Ryman Hospitality Properties, Inc.
Form 10-Q
November 05, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

or

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

Commission file number 1-13079

RYMAN HOSPITALITY PROPERTIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**73-0664379**
(State or Other Jurisdiction of	**(I.R.S. Employer**
Incorporation or Organization)	**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. x 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). x 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 x	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 x No

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

Class	**Outstanding as of October 30, 2015**
Common Stock, par value $.01	51,285,263 shares

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RYMAN HOSPITALITY PROPERTIES, INC.

FORM 10-Q

For the Quarter Ended September 30, 2015

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Part I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS.

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands)

	September 30, 2015	December 31, 2014
ASSETS:		
Property and equipment, net of accumulated depreciation	$ 2,011,381	$ 2,036,261
Cash and cash equivalents - unrestricted	40,340	76,408
Cash and cash equivalents - restricted	21,854	17,410
Notes receivable	149,569	149,612
Trade receivables, less allowance of $675 and $704, respectively	63,807	45,188
Deferred financing costs	26,688	21,646
Prepaid expenses and other assets	67,677	66,621
Total assets	$ 2,381,316	$ 2,413,146
LIABILITIES AND STOCKHOLDERS EQUITY:		
Debt and capital lease obligations	$ 1,469,582	$ 1,341,555
Accounts payable and accrued liabilities	163,498	166,848
Deferred income tax liabilities, net	8,876	14,284
Deferred management rights proceeds	183,877	183,423
Dividends payable	36,616	29,133
Derivative liabilities		134,477
Other liabilities	145,473	142,019
Commitments and contingencies		
Stockholders equity:		
Preferred stock, $.01 par value, 100,000 shares authorized, no shares issued or outstanding		
Common stock, $.01 par value, 400,000 shares authorized, 51,283 and 51,044 shares issued and outstanding, respectively	513	510
Additional paid-in capital	885,351	882,193
Treasury stock of 505 and 477 shares, at cost	(9,647)	(8,002)
Accumulated deficit	(476,261)	(446,963)
Accumulated other comprehensive loss	(26,562)	(26,331)
Total stockholders equity	373,394	401,407

Total liabilities and stockholders equity	$ 2,381,316	$ 2,413,146

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

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME

(Unaudited)

(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues:				
Rooms	$ 92,828	$ 92,378	$ 292,089	$ 282,836
Food and beverage	108,558	104,175	345,931	331,378
Other hotel revenue	23,456	22,549	69,111	70,021
Entertainment (previously Opry and Attractions)	27,978	25,913	72,873	65,144
Total revenues	252,820	245,015	780,004	749,379
Operating expenses:				
Rooms	27,347	28,397	80,216	82,778
Food and beverage	63,797	60,508	193,661	184,748
Other hotel expenses	70,108	71,863	210,513	212,788
Management fees	3,213	3,622	10,516	11,485
Total hotel operating expenses	164,465	164,390	494,906	491,799
Entertainment (previously Opry and Attractions)	18,954	16,557	48,775	44,239
Corporate	8,017	6,952	21,384	19,707
Preopening costs	118		909	
Impairment and other charges			2,890	
Depreciation and amortization	28,498	28,033	85,467	84,268
Total operating expenses	220,052	215,932	654,331	640,013
Operating income	32,768	29,083	125,673	109,366
Interest expense	(16,138)	(17,135)	(47,765)	(48,277)
Interest income	2,982	3,001	9,383	9,070
Loss on extinguishment of debt				(2,148)
Other gains and (losses), net	2,467	(282)	(18,104)	(4,608)
Income before income taxes	22,079	14,667	69,187	63,403
Benefit for income taxes	4,612	463	3,425	371
Net income	26,691	15,130	72,612	63,774
				(4,952)

Loss on call spread and warrant modifications related to convertible notes				
Net income available to common shareholders	$ 26,691	$ 15,130	$ 72,612	$ 58,822
Basic income per share available to common shareholders	$ 0.52	$ 0.30	$ 1.42	$ 1.16
Fully diluted income per share available to common shareholders	$ 0.52	$ 0.25	$ 1.41	$ 0.97
Dividends declared per common share	$ 0.70	$ 0.55	$ 2.00	$ 1.65
Comprehensive income, net of deferred taxes	$ 26,364	$ 15,079	$ 72,381	$ 63,623

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

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2015 and 2014

(Unaudited)

(In thousands)

	2015	2014
Cash Flows from Operating Activities:		
Net income	$ 72,612	$ 63,774
Amounts to reconcile net income to net cash flows provided by operating activities:		
Benefit for deferred income taxes	(5,303)	(2,261)
Depreciation and amortization	85,467	84,268
Amortization of deferred financing costs	4,177	4,532
Amortization of discount on convertible notes		8,735
Impairment and other charges	2,890	
Loss on extinguishment of debt		2,148
Loss on repurchase of warrants	20,246	6,065
Write-off of deferred financing costs	1,926	
Stock-based compensation expense	4,582	4,217
Changes in:		
Trade receivables	(18,619)	(7,637)
Interest receivable	(1,987)	(144)
Accounts payable and accrued liabilities	(6,901)	(2,543)
Other assets and liabilities	(8,122)	(3,940)
Net cash flows provided by operating activities	150,968	157,214
Cash Flows from Investing Activities:		
Purchases of property and equipment	(63,352)	(50,728)
Proceeds from sale of Peterson LOI	10,000	
(Increase) decrease in restricted cash and cash equivalents	(4,444)	5,936
Other investing activities	2,533	8,011
Net cash flows used in investing activities	(55,263)	(36,781)
Cash Flows from Financing Activities:		
Net borrowings (repayments) under credit facility	(268,600)	17,500
Net borrowings (repayments) under term loan B	(3,000)	399,000
Issuance of senior notes	400,000	
Repurchase and conversion of convertible notes		(126,542)
Repurchase of common stock warrants	(154,681)	(108,331)
Deferred financing costs paid	(11,145)	(8,428)

Payment of dividend	(95,404)	(81,352)
Proceeds from exercise of stock option and purchase plans	1,430	6,119
Other financing activities	(373)	(445)
Net cash flows provided by (used in) financing activities	(131,773)	97,521
Net change in cash and cash equivalents	(36,068)	217,954
Cash and cash equivalents - unrestricted, beginning of period	76,408	61,579
Cash and cash equivalents - unrestricted, end of period	$ 40,340	$ 279,533

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

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. BASIS OF PRESENTATION:

The condensed consolidated financial statements include the accounts of Ryman Hospitality Properties, Inc. (Ryman) and its subsidiaries (collectively with Ryman, 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. 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 for the year ended December 31, 2014. 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.

The Company conducts its business through an umbrella partnership real estate investment trust (REIT), in which all of its assets are held by, and all of its operations are conducted through, RHP Hotel Properties, LP, a subsidiary operating partnership (the Operating Partnership) that the Company formed in connection with its REIT conversion discussed in Note 2. Ryman is the sole limited partner of the Operating Partnership and currently owns, either directly or indirectly, all of the partnership units of the Operating Partnership. RHP Finance Corporation, a Delaware corporation (Finco), was formed as a wholly-owned subsidiary of the Operating Partnership for the sole purpose of being an issuer of debt securities with the Operating Partnership. Neither Ryman nor Finco has any material assets, other than Ryman s investment in the Operating Partnership and its 100%-owned subsidiaries. As 100%-owned subsidiaries of Ryman, neither the Operating Partnership nor Finco has any business, operations, financial results or other material information, other than the business, operations, financial results and other material information described in this Quarterly Report on Form 10-Q and Ryman s other reports filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended.

The Company principally operates, through its subsidiaries and its property managers, as applicable, in the following business segments: Hospitality, Entertainment (previously referred to as Opry and Attractions), and Corporate and Other.

Acquisition

In December 2014, the Company purchased from an affiliate of The Peterson Companies (the developer of the National Harbor, Maryland development in which Gaylord National Resort and Convention Center (Gaylord National) is located) the AC Hotel, a 192-room hotel previously operated as the Aloft Hotel at National Harbor for a purchase price of $21.8 million (the AC Hotel). The transaction required that the property be transferred to the Company unencumbered by any existing hotel franchise or management agreements. The Company has rebranded the hotel and Marriott is now operating the property in conjunction with the Gaylord National pursuant to a separate management agreement. The hotel opened in April 2015. Simultaneously with the purchase of this hotel, the Company also acquired from an affiliate of The Peterson Companies a vacant one-half acre parcel of land located in close

proximity to Gaylord National, suitable for development of a hotel or other permitted uses. In December 2014, the Company paid $21.2 million of the combined purchase price, including transaction costs, in cash and issued a $6.0 million note payable to an affiliate of The Peterson Companies, which is due in January 2016 and bears interest at an Applicable Federal Rate as determined by the Internal Revenue Service and is shown in Note 7.

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Reclassifications

In January 2015, the hospitality industry s *Uniform System of Accounts for the Lodging Industry, Eleventh Revised Edition* became effective. This revised edition contains updates to the classifications of certain hotel financial information, including the reclassification of technology-related revenue from other hotel revenue to food and beverage revenue and the reclassification of revenue management expense from rooms expense to other hotel expense. In order to be more aligned with its peers in the hospitality REIT industry, the Company adopted the updates in its 2015 presentation. As a result, $5.9 million and $19.7 million, respectively, of other hotel revenue has been reclassified as food and beverage revenue and $1.1 million and $3.1 million, respectively, of rooms expense has been reclassified as other hotel expense in the accompanying condensed consolidated statement of operations for the three months and nine months ended September 30, 2014.

Newly Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, the core principle of which is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Under this guidance, companies will need to use more judgment and make more estimates than under today s guidance. These judgments may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The ASU is currently effective for the Company in the first quarter of 2018. The Company is currently evaluating the effects of this ASU on its financial statements, and such effects have not yet been determined.

In April 2015, the FASB issued ASU No. 2015-03, *Interest Imputation of Interest*, which changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. The Company expects to adopt this ASU in the fourth quarter of 2015 and, other than the movement of deferred financing costs from an asset to an offset to a liability, does not expect this adoption to have a material impact on the Company s consolidated financial statements.

2. DEFERRED MANAGEMENT RIGHTS PROCEEDS:

The Company restructured its business operations to facilitate its qualification as a REIT for federal income tax purposes (the REIT conversion) during 2012 and has elected to be taxed as a REIT commencing with the year ended December 31, 2013.

On October 1, 2012, the Company consummated its agreement to sell the Gaylord Hotels brand and rights to manage the Gaylord Opryland Resort and Convention Center (Gaylord Opryland), the Gaylord Palms Resort and Convention Center (Gaylord Palms), the Gaylord Texan Resort and Convention Center (Gaylord Texan) and Gaylord National, which the Company refers to collectively as the Gaylord Hotels properties, to Marriott International, Inc. (Marriott) for $210.0 million in cash. Effective October 1, 2012, Marriott assumed responsibility for managing the day-to-day operations of the Gaylord Hotels properties pursuant to a management agreement for each Gaylord Hotel property.

On October 1, 2012, the Company received $210.0 million in cash from Marriott in exchange for rights to manage the Gaylord Hotels properties (the Management Rights) and certain intellectual property (the IP Rights). The Company allocated $190.0 million of the purchase price to the Management Rights and $20.0 million to the IP Rights. The

allocation was based on the Company s estimates of the fair values for the respective components. The Company estimated the fair value of each component by constructing distinct discounted cash flow models.

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For financial accounting purposes, the amount related to the Management Rights was deferred and is amortized on a straight line basis over the 65-year term of the hotel management agreements, including extensions, as a reduction in management fee expense. The amount related to the IP Rights was recognized into income as other gains and losses during the fourth quarter of 2012.

In addition, pursuant to additional management agreements, Marriott manages the day-to-day operations of the Inn at Opryland, the AC Hotel, General Jackson Showboat, Gaylord Springs Golf Links and the Wildhorse Saloon. To comply with certain REIT qualification requirements, the Company will be required to engage third-party managers to operate and manage its future hotel properties, if any. Additionally, non-REIT operations, which consist of the activities of taxable REIT subsidiaries that act as lessees of the Company s hotels, as well as the businesses within the Company s Entertainment segment (previously referred to as the Opry and Attractions segment), continue to be subject, as applicable, to federal corporate and state income taxes following the REIT conversion.

3. INCOME PER SHARE:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Weighted average shares outstanding - basic	51,283	50,975	51,226	50,805
Effect of dilutive stock-based compensation	347	442	361	495
Effect of convertible notes		6,307		5,946
Effect of common stock warrants		3,435		3,156
Weighted average shares outstanding - diluted	51,630	61,159	51,587	60,402

As discussed more fully in the Company s Annual Report on Form 10-K for the year ended December 31, 2014, in 2009 the Company issued 3.75% Convertible Senior Notes due 2014 (the Convertible Notes). The Company settled the outstanding face value of the Convertible Notes in cash at maturity on October 1, 2014. The conversion spread associated with the conversion of the Convertible Notes was settled in shares of the Company s common stock. Pursuant to a purchased call option, or note hedge, the Company also received and cancelled an equal number of shares of its common stock at maturity.

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 holders could purchase shares of the Company s stock. At separate times during 2014, the Company modified the agreements with each of the counterparties to cash settle the warrants as described in Note 7. As a result of these modifications, the warrants were settled in cash during 2014 and the first quarter of 2015 and did not affect the calculation of diluted earnings per share for the three months and nine months ended September 30, 2015.

In May and June 2014, the Company modified the agreements with note hedge counterparties to cash settle a portion of the warrants as described in Note 7. In April 2014, the Company entered into agreements with the note hedge counterparties to proportionately reduce the number of purchased call options and the warrants discussed above in

conjunction with a repurchase of a portion of the Convertible Notes. Each of these agreements were considered modifications to the purchased call options and warrants (as applicable), and based on the terms of the agreements, the Company recognized a charge of $5.0 million in the nine months ended September 30, 2014. This charge was recorded as an increase to accumulated deficit and derivative liability, as the liability was settled in cash. These charges also represent a deduction from net income in calculating net income available to common shareholders and earnings per share available to common shareholders in the accompanying condensed consolidated statements of operations.

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4. ACCUMULATED OTHER COMPREHENSIVE LOSS:

The Company s balance in accumulated other comprehensive loss is composed of amounts related to the Company s minimum pension liability. During the three months and nine months ended September 30, 2015, the Company recorded $0.6 million in other comprehensive loss, which primarily represents the increase in the Company s pension plan liability as described in Note 9, and reclassified zero and $0.2 million, respectively, from accumulated other comprehensive loss into operating expenses in the Company s condensed consolidated statements of operations included herein. During the three months and nine months ended September 30, 2014, the Company recorded no other comprehensive income and reclassified zero and $(0.2) million, respectively, from accumulated other comprehensive (income) loss into operating expenses.

5. PROPERTY AND EQUIPMENT:

Property and equipment at September 30, 2015 and December 31, 2014 is recorded at cost and summarized as follows (in thousands):

	September 30, 2015	December 31, 2014
Land and land improvements	$ 254,553	$ 254,013
Buildings	2,362,227	2,340,555
Furniture, fixtures and equipment	590,920	576,453
Construction-in-progress	31,568	26,046
	3,239,268	3,197,067
Accumulated depreciation	(1,227,887)	(1,160,806)
Property and equipment, net	$ 2,011,381	$ 2,036,261

6. NOTES RECEIVABLE:

As further discussed in the Company s Annual Report on Form 10-K for the year ended December 31, 2014, in connection with the development of Gaylord National, the Company is currently holding two issuances of bonds and receives the debt service thereon, which is payable from property 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 the three months ended September 30, 2015 and 2014, the Company recorded interest income of $3.0 million on these bonds. During the nine months ended September 30, 2015 and 2014, the Company recorded interest income of $9.3 million and $9.1 million, respectively, on these bonds. The Company received payments of $9.4 million and $10.8 million during the nine months ended September 30, 2015 and 2014, respectively, relating to these notes receivable.

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7. DEBT:

The Company s debt and capital lease obligations at September 30, 2015 and December 31, 2014 consisted of (in thousands):

	September 30, 2015	December 31, 2014
Credit Facility, terms as set forth below	$ 317,900	$ 586,500
$400 Million Term Loan B, interest at LIBOR plus 2.75%, maturing January 15, 2021	395,000	398,000
$350 Million Senior Notes, interest at 5.0%, maturing April 15, 2021	350,000	350,000
$400 Million Senior Notes, interest at 5.0%, maturing April 15, 2023	400,000	
AC Hotel Note Payable, terms as set forth in Note 1	6,000	6,000
Capital lease obligations	682	1,055
Total debt	1,469,582	1,341,555
Less amounts due within one year	(6,019)	(377)
Total long-term debt	$ 1,463,563	$ 1,341,178

At September 30, 2015, the Company was in compliance with all of its covenants related to its outstanding debt.

Credit Facility

On June 5, 2015, the Company entered into Amendment No. 2 (the Amendment) among the Company, as a guarantor, the Operating Partnership, as borrower, certain other subsidiaries of the Company party thereto, as guarantors, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent, to the Company s Fourth Amended and Restated Credit Agreement (the Credit Facility). Prior to the Amendment, the Company s Credit Facility consisted of a $700.0 million senior secured revolving credit facility (the revolving credit facility), a $300.0 million senior secured term loan facility (the term loan A), and a $400 million senior secured term loan facility (the term loan B). Following the Amendment, the Company s Credit Facility consists of the revolving credit facility and the term loan B, which matures on January 15, 2021. The Company paid off the previously outstanding term loan A during the second quarter of 2015 with a substantial portion of the proceeds from the Operating Partnership s and Finco s private placement of $400 million in aggregate principal amount of senior notes due 2023 (the $400 Million 5% Senior Notes), and the term loan A was eliminated.

Pursuant to the Amendment, the Company extended the maturity date of the revolving credit facility under the Credit Facility to June 5, 2019 and provided for two additional six-month extension options, at the election of the Company. In addition, the Amendment lowered the adjustable margin (the Applicable Margin) for determining the interest rate on revolving loans based on the Company s consolidated funded indebtedness to total asset value ratio (as defined in the Credit Facility). Interest on the Company s borrowings under the revolving credit facility is payable quarterly, in arrears, for base rate-based loans and at the end of each interest rate period for LIBOR-based loans. The effective interest rate at September 30, 2015 was LIBOR plus 1.65%. Principal is payable in full at maturity. Further, the unused commitment fee was reduced to 0.2% to 0.3% per year of the average unused portion of the revolving credit

facility. The Company s term loan B remains outstanding.

The Credit Facility continues to be guaranteed by the Company, each of its four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other subsidiaries of the Company. The loans continue to be secured by (i) a first mortgage lien on the real property of each of the Company s Gaylord Hotels properties, (ii) pledges of equity interests in the Company s subsidiaries that own the Gaylord Hotels properties, (iii) the personal property of the Company, the Operating Partnership and the subsidiaries that guarantee the Credit Facility and (iv) all proceeds and products from the Company s Gaylord Hotels properties.

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In addition, the revolving credit facility and term loan B continue to be subject to certain covenants contained in the Credit Facility, 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.

If an event of default occurs and is continuing under the Credit Facility, the commitments under the Credit Facility may be terminated and the principal amount outstanding under the Credit Facility, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

As a result of the Amendment, the Company wrote off $1.9 million of deferred financing costs during the nine months ended September 30, 2015, which is included in interest expense in the accompanying condensed consolidated statement of operations.

$400 Million 5% Senior Notes

On April 14, 2015, the Operating Partnership and Finco completed the private placement of the $400 Million 5% Senior Notes. The $400 Million 5% Senior Notes are general unsecured senior obligations of the Company s issuing subsidiaries and are guaranteed by the Company and its subsidiaries that guarantee the Credit Facility. The $400 Million 5% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The $400 Million 5% Senior Notes have a maturity date of April 15, 2023 and bear interest at 5% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning October 15, 2015. The $400 Million 5% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries existing and future senior unsecured indebtedness, including $350.0 million in aggregate principal amount of issuing subsidiaries senior unsecured notes due 2021 (the $350 Million 5% Senior Notes), and senior in right of payment to future subordinated indebtedness, if any. The $400 Million 5% Senior Notes are effectively subordinated to the issuing subsidiaries secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor s existing and future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The $400 Million 5% Senior Notes are effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership s subsidiaries that do not guarantee the $400 Million 5% Senior Notes.

The issuing subsidiaries may redeem the $400 Million 5% Senior Notes before April 15, 2018, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, up to, but excluding, the applicable redemption date plus a make-whole redemption premium. The $400 Million 5% Senior Notes will be redeemable, in whole or in part, at any time on or after April 15, 2018 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 103.75%, 102.50%, 101.25% and 100.00% beginning on April 15 of 2018, 2019, 2020 and 2021, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

The net proceeds from the issuance of the $400 Million 5% Senior Notes totaled approximately $392 million, after deducting the initial purchasers discounts, commissions and estimated offering expenses. The Company used substantially all of these proceeds to repay amounts outstanding under its Credit Facility, including the elimination of its $300 million term loan A, and to repay a portion of the amounts outstanding under the revolving credit facility portion of the Credit Facility.

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Warrants Related to 3.75% Convertible Senior Notes

Separately and concurrently with the 2009 issuance of its previous Convertible Notes, the Company also entered into warrant transactions whereby it sold common stock purchase warrants to counterparties affiliated with the initial purchasers of the Convertible Notes. The warrants entitled the counterparties to purchase shares of the Company s common stock. Pursuant to December 2014 agreements with the remaining note hedge counterparties, the Company cash settled the remaining 4.7 million warrants in the first quarter of 2015. As the modification required the warrants to be cash settled, the fair value of the warrants was reclassified from stockholders equity to a derivative liability on the modification date. In the first quarter of 2015, the Company settled this repurchase for total consideration of $154.7 million and recorded a $20.2 million loss on the change in the fair value of the derivative liability from December 31, 2014 through the settlement date, which is included in other gains and losses, net in the accompanying condensed consolidated statement of operations for the nine months ended September 30, 2015.

8. STOCK PLANS:

In addition to grants of stock options to its directors and employees, the Company s Amended and Restated 2006 Omnibus Incentive 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 nine months ended September 30, 2015, the Company granted 0.2 million restricted stock units with a weighted-average grant date fair value of $58.98 per award. There were 0.5 million and 0.6 million restricted stock units outstanding at September 30, 2015 and December 31, 2014, respectively.

The compensation expense that has been charged against pre-tax income for all of the Company s stock-based compensation plans was $1.5 million for the three months ended September 30, 2015 and 2014 and $4.6 million and $4.2 million for the nine months ended September 30, 2015 and 2014, respectively.

9. RETIREMENT AND POSTRETIREMENT BENEFITS OTHER THAN PENSION PLANS:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Interest cost	$ 1,005	$ 1,053	$ 2,977	$ 3,142
Expected return on plan assets	(1,142)	(1,379)	(3,518)	(4,198)
Amortization of net actuarial loss	258	180	875	475
Net settlement loss	1,593		1,593	
Total net periodic pension (income) expense	$ 1,714	$ (146)	$ 1,927	$ (581)

As a result of increased lump-sum distributions from the Company s qualified retirement plan during 2015, a net settlement loss of $1.6 million was recognized in the three months and nine months ended September 30, 2015 and has been classified as corporate operating expenses in the accompanying condensed consolidated statements of operations and comprehensive income.

In addition, the increase in lump-sum distributions required the Company to re-measure its liability under its pension plan as of August 31, 2015. As a result of the lump-sum distributions and a decrease in the pension plan s

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expected return on plan assets from 7.5% at December 31, 2014 to 6.5% at August 31, 2015, partially offset by an increase in the pension plan s assumed discount rate from 3.7% at December 31, 2014 to 4.0% at August 31, 2015, the Company recorded a $2.2 million increase in its liability under the pension plan, which was recorded as an increase in other liabilities and accumulated other comprehensive loss in the accompanying condensed consolidated balance sheet as of September 30, 2015.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Interest cost	$ 53	$ 56	$ 159	$ 165
Amortization of net actuarial loss	118	125	354	334
Amortization of prior service credit	(329)	(328)	(986)	(985)
Total net postretirement benefit income	$ (158)	$ (147)	$ (473)	$ (486)

10. INCOME TAXES:

The Company has elected to be taxed as a REIT effective January 1, 2013, pursuant to the U.S. Internal Revenue Code of 1986, as amended. As a REIT, generally the Company will not be subject to federal corporate income taxes on ordinary taxable income and capital gains income from real estate investments that it distributes to its stockholders. The Company will, however, be subject to corporate income taxes on built-in gains (the excess of fair market value over tax basis at January 1, 2013) that result from gains on certain assets. In addition, the Company will continue to be required to pay federal and state corporate income taxes on earnings of its taxable REIT subsidiaries (TRSs).

The income tax benefit related to the current period operations of the Company was $4.6 million and $0.5 million for the three months ended September 30, 2015 and 2014, respectively, and $3.4 million and $0.4 million for the nine months ended September 30, 2015 and 2014, respectively. These results differ from the statutory rate primarily due to the non-taxable income of the REIT and the decrease in valuation allowance required at the TRSs.

At September 30, 2015 and December 31, 2014, the Company had no unrecognized tax benefits.

11. COMMITMENTS AND CONTINGENCIES:

The Company is self-insured up to a stop loss for certain losses related to workers compensation claims and general liability claims through September 30, 2012, and for certain losses related to employee medical benefits through December 31, 2012. The Company s insurance program subsequently transitioned to a low or no deductible program. 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.

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12. STOCKHOLDERS EQUITY:

Stock Repurchase Authorization

On August 20, 2015, the Company announced that its board of directors authorized a share repurchase program for up to $100 million of the Company s common stock using cash on hand and borrowings under its revolving credit line. The repurchases are intended to be implemented through open market transactions on U.S. exchanges or in privately negotiated transactions, in accordance with applicable securities laws, and any market purchases will be made during open trading window periods or pursuant to any applicable Rule 10b5-1 trading plans. The authorization extends until December 31, 2016. The timing, prices, and sizes of repurchases will depend upon prevailing market prices, general economic and market conditions and other considerations. The repurchase program does not obligate the Company to acquire any particular amount of stock. During the three months and nine months ended September 30, 2015, no repurchases were made by the Company under this authorization.

Dividends

On February 26, 2015, the Company s board of directors declared the Company s first quarter 2015 cash dividend in the amount of $0.65 per share of common stock, or an aggregate of approximately $33.3 million in cash, which was paid on April 16, 2015 to stockholders of record as of the close of business on March 31, 2015.

On June 9, 2015, the Company s board of directors declared the Company s second quarter 2015 cash dividend in the amount of $0.65 per share of common stock, or an aggregate of approximately $33.3 million in cash, which was paid on July 15, 2015 to stockholders of record as of the close of business on June 30, 2015.

On July 30, 2015, the Company s board of directors declared the Company s third quarter 2015 cash dividend in the amount of $0.70 per share of common stock, or an aggregate of approximately $35.9 million in cash, which was paid on October 15, 2015 to stockholders of record as of the close of business on September 30, 2015.

13. 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.

At September 30, 2015 and December 31, 2014, the Company held certain assets 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. These investments 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.

As discussed in Note 7, in the first quarter of 2015, the Company cash settled 4.7 million common stock warrants associated with its Convertible Notes, which were classified as a derivative liability in the accompanying condensed consolidated balance sheet as of December 31, 2014. The Company determined the fair value of these warrants based on the Company s closing stock price at December 31, 2014 and a pricing grid provided by the counterparties to the warrants that was based on observable inputs. Therefore, the Company has categorized this liability as Level 2.

The Company has consistently applied the above valuation techniques in all periods presented and believes it has obtained the most accurate information available for each type of instrument.

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The Company had no liabilities required to be measured at fair value at September 30, 2015. The Company s assets and liabilities measured at fair value on a recurring basis at September 30, 2015 and December 31, 2014, were as follows (in thousands):

	September 30, 2015	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	$ 18,317	$ 18,317	$	$
Total assets measured at fair value	$ 18,317	$ 18,317	$	$

	December 31, 2014	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	$ 19,712	$ 19,712	$	$
Total assets measured at fair value	$ 19,712	$ 19,712	$	$
Warrant liability	$ 134,477	$	$ 134,477	$
Total liabilities measured at fair value	$ 134,477	$	$ 134,477	$

The remainder of the assets and liabilities held by the Company at September 30, 2015 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 6 and the Company s Annual Report on Form 10-K for the year ended December 31, 2014, in connection with the development of Gaylord National, the Company received two bonds (Series A Bond and Series B Bond) from Prince George s County, Maryland which had aggregate carrying values of $83.2 million and $66.3 million, respectively, at September 30, 2015. 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 notes, 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 at September 30, 2015 and the fair value of the Series B Bond was approximately $55 million at September 30, 2015. 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 at September 30, 2015.

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.

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14. FINANCIAL REPORTING BY BUSINESS SEGMENTS:

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

Hospitality, which includes Gaylord Opryland, Gaylord Palms, Gaylord Texan, Gaylord National, the Inn at Opryland and the AC Hotel;

Entertainment, previously referred to as 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues:				
Hospitality	$ 224,842	$ 219,102	$ 707,131	$ 684,235
Entertainment (previously Opry and Attractions)	27,978	25,913	72,873	65,144
Corporate and Other				
Total	$ 252,820	$ 245,015	$ 780,004	$ 749,379
Depreciation and amortization:				
Hospitality	$ 26,383	$ 25,886	$ 79,175	$ 77,403
Entertainment (previously Opry and Attractions)	1,434	1,327	4,199	3,983
Corporate and Other	681	820	2,093	2,882
Total	$ 28,498	$ 28,033	$ 85,467	$ 84,268
Operating income (loss):				
Hospitality	$ 33,994	$ 28,826	$ 133,050	$ 115,033
Entertainment (previously Opry and Attractions)	7,590	8,029	19,899	16,922
Corporate and Other	(8,698)	(7,772)	(23,477)	(22,589)
Preopening costs	(118)		(909)	
Impairment and other charges			(2,890)	
Total operating income	32,768	29,083	125,673	109,366
Interest expense	(16,138)	(17,135)	(47,765)	(48,277)
Interest income	2,982	3,001	9,383	9,070
Loss on extinguishment of debt				(2,148)
Other gains and (losses), net	2,467	(282)	(18,104)	(4,608)

Income before income taxes	$ 22,079	$ 14,667	$ 69,187	$ 63,403

15. INFORMATION CONCERNING GUARANTOR AND NON-GUARANTOR SUBSIDIARIES:

The $350 Million 5% Senior Notes and the $400 Million 5% Senior Notes were each issued by the Operating Partnership and Finco and are guaranteed on a senior unsecured basis by the Company, each of the Company s four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of the Company s subsidiaries, each of which guarantees the Operating Partnership s Credit Facility (such subsidiary guarantors, together with the Company, the Guarantors). The subsidiary Guarantors are 100% owned, and the guarantees are full and unconditional and joint and several. Not all of the Company s subsidiaries have guaranteed the Company s $350 Million 5% Senior Notes and the $400 Million 5% Senior Notes.

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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.

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

September 30, 2015

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	$ 6,680	$	$ 1,650,830	$ 353,871	$	$ 2,011,381
Cash and cash equivalents - unrestricted	81	857	26	39,376		40,340
Cash and cash equivalents - restricted				21,854		21,854
Notes receivable				149,569		149,569
Trade receivables, less allowance				63,807		63,807
Deferred financing costs		26,688				26,688
Prepaid expenses and other assets	7,049		119,580	63,159	(122,111)	67,677
Intercompany receivables, net			1,221,423		(1,221,423)	
Investments	982,189	2,795,064	531,809	697,380	(5,006,442)	
Total assets	$ 995,999	$ 2,822,609	$ 3,523,668	$ 1,389,016	$ (6,349,976)	$ 2,381,316
LIABILITIES AND STOCKHOLDERS EQUITY:						
Debt and capital lease obligations	$	$ 1,468,900	$	$ 682	$	$ 1,469,582
Accounts payable and accrued liabilities	348	17,636	1,167	266,755	(122,408)	163,498
Deferred income tax liabilities, net	6,970		593	1,313		8,876
Deferred management rights proceeds				183,877		183,877
Dividends payable	36,616					36,616
Other liabilities			83,405	61,785	283	145,473
Intercompany payables, net	578,671	432,332		210,406	(1,221,409)	

Commitments and contingencies						
Stockholders equity:						
Preferred stock						
Common stock	513	1	1	2,387	(2,389)	513
Additional paid-in-capital	885,351	1,032,505	2,812,431	1,213,325	(5,058,261)	885,351
Treasury stock	(9,647)					(9,647)
Accumulated deficit	(476,261)	(128,765)	626,071	(524,952)	27,646	(476,261)
Accumulated other comprehensive loss	(26,562)			(26,562)	26,562	(26,562)
Total stockholders equity	373,394	903,741	3,438,503	664,198	(5,006,442)	373,394
Total liabilities and stockholders equity	$ 995,999	$ 2,822,609	$ 3,523,668	$ 1,389,016	$ (6,349,976)	$ 2,381,316

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

December 31, 2014

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	$ 6,574	$	$ 1,691,996	$ 337,691	$	$ 2,036,261
Cash and cash equivalents - unrestricted	392	1,001	36	74,979		76,408
Cash and cash equivalents - restricted				17,410		17,410
Notes receivable				149,612		149,612
Trade receivables, less allowance				45,188		45,188
Deferred financing costs		21,646				21,646
Prepaid expenses and other assets	16,908	33	75,335	50,713	(76,368)	66,621
Intercompany receivables, net		219,772	1,073,805		(1,293,577)	
Investments	1,587,425	2,767,163	526,645	695,896	(5,577,129)	
Total assets	$ 1,611,299	$ 3,009,615	$ 3,367,817	$ 1,371,489	$ (6,947,074)	$ 2,413,146
LIABILITIES AND STOCKHOLDERS EQUITY:						
Debt and capital lease obligations	$	$ 1,340,500	$	$ 1,055	$	$ 1,341,555
Accounts payable and accrued liabilities	36	7,248	216	235,999	(76,651)	166,848
Deferred income tax liabilities, net	7,258		616	6,410		14,284
Deferred management rights proceeds				183,423		183,423
Dividends payable	29,133					29,133
Derivative liabilities	134,477					134,477
Other liabilities			79,382	62,354	283	142,019
Intercompany payables, net	1,038,988			254,589	(1,293,577)	
Commitments and contingencies						
Stockholders equity:						
Preferred stock						

Common stock	510	1	1	2,387	(2,389)	510
Additional paid-in-capital	882,193	1,741,705	2,803,719	1,183,941	(5,729,365)	882,193
Treasury stock	(8,002)					(8,002)
Accumulated deficit	(446,963)	(79,839)	483,883	(532,338)	128,294	(446,963)
Accumulated other comprehensive loss	(26,331)			(26,331)	26,331	(26,331)
Total stockholders equity	401,407	1,661,867	3,287,603	627,659	(5,577,129)	401,407
Total liabilities and stockholders equity	$ 1,611,299	$ 3,009,615	$ 3,367,817	$ 1,371,489	$ (6,947,074)	$ 2,413,146

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Three Months Ended September 30, 2015

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$	$	$	$ 92,828	$	$ 92,828
Food and beverage				108,558		108,558
Other hotel revenue			74,846	27,685	(79,075)	23,456
Entertainment (previously Opry and Attractions)	57			27,966	(45)	27,978
Total revenues	57		74,846	257,037	(79,120)	252,820
Operating expenses:						
Rooms				27,347		27,347
Food and beverage				63,797		63,797
Other hotel expenses			10,935	133,909	(74,736)	70,108
Management fees				3,213		3,213
Total hotel operating expenses			10,935	228,266	(74,736)	164,465
Entertainment (previously Opry and Attractions)				19,000	(46)	18,954
Corporate	78	374		7,565		8,017
Corporate overhead allocation	2,482		1,856		(4,338)	
Preopening costs				118		118
Depreciation and amortization	32		14,730	13,736		28,498
Total operating expenses	2,592	374	27,521	268,685	(79,120)	220,052
Operating income (loss)	(2,535)	(374)	47,325	(11,648)		32,768
Interest expense		(16,140)	10	(8)		(16,138)
Interest income				2,982		2,982
Other gains and (losses), net				2,467		2,467
Income (loss) before income taxes	(2,535)	(16,514)	47,335	(6,207)		22,079
(Provision) benefit for income taxes	(135)	(22)	(61)	4,830		4,612
Equity in subsidiaries earnings, net	29,361				(29,361)	
Net income (loss)	$ 26,691	$ (16,536)	$ 47,274	$ (1,377)	$ (29,361)	$ 26,691

Comprehensive income (loss)	$ 26,364	$ (16,536)	$ 47,274	$ (1,704)	$ (29,034)	$ 26,364

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Three Months Ended September 30, 2014

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$	$	$	$ 92,378	$	$ 92,378
Food and beverage				104,175		104,175
Other hotel revenue			71,800	28,712	(77,963)	22,549
Entertainment (previously Opry and Attractions)	132			25,826	(45)	25,913
Total revenues	132		71,800	251,091	(78,008)	245,015
Operating expenses:						
Rooms				28,397		28,397
Food and beverage				60,508		60,508
Other hotel expenses			11,201	132,341	(71,679)	71,863
Management fees				3,622		3,622
Total hotel operating expenses			11,201	224,868	(71,679)	164,390
Entertainment (previously Opry and Attractions)				16,602	(45)	16,557
Corporate	47	276		6,629		6,952
Corporate overhead allocation	3,327		2,957		(6,284)	
Depreciation and amortization	32		14,837	13,164		28,033
Total operating expenses	3,406	276	28,995	261,263	(78,008)	215,932
Operating income (loss)	(3,274)	(276)	42,805	(10,172)		29,083
Interest expense	(5,021)	(12,123)		9		(17,135)
Interest income				3,001		3,001
Other gains and (losses), net	(1,569)			1,287		(282)
Income (loss) before income taxes	(9,864)	(12,399)	42,805	(5,875)		14,667
(Provision) benefit for income taxes	6		(89)	546		463
Equity in subsidiaries earnings, net	24,988				(24,988)	
Net income (loss)	$ 15,130	$ (12,399)	$ 42,716	$ (5,329)	$ (24,988)	$ 15,130
Comprehensive income (loss)	$ 15,079	$ (12,399)	$ 42,716	$ (5,380)	$ (24,937)	$ 15,079

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2015

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$	$	$	$ 292,089	$	$ 292,089
Food and beverage				345,931		345,931
Other hotel revenue			225,182	82,038	(238,109)	69,111
Entertainment (previously Opry and Attractions)	172			72,863	(162)	72,873
Total revenues	172		225,182	792,921	(238,271)	780,004
Operating expenses:						
Rooms				80,216		80,216
Food and beverage				193,661		193,661
Other hotel expenses			32,803	402,566	(224,856)	210,513
Management fees				10,516		10,516
Total hotel operating expenses			32,803	686,959	(224,856)	494,906
Entertainment (previously Opry and Attractions)				48,938	(163)	48,775
Corporate	251	1,023	2	20,108		21,384
Corporate overhead allocation	7,481		5,771		(13,252)	
Preopening costs				909		909
Impairment and other charges				2,890		2,890
Depreciation and amortization	95		44,245	41,127		85,467
Total operating expenses	7,827	1,023	82,821	800,931	(238,271)	654,331
Operating income (loss)	(7,655)	(1,023)	142,361	(8,010)		125,673
Interest expense		(47,903)	12	126		(47,765)
Interest income				9,383		9,383
Other gains and (losses), net	(20,246)			2,142		(18,104)
Income (loss) before income taxes	(27,901)	(48,926)	142,373	3,641		69,187
(Provision) benefit for income taxes	(135)		(185)	3,745		3,425
	100,648				(100,648)	

Equity in subsidiaries earnings, net						
Net income (loss)	$ 72,612	$ (48,926)	$ 142,188	$ 7,386	$ (100,648)	$ 72,612
Comprehensive income (loss)	$ 72,381	$ (48,926)	$ 142,188	$ 7,155	$ (100,417)	$ 72,381

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2014

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$	$	$	$ 282,836	$	$ 282,836
Food and beverage				331,378		331,378
Other hotel revenue			214,586	85,405	(229,970)	70,021
Entertainment (previously Opry and Attractions)	216			65,004	(76)	65,144
Total revenues	216		214,586	764,623	(230,046)	749,379
Operating expenses:						
Rooms				82,778		82,778
Food and beverage				184,748		184,748
Other hotel expenses			34,069	393,043	(214,324)	212,788
Management fees				11,485		11,485
Total hotel operating expenses			34,069	672,054	(214,324)	491,799
Entertainment (previously Opry and Attractions)				44,315	(76)	44,239
Corporate	66	896	1	18,744		19,707
Corporate overhead allocation	8,726		6,920		(15,646)	
Depreciation and amortization	53		44,654	39,561		84,268
Total operating expenses	8,845	896	85,644	774,674	(230,046)	640,013
Operating income (loss)	(8,629)	(896)	128,942	(10,051)		109,366
Interest expense	(16,917)	(31,360)				(48,277)
Interest income				9,070		9,070
Loss on extinguishment of debt	(2,148)					(2,148)
Other gains and (losses), net	(6,065)			1,457		(4,608)
Income (loss) before income taxes	(33,759)	(32,256)	128,942	476		63,403
(Provision) benefit for income taxes	6		(1,000)	1,365		371
Equity in subsidiaries earnings, net	97,527				(97,527)	
Net income (loss)	$ 63,774	$ (32,256)	$ 127,942	$ 1,841	$ (97,527)	$ 63,774

Comprehensive income (loss)	$ 63,623	$ (32,256)	$ 127,942	$ 1,690	$ (97,376)	$ 63,623

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Nine Months Ended September 30, 2015

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	$ 238,543	$ (117,399)	$ 2,754	$ 27,070	$	$ 150,968
Purchases of property and equipment	(199)		(2,764)	(60,389)		(63,352)
Proceeds from sale of Peterson LOI	10,000					10,000
Increase in restricted cash and cash equivalents				(4,444)		(4,444)
Other investing activities				2,533		2,533
Net cash provided by (used in) investing activities	9,801		(2,764)	(62,300)		(55,263)
Net borrowings under credit facility		(268,600)				(268,600)
Repayments under term loan B		(3,000)				(3,000)
Issuance of senior notes		400,000				400,000
Repurchase of common stock warrants	(154,681)					(154,681)
Deferred financing costs paid		(11,145)				(11,145)
Payment of dividend	(95,404)					(95,404)
Proceeds from exercise of stock option and purchase plans	1,430					1,430
Other financing activities, net				(373)		(373)
Net cash provided by (used in) financing activities	(248,655)	117,255		(373)		(131,773)
Net change in cash and cash equivalents	(311)	(144)	(10)	(35,603)		(36,068)
Cash and cash equivalents at beginning of period	392	1,001	36	74,979		76,408
Cash and cash equivalents at end of period	$ 81	$ 857	$ 26	$ 39,376	$	$ 40,340

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Nine Months Ended September 30, 2014

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	$ 316,879	$ (168,110)	$ 51	$ 8,394	$	$ 157,214
Purchases of property and equipment	(6,650)	(2,893)	(10)	(41,175)		(50,728)
Decrease in restricted cash and cash equivalents				5,936		5,936
Other investing activities				8,011		8,011
Net cash used in investing activities	(6,650)	(2,893)	(10)	(27,228)		(36,781)
Net borrowings under credit facility		17,500				17,500
Net borrowings under term loan B		399,000				399,000
Repurchase and conversion of convertible notes	(126,542)					(126,542)
Repurchase of common stock warrants	(108,331)					(108,331)
Deferred financing costs paid		(8,428)				(8,428)
Payment of dividend	(81,352)					(81,352)
Proceeds from exercise of stock option and purchase plans	6,119					6,119
Other financing activities, net				(445)		(445)
Net cash provided by (used in) financing activities	(310,106)	408,072		(445)		97,521
Net change in cash and cash equivalents	123	237,069	41	(19,279)		217,954
Cash and cash equivalents at beginning of period		714		60,865		61,579
Cash and cash equivalents at end of period	$ 123	$ 237,783	$ 41	$ 41,586	$	$ 279,533

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

Ryman Hospitality Properties, Inc. (Ryman) is a Delaware corporation that conducts its operations so as to qualify as a real estate investment trust (REIT) for federal income tax purposes. The Company conducts its business through an umbrella partnership REIT, in which its assets are held by, and operations are conducted through, RHP Hotel Properties, LP, a subsidiary operating partnership (the Operating Partnership). RHP Finance Corporation, a Delaware corporation (Finco) was formed as a wholly-owned subsidiary of the Operating Partnership for the sole purpose of being an issuer of debt securities with the Operating Partnership. Neither Ryman nor Finco has any material assets, other than Ryman s investment in the Operating Partnership and its 100%-owned subsidiaries. As 100%-owned subsidiaries of Ryman, neither the Operating Partnership nor Finco has any business, operations, financial results or other material information, other than the business, operations, financial results and other material information described in this Quarterly Report on Form 10-Q and Ryman s other reports filed with the Securities and Exchange Commission (the SEC) pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). In this report, we use the terms, the Company, we or our to refer to Ryman Hospitality Properties, Inc. and its subsidiaries unless the context indicates otherwise.

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, 2014, appearing in our Annual Report on Form 10-K that was filed with the SEC on February 26, 2015.

Cautionary Note Regarding Forward-Looking Statements

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. These forward-looking statements concern our goals, beliefs, expectations, strategies, objectives, plans, future operating results and underlying assumptions, and other statements that are not necessarily based on historical facts. Without limitation, you can identify these statements by the fact that they do not relate strictly to historical or current facts, and these statements may contain words such as may, will, could, should, might, projects, expects, believes, anticipates, continue, estimate, or pursue, or the negative or other variations thereof or comparable terms. In particular, they include statements relating to, among other things, future actions, strategies, future performance, the outcome of contingencies such as legal proceedings and future financial results. These also include statements regarding (i) the effect of our election to be taxed as a REIT for federal income tax purposes; (ii) the holding of our non-qualifying REIT assets in one or more taxable REIT subsidiaries; (iii) our announced dividend policy, including the frequency and amount of any dividend we may pay; (iv) potential growth opportunities, including future expansion of the geographic diversity of our existing asset portfolio through acquisitions; (v) Marriott s ability to effectively manage our hotels and other properties; (vi) our anticipated capital expenditures; (vii) the potential operating and financial restrictions imposed on our activities under existing and future financing agreements and other contractual arrangements with third parties, including management agreements with Marriott; and (viii) any other business or operational matters. 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. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, among other things, the risks and uncertainties associated with economic conditions affecting the hospitality business generally, the geographic concentration of our hotel properties, business

levels at our hotels, the effect of our election to be taxed as a REIT for federal income tax purposes commencing with the year ended December 31, 2013, our ability to remain qualified as a REIT, our ability to execute our strategic goals as a REIT, our ability to generate cash flows to support dividends, future board determinations regarding the timing and amount of dividends and changes to the dividend policy, our ability to

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borrow funds pursuant to our credit agreements and to refinance indebtedness, and those factors described in our Annual Report on Form 10-K for the year ended December 31, 2014 or described from time to time in our other reports filed with the SEC.

Any forward-looking statement made in this Quarterly Report on Form 10-Q speaks only as of the date on which the statement is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements we make in this Quarterly Report on Form 10-Q, except as may be required by law.

Overview

On January 1, 2013, we began operating as a REIT for federal income tax purposes, specializing in group-oriented, destination hotel assets in urban and resort markets. Our owned assets include a network of four upscale, meetings-focused resorts totaling 7,795 rooms that are managed by our lodging operator Marriott under the Gaylord Hotels brand. These four resorts, which we refer to as our Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee (Gaylord Opryland), the Gaylord Palms Resort & Convention Center near Orlando, Florida (Gaylord Palms), the Gaylord Texan Resort & Convention Center near Dallas, Texas (Gaylord Texan) and the Gaylord National Resort & Convention Center near Washington D.C. (Gaylord National). Our other owned assets managed by Marriott include Gaylord Springs Golf Links (Gaylord Springs), the Wildhorse Saloon, the General Jackson Showboat (General Jackson), the Inn at Opryland, a 303-room overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. (AC Hotel), a 192-room overflow hotel adjacent to Gaylord National, which opened in April 2015. We also own and operate a number of media and entertainment assets including the Grand Ole Opry, the legendary weekly showcase of country music s finest performers for 90 years; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; and WSM-AM, the Opry s radio home.

Each of our award-winning Gaylord Hotels properties incorporates not only high quality lodging, but also at least 400,000 square feet of meeting, convention and exhibition space, superb food and beverage options and retail and spