Servicer, Deposit Bank and Mezzanine Borrower a retraction of the previously-delivered Cash Sweep Event Notice, and the Cash Sweep Event based on the previous determination will be deemed not to have occurred.

(d) Consequences of Delivery of Cash Sweep Event Notice or Retraction of Cash Sweep Event Notice. Mezzanine Lender's delivery of a Cash Sweep Event Notice will produce the following consequences:

(1) All Excess Cash Flow that would otherwise be available to Mezzanine Borrower pursuant to the Mezzanine Deposit Account Agreement will instead be deposited into the Cash Sweep Event Reserve Account. These funds will be used solely as provided in this Section.

(2) Not later than 2:00 pm (in the Deposit Bank's time zone) on the second Business Day after the delivery of the Cash Sweep Event Notice, Mezzanine Borrower will remit to the Deposit Bank, for deposit in the Cash Sweep Event Reserve Account, immediate funds in an amount equal to the total amount, if any, distributed to or at the direction of Mezzanine Borrower pursuant to Section 2.2(a)(viii) of the Mezzanine Deposit Account Agreement during the period starting on the first day of Sweep Month 1 and continuing through the day on which the Cash Sweep Event Notice is delivered to Mezzanine Borrower.

(3) If Mezzanine Lender sends a retraction of a previously-delivered Cash Sweep Event Notice as contemplated by subsection (c)(3)(C), then all funds deposited into the Cash Sweep Event Reserve Account as a result of the previously-delivered Cash Sweep Event Notice will be promptly distributed by the Deposit Bank to or at the direction of the Mezzanine Borrower. Such distribution will be deemed to have occurred under Section 2.2(a)(viii) of the Mezzanine Deposit Account Agreement.

(e) Monthly Testing for Cure of Financial Covenant Breach.

(1) Not later than the 10th Business Day of Sweep Month 2 and the 10th Business Day of each succeeding Sweep Month, Mezzanine Borrower will deliver to Mezzanine Lender Draft Financial Statements as of the preceding Monthly Test Date. However, Mezzanine Borrower's failure to make this delivery will not constitute a default or an Event of Default.

(2) Based on its review of the Draft Financial Statements for each Sweep Month, Mezzanine Lender will determine whether such Sweep Month was a Successful Month or an Unsuccessful Month, and Mezzanine Lender will notify the Servicer, Deposit Bank and Mezzanine Borrower of its determination.

(3) If Mezzanine Borrower fails to timely deliver the Draft Financial Statements contemplated by this subsection, Mezzanine Lender, in its discretion, may determine, based on any other available information that it believes in good faith is reliable and probative, whether a Sweep Month was a Successful Month or an Unsuccessful Month, and Mezzanine Lender will notify the Servicer, Deposit Bank and Mezzanine Borrower of its determination.

(4) A Financial Covenant Breach will be cured if either of the following two circumstances occurs:

(A) If any two consecutive Sweep Months are Successful Months, the Financial Covenant Breach will be deemed to have been cured immediately after the close of business on the last Business Day of the second consecutive Successful Month.

(B) If any Sweep Month 3 is a Successful Month, the Financial Covenant Breach will be deemed to have been cured immediately after the close of business on the last Business Day of Sweep Month 3.

(5) If Mezzanine Lender determines that a Sweep Month is a Successful Month based on Draft Financial Statements, such Sweep Month will be referred to as a "Provisionally Successful Month". If Mezzanine Lender determines that a Sweep Month is an Unsuccessful Month based on Draft Financial Statements, or in the absence of timely-delivered Draft Financial Statements based on other information, such Sweep Month will be referred to as a "Provisionally Unsuccessful Month". If Mezzanine Lender determines that two consecutive Sweep Months are Successful Months and either determination is based on Draft Financial Statements, or that a Sweep Month 3 is a Successful Month and that determination is based on Draft Financial Statements, the Financial Covenant Breach in question will be referred to as "Provisionally Cured". If Mezzanine Lender determines that a Financial Covenant Breach has been cured based on Actual Financial Statements, such Financial Covenant Breach will be referred to as having been "Unconditionally Cured".

(6) Within a reasonable time after the Actual Financial Statements for each Sweep Month are delivered to Mezzanine Lender, Mezzanine Lender will reevaluate whether the Sweep Month was in fact a Successful Month or an Unsuccessful Month.

(A) If Mezzanine Lender determines that the Actual Financial Statements confirm the Draft Financial Statements, it will notify Mezzanine Borrower of that determination but need not take any further action with respect to its previous determination as to whether or not a Sweep Month was a Successful Month or an Unsuccessful Month.

(B) If Mezzanine Lender had determined that the Sweep Month was a Provisionally Unsuccessful Month and determines, based on the Actual Financial Statements, that such Sweep Month was a Successful Month, then Mezzanine Lender will notify Servicer, Deposit Bank and Mezzanine Borrower of that determination, and, unless a Cash Sweep Event exists at the time in question for some other reason (e.g., an Event of Default has occurred and is continuing), the Deposit Bank will distribute to or at the direction of Mezzanine Borrower any amounts that were deposited into the Cash Sweep Event Reserve Account as a result of Mezzanine Lender's previous determination that would not have been so deposited had Mezzanine Lender previously determined that the Sweep Month was a Provisionally Successful Month. Such distribution will be deemed to have occurred under Section 2.2(a)(viii) of the Mezzanine Deposit Account Agreement.

