UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2012

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 ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ 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, 2012
Common Stock, par value $.01	48,914,467 shares

GAYLORD ENTERTAINMENT COMPANY

FORM 10-Q

For the Quarter Ended March 31, 2012

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Part I – FINANCIAL INFORMATION
Item 1. – FINANCIAL STATEMENTS.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2012	2011
Revenues	**$238,915**	$220,738
Operating expenses:		
Operating costs	**134,983**	133,878
Selling, general and administrative	**49,309**	43,078
Casualty loss	**174**	(1)
Preopening costs	**331**	—
Depreciation and amortization	**32,434**	29,057
Operating income	**21,684**	14,726
Interest expense, net of amounts capitalized	**(14,362)**	(20,809)
Interest income	**3,154**	3,173
Income from unconsolidated companies	—	173
Other gains and (losses), net	—	(191)
Income (loss) before income taxes and discontinued operations	**10,476**	(2,928)
(Provision) benefit for income taxes	**(4,469)**	967
Income (loss) from continuing operations	**6,007**	(1,961)
Income from discontinued operations, net of income taxes	**21**	4
Net income (loss)	**$ 6,028**	$ (1,957)
Basic income (loss) per share:		
Income (loss) from continuing operations	**$ 0.12**	$ (0.04)
Income from discontinued operations, net of income taxes	—	—
Net income (loss)	**$ 0.12**	$ (0.04)
Fully diluted income (loss) per share:		
Income (loss) from continuing operations	**$ 0.12**	$ (0.04)
Income from discontinued operations, net of income taxes	—	—
Net income (loss)	**$ 0.12**	$ (0.04)
Comprehensive income, net of deferred taxes of $0 and $1,858	**$ 6,028**	$ 1,452

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)

	March 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents - unrestricted	**$ 19,862**	$ 44,388
Cash and cash equivalents - restricted	**1,150**	1,150
Trade receivables, less allowance of $647 and $719, respectively	**62,975**	41,939
Deferred income taxes	**6,444**	8,641
Other current assets	**40,901**	48,538
Total current assets	**131,332**	144,656
Property and equipment, net of accumulated depreciation	**2,205,661**	2,209,127
Notes receivable, net of current portion	**143,849**	142,567
Long-term deferred financing costs	**14,758**	15,947
Other long-term assets	**52,693**	50,713
Long-term assets of discontinued operations	**376**	390
Total assets	**$ 2,548,669**	$ 2,563,400
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	**$ 763**	$ 755
Accounts payable and accrued liabilities	**153,244**	168,975
Current liabilities of discontinued operations	**165**	186
Total current liabilities	**154,172**	169,916
Long-term debt and capital lease obligations, net of current portion	**1,061,182**	1,073,070
Deferred income taxes	**110,345**	108,219
Other long-term liabilities	**169,668**	166,209
Long-term liabilities of discontinued operations	**451**	451
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 100,000 shares authorized, no shares issued or outstanding	**—**	—
Common stock, $.01 par value, 150,000 shares authorized, 48,902 and 48,428 shares issued and outstanding, respectively	**489**	484
Additional paid-in capital	**931,213**	929,904
Treasury stock of 385 shares, at cost	**(4,599)**	(4,599)
Retained earnings	**161,805**	155,777
Accumulated other comprehensive loss	**(36,057)**	(36,031)
Total stockholders' equity	**1,052,851**	1,045,535
Total liabilities and stockholders' equity	**$ 2,548,669**	$ 2,563,400

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, 2012 and 2011
(Unaudited)
(In thousands)

	2012	2011
Cash Flows from Operating Activities:		
Net income (loss)	**$ 6,028**	$ (1,957)
Amounts to reconcile net income (loss) to net cash flows provided by (used in) operating activities:		
Income from discontinued operations, net of taxes	**(21)**	(4)
Income from unconsolidated companies	**—**	(173)
Loss on disposals of long-lived assets	**—**	201
Provision (benefit) for deferred income taxes	**4,479**	(1,346)
Depreciation and amortization	**32,434**	29,057
Amortization of deferred financing costs	**1,212**	1,309
Amortization of discount on convertible notes	**3,307**	3,043
Stock-based compensation expense	**2,356**	2,323
Changes in:		
Trade receivables	**(21,036)**	(32,134)
Interest receivable	**551**	5,089
Accounts payable and accrued liabilities	**(18,728)**	(11,478)
Other assets and liabilities	**3,320**	(1,882)
Net cash flows provided by (used in) operating activities - continuing operations	**13,902**	(7,952)
Net cash flows provided by (used in) operating activities - discontinued operations	**13**	(26)
Net cash flows provided by (used in) operating activities	**13,915**	(7,978)
Cash Flows from Investing Activities:		
Purchases of property and equipment	**(29,734)**	(37,497)
Collection of notes receivable	**2,870**	2,465
Other investing activities	**378**	1,570
Net cash flows used in investing activities - continuing operations	**(26,486)**	(33,462)
Net cash flows used in investing activities - discontinued operations	**—**	—
Net cash flows used in investing activities	**(26,486)**	(33,462)
Cash Flows from Financing Activities:		
Repayments under credit facility	**(15,000)**	—
Proceeds from exercise of stock option and purchase plans	**3,232**	4,052
Other financing activities, net	**(187)**	(42)
Net cash flows provided by (used in) financing activities - continuing operations	**(11,955)**	4,010
Net cash flows provided by financing activities - discontinued operations	**—**	—
Net cash flows provided by (used in) financing activities	**(11,955)**	4,010
Net change in cash and cash equivalents	**(24,526)**	(37,430)
Cash and cash equivalents - unrestricted, beginning of period	**44,388**	124,398
Cash and cash equivalents - unrestricted, end of period	**$ 19,862**	$ 86,968

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 its subsidiaries (the "Company") and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). 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. These condensed consolidated financial statements should 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 as of and for the year ended December 31, 2011. In the opinion of management, all adjustments necessary for a fair statement of the results of operations for the interim periods have been included. All adjustments are of a normal, recurring nature. The results of operations for such interim periods are not necessarily indicative of the results for the full year because of seasonal and short-term variations.

2. NEWLY ISSUED ACCOUNTING STANDARDS:

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, Topic 820, " *Fair Value Measurements*," to clarify existing guidance and to require more detailed disclosures relating to Level 3 fair value measurements. In addition, this ASU requires that a reporting entity provide the hierarchy classification for items whose fair value is not recorded on the balance sheet but is disclosed in the footnotes. The Company adopted this ASU in the first quarter of 2012 and this adoption did not have a material impact on the Company's consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, Topic 220, "*Comprehensive Income*," to allow an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In either instance, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this ASU do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. Portions of this ASU were deferred, and the Company adopted the required portions of this ASU in the first quarter of 2012. This adoption did not have a material impact on the Company's consolidated financial statements.

3. INCOME PER SHARE:

The weighted average number of common shares outstanding is calculated as follows (in thousands):

	Three Months Ended March 31,	
	2012	2011
Weighted average shares outstanding	**48,715**	48,221
Effect of dilutive stock-based compensation	**608**	—
Effect of convertible notes	**814**	—
Weighted average shares outstanding - assuming dilution	**50,137**	48,221

For the three months ended March 31, 2011, the effect of dilutive stock-based compensation awards was the equivalent of approximately 839,000 shares of common stock outstanding. Because the Company had a loss from continuing operations in the three months ended March 31, 2011, these incremental shares were excluded from the computation of diluted earnings per share for that period as the effect of their inclusion would have been anti-dilutive.

The Company had stock-based compensation awards outstanding with respect to approximately 1,576,000 and 884,000 shares of common stock as of March 31, 2012 and 2011, respectively, that could potentially dilute earnings per share in the future but were excluded from the computation of diluted earnings per share for the three months ended March 31, 2012 and 2011, respectively, as the effect of their inclusion would have been anti-dilutive.

As discussed more fully in the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2011, in 2009 the Company issued 3.75% Convertible Senior Notes (the "Convertible Notes") due 2014. It is the Company's intention to settle the face value of the Convertible Notes in cash upon conversion/maturity. Any conversion spread associated with the conversion/maturity of the Convertible Notes may be settled in cash or shares of the Company's common stock. The effect of potentially issuable shares under this conversion spread for the three months ended March 31, 2011 was the equivalent of approximately 3,079,000 shares of common stock outstanding. Because the Company had a loss from continuing operations in the three months ended March 31, 2011, these incremental shares were excluded from the computation of diluted earnings per share for that period as the effect of their inclusion would have been anti-dilutive.

In connection with the issuance of the Convertible Notes, the Company sold common stock purchase warrants to counterparties affiliated with the initial purchasers of the Convertible Notes whereby the warrant holder may purchase approximately 13.2 million shares of Company common stock at a price per share of $32.70, subject to anti-dilution adjustments. If the average closing price of the Company's stock during a reporting period exceeds this strike price, these warrants will be dilutive. The warrants may only be settled in shares of the Company's common stock. The effect of potentially issuable shares under these warrants for the three months ended March 31, 2012 and 2011 was the equivalent of approximately 0 and 1,052,000 shares, respectively, of common stock outstanding. Because the Company had a loss from continuing operations in the three months ended March 31, 2011, these incremental shares were excluded from the computation of diluted earnings per share for that period as the effect of their inclusion would have been anti-dilutive.

4. PROPERTY AND EQUIPMENT:

Property and equipment of continuing operations at March 31, 2012 and December 31, 2011 is recorded at cost and summarized as follows (in thousands):

	March 31, 2012	December 31, 2011
Land and land improvements	**$ 218,805**	$ 217,811
Buildings	**2,279,585**	2,272,381
Furniture, fixtures and equipment	**545,297**	533,396
Construction in progress	**63,532**	59,822
	3,107,219	3,083,410
Accumulated depreciation	**(901,558)**	(874,283)
Property and equipment, net	**$ 2,205,661**	$2,209,127

5. NOTES RECEIVABLE:

In connection with the development of the Gaylord National Resort and Convention Center ("Gaylord National"), the Company is currently holding two issuances of bonds and receives the debt service thereon, which is payable from tax increments, hotel taxes and special hotel rental taxes generated from Gaylord National through the maturity date. The Company is recording the amortization of discount on these notes receivable as interest income over the life of the notes.

During each of the three months ended March 31, 2012 and 2011, the Company recorded interest income of $3.2 million on these bonds. The Company received payments of $6.6 million and $10.7 million during the three months ended March 31, 2012 and 2011, respectively, relating to these notes receivable.

6. DEBT:

The Company's debt and capital lease obligations related to continuing operations at March 31, 2012 and December 31, 2011 consisted of (in thousands):

	March 31, 2012	December 31, 2011
$925 Million Credit Facility, interest at LIBOR plus 2.25% or bank's base rate plus 1.25%, maturing August 1, 2015	**$ 585,000**	$ 600,000
Convertible Senior Notes, interest at 3.75%, maturing October 1, 2014, net of unamortized discount of $37,447 and $40,754	**322,553**	319,246
Senior Notes, interest at 6.75%, maturing November 15, 2014	**152,180**	152,180
Capital lease obligations	**2,212**	2,399
Total debt	**1,061,945**	1,073,825
Less amounts due within one year	**(763)**	(755)
Total long-term debt	**$1,061,182**	$ 1,073,070

As of March 31, 2012, the Company was in compliance with all of its covenants related to its debt.

7. DERIVATIVE FINANCIAL INSTRUMENTS:

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are interest rate risk and commodity price risk. From time to time, interest rate swaps may be entered into to manage interest rate risk associated with portions of the Company’s variable rate borrowings. From time to time, natural gas price swaps may be entered into to manage the price risk associated with forecasted purchases of natural gas and electricity used by the Company’s hotels. The Company designates its interest rate swaps as cash flow hedges of variable rate borrowings and its natural gas price swaps as cash flow hedges of forecasted purchases of natural gas and electricity. All of the Company’s derivatives are held for hedging purposes. The Company does not engage in speculative transactions, nor does it hold or issue financial instruments for trading purposes. All of the counterparties to the Company’s derivative agreements are financial institutions with at least investment grade credit ratings.

