



FOR IMMEDIATE RELEASE

SYMBOL: "RYL.UN"

ROYAL HOST REIT ANNOUNCES FIRST QUARTER RESULTS

Halifax, Nova Scotia, May 12, 2010 - Royal Host Real Estate Investment Trust ("Royal Host" or the "Trust") today announced results for the three months commencing on January 1, 2010, and ending on March 31, 2010 (the "First Quarter").

During the First Quarter, increasing competition and room rate cuts continued, providing a difficult operating environment for the Canadian lodging industry and Royal Host. Royal Host maintained its focus on revenue generation, cost control and liquidity management.

In the First Quarter, Royal Host:

- Generated overall Occupancy of 50.0% (2009 – 49.0%), Average Daily Rate of \$97.11 (2009 - \$100.45) and Revenue per Available Room of \$48.60 (2009 - \$49.19).
- Generated \$2.9 million of hospitality gross margin (2009 - \$3.1 million) from \$20.7 million of hospitality revenue (2009 - \$21.7 million);
- Had a comprehensive loss of \$1.0 million including an other comprehensive loss of \$7.2 million and a loss of \$0.4 million from discontinued operations (2009 – comprehensive loss of \$9.5 million including other comprehensive loss of \$8.0 million and loss of \$0.1 million from discontinued operations);
- Realized net income of \$6.3 million (2009 – loss of \$1.6 million), or \$0.35 per unit (2009 – loss of \$0.07 per unit).

The following table highlights the Trust's financial results for the First Quarter.

SELECTED FINANCIAL INFORMATION

(\$000's, except as otherwise noted)	Three months ended March 31	
	2010	2009
Hospitality Revenue (Continuing Operations)	20,740	21,684
Hospitality Expenses	17,860	18,622
Hospitality Gross Margin	2,880	3,062
Hospitality Gross Margin %	13.9%	14.1%
Investment Income	10,945	3,188
Other Expenses	(8,328)	(8,011)
Future Income Tax Recovery	1,230	279
Income (Loss) From Continuing Operations	6,727	(1,482)
Loss From Discontinued Operations	(449)	(69)
Net Income (Loss)	6,278	(1,551)
Other Comprehensive Loss	(7,183)	(7,979)
Comprehensive Loss	(905)	(9,530)
Basic Per Unit Net Income (Loss) (\$)		
From Continuing Operations	0.37	(0.07)
From Discontinued Operations	(0.02)	-
	0.35	(0.07)
Distributable Income	(2,422)	(92)
Basic Per Unit Distributable Income (\$)	(0.13)	-
Per Unit Distributions Declared (\$)	0.075	0.165

Appointment of Trustees

At the Annual General Meeting of the Trust, held May 11, 2010, Scott Armour McCrea was appointed to the Board of Trustees of Royal Host REIT along with the existing Trustees. Mr. McCrea is an executive with Cominar Real Estate Investment Trust, formerly President and CEO of Overland Realty Limited and has over twenty years of real estate industry experience.

Taxation changes to Income Trusts

Bill C-52 (the "Bill") imposes additional income taxes to publicly traded trusts which existed prior to November 1, 2006. Under the Bill, the Trust does not currently qualify for the "REIT exception" from the tax on specified investment flow through entities ("SIFTs"). The Trust has evaluated and considered the options available to address the taxation changes under the Bill and determined that no action is required by the Trust before December 31, 2011. The Trust has estimated the non-taxable portion of distributions made in 2010 will approximate 100% and remain so through 2011. The Trust continues to study two options available to address the changes from the Bill; conversion to a corporation or a reorganization to become a Qualifying REIT.

Outlook

Royal Host continues to examine all aspects of its business and property portfolio with the goal to maximize overall profitability. In May, 2010, Royal Host entered into an agreement, pending lender approval, with Crescent Hotels and Resorts Canada Company ("Crescent") to assume the management of Royal Host's

ten full service properties. Crescent is a top ranked independent third party management company currently managing approximately 55 hotels and resorts in the U.S. and Canada.

With the pending Crescent agreement in place, Royal Host's entire portfolio of 31 hotels is now managed by third party management companies who are expected to drive improved results from the properties. Royal Host will further streamline its corporate structure and focus on franchising, financing and asset management for its portfolio of 31 properties.

Royal Host is a uniquely diversified hospitality trust that delivers Unitholder value through hotel ownership, investment, and franchising. Royal Host's portfolio of Canadian hotels operates under a variety of recognizable brands as well as a number of unbranded properties. The Trust's hotel portfolio is further enhanced by a stable franchising business and a portfolio of publicly-traded securities from within the hospitality and service sectors.

Royal Host trust units and convertible debentures are traded on the Toronto Stock Exchange under the trading symbols "RYL.UN", "RYL.DB.B", "RYL.DB.C" and "RYL.DB.D", respectively.

The above statements in regard to the financial results should be read in conjunction with Royal Host's unaudited consolidated financial statements for the three months ended March 31, 2010 and its management's discussion and analysis, which are available on Royal Host's website at www.royalhost.com as well as the SEDAR website at www.sedar.com.

This press release contains certain forward-looking statements relating, but not limited to, Royal Host's operations, anticipated financial performance, business prospects, and strategies. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking statements. Such factors include, but are not limited to economic, competitive, and lodging industry conditions. Royal Host disclaims any responsibility to update any such forward-looking statements except as required by law.

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