(C) If Mezzanine Lender had determined that the Sweep Month was a Provisionally Successful Month and determines, based on the Actual Financial Statements, that such Sweep Month was an Unsuccessful Month, then Mezzanine Lender will notify Servicer, Deposit Bank and Mezzanine Borrower of that determination. Upon receipt of that notice, the Servicer and the Deposit Bank will resume depositing into the Cash Sweep Event Reserve Account all amounts that would otherwise be available to Mezzanine Borrower under the Mezzanine Deposit Account Agreement. Also, not later than 2:00 pm (in the Deposit Bank's time zone) on the second Business Day after the delivery of that notice, Mezzanine Borrower will remit to the Deposit Bank, for deposit in the Cash Sweep Event Reserve Account, immediate funds in an amount equal to the total amount, if any, distributed to or at the direction of Mezzanine Borrower pursuant to Section 2.2(a)(viii) of the Mezzanine Deposit Account Agreement from and after the first day of the Sweep Month after such Provisionally Successful Month.

(7) If a Financial Covenant Breach is not cured by the end of Sweep Month 3, then it will continue into the next calendar quarter, in which case the first month after the Quarterly Test Date will be Sweep Month 1, etc., and the other rules in this subsection will continue to apply, and so on, until the Financial Covenant Breach is cured or until all of the Principal Indebtedness is paid in full.

(f) Consequences of Cure and Failure to Cure Financial Covenant Breach.

(1) If any Sweep Month is a Successful Month, all Excess Cash Flow previously deposited into the Cash Sweep Event Reserve Account as a result of the Financial Covenant Breach will remain in the Cash Sweep Event Reserve Account until the Financial Covenant Breach is Unconditionally Cured, but, commencing as of the first Business Day of the following Sweep Month, Excess Cash Flow will again be available for distribution to or at the direction of Mezzanine Borrower (that is, Section 2.2(a)(viii) of the Mezzanine Deposit Account Agreement will be inapplicable to Excess Cash Flow generated during the following Sweep Month).

(2) If a Financial Covenant Breach is Unconditionally Cured, then, promptly after Mezzanine Lender has notified the Servicer, Deposit Bank and Mezzanine Borrower of that fact, all Excess Cash Flow previously deposited into the Cash Sweep Event Reserve Account as a result of the Financial Covenant Breach will be distributed to or at the direction of Mezzanine Borrower pursuant to Section 2.2(a)(viii) of the Mezzanine Deposit Account Agreement.

(g) Use of Funds in Cash Sweep Event Reserve Account.

(1) At any time when an Event of Default exists, all funds on deposit in the Cash Sweep Event Reserve Account and any subsequent Excess Cash Flow deposited into the Cash Sweep Event Reserve Account while such Event of Default is continuing may be applied by Mezzanine Lender to reduce the Principal Indebtedness in accordance with Section 2.7.

(2) At any time when no Event of Default exists, if no funds are available in reserves held under the First Mortgage Loan Documents for Extraordinary Expenses or the Extraordinary Expenses Account, Mezzanine Lender shall disburse funds from the Cash Sweep Event Reserve Account for payment of Extraordinary Expenses, not more often than once a month, upon submission of invoices and other documentation by Mezzanine Borrower satisfactory to Mezzanine Lender in its reasonable judgment.

(3) At any time when no Event of Default exists, Mezzanine Borrower, in its sole discretion, may direct Mezzanine Lender to apply all or any portion of the funds in the Cash Sweep Event Reserve Account to a principal curtailment of the First Mortgage Loan (or if the First Mortgage Loan has been repaid in full to the Mezzanine Loan without any Prepayment Fee).

(4) If a Financial Covenant Breach is not Unconditionally Cured by the end of Sweep Month 3, then, provided no Event of Default exists on the next Payment Date after the end of Sweep Month 3, Mezzanine Lender will direct the Servicer and Deposit Bank to use all funds in the Cash Sweep Event Reserve Account to a prepayment, to occur on the next Payment Date after the end of Sweep Month 3, of principal of the First Mortgage Loan (or if the First Mortgage Loan has been repaid in full to the Mezzanine Loan without any Prepayment Fee).

(5) Mezzanine Borrower agrees and acknowledges that if any amounts in the Cash Sweep Event Reserve Account are applied to the payment of the First Mortgage Loan, such payment shall not constitute a payment under the Mezzanine Loan Documents and the Mezzanine Loan shall not be reduced or discharged in whole or part by such payments.

(h) Standard for Mezzanine Lender's Determinations. In the case of any determination made by Mezzanine Lender under this Section 2.12 based on Draft Financial Statements or the absence of timely delivery of Draft Financial Statements, Mezzanine Lender shall make its determination in good faith, and Mezzanine Lender's determination shall be conclusive absent manifest error. In every other case in which Mezzanine Lender makes any determination under this Section 2.12, Mezzanine Lender shall make its determination reasonably and in good faith, and Mezzanine Lender's determination shall be conclusive absent manifest error. In the case of any determination made by Mezzanine Lender under this Section 2.12, Mezzanine Lender will have no liability or obligation to Mezzanine Borrower for making an erroneous determination unless Mezzanine Borrower establishes that Mezzanine Lender acted in bad faith.

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Gaylord Entertainment Company (the "Company") on Form 10-Q for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Colin V. Reed, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Colin V. Reed
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Colin V. Reed
Chief Executive Officer
May 15, 2003

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Gaylord Entertainment Company (the "Company") on Form 10-Q for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Kloeppel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David C. Kloeppel
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David C. Kloeppel
Chief Financial Officer
May 15, 2003