Cash Flow Hedging Strategy

For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) (“OCI”) and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings (e.g., in “interest expense” when the hedged transactions are interest cash flows associated with variable rate debt). The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, or ineffectiveness, if any, is recognized in the statement of operations during the current period.

At March 31, 2012 and December 31, 2011, the Company had no variable to fixed interest rate swap contracts. The interest rate swap agreement previously utilized by the Company until its expiration on July 25, 2011 effectively modified the Company’s exposure to interest rate risk by converting $500.0 million, or 71%, of the Company’s variable rate debt outstanding under the term loan portion of the Company’s $1.0 billion credit facility to a weighted average fixed rate of 3.94% plus the applicable margin on these borrowings, thus reducing the impact of interest rate changes on future interest expense. This agreement involved the receipt of variable rate amounts in exchange for fixed rate interest payments through July 25, 2011, without an exchange of the underlying principal amount. The critical terms of the swap agreements matched the critical terms of the borrowings under the term loan portion of the $1.0 billion credit facility. Therefore, the Company designated these interest rate swap agreements as cash flow hedges. As the terms of these derivatives matched the terms of the underlying hedged items, there was no gain (loss) from ineffectiveness recognized in income on derivatives.

At March 31, 2012 and December 31, 2011, the Company had no variable to fixed natural gas price swap contracts. The Company previously entered into natural gas price swap contracts to manage the price risk associated with a portion of the Company’s forecasted purchases of natural gas and electricity used by the Company’s hotels. The objective of the hedge was to reduce the variability of cash flows associated with the forecasted purchases of these commodities.

The effect of derivative instruments on the statement of operations for the respective periods is as follows (in thousands):

Derivatives in Cash Flow Hedging Relationships	Amount of Loss Recognized in OCI on Derivative (Effective Portion) Three Months Ended March 31, 2012	Amount of Loss Recognized in OCI on Derivative (Effective Portion) Three Months Ended March 31, 2011	Location of Amount Reclassified from Accumulated OCI into Income	Amount Reclassified from Accumulated OCI into Income Three Months Ended March 31, 2012	Amount Reclassified from Accumulated OCI into Income Three Months Ended March 31, 2011
Interest rate swaps	**$ —**	$ (286)	Interest expense, net of amounts capitalized	**$ —**	$ 5,453
Natural gas swaps	**—**	(94)	Operating Costs	**—**	157
Total	**$ —**	$ (380)	**Total**	**$ —**	$ 5,610

8. STOCK PLANS:

In addition to grants of stock options to its directors and employees, the Company's 2006 Omnibus Incentive Plan (the "Plan") permits the award of restricted stock and restricted stock units. The fair value of restricted stock and restricted stock units with time-based vesting or performance conditions is determined based on the market price of the Company's stock at the date of grant. The Company generally records compensation expense equal to the fair value of each Restricted Stock Award granted over the vesting period.

During the three months ended March 31, 2012, the Company granted 281,430 restricted stock units with time-based vesting and a weighted-average grant-date fair value of $29.75 per award. Additionally, the Company granted 104,500 restricted stock units to certain members of its management team which may vest in 2015 based on the level of performance during the performance period and subject to continued employment. The number of awards that will ultimately vest is based on the Company's total shareholder return over the three-year performance period ended December 31, 2014 relative to the total shareholder return of the Russell 2000 Index during the same period. The weighted-average grant date fair value of $39.88 per award was determined using a Monte Carlo simulation model, which assumed a risk-free rate of 0.54%, an expected life of 3.0 years and historical volatilities that ranged from 15% to 238%. As these awards include a market condition, the Company records compensation expense for these awards based on the grant date fair value of the award recognized ratably over the measurement period.

At March 31, 2012 and December 31, 2011, restricted stock units of 875,161 and restricted stock and restricted stock units of 633,647 shares, respectively, were outstanding.

The compensation cost that has been charged against pre-tax income for all of the Company's stock-based compensation plans was $2.4 million and $2.3 million for the three months ended March 31, 2012 and 2011, respectively.

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9. RETIREMENT AND POSTRETIREMENT BENEFITS OTHER THAN PENSION PLANS:

Net periodic pension expense reflected in the accompanying condensed consolidated statements of operations included the following components for the respective periods (in thousands):

	Three months ended March 31,	
	2012	2011
Interest cost	**$ 1,087**	$ 1,208
Expected return on plan assets	**(1,173)**	(1,333)
Amortization of net actuarial loss	**1,170**	619
Total net periodic pension expense	**$ 1,084**	$ 494

Net postretirement benefit expense reflected in the accompanying condensed consolidated statements of operations included the following components for the respective periods (in thousands):

	Three months ended March 31,	
	2012	2011
Service cost	**$ 14**	$ 14
Interest cost	**254**	258
Amortization of net actuarial loss	**176**	—
Amortization of prior service credit	**(108)**	—
Amortization of curtailment gain	**(22)**	(61)
Total net postretirement benefit expense	**$ 314**	$ 211

10. INCOME TAXES:

The Company's effective tax rate as applied to pre-tax income (loss) was 43% and 33% for the three months ended March 31, 2012 and 2011, respectively. The change in the Company's effective tax rate during the period was due primarily to increases in permanent tax adjustments and state tax expense and a decrease in federal tax credits, partially offset by a decrease in the federal valuation allowance.

As of March 31, 2012 and December 31, 2011, the Company had $13.9 million and $14.1 million of unrecognized tax benefits, respectively, of which $7.4 million would affect the Company's effective tax rate if recognized. These liabilities are recorded in other long-term liabilities in the accompanying condensed consolidated balance sheets. The Company estimates the overall decrease in unrecognized tax benefits in the next twelve months will be approximately $13.1 million, mainly due to the expiration of various statutes of limitations. As of March 31, 2012 and December 31, 2011, the Company had accrued $2.2 million and $2.1 million, respectively, of interest and $0.1 million of penalties related to uncertain tax positions.

11. COMMITMENTS AND CONTINGENCIES:

In June 2011, the Company announced its plans to develop a resort and convention hotel in Aurora, Colorado, located approximately 25 minutes from downtown Denver. The Aurora development, which is expected to feature 1,500 guest rooms and 400,000 square feet of exhibition and meeting space, will be located on 85 acres in LNR Property CPI Fund's High Point Master Plan Development. The project is expected to cost approximately $800 million and could be funded by the Company, potential joint venture partners and the tax incentives that are being provided as a result of an agreement between the Company and the city of Aurora, and is contingent on receiving required governmental approvals, incentives, and final approval by the Company's board of directors. The

Company expects to break ground on construction in 2013 and expects the resort to be open for business in early 2016. At this time, the Company has not made any material financial commitments in connection with this development.

In September 2008, the Company announced it had entered into a land purchase agreement with DMB Mesa Proving Grounds LLC, an affiliate of DMB Associates, Inc. ("DMB"), to create a resort and convention hotel at the Mesa Proving Grounds in Mesa, Arizona, which is located approximately 30 miles from downtown Phoenix. The DMB development is planned to host an urban environment that features a Gaylord resort property, a retail development, a golf course, office space, residential offerings and significant other mixed-use components. The Company's purchase agreement includes the purchase of 100 acres of real estate within the 3,200-acre Mesa Proving Grounds. The project is contingent on the finalization of entitlements and incentives, and final approval by the Company's board of directors. The Company made an initial deposit of a portion of the land purchase price upon execution of the agreement with DMB, and additional deposit amounts are due upon the occurrence of various development milestones, including required governmental approvals of the entitlements and incentives. These deposits are refundable to the Company upon a termination of the agreement with DMB during a specified due diligence period, except in the event of a breach of the agreement by the Company. The timing of this development is uncertain, and the Company has not made any financing plans or, except as described above, made any commitments in connection with the proposed development.

In January 2012, the Company announced that it had entered into a memorandum of understanding for a 50/50 joint venture with the Dollywood Company to develop a family entertainment zone adjacent to Gaylord Opryland on land that the Company currently owns. The Dollywood Company will operate the park, and the Company will contribute both land and cash to represent its 50 percent share of the venture. Phase one of the project is a yet unnamed approximately $50 million water and snow park, which the Company believes will be the first of its kind in the U.S. An early 2013 groundbreaking date is expected with the park opening slated for summer 2014. The project is contingent upon finalizing agreements with governmental authorities pertaining to the construction of the necessary infrastructure. At this time, the Company has not made any material financial commitments in connection with this development.

The Company is considering other potential hotel sites throughout the country. The timing and extent of any of these development projects is uncertain, and the Company has not made any commitments, received any government approvals or made any financing plans in connection with these development projects.

Through joint venture arrangements with two private real estate funds, the Company previously invested in two joint ventures which were formed to own and operate hotels in Hawaii. As part of the joint venture arrangements, the Company entered into contribution agreements with the majority owners, which owners had guaranteed certain recourse liabilities under third-party loans to the joint ventures. The guarantees of the joint venture loans guaranteed each of the subsidiaries' obligations under its third party loans for as long as those loans remain outstanding (i) in the event of certain types of fraud, breaches of environmental representations or warranties, or breaches of certain "special purpose entity" covenants by the subsidiaries, or (ii) in the event of bankruptcy or reorganization proceedings of the subsidiaries. The Company agreed that, in the event a majority owner is required to make any payments pursuant to the terms of these guarantees of joint venture loans, it will contribute to the majority owner an amount based on its proportional commitment in the applicable joint venture. The Company estimates that the maximum potential amount for which the Company could be liable under the contribution agreements is $23.8 million, which represents its pro rata share of the $121.2 million of total debt that is subject to the guarantees. As of March 31, 2012, the Company had not recorded any liability in the condensed consolidated balance sheet associated with the contribution agreements.

The Company has purchased stop-loss coverage in order to limit its exposure to any significant levels of claims relating to workers' compensation, employee medical benefits and general liability for which it is self-insured.

The Company has entered into employment agreements with certain officers, which provide for severance payments upon certain events, including certain terminations in connection with a change of control.

The Company, in the ordinary course of business, is involved in certain legal actions and claims on a variety of matters. It is the opinion of management that such legal actions will not have a material effect on the results of operations, financial condition or liquidity of the Company.

12. FAIR VALUE MEASUREMENTS:

The Company uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of March 31, 2012 and December 31, 2011, the Company held certain assets and liabilities that are required to be measured at fair value on a recurring basis. These included investments held in conjunction with the Company's non-qualified contributory deferred compensation plan.

The investments held by the Company in connection with its deferred compensation plan consist of mutual funds traded in an active market. The Company determined the fair value of these mutual funds based on the net asset value per unit of the funds or the portfolio, which is based upon quoted market prices in an active market. Therefore, the Company has categorized these investments as Level 1. The Company has consistently applied these valuation techniques in all periods presented and believes it has obtained the most accurate information available for the types of investments it holds.

The Company had no liabilities required to be measured at fair value at March 31, 2012 and December 31, 2011. The Company's assets measured at fair value on a recurring basis at March 31, 2012 and December 31, 2011, were as follows (in thousands):

	March 31, 2012	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	$ 15,837	$ 15,837	$ —	$ —
Total assets measured at fair value	$ 15,837	$ 15,837	$ —	$ —

	December 31, 2011	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	$ 13,892	$ 13,892	$ —	$ —
Total assets measured at fair value	$ 13,892	$ 13,892	$ —	$ —

The remainder of the assets and liabilities held by the Company at March 31, 2012 are not required to be measured at fair value. The carrying value of certain of these assets and liabilities do not approximate fair value, as described below.

As further discussed in Note 5 and the Company's Annual Report on Form 10-K for the year ended December 31, 2011, in connection with the development of Gaylord National, the Company received two bonds ("a Series A Bond" and "a Series B Bond") from Prince George's County, Maryland which had aggregate carrying values of $90.6 million and $58.7 million, respectively, as of March 31, 2012. The maturity dates of the Series A Bond and the Series B Bond are July 1, 2034 and September 1, 2037, respectively. Based upon current market interest rates of notes receivable with comparable market ratings and current expectations about the timing of debt service payments under the note, which the Company considers as Level 3, the fair value of the Series A Bond, which has the senior claim to the cash flows supporting these bonds, approximated carrying value as of March 31, 2012 and the fair value of the Series B Bond was approximately $37 million as of March 31, 2012. While the fair value of the Series B Bond decreased to less than its carrying value during 2011 due to a change in the timing of the debt service payments, the Company has the intent and ability to hold this bond to maturity and expects to receive all debt service payments due under the note. Therefore, the Company does not consider the Series B Bond to be other than temporarily impaired as of March 31, 2012.

The Company has outstanding $360.0 million in aggregate principal amount of Convertible Notes due 2014 that accrue interest at a fixed rate of 3.75%. The carrying value of these notes on March 31, 2012 was $322.6 million, net of discount. The fair value of the Convertible Notes, based upon the present value of cash flows discounted at current market interest rates, which the Company considers as Level 2, was approximately $332 million as of March 31, 2012.

The Company has outstanding $152.2 million in aggregate principal amount of senior notes due 2014 that accrue interest at a fixed rate of 6.75% (the "Senior Notes"). The fair value of these notes, based upon quoted market prices, which the Company considers as Level 1, was $149.9 million as of March 31, 2012.

The carrying amount of short-term financial instruments held by the Company (cash, short-term investments, trade receivables, accounts payable and accrued liabilities) approximates fair value due to the short maturity of those instruments. The concentration of credit risk on trade receivables is minimized by the large and diverse nature of the Company's customer base.

13. FINANCIAL REPORTING BY BUSINESS SEGMENTS:

The Company's continuing operations are organized into three principal business segments:

- *Hospitality*, which includes the Gaylord Opryland Resort and Convention Center, the Gaylord Palms Resort and Convention Center, the Gaylord Texan Resort and Convention Center, the Gaylord National Resort and Convention Center and the Radisson Hotel at Opryland;
- *Opry and Attractions*, which includes the Grand Ole Opry, WSM-AM, and the Company's Nashville-based attractions; and
- *Corporate and Other*, which includes the Company's corporate expenses.

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The following information from continuing operations is derived directly from the segments' internal financial reports used for corporate management purposes (amounts in thousands):

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Revenues:		
Hospitality	**$226,048**	$209,342
Opry and Attractions	**12,835**	11,367
Corporate and Other	**32**	29
Total	**$238,915**	$220,738
Depreciation and amortization:		
Hospitality	**$ 28,536**	$ 25,275
Opry and Attractions	**1,285**	1,332
Corporate and Other	**2,613**	2,450
Total	**$ 32,434**	$ 29,057
Operating income (loss):		
Hospitality	**$ 40,036**	$ 29,454
Opry and Attractions	**793**	(643)
Corporate and Other	**(18,640)**	(14,086)
Casualty loss	**(174)**	1
Preopening costs	**(331)**	—
Total operating income	**21,684**	14,726
Interest expense, net of amounts capitalized	**(14,362)**	(20,809)
Interest income	**3,154**	3,173
Income from unconsolidated companies	**—**	173
Other gains and (losses), net	**—**	(191)
Income (loss) before income taxes and discontinued operations	**$ 10,476**	$ (2,928)

14. INFORMATION CONCERNING GUARANTOR AND NON-GUARANTOR SUBSIDIARIES:

Not all of the Company's subsidiaries have guaranteed the Company's Convertible Notes and the Senior Notes. The Company's Convertible Notes and Senior Notes are guaranteed on a senior unsecured basis by generally all of the Company's significant active domestic subsidiaries (the "Guarantors"). Certain discontinued operations and inactive subsidiaries (the "Non-Guarantors") do not guarantee the Company's Convertible Notes and Senior Notes.

The following condensed consolidating financial information includes certain allocations of revenues and expenses based on management's best estimates, which are not necessarily indicative of financial position, results of operations and cash flows that these entities would have achieved on a stand alone basis.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

Condensed Consolidating Statement of Operations

For the Three Months Ended March 31, 2012

(in thousands)	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues	$ 2,798	$239,011	$ —	$ (2,894)	$238,915
Operating expenses:					
Operating costs	—	134,983	—	—	134,983
Selling, general and administrative	8,030	41,382	—	(103)	49,309
Casualty loss	33	141	—	—	174
Preopening costs	13	318	—	—	331
Management fees	—	2,791	—	(2,791)	—
Depreciation and amortization	769	31,665	—	—	32,434
Operating income (loss)	(6,047)	27,731	—	—	21,684
Interest expense, net of amounts capitalized	(14,634)	(29,828)	(104)	30,204	(14,362)
Interest income	25,329	3,949	4,080	(30,204)	3,154
Income (loss) before income taxes	4,648	1,852	3,976	—	10,476
Provision for income taxes	(1,951)	(849)	(1,669)	—	(4,469)
Equity in subsidiaries' earnings, net	3,331	—	—	(3,331)	—
Income from continuing operations	6,028	1,003	2,307	(3,331)	6,007
Income from discontinued operations, net of taxes	—	—	21	—	21
Net income	$ 6,028	$ 1,003	$ 2,328	$ (3,331)	$ 6,028
Comprehensive income	$ 6,028	$ 1,003	$ 2,328	$ (3,331)	$ 6,028

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

Condensed Consolidating Statement of Operations

For the Three Months Ended March 31, 2011

(in thousands)	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues	$ 1,475	$220,759	$ —	$ (1,496)	$220,738
Operating expenses:					
Operating costs	—	133,906	—	(28)	133,878
Selling, general and administrative	4,292	38,786	—	—	43,078
Casualty loss	—	(1)	—	—	(1)
Management fees	—	1,468	—	(1,468)	—
Depreciation and amortization	1,027	28,030	—	—	29,057
Operating income (loss)	(3,844)	18,570	—	—	14,726
Interest expense, net of amounts capitalized	(21,074)	(29,984)	(99)	30,348	(20,809)
Interest income	25,827	3,865	3,829	(30,348)	3,173
Income from unconsolidated companies	—	173	—	—	173
Other gains and (losses), net	—	(191)	—	—	(191)
Income (loss) before income taxes	909	(7,567)	3,730	—	(2,928)
(Provision) benefit for income taxes	(475)	2,891	(1,449)	—	967
Equity in subsidiaries' losses, net	(2,391)	—	—	2,391	—
Income (loss) from continuing operations	(1,957)	(4,676)	2,281	2,391	(1,961)
Income (loss) from discontinued operations, net of taxes	—	22	(18)	—	4
Net income (loss)	$ (1,957)	$ (4,654)	$ 2,263	$ 2,391	$ (1,957)
Comprehensive income (loss)	$ 1,452	$ (4,654)	$ 2,263	$ 2,391	$ 1,452

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

Condensed Consolidating Balance Sheet

March 31, 2012

(in thousands)	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents — unrestricted	$ 16,100	$ 3,762	$ —	$ —	$ 19,862
Cash and cash equivalents — restricted	1,150	—	—	—	1,150
Trade receivables, net	—	62,975	—	—	62,975
Deferred income taxes	164	6,257	23	—	6,444
Other current assets	(2,970)	43,997	—	(126)	40,901
Intercompany receivables, net	1,760,398	—	306,358	(2,066,756)	—
Total current assets	1,774,842	116,991	306,381	(2,066,882)	131,332
Property and equipment, net of accumulated depreciation	46,993	2,158,668	—	—	2,205,661
Notes receivable, net of current portion	—	143,849	—	—	143,849
Long-term deferred financing costs	14,758	—	—	—	14,758
Other long-term assets	663,781	358,996	—	(970,084)	52,693
Long-term assets of discontinued operations	—	—	376	—	376
Total assets	$ 2,500,374	$ 2,778,504	$ 306,757	$ (3,036,966)	$2,548,669
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt and capital lease obligations	$ —	$ 763	$ —	$ —	$ 763
Accounts payable and accrued liabilities	13,304	140,357	—	(417)	153,244
Intercompany payables, net	—	1,976,173	90,583	(2,066,756)	—
Current liabilities of discontinued operations	—	—	165	—	165
Total current liabilities	13,304	2,117,293	90,748	(2,067,173)	154,172
Long-term debt and capital lease obligations, net of current portion	1,059,732	1,450	—	—	1,061,182
Deferred income taxes	(35,216)	145,642	(81)	—	110,345
Other long-term liabilities	84,709	84,668	—	291	169,668
Long-term liabilities of discontinued operations	—	—	451	—	451
Commitments and contingencies					
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock	489	2,388	1	(2,389)	489
Additional paid-in capital	931,213	1,081,067	(40,129)	(1,040,938)	931,213
Treasury stock	(4,599)	—	—	—	(4,599)
Retained earnings	486,799	(654,004)	255,767	73,243	161,805
Accumulated other comprehensive loss	(36,057)	—	—	—	(36,057)
Total stockholders' equity	1,377,845	429,451	215,639	(970,084)	1,052,851
Total liabilities and stockholders' equity	$ 2,500,374	$ 2,778,504	$ 306,757	$ (3,036,966)	$2,548,669

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

Condensed Consolidating Balance Sheet

December 31, 2011

(in thousands)	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS:					
Current assets:					
Cash and cash equivalents — unrestricted	$ 37,562	$ 6,826	$ —	$ —	$ 44,388
Cash and cash equivalents — restricted	1,150	—	—	—	1,150
Trade receivables, net	—	41,939	—	—	41,939
Deferred income taxes	1,195	7,423	23	—	8,641
Other current assets	2,710	45,954	—	(126)	48,538
Intercompany receivables, net	1,745,197	—	302,368	(2,047,565)	—
Total current assets	1,787,814	102,142	302,391	(2,047,691)	144,656
Property and equipment, net of accumulated depreciation	43,733	2,165,394	—	—	2,209,127
Notes receivable, net of current portion	—	142,567	—	—	142,567
Long-term deferred financing costs	15,947	—	—	—	15,947
Other long-term assets	658,167	359,297	—	(966,751)	50,713
Long-term assets of discontinued operations	—	—	390	—	390
Total assets	$2,505,661	$ 2,769,400	$ 302,781	$ (3,014,442)	$ 2,563,400
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Current liabilities:					
Current portion of long-term debt and capital lease obligations	$ —	$ 755	$ —	$ —	$ 755
Accounts payable and accrued liabilities	17,934	151,458	—	(417)	168,975
Intercompany payables, net	—	1,958,653	88,912	(2,047,565)	—
Current liabilities of discontinued operations	—	—	186	—	186
Total current liabilities	17,934	2,110,866	89,098	(2,047,982)	169,916
Long-term debt and capital lease obligations, net of current portion	1,071,426	1,644	—	—	1,073,070
Deferred income taxes	(36,586)	144,886	(81)	—	108,219
Other long-term liabilities	82,358	83,560	—	291	166,209
Long-term liabilities of discontinued operations	—	—	451	—	451
Commitments and contingencies					
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock	484	2,388	1	(2,389)	484
Additional paid-in capital	929,904	1,081,063	(40,127)	(1,040,936)	929,904
Treasury stock	(4,599)	—	—	—	(4,599)
Retained earnings	480,771	(655,007)	253,439	76,574	155,777
Accumulated other comprehensive loss	(36,031)	—	—	—	(36,031)
Total stockholders' equity	1,370,529	428,444	213,313	(966,751)	1,045,535
Total liabilities and stockholders' equity	$2,505,661	$ 2,769,400	$ 302,781	$ (3,014,442)	$ 2,563,400

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

Condensed Consolidating Statement of Cash Flows

For the Three Months Ended March 31, 2012

(in thousands)	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash provided by (used in) continuing operating activities	$ (6,782)	$ 20,697	$ (13)	$ —	$ 13,902
Net cash provided by discontinued operating activities	—	—	13	—	13
Net cash provided by (used in) operating activities	(6,782)	20,697	—	—	13,915
Purchases of property and equipment	(2,912)	(26,822)	—	—	(29,734)
Collection of notes receivable	—	2,870	—	—	2,870
Other investing activities	—	378	—	—	378
Net cash used in investing activities — continuing operations	(2,912)	(23,574)	—	—	(26,486)
Net cash used investing activities — discontinued operations	—	—	—	—	—
Net cash used in investing activities	(2,912)	(23,574)	—	—	(26,486)
Net repayments under credit facility	(15,000)	—	—	—	(15,000)
Proceeds from exercise of stock option and purchase plans	3,232	—	—	—	3,232
Other financing activities, net	—	(187)	—	—	(187)
Net cash used in financing activities — continuing operations	(11,768)	(187)	—	—	(11,955)
Net cash provided by financing activities — discontinued operations	—	—	—	—	—
Net cash used in financing activities	(11,768)	(187)	—	—	(11,955)
Net change in cash and cash equivalents	(21,462)	(3,064)	—	—	(24,526)
Cash and cash equivalents at beginning of period	37,562	6,826	—	—	44,388
Cash and cash equivalents at end of period	$ 16,100	$ 3,762	$ —	$ —	$ 19,862

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

Condensed Consolidating Statement of Cash Flows

For the Three Months Ended March 31, 2011

(in thousands)	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash (used in) provided by continuing operating activities	$ (37,264)	$ 29,248	$ 64	$ —	$ (7,952)
Net cash provided by (used in) discontinued operating activities	—	38	(64)	—	(26)
Net cash (used in) provided by operating activities	(37,264)	29,286	—	—	(7,978)
Purchases of property and equipment	(1,588)	(35,909)	—	—	(37,497)
Collection of notes receivable	—	2,465	—	—	2,465
Other investing activities	4	1,566	—	—	1,570
Net cash used in investing activities — continuing operations	(1,584)	(31,878)	—	—	(33,462)
Net cash used investing activities — discontinued operations	—	—	—	—	—
Net cash used in investing activities	(1,584)	(31,878)	—	—	(33,462)
Proceeds from exercise of stock option and purchase plans	4,052	—	—	—	4,052
Other financing activities, net	—	(42)	—	—	(42)
Net cash provided by (used in) financing activities — continuing operations	4,052	(42)	—	—	4,010
Net cash provided by financing activities — discontinued operations	—	—	—	—	—
Net cash provided by (used in) financing activities	4,052	(42)	—	—	4,010
Net change in cash and cash equivalents	(34,796)	(2,634)	—	—	(37,430)
Cash and cash equivalents at beginning of period	117,913	6,485	—	—	124,398
Cash and cash equivalents at end of period	$ 83,117	$ 3,851	$ —	$ —	$ 86,968

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

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this report and our audited consolidated financial statements and related notes for the year ended December 31, 2011, appearing in our Annual Report on Form 10-K that was filed with the Securities and Exchange Commission (“SEC”) on February 24, 2012.

This quarterly report on Form 10-Q contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as “may,” “will,” “project,” “might,” “expect,” “believe,” “anticipate,” “intend,” “could,” “would,” “estimate,” “continue” or “pursue,” or the negative or other variations thereof or comparable terminology. In particular, they include statements relating to, among other things, future actions, new projects, strategies, future performance, the outcome of contingencies such as legal proceedings and future financial results. We have based these forward-looking statements on our current expectations and projections about future events.

We caution the reader that forward-looking statements involve risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, those factors described in our Annual Report on Form 10-K for the year ended December 31, 2011 or described from time to time in our other reports filed with the SEC. These include the risks and uncertainties associated with refinancing our indebtedness prior to its various maturities, risks associated with development, budgeting, financing and approvals for our Aurora, Colorado project and our water park project, economic conditions affecting the hospitality business generally, rising labor and benefits costs, the timing of any new development projects, increased costs and other risks associated with building and developing new hotel facilities and new attractions, the geographic concentration of our hotel properties, business levels at the Company’s hotels, our ability to successfully operate our hotels and our ability to obtain financing for new developments. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Overall Outlook

Our concentration in the hospitality industry, and in particular the large group meetings sector of the hospitality industry, exposes us to certain risks outside of our control. Recessionary conditions in the national economy have resulted in economic pressures on the hospitality industry generally, and on our Company’s operations and expansion plans. However, in 2010 and 2011, and thus far in 2012, we have begun to see stabilization in our industry and specifically in our business. During these periods, we have seen increases in group travel as compared to recessionary levels, as well as growth in outside-the-room revenue, indicating that not only are our group customers traveling again, they are spending more on food and beverage and entertainment during their stay at our properties.

Group customers typically book rooms and meeting space with significant lead times, sometimes several years in advance of guest arrival. During an economic recovery, group pricing tends to lag transient pricing due to the significant lead times for group bookings. Group business booked in earlier periods at lower rates continues to roll off, and with improving group demand, is being replaced with bookings reflecting generally higher rates. As a result of the higher levels of group business, we have experienced an increase in occupancy in recent quarters as well as increases in rates and future bookings, although there can be no assurance that we can continue to achieve further improvements in occupancy and revenue levels. Our attrition and cancellation levels have also decreased compared to recessionary levels. In conjunction with the improvements in our business, as well as our improved outlook on the hospitality industry generally, we are revisiting our future plans for growth. We cannot predict when, if, or for how long hospitality demand and spending will return to historical levels, but we anticipate that our future financial results and growth will be harmed if the economy does not continue to improve or becomes worse.

See Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on February 24, 2012, for important information regarding forward-looking statements made in this report and risks and uncertainties we face.

Development Update

In June 2011, we announced our plans to develop a resort and convention hotel in Aurora, Colorado, located approximately 25 minutes from downtown Denver. The Aurora development, which is expected to feature 1,500 guest rooms and 400,000 square feet of exhibition and meeting space, will be located on 85 acres in LNR Property CPI Fund's High Point Master Plan Development. The project is expected to cost approximately $800 million and could be funded by us, potential joint venture partners and the tax incentives that are being provided as a result of an agreement between us and the city of Aurora, and is contingent on receiving required governmental approvals, incentives, and final approval by our board of directors. We expect to break ground on construction in 2013 and expect the resort to be open for business in early 2016. At this time, we have not made any material financial commitments in connection with this development.

In January 2012, we announced that we had entered into a memorandum of understanding for a 50/50 joint venture with the Dollywood Company to develop a family entertainment zone adjacent to Gaylord Opryland on land that we currently own. The Dollywood Company will operate the park, and we will contribute both land and cash to represent our 50 percent share of the venture. Phase one of the project is a yet unnamed approximately $50 million water and snow park, which we believe will be the first of its kind in the U.S. We expect groundbreaking to occur in early 2013, and we expect to open the park for summer 2014. The project is contingent upon finalizing agreements with governmental authorities pertaining to the construction of the necessary infrastructure.

Our investments thus far in 2012 consisted primarily of the continuance of the renovation of the guestrooms and new resort pools and the completion of a new sports bar entertainment facility at Gaylord Palms and ongoing maintenance capital expenditures for our existing properties. Our investments in the remainder of 2012 are expected to consist primarily of ongoing maintenance capital expenditures for our existing properties, the completion of the rooms renovation and resort pools at Gaylord Palms, design and architectural plans for our planned resort and convention center in Aurora, Colorado, and potentially, development or acquisition projects that have not yet been determined.

As described in Note 11 to our condensed consolidated financial statements for the three months ended March 31, 2012 and 2011 included herewith, we are a party to a land purchase agreement with respect to a potential hotel development in Mesa, Arizona.

We are also considering other potential hotel sites throughout the country. We have made no material financial commitments to construct new facilities. We are closely monitoring the condition of the economy and the availability of attractive financing. We are unable to predict at this time when we might make such commitments or commence any new construction.

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Our Current Operations

Our ongoing operations are organized into three principal business segments:

- Hospitality, consisting of our Gaylord Opryland Resort and Convention Center ("Gaylord Opryland"), our Gaylord Palms Resort and Convention Center ("Gaylord Palms"), our Gaylord Texan Resort and Convention Center ("Gaylord Texan"), our Gaylord National Resort and Convention Center ("Gaylord National") and our Radisson Hotel at Opryland ("Radisson Hotel").
- Opry and Attractions, consisting of our Grand Ole Opry assets, WSM-AM and our Nashville-based attractions.
- Corporate and Other, consisting of our corporate expenses.

For the three months ended March 31, 2012 and 2011, our total revenues were divided among these business segments as follows:

Segment	Three months ended March 31, 2012	2011
Hospitality	**94.6%**	94.8%
Opry and Attractions	**5.4%**	5.2%
Corporate and Other	**0.0%**	0.0%

We generate a significant portion of our revenues from our Hospitality segment. We believe that we are the only hospitality company whose stated primary focus is on the large group meetings and conventions sector of the lodging market. Our strategy is to continue this focus by concentrating on our "All-in-One-Place" self-contained service offerings and by emphasizing customer rotation among our convention properties, while also offering additional entertainment opportunities to guests and target customers.

In addition to our group meetings strategy, we are also focused on improving leisure demand in our hotels through special events (Country Christmas, summer-themed events, etc.), social media strategies, and unique content and entertainment partnerships. As part of this strategy, during 2011, we announced a multi-year strategic alliance with DreamWorks Animation SKG, Inc. to become the official hotel provider of DreamWorks vacation experiences. Through this strategic alliance, we are now offering leisure experiences featuring DreamWorks characters for our guests at all of our resort properties. In addition, as discussed above, we have entered into a memorandum of understanding for a 50/50 joint venture to develop a family entertainment zone adjacent to Gaylord Opryland that will include what we believe to be the first combined water and snow park in the U.S.

Key Performance Indicators

The operating results of our Hospitality segment are highly dependent on the volume of customers at our hotels and the quality of the customer mix at our hotels. These factors impact the price we can charge for our hotel rooms and other amenities, such as food and beverage and meeting space. Key performance indicators related to revenue are:

- hotel occupancy (a volume indicator);
- average daily rate ("ADR") (a price indicator);
- Revenue per Available Room ("RevPAR") (a summary measure of hotel results calculated by dividing room sales by room nights available to guests for the period);
- Total Revenue per Available Room ("Total RevPAR") (a summary measure of hotel results calculated by dividing the sum of room, food and beverage and other ancillary service revenue by room nights available to guests for the period); and
- Net Definite Room Nights Booked (a volume indicator which represents the total number of definite bookings for future room nights at Gaylord hotels confirmed during the applicable period, net of cancellations).

We recognize Hospitality segment revenue from our occupied hotel rooms as earned on the close of business each day and from concessions and food and beverage sales at the time of sale. Attrition fees, which are charged to groups when they do not fulfill the minimum number of room nights or minimum food and beverage spending requirements originally contracted for, as well as cancellation fees, are recognized as revenue in the period they are collected. Almost all of our Hospitality segment revenues are either cash-based or, for meeting and convention groups meeting our credit criteria, billed and collected on a short-term receivables basis. Our industry is capital intensive, and we rely on the ability of our hotels to generate operating cash flow to repay debt financing, fund maintenance capital expenditures and provide excess cash flow for future development.

The results of operations of our Hospitality segment are affected by the number and type of group meetings and conventions scheduled to attend our hotels in a given period. We attempt to offset any identified shortfalls in occupancy by creating special events at our hotels or offering incentives to groups in order to attract increased business during this period. A variety of factors can affect the results of any interim period, including the nature and quality of the group meetings and conventions attending our hotels during such period, which meetings and conventions have often been contracted for several years in advance, the level of attrition we experience, and the level of transient business at our hotels during such period.

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Selected Financial Information

The following table contains our unaudited selected summary financial data for the three months ended March 31, 2012 and 2011. 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, except percentages).

	Unaudited Three Months ended March 31,			
	2012	**%**	**2011**	**%**
Income Statement Data:				
REVENUES:				
Hospitality	**$ 226,048**	**94.6%**	$ 209,342	94.8%
Opry and Attractions	**12,835**	**5.4%**	11,367	5.1%
Corporate and Other	**32**	**0.0%**	29	0.0%
Total revenues	**238,915**	**100.0%**	220,738	100.0%
OPERATING EXPENSES:				
Operating costs	**134,983**	**56.5%**	133,878	60.7%
Selling, general and administrative	**49,309**	**20.6%**	43,078	19.5%
Casualty loss	**174**	**0.1%**	(1)	0.0%
Preopening costs	**331**	**0.1%**	—	0.0%
Depreciation and amortization:				
Hospitality	**28,536**	**11.9%**	25,275	11.5%
Opry and Attractions	**1,285**	**0.5%**	1,332	0.6%
Corporate and Other	**2,613**	**1.1%**	2,450	1.1%
Total depreciation and amortization	**32,434**	**13.6%**	29,057	13.2%
Total operating expenses	**217,231**	**90.9%**	206,012	93.3%
OPERATING INCOME (LOSS):				
Hospitality	**40,036**	**17.7%**	29,454	14.1%
Opry and Attractions	**793**	**6.2%**	(643)	-5.7%
Corporate and Other	**(18,640)**	**(A)**	(14,086)	(A)
Casualty loss	**(174)**	**(B)**	1	(B)
Preopening costs	**(331)**	**(B)**	—	(B)
Total operating income	**21,684**	**9.1%**	14,726	6.7%
Interest expense, net of amounts capitalized	**(14,362)**	**(B)**	(20,809)	(B)
Interest income	**3,154**	**(B)**	3,173	(B)
Income from unconsolidated companies	**—**	**(B)**	173	(B)
Other gains and (losses), net	**—**	**(B)**	(191)	(B)
(Provision) benefit for income taxes	**(4,469)**	**(B)**	967	(B)
Income from discontinued operations, net	**21**	**(B)**	4	(B)
Net income (loss)	**$ 6,028**	**(B)**	$ (1,957)	(B)

(A) These amounts have not been shown as a percentage of segment revenue because the Corporate and Other segment generates only minimal revenue.

(B) These amounts have not been shown as a percentage of revenue because they have no relationship to revenue.

Summary Financial Results

Results

The following table summarizes our financial results for the three months ended March 31, 2012 and 2011 (in thousands, except percentages and per share data):

	Three Months Ended March 31,		
	2012	**2011**	**% Change**
Total revenues	**$ 238,915**	$ 220,738	8.2%
Total operating expenses	**217,231**	206,012	5.4%
Operating income	**21,684**	14,726	47.2%
Net income (loss)	**6,028**	(1,957)	408.0%
Net income (loss) per share - fully diluted	**0.12**	(0.04)	400.0%

Total Revenues

The increase in our total revenues for the three months ended March 31, 2012, as compared to the same period in 2011, is attributable to an increase in our Hospitality segment revenues of $16.7 million for the 2012 period and an increase in our Opry and Attractions segment revenue of $1.5 million for the 2012 period, as discussed more fully below.

Total Operating Expenses

The increase in our total operating expenses for the three months ended March 31, 2012, as compared to the same period in 2011, is primarily due to an increase of $6.6 million in our Hospitality segment operating expenses associated with higher occupancy and increased depreciation expense, and an increase of $4.5 million in our Corporate and Other segment, as discussed more fully below.

Net Income (Loss)

Our net income of $6.0 million for the three months ended March 31, 2012, as compared to a net loss of $2.0 million for the same period in 2011, was due to the change in our operating income described above and the following factors, each as described more fully below:

- A $6.4 million decrease in interest expense, net of amounts capitalized, during the 2012 period, as compared to the 2011 period.
- A provision for income taxes of $4.5 million during the 2012 period, as compared to a benefit from income taxes of $1.0 million during the 2011 period.

Factors and Trends Contributing to Operating Performance

The most important factors and trends contributing to our operating performance during the periods described herein were:

- Increased occupancy levels and ADR at Gaylord Palms (an increase of 4.8 percentage points of occupancy and an increase of 8.7% in ADR for the 2012 period, as compared to the 2011 period), primarily due to increased levels of group business. This increase in group business led to an increase in outside-the-room spending (an increase of 10.6% during the 2012 period, as compared to the 2011 period), primarily due to increases in banquets and conference services.
- Increased ADR at Gaylord Opryland (an increase of 12.0% during the 2012 period, as compared to the 2011 period) due to an increase in both group and transient rates. Outside-the-room spending increased (an increase of 19.0% during the 2012 period, as compared to the 2011 period), as a result of increased banquet spending, increased food and beverage spending and increased conference services.
- Decreased attrition and cancellation levels for the 2012 period, as compared to the 2011 period, which increased our operating income, RevPAR and Total RevPAR. Attrition for the 2012 period was 4.5% of bookings, compared to 6.1% for the 2011 period, and cancellations for the 2012 period were down 57.2% as compared to the 2011 period.

Operating Results – Detailed Segment Financial Information

Hospitality Segment

Total Segment Results. The following presents the financial results of our Hospitality segment for the three months ended March 31, 2012 and 2011 (in thousands, except percentages and performance metrics):

	Three Months Ended March 31,		
	2012	**2011**	**% Change**
Hospitality revenue (1)	**$ 226,048**	$ 209,342	8.0%
Hospitality operating expenses:			
Operating costs	**124,703**	123,765	0.8%
Selling, general and administrative	**32,773**	30,848	6.2%
Depreciation and amortization	**28,536**	25,275	12.9%
Total Hospitality operating expenses	**186,012**	179,888	3.4%
Hospitality operating income (2)	**$ 40,036**	$ 29,454	35.9%
Hospitality performance metrics:			
Occupancy	**69.9%**	69.6%	0.4%
ADR	**$ 169.89**	$ 164.43	3.3%
RevPAR (3)	**$ 118.82**	$ 114.45	3.8%
Total RevPAR (4)	**$ 306.99**	$ 292.61	4.9%
Net Definite Room Nights Booked	**306,000**	275,000	11.3%

(1) Hospitality results and performance metrics include the results of our Gaylord Hotels and our Radisson Hotel for all periods presented.

(2) Hospitality operating income does not include the effect of casualty loss and preopening costs. See the discussion of casualty loss and preopening costs set forth below.

(3) We calculate Hospitality RevPAR by dividing room sales by room nights available to guests for the period. Hospitality RevPAR is not comparable to similarly titled measures such as revenues.

(4) We calculate Hospitality Total RevPAR by dividing the sum of room sales, food and beverage, and other ancillary services (which equals Hospitality segment revenue) by room nights available to guests for the period. Hospitality Total RevPAR is not comparable to similarly titled measures such as revenues.

The increase in total Hospitality segment revenue in the three months ended March 31, 2012, as compared to the same period in 2011, is primarily due to increases of $10.4 million and $6.0 million, respectively, at Gaylord Opryland and Gaylord Palms primarily as a result of increased ADR and increased outside-the-room spending during the 2012 period. These increases are partially offset by a decrease of $2.1 million at Gaylord Texan during the 2012 period, due primarily to the 2011 period benefitting from the impact of the Super Bowl in February 2011.

The percentage of group versus transient business based on rooms sold for our hospitality segment for the periods presented was approximately as follows:

	Three months ended March 31,	
	2012	2011
Group	**83.9%**	85.2%
Transient	**16.1%**	14.8%

The decrease in group business during the 2012 period as compared to the 2011 period is primarily the result of a decrease at Gaylord Texan as a result of the impact of the Super Bowl during the 2011 period.

Total Hospitality segment operating expenses consist of direct operating costs, selling, general and administrative expenses, and depreciation and amortization expense. The increase in Hospitality operating expenses in the three months ended March 31, 2012, as compared to the same period in 2011, is primarily attributable to increases at Gaylord Opryland and Gaylord Palms, as described below.

Total Hospitality segment operating costs, which consist of direct costs associated with the daily operations of our hotels (primarily room, food and beverage and convention costs), increased in the three months ended March 31, 2012, as compared to the same period in 2011, primarily as a result of a slight increase at Gaylord Palms, partially offset by a slight decrease at Gaylord Texan, as described below.

Total Hospitality segment selling, general and administrative expenses, consisting of administrative and overhead costs, increased in the three months ended March 31, 2012, as compared to the same period in 2011, primarily as a result of an increase at Gaylord Opryland, as described below.

Total Hospitality segment depreciation and amortization expense increased in the three months ended March 31, 2012, as compared to the same period in 2011, primarily related to the disposal of certain fixed assets associated with a corridor renovation at Gaylord Opryland.

Property-Level Results. The following presents the property-level financial results of our Hospitality segment for the three months ended March 31, 2012 and 2011.

Gaylord Opryland Results. The results of Gaylord Opryland for the three months ended March 31, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended March 31, 2012	2011	% Change
Total revenues	**$ 70,669**	$ 60,310	17.2%
Operating expense data:			
Operating costs	**38,401**	38,273	0.3%
Selling, general and administrative	**9,612**	8,256	16.4%
Hospitality performance metrics:			
Occupancy	**68.0%**	68.6%	-0.9%
ADR	**$153.67**	$137.26	12.0%
RevPAR	**$ 104.56**	$ 94.19	11.0%
Total RevPAR	**$ 269.46**	$232.76	15.8%

Total revenue, RevPAR and Total RevPAR increased at Gaylord Opryland in the three months ended March 31, 2012, as compared to the same period in 2011, primarily as a result of increased ADR, primarily due to increased group business from associations. While occupancy was relatively stable, we experienced an increase in outside-the-room spending at the hotel, which drove the hotel's increased Total RevPAR during the 2012 period. The increase in Total RevPAR was also impacted by higher collection of attrition and cancellation fees during the 2012 period.

Operating costs remained fairly stable at Gaylord Opryland in the three months ended March 31, 2012 as compared to the same period in 2011. Selling, general and administrative expenses increased during the three months ended March 31, 2012, as compared to the same period in 2011, primarily due to increased sales and marketing expenses and increased employee benefit costs.

Gaylord Palms Results. The results of Gaylord Palms for the three months ended March 31, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	% Change
Total revenues	**$51,532**	$ 45,492	13.3%
Operating expense data:			
Operating costs	**24,546**	23,732	3.4%
Selling, general and administrative	**8,347**	8,049	3.7%
Hospitality performance metrics:			
Occupancy	**83.0%**	78.2%	6.1%
ADR	**$180.45**	$ 166.07	8.7%
RevPAR	**$149.84**	$ 129.93	15.3%
Total RevPAR	**$403.85**	$359.51	12.3%

Gaylord Palms revenue, RevPAR and Total RevPAR increased in the three months ended March 31, 2012, as compared to the same period in 2011, as a result of an increase in occupancy driven by an increase in corporate groups and an increase in ADR due to a shift to corporate groups from associations and other lower-rated groups. In addition, that shift resulted in an increase in outside-the-room spending, with contribution from the new sports bar, which opened on February 2, 2012, increasing revenue and Total RevPAR for the period.

Operating costs increased at Gaylord Palms in the three months ended March 31, 2012, as compared to the same period in 2011, primarily as a result of higher variable costs associated with the increase in occupancy and outside-the-room spending. Selling, general and administrative expenses increased during the three months ended March 31, 2012, as compared to the same period in 2011, primarily as a result of an increase in sales and marketing expenses.

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Gaylord Texan Results. The results of Gaylord Texan for the three months ended March 31, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended March 31,		
	2012	**2011**	**% Change**
Total revenues	**$ 48,274**	$ 50,360	-4.1%
Operating expense data:			
Operating costs	**25,610**	26,246	-2.4%
Selling, general and administrative	**6,202**	6,240	-0.6%
Hospitality performance metrics:			
Occupancy	**70.0%**	72.3%	-3.2%
ADR	**$176.12**	$ 190.19	-7.4%
RevPAR	**$123.35**	$ 137.56	-10.3%
Total RevPAR	**$ 350.85**	$ 370.32	-5.3%

The decrease in Gaylord Texan revenue, RevPAR and Total RevPAR in the three months ended March 31, 2012, as compared to the same period in 2011, was primarily due to lower occupancy and ADR during the 2012 period, driven by a decrease in higher-rated business due to the impact of the 2011 Super Bowl being held in metropolitan Dallas in February 2011. In addition, revenue and Total RevPAR were impacted by lower collection of attrition and cancellation fees during the 2012 period.

Operating costs at Gaylord Texan decreased in the three months ended March 31, 2012, as compared to the same period in 2011, primarily due to decreased variable operating costs associated with the lower occupancy at the hotel. Selling, general and administrative expenses remained fairly stable during the three months ended March 31, 2012, as compared to the same period in 2011.

Gaylord National Results. The results of Gaylord National for the three months ended March 31, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended March 31,		
	2012	2011	% Change
Total revenues	**$ 53,413**	$52,354	2.0%
Operating expense data:			
Operating costs	**34,832**	34,806	0.1%
Selling, general and administrative	**8,181**	7,936	3.1%
Hospitality performance metrics:			
Occupancy	**65.5%**	64.2%	2.0%
ADR	**$ 188.58**	$187.91	0.4%
RevPAR	**$123.51**	$ 120.70	2.3%
Total RevPAR	**$ 294.06**	$ 291.44	0.9%

Gaylord National revenue and Total RevPAR increased in the three months ended March 31, 2012, as compared to the same period in 2011, primarily as a result of higher occupancy and increased outside-the-room spending during the 2012 period, driven by an increase in group room nights and stronger government group attendance. Revenue and Total RevPAR were partially offset by lower collection of attrition and cancellation fees during the 2012 period.

Operating costs at Gaylord National remained fairly stable in the three months ended March 31, 2012, as compared to the same period in 2011 even as revenue increased, due to margin management initiatives at the property level, including favorable food costs and reduced labor costs. Selling, general and administrative expenses increased during the three months ended March 31, 2012, as compared to the same period in 2011, primarily due to an increase in sales and marketing expenses.

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Opry and Attractions Segment

Total Segment Results. The following presents the financial results of our Opry and Attractions segment for the three months ended March 31, 2012 and 2011 (in thousands, except percentages):

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	% Change
Total revenues	**$12,835**	$11,367	12.9%
Operating expense data:			
Operating costs	**7,251**	7,269	-0.2%
Selling, general and administrative	**3,506**	3,409	2.8%
Depreciation and amortization	**1,285**	1,332	-3.5%
Operating income (loss)	**$ 793**	$ (643)	223.3%

The increase in revenues in the Opry and Attractions segment for the three months ended March 31, 2012, as compared to the same period in 2011, was primarily due to increases at the Grand Ole Opry and the Ryman Auditorium.

Opry and Attractions operating costs and selling, general and administrative costs remained fairly stable in the three months ended March 31, 2012, as compared to the same period in 2011.

Opry and Attractions depreciation expense decreased slightly in the three months ended March 31, 2012, as compared to the same period in 2011.

Corporate and Other Segment

Total Segment Results. The following presents the financial results of our Corporate and Other segment for the three months ended March 31, 2012 and 2011 (in thousands, except percentages):

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	% Change
Total revenues	**$ 32**	$ 29	10.3%
Operating expense data:			
Operating costs	**3,030**	2,844	6.5%
Selling, general and administrative	**13,029**	8,821	47.7%
Depreciation and amortization	**2,613**	2,450	6.7%
Operating loss	**$(18,640)**	$(14,086)	-32.3%

Corporate and Other segment revenue consists of rental income and corporate sponsorships.

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Corporate and Other operating costs, which consist primarily of costs associated with information technology, increased in the three months ended March 31, 2012, as compared to the same period in 2011, due primarily to higher maintenance costs.

Corporate and Other selling, general and administrative expenses, which consist of senior management salaries and benefits, legal, human resources, accounting, pension and other administrative costs, increased in the three months ended March 31, 2012, as compared to same period in 2011, due primarily to $3.1 million in non-recurring expenses in the 2012 period related to exploring opportunities for our company to unlock shareholder value.

Corporate and Other depreciation and amortization expense increased slightly in the three months ended March 31, 2012 as compared with the same period in 2011, primarily due to an increase in software placed into service.

Operating Results – Casualty Loss

As a result of the Nashville flood (which occurred during May 2010 and is discussed more fully in our Annual Report on Form 10-K for the year ended December 31, 2011), the Company recognized approximately $0.2 million of casualty loss expense during the three months ended March 31, 2012, which primarily represents non-capitalized repairs of equipment within our Opry and Attractions segment.

Operating Results – Preopening Costs

We expense the costs associated with start-up activities and organization costs as incurred. Our preopening costs for the three months ended March 31, 2012 primarily relate to our new sports bar entertainment facility at Gaylord Palms.

Non-Operating Results Affecting Net Income (Loss)

General

The following table summarizes the other factors which affected our net income (loss) for the three months ended March 31, 2012 and 2011 (in thousands, except percentages):

	Three Months Ended March 31,		
	2012	2011	% Change
Interest expense, net of amounts capitalized	**$(14,362)**	$(20,809)	31.0%
Interest income	**3,154**	3,173	-0.6%
Income from unconsolidated companies	**—**	173	-100.0%
Other gains and (losses), net	**—**	(191)	100.0%
(Provision) benefit for income taxes	**(4,469)**	967	-562.2%
Income from discontinued operations, net of taxes	**21**	4	425.0%

Interest Expense, Net of Amounts Capitalized

Interest expense, net of amounts capitalized, decreased $6.4 million to $14.4 million (net of capitalized interest of $0.3 million) during the three months ended March 31, 2012, as compared to the same period in 2011, due primarily to a decrease in interest expense associated with our refinanced credit facility.

Cash interest expense decreased $6.5 million to $10.1 million in the three months ended March 31, 2012, as compared to the same period in 2011, and noncash interest expense, which includes amortization of deferred financing costs and debt discounts, as well as capitalized interest, remained stable at $4.3 million in the three months ended March 31, 2012 and 2011.

Our weighted average interest rate on our borrowings was 5.3% and 6.9% for the three months ended March 31, 2012 and 2011, respectively.

Interest Income

Interest income for the three months ended March 31, 2012 and 2011 primarily includes amounts earned on the notes that were received in connection with the development of Gaylord National.

Income from Unconsolidated Companies

We account for our minority investment in RHAC Holdings, LLC (the joint venture entity which invested in the Aston Waikiki Beach Hotel) under the equity method of accounting. Income from unconsolidated companies for the three months ended March 31, 2011 consisted of income from this investment.

Other Gains and (Losses)

Other gains and (losses), net for the three months ended March 31, 2011 primarily consisted of miscellaneous income and expense related to retirements of fixed assets.

(Provision) Benefit for Income Taxes

The effective tax rate as applied to pretax income (loss) from continuing operations differed from the statutory federal rate due to the following (in percentage points):

	Three Months Ended March 31,	
	2012	2011
U.S. Federal statutory rate	**35%**	35%
State taxes (net of federal tax benefit and change in valuation allowance)	**5**	2
Permanent items	**5**	(1)
Federal tax credits	**(2)**	(5)
Federal valuation allowance	**(1)**	2
Unrecognized tax benefits	**1**	—
Effective tax rate	**43%**	33%

Liquidity and Capital Resources

Cash Flows From Operating Activities. Cash flow from operating activities is the principal source of cash used to fund our operating expenses, interest payments on debt, and maintenance capital expenditures. During the three months ended March 31, 2012, our net cash flows provided by operating activities - continuing operations were $13.9 million, reflecting primarily cash provided by our income from continuing operations before non-cash depreciation expense, amortization expense, income tax provision and stock-based compensation expense of approximately $49.8 million, partially offset by unfavorable changes in working capital of approximately $35.9 million. The unfavorable changes in working capital primarily resulted from an increase in trade receivables due to a seasonal change in the timing of payments received from corporate group customers at Gaylord Opryland, Gaylord Texan, Gaylord Palms and Gaylord National, and a decrease in accrued expenses primarily related to the payment of accrued property taxes, accrued compensation, and accrued expenses associated with our hotel holiday programs, partially offset by an increase in deferred revenues due to increased receipts of deposits on advanced bookings of hotel rooms at Gaylord National and Gaylord Opryland and an increase in accounts payable due to timing differences.

During the three months ended March 31, 2011, our net cash flows used in operating activities - continuing operations were $8.0 million, reflecting primarily cash provided by our loss from continuing operations before non-cash depreciation expense, amortization expense, income tax benefit, stock-based compensation expense, income from unconsolidated companies, and losses on the disposals of certain fixed assets of approximately $32.4 million, offset by unfavorable changes in working capital of approximately $40.4 million. The unfavorable changes in working capital primarily resulted from an increase in trade receivables due to a seasonal change in the timing of payments received from corporate group customers at Gaylord Opryland, Gaylord Texan, Gaylord National and Gaylord Palms, and a decrease in accrued expenses primarily related to the payment of accrued compensation, accrued property taxes, and accrued expenses associated with our hotel holiday programs, partially offset by an increase in deferred revenues due to increased receipts of deposits on advanced bookings of hotel rooms at Gaylord National and Gaylord Opryland, an increase in interest payable, attributable to interest accrued on our convertible senior notes and our 6.75% senior notes, and the receipt of a payment on the interest receivable related to the bonds that were received in connection with the development of Gaylord National.

Cash Flows From Investing Activities. During the three months ended March 31, 2012, our primary uses of funds for investing activities were purchases of property and equipment, which totaled $29.7 million, partially offset by the receipt of a $2.9 million principal payment on the bonds that were received in connection with the development of Gaylord National. Our capital expenditures during the three months ended March 31, 2012 consisted primarily of the continuance of the renovation of the guestrooms and new resort pools and the completion of a new sports bar entertainment facility at Gaylord Palms and ongoing maintenance capital expenditures for our existing properties.

During the three months ended March 31, 2011, our primary uses of funds for investing activities were purchases of property and equipment, which totaled $37.5 million, partially offset by the receipt of a $2.5 million principal payment on the bonds that were received in connection with the development of Gaylord National and $1.6 million in proceeds from the sale of certain fixed assets. Our capital expenditures during the three months ended March 31, 2011 primarily included remaining flood-related projects at Gaylord Opryland, the building of our new resort pool at Gaylord Texan and various information technology projects, as well as ongoing maintenance capital expenditures for our existing properties.

Cash Flows From Financing Activities. Our cash flows from financing activities reflect primarily the incurrence of debt and the repayment of long-term debt. During the three months ended March 31, 2012, our net cash flows used in financing activities were approximately $12.0 million, primarily reflecting $15.0 million in repayments under our credit facility, partially offset by $3.2 million in proceeds from the exercise of stock option and purchase plans.

During the three months ended March 31, 2011, our net cash flows provided by financing activities were approximately $4.0 million, primarily reflecting $4.1 million in proceeds from the exercise of stock option and purchase plans.

Working Capital

As of March 31, 2012 we had total current assets of $131.3 million and total current liabilities of $154.2 million, which resulted in a working capital deficit of $22.8 million. A significant portion of our current liabilities consist of deferred revenues ($53.6 million at March 31, 2012), which primarily represent deposits received on advance bookings of hotel rooms. While satisfaction of these deferred revenue liabilities will require the use of hotel resources and services, it does not require future cash payments by us. As a result, we believe our current assets, cash flows from operating activities and availability under our credit facility will be sufficient to repay our current liabilities as they become due.

Liquidity

As of March 31, 2012, we had $19.9 million in unrestricted cash and $332.0 million available for borrowing under our $925 million credit facility, which we refinanced in July 2011 and matures in 2015. During the three months ended March 31, 2012, we prepaid $15.0 million of the principal outstanding under our $925 million credit facility. This prepayment was the primary factor in the decrease in our cash balance from December 31, 2011 to March 31, 2012.

As described above, we anticipate investing in our operations during the remainder of 2012 through ongoing maintenance capital expenditures for our existing properties, the completion of the rooms renovation and resort pools at Gaylord Palms, and design and architectural plans for our planned resort and convention center in Aurora, Colorado. We believe that our cash on hand and cash from operations will be adequate to fund these short-term commitments, as well as: (i) normal operating expenses, (ii) interest expense on long-term debt obligations, and (iii) capital lease and operating lease obligations. If our existing cash and cash from operations were inadequate to fund such commitments, we could draw on our $925 million credit facility, subject to the satisfaction of debt incurrence tests. As of March 31, 2012, we believe that drawing on this credit facility will not be necessary for general working capital purposes or these 2012 commitments described herein. We may, however, draw on our credit facility for operational and capital needs in the future.

On an ongoing basis, we evaluate potential acquisition opportunities and future development opportunities for hotel properties. In June 2011, we announced our plans to develop a resort and convention hotel in Aurora, Colorado. The project is expected to cost approximately $800 million and could be funded by us, potential joint venture partners and the tax incentives that are being provided as a result of an agreement between us and the city of Aurora, and is contingent on receiving required governmental approvals, incentives, and final approval by our board of directors. We expect to break ground on construction in 2013 and expect the resort to be open for business in early 2016. At this time, we have not made any material financial commitments in connection with this development.

We will continue to evaluate additional acquisition or development opportunities in light of economic conditions and other factors. We are unable to predict at this time if or when additional development or acquisition opportunities may present themselves. In addition, we are unable to predict when we might make commitments or commence construction related to the proposed development in Mesa, Arizona. Furthermore, we do not anticipate making significant capital expenditures on the development in Mesa, Arizona or our water park development during 2012.

Our outstanding principal debt agreements, none of which mature prior to 2014, are described below. Based on current projections for compliance under our financial covenants contained in these agreements, we do not foresee a maturity issue prior to 2014.

Principal Debt Agreements

$925 Million Credit Facility. On August 1, 2011, we refinanced our previous $1.0 billion credit facility by entering into a $925 million senior secured credit facility by and among the Company, certain subsidiaries of the Company party thereto, as guarantors, the lenders party thereto and Bank of America, N.A., as administrative agent (the “$925 Million Credit Facility”). The $925 Million Credit Facility consists of the following components: (a) a $525.0 million senior secured revolving credit facility, of which $200.0 million was drawn at closing, and includes a $75.0 million letter of credit sublimit and a $50.0 million sublimit for swingline loans, and

(b) a $400.0 million senior secured term loan facility, which was fully funded at closing. The $925 Million Credit Facility also includes an accordion feature that will allow us to increase the facility by a total of up to $475.0 million, subject to securing additional commitments from existing lenders or new lending institutions. The $925 Million Credit Facility matures on August 1, 2015 and bears interest at an annual rate of LIBOR plus 2.25% or the bank's base rate plus 1.25%, subject to adjustment based on our implied debt service coverage ratio, as defined in the agreement. Interest on our borrowings is payable quarterly, in arrears, for base rate loans and at the end of each interest rate period for LIBOR-based loans. Principal is payable in full at maturity. We are required to pay a fee of 0.3% to 0.4% per year of the average unused portion of the $925 Million Credit Facility. The purpose of the $925 Million Credit Facility is for working capital, capital expenditures, and other corporate purposes.

The $925 Million Credit Facility is (i) secured by a first mortgage and lien on the real property and related personal and intellectual property of our Gaylord Opryland hotel, Gaylord Texan hotel, Gaylord Palms hotel and Gaylord National hotel, and pledges of equity interests in the entities that own such properties and (ii) guaranteed by each of the four wholly-owned subsidiaries that own the four hotels. Advances are subject to a 55% borrowing base, based on the appraisal value of the hotel properties (reduced to 50% in the event a hotel property is sold).

In addition, the $925 Million Credit Facility contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The material financial covenants, ratios or tests contained in the $925 Million Credit Facility are as follows:

- We must maintain a consolidated funded indebtedness to total asset value ratio as of the end of each calendar quarter of not more than 65%.
- We must maintain a consolidated tangible net worth of not less than $850.0 million plus 75% of the proceeds received by us or any of our subsidiaries in connection with any equity issuance.
- We must maintain a minimum consolidated fixed charge coverage ratio, as defined in the agreement, of not less than 1.75 to 1.00.
- We must maintain an implied debt service coverage ratio (the ratio of adjusted net operating income to monthly principal and interest that would be required if the outstanding balance were amortized over 25 years at an assumed fixed rate) of not less than 1.60 to 1.00.

If an event of default were to occur and continue under the $925 Million Credit Facility, the commitments under the $925 Million Credit Facility may be terminated and the principal amount outstanding under the $925 Million Credit Facility, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable. The $925 Million Credit Facility is cross-defaulted to our other indebtedness.

As of March 31, 2012, $585.0 million of borrowings were outstanding under the $925 Million Credit Facility, and the lending banks had issued $8.0 million of letters of credit under the facility, which left $332.0 million of availability under the credit facility (subject to the satisfaction of debt incurrence tests under the indentures governing our 6.75% senior notes due 2014).

3.75% Convertible Senior Notes. In 2009, we issued $360.0 million of 3.75% Convertible Senior Notes (the "Convertible Notes"). The Convertible Notes have a maturity date of October 1, 2014, and interest is payable semiannually in cash in arrears on April 1 and October 1. The Convertible Notes are convertible, under certain circumstances as described below, at the holder's option, into shares of our common stock, at an initial conversion rate of 36.6972 shares of common stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $27.25 per share. We may elect, at our option, to deliver shares of our common stock, cash or a combination of cash and shares of our common stock in satisfaction of our obligations upon conversion of the Convertible Notes. We intend to settle the face value of the Convertible Notes in cash.

The Convertible Notes are convertible under any of the following circumstances: (1) during any calendar quarter ending after September 30, 2009 (and only during such calendar quarter), if the closing price of our common stock for at least 20 trading days during the 30 consecutive trading day period ending on the last trading day of the immediately preceding calendar quarter exceeds 120% of the applicable conversion price per share of common stock on the last trading day of such preceding calendar quarter; (2) during the ten business day period after any five consecutive trading day period in which the Trading Price (as defined in the Indenture) per $1,000 principal amount of the Convertible Notes, as determined following a request by a Convertible Note holder, for each day in such five consecutive trading day period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate, subject to certain procedures; (3) if specified corporate transactions or events occur; or (4) at any time on or after July 1, 2014, until the second scheduled trading day immediately preceding October 1, 2014. At March 31, 2012, none of the conditions permitting conversion were satisfied and, thus, the Convertible Notes are not currently convertible.

The Convertible Notes are general unsecured and unsubordinated obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness, including our 6.75% senior notes due 2014, and senior in right of payment to all of our future subordinated indebtedness, if any. The Convertible Notes will be effectively subordinated to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness.

The Convertible Notes are guaranteed, jointly and severally, on an unsecured unsubordinated basis by generally all of our active domestic subsidiaries. Each guarantee will rank equally in right of payment with such subsidiary guarantor’s existing and future senior unsecured indebtedness and senior in right of payment to all future subordinated indebtedness, if any, of such subsidiary guarantor. The Convertible Notes will be effectively subordinated to any secured indebtedness and effectively subordinated to all indebtedness and other obligations of our subsidiaries that do not guarantee the Convertible Notes.

Upon a Fundamental Change (as defined in the Indenture), holders may require us to repurchase all or a portion of their Convertible Notes at a purchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus any accrued and unpaid interest, if any, thereon to (but excluding) the Fundamental Change Repurchase Date (as defined in the Indenture). The Convertible Notes are not redeemable at our option prior to maturity.

6.75% Senior Notes. In 2004, we completed our offering of $225 million in aggregate principal amount of senior notes bearing an interest rate of 6.75% (the “Senior Notes”). The Senior Notes, which mature on November 15, 2014, bear interest semi-annually in cash in arrears on May 15 and November 15 of each year. The Senior Notes are redeemable, in whole or in part, at any time on or after November 15, 2009 at a designated redemption amount, plus accrued and unpaid interest. The Senior Notes rank equally in right of payment with our other unsecured unsubordinated debt, but are effectively subordinated to all of our secured debt to the extent of the assets securing such debt. The Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by generally all of our active domestic subsidiaries. In addition, the Senior Notes indenture contains certain covenants which, among other things, limit the incurrence of additional indebtedness (including additional indebtedness under the term loan portion of our $925 Million Credit Facility), investments, dividends, transactions with affiliates, asset sales, capital expenditures, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The Senior Notes are cross-defaulted to our other indebtedness.

Off-Balance Sheet Arrangements

As described in Note 11 to our condensed consolidated financial statements included herein, we previously invested in two unconsolidated entities that owned hotels located in Hawaii. Our joint venture partner in each of these unconsolidated entities guaranteed, under certain circumstances, certain loans made to wholly-owned subsidiaries of each of these entities, and we agreed to contribute to these joint venture partners our pro rata share of any payments under such guarantees required to be made by such joint venture partners. In addition, we enter into commitments under letters of credit, primarily for the purpose of securing our deductible obligations with our workers' compensation insurers, and lending banks under our credit facility had issued $8.0 million of letters of credit as of March 31, 2012. Except as set forth in this paragraph, we do not have any off-balance sheet arrangements.

Commitments and Contractual Obligations

The following table summarizes our significant contractual obligations as of March 31, 2012, including long-term debt and operating and capital lease commitments (amounts in thousands):

Contractual obligations	Total amounts committed	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt (1)	$ 1,097,180	$ —	$ 512,180	$585,000	$ —
Capital leases	2,212	763	1,243	206	—
Construction commitments	51,940	51,940	—	—	—
Operating leases (2)	642,884	6,258	10,518	9,214	616,894
Other	15,747	6,093	9,654	—	—
Total contractual obligations	$1,809,963	$65,054	$533,595	$594,420	$616,894

(1) Long-term debt commitments do not include approximately $109.3 million in interest payments projected to be due in future years ($38.4 million less than one year, $66.1 million between one and three years, and $4.9 million between three and five years) based on the stated interest rates on our fixed-rate debt and the rates in effect at March 31, 2012 for our variable-rate debt. Variable rates, as well as outstanding principal balances, could change in future periods. See "Principal Debt Agreements" above for a discussion of our outstanding long-term debt. See "Supplemental Cash Flow Information" in Note 1 to to our Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of the interest we paid during 2011, 2010 and 2009.

(2) The total operating lease commitments of $642.9 million above includes the 75-year operating lease agreement we entered into during 1999 for 65.3 acres of land located in Osceola County, Florida where Gaylord Palms is located.

Due to the uncertainty with respect to the timing of future cash payments associated with our defined benefit pension plan, our non-qualified retirement plan, our non-qualified contributory deferred compensation plan and our defined benefit postretirement health care and life insurance plan, we cannot make reasonably certain estimates of the period of cash settlement. Therefore, these obligations have been excluded from the contractual obligations table above. See Note 10 and Note 11 to our Annual Report on Form 10-K for the year ended December 31, 2011 for further discussion related to these obligations.

Critical Accounting Policies and Estimates

We prepare our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States. Certain of our accounting policies, including those related to revenue recognition, impairment of long-lived assets and goodwill, stock-based compensation, derivative financial instruments, income taxes, retirement and postretirement benefits other than pension plans, and legal contingencies, require that we apply significant judgment in defining the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. Our judgments are based on our historical experience, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. There can be no assurance that actual results will not differ from our estimates. For a discussion of our critical accounting policies and estimates, please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations and Notes to Consolidated Financial Statements presented in our Annual Report on Form 10-K for the year ended December 31, 2011. There were no newly identified critical accounting policies in the first three months of 2012 nor were there any material changes to the critical accounting policies and estimates discussed in our Annual Report on Form 10-K for the year ended December 31, 2011.

Recently Issued Accounting Standards

For a discussion of recently issued accounting standards, see Note 2 to our condensed consolidated financial statements for the three months ended March 31, 2012 and 2011 included herewith.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposures to market risk are from changes in interest rates and equity prices and changes in asset values of investments that fund our pension plan.

Risk Related to Changes in Interest Rates

Borrowings outstanding under our $925 Million Credit Facility currently bear interest at an annual rate of LIBOR plus 2.25%, subject to adjustment as defined in the credit agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the $585.0 million in borrowings outstanding under our $925 Million Credit Facility as of Mach 31, 2012 would increase by approximately $5.9 million.

Certain of our outstanding cash balances are occasionally invested overnight with high credit quality financial institutions. We do not have significant exposure to changing interest rates on invested cash at March 31, 2012. As a result, the interest rate market risk implicit in these investments at March 31, 2012, if any, is low.

Risk Related to Changes in Equity Prices

The $360 million aggregate principal amount of Convertible Notes we issued in September 2009 may be converted prior to maturity, at the holder's option, into shares of our common stock under certain circumstances as described above under Principal Debt Agreements and in our Annual Report on Form 10-K as of and for the year ended December 31, 2011. The initial conversion price is approximately $27.25 per share. Upon conversion, we may elect, at our option, to deliver shares of our common stock, cash or a combination of cash and shares of our common stock in satisfaction of our obligations to the converting note holders. The fair value of the Convertible Notes will generally increase as our share price increases and decrease as our share price declines.

Concurrently with the issuance of the Convertible Notes, we entered into convertible note hedge transactions intended to reduce the potential dilution upon conversion of the Convertible Notes in the event that the market value per share of our common stock, as measured under the Convertible Notes, at the time of exercise is greater than the conversion price of the Convertible Notes. In connection with the convertible note hedge transactions, we purchased call options to purchase approximately 13.2 million shares of our common stock, subject to anti-dilution adjustments, at a price per share equal to $27.25, the initial conversion price of the Convertible Notes, from counterparties affiliated with the initial purchasers of the Convertible Notes. Separately we sold warrants to the counterparties to the call options whereby they may purchase approximately 13.2 million shares of our common stock at a price of $32.70 per share. As a result of our purchasing the call options and issuing the warrants, the Convertible Notes will not have a dilutive impact on shares outstanding if the share price of our common stock is below $32.70. For every $1 increase in the share price of our common stock above $32.70, we will be required to deliver, upon the exercise of the warrants, the equivalent of $13.2 million in shares of our common stock (at the relevant share price).

Risk Related to Changes in Asset Values that Fund our Pension Plans

The expected rates of return on the assets that fund our defined benefit pension plan are based on the asset allocation of the plan and the long-term projected return on those assets, which represent a diversified mix of equity securities, fixed income securities and cash. As of March 31, 2012, the value of the investments in the pension fund was $67.2 million, and an immediate 10% decrease in the value of the investments in the fund would have reduced the value of the fund by approximately $6.7 million.

ITEM 4. CONTROLS AND PROCEDURES.

The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

There has been no change in our internal control over financial reporting that occurred during the period covered by this report that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is a party to certain litigation, as described in Note 11 to our condensed consolidated financial statements included herein and which is incorporated herein by reference.

ITEM 1A. RISK FACTORS.

There have been no material changes in our "Risk Factors" as previously set forth in our Annual Report on Form 10-K for the year ended December 31, 2011.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table sets forth information with respect to purchases of shares of the Company's common stock made during the three months ended March 31, 2012 by or on behalf of the Company or any "affiliated purchaser," as defined by Rule 10b-18 of the Exchange Act:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 – January 31, 2012	—	—	—	—
February 1 – February 29, 2012 (1)	307	$29.56	—	—
March 1 – March 31, 2012	—	—	—	—
Total	307	$29.56	—	—

(1) Represents shares withheld from vested restricted stock to satisfy the minimum withholding requirement for federal and state taxes.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Inapplicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Inapplicable.

ITEM 5. OTHER INFORMATION.

Inapplicable.

ITEM 6. EXHIBITS.

See Index to Exhibits following the Signatures page.

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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 9, 2012

By: /s/ Colin V. Reed
Colin V. Reed
Chairman of the Board of Directors
and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Mark Fioravanti
Mark Fioravanti
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Rod Connor
Rod Connor
Senior Vice President and Chief Administrative Officer
(Principal Accounting Officer)

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INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
3.1	Restated Certificate of Incorporation of the Company, as amended (restated for SEC filing purposes only) (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
3.2	Second Amended and Restated Bylaws of the Company, as amended (restated for SEC filing purposes only) (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-3 filed on May 7, 2009).
3.3	Certificate of Designations of Series A Junior Participating Preferred Stock of Gaylord Entertainment Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 13, 2008).
10.1	Letter Agreement dated January 13, 2012 by and among Gaylord Entertainment Company, TRT Holdings, Inc. and Robert Rowling (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 17, 2012).
10.2	Form of Restricted Stock Unit Agreement with respect to performance-based restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan.
31.1	Certification of Colin V. Reed pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
31.2	Certification of Mark Fioravanti pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
32.1	Certification of Colin V. Reed and Mark Fioravanti pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
101	The following materials from Gaylord Entertainment Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations and Comprehensive Income for the three months ended March 31, 2012 and 2011, (ii) Condensed Consolidated Balance Sheets at March 31, 2012 and December 31, 2011, (iii) Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and 2011, and (iv) Notes to Condensed Consolidated Financial Statements.*
*	Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Exhibit 10.2

GAYLORD ENTERTAINMENT COMPANY
2012 LONG TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement") is made and entered into as of the 8th day of February, 2012, between Gaylord Entertainment Company, a Delaware corporation, (the "Company"), and (the "Grantee"), who is a member of the Company's senior management team. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Gaylord Entertainment Company 2006 Omnibus Incentive Plan, as it may be amended (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of restricted stock units of Gaylord Entertainment Company (the "Restricted Stock Units"); and

WHEREAS, pursuant to the Plan, the Committee responsible for administering the Plan has granted an award of Restricted Stock Units to Grantee as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Restricted Stock Units.

(a) The Company hereby grants to the Grantee an award (the "Award") of Restricted Stock Units on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) Except to the extent provided in this Section 1(b) hereof, or as otherwise determined by the Committee, all Restricted Stock Units granted hereunder shall be forfeited, and all rights of the Grantee to such Restricted Stock Units shall terminate, without further obligation on the part of the Company, in the event of the termination of Grantee's employment from the Company or any Subsidiary or Affiliate thereof prior to the date on which the Restricted Stock Units granted hereunder may vest pursuant to Section 2 or Section 12 hereof. Notwithstanding the foregoing, in the event of the termination of Grantee's employment from the Company or any Subsidiary or Affiliate thereof as a result of the Grantee's approved retirement or his or her death or disability prior to the date on which the Restricted Stock Units granted hereunder may vest, then Grantee shall be entitled to a pro rata vesting at the Vested Date (or any other earlier vesting date as a result of a Change in Control or otherwise)(the proration of the award that would have been earned had the Grantee remained employed through the Vested Date or the Change in Control will be based on the Grantee's active service during the thirty-six month award cycle in relation to the length of the award cycle).

2. Vesting of the Award. Up to one hundred fifty percent (150%) of the Restricted Stock Units may vest on February 8, 2015 (the "Vested Date"), based on the satisfaction of the performance targets as more fully described on Exhibit A.

3. Payment of Vested Restricted Stock Units. Grantee shall be entitled to receive the Company's Common Stock, par value $.01 per share (the "Common Stock") for Restricted Stock Units whose restrictions have lapsed pursuant to Section 2 or Section 12. Grantee will receive the number of shares equal to the number of vested Restricted Stock Units. Once the Restricted Stock Units vest, upon Grantee's request, stock certificates will be issued.

4. Dividends. The Grantee shall be entitled to receive either:

(a) Cash payments equal to any cash dividend and other distributions paid with respect to a corresponding number of shares;

(b) Additional Restricted Stock Units equal to any cash dividend and other distributions paid with respect to a corresponding number of shares; or

(c) If dividends or distributions are paid in shares, the fair market value of such shares converted into Restricted Stock Units.

In the case of (b) or (c) above, the additional Restricted Stock Units shall be subject to the same forfeiture restrictions and restrictions on transferability as apply to the Restricted Stock Units with respect to which they were paid.

5. Rights as a Stockholder. Except as provided above, the Grantee shall not have voting or any other rights as a stockholder of the Company with respect to Restricted Stock Units. Grantee will obtain full voting and other rights as a stockholder of the Company upon the settlement of Restricted Stock Units in shares.

6. Adjustments. The Committee shall make appropriate adjustments in the terms and conditions of, and the criteria included in, this Award in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. Upon the occurrence of any of the events described in Section 4.2 of the Plan, the Committee shall make the adjustments described in this Section 6. Any such adjustments shall be made in a manner that is consistent with the effect of such event on the Company or financial statements of the Company and shall be made in a manner that (i) does not result in a discretionary increase in the amounts payable under the Award, and (ii) is otherwise consistent with the qualification of the Award as "performance-based compensation" under section 162(m) of the Internal Revenue Code.

7. Amendment to Award. Subject to the restrictions contained in the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate the Award, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Grantee or any holder or beneficiary of the Award shall not to that extent be effective without the consent of the Grantee, holder or beneficiary affected.

8. Plan Governs. The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

9. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

10. Notices. All notices required to be given under this Grant shall be deemed to be received if delivered or mailed as provided for herein, to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company:	Gaylord Entertainment Company One Gaylord Drive Nashville, Tennessee 37214 Attn: Carter R. Todd, General Counsel
To the Grantee:	The address then maintained with respect to the Grantee in the Company's records.

11. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

12. Successors in Interest; Change in Control. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors. Assuming that Grantee remains employed by the Company or any Subsidiary or Affiliate thereof (or has terminated such employment as a result of the Grantee's approved retirement or his or her death or disability) at the time of any Change in Control (as defined in the Plan) occurring prior to or on the Vested Date, upon a Change in Control, the Award shall vest (subject to any applicable proration pursuant to Section 1(b) above), become immediately payable and all restrictions shall be lifted. If a Change in Control is anticipated to occur, then immediately prior to such Change in Control, the Committee may review the Company's performance and the performance criteria for any completed performance period to determine whether in its reasonable belief the Award (or portion thereof) for such

completed performance period would have vested and the Committee may vest such shares on the basis that the performance criteria have been met and determine that such Award (or portion thereof) has vested based upon the Company's performance for such completed performance period.

13. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed effective as of the date set forth above.

GAYLORD ENTERTAINMENT COMPANY

By: ________________________

GRANTEE:

____

Print Name

____

Signature

EXHIBIT A
LTIP PERFORMANCE CRITERIA

The performance will be measured in terms of the Company's Total Shareholder Return ("TSR") performance over the 3-year award cycle using the Company's TSR for the three-year period. The amount of the Award earned by the participant is determined by comparing the Company's TSR performance during the performance period (January 1, 2012 – December 31, 2014) to the TSR for the Russell 2000 Index during the same performance period.

One hundred fifty percent (150%) of the Award will vest if the Company's TSR performance equals the 75 th percentile of the TSR for the Russell 2000 Index. One hundred percent (100%) of the Award will vest if the Company's TSR performance equals the 50th percentile of the TSR for the Russell 2000 Index. Fifty percent (50%) of the Award will vest if the Company's TSR performance equals the 33rd percentile of the TSR for the Russell 2000 Index. No portion of the Award will vest if the Company's TSR performance falls below the 33rd percentile of the TSR for the Russell 2000 Index. If the performance achieved falls in between the established goal levels, the percentage of the Award earned by the participant will be determined on a directly proportional basis using straight-line interpolation and rounding to the nearest full share.

As used above, the term "Total Shareholder Return" or "TSR" is calculated by measuring the cumulative performance of Gaylord's stock price (plus any dividends paid) over the three-year performance period (January 1, 2012 – December 31, 2014).

EXHIBIT 31.1

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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2012

By: /s/ Colin V. Reed
Name: Colin V. Reed
Title: Chairman of the Board of Directors and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Mark Fioravanti, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2012

By: /s/ Mark Fioravanti

Name: Mark Fioravanti
Title: Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

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 quarter ended March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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.

By: /s/ Colin V. Reed
Colin V. Reed
Chairman of the Board of Directors and Chief Executive Officer
May 9, 2012

By: /s/ Mark Fioravanti
Mark Fioravanti
Executive Vice President and Chief Financial Officer
May 9, 2012

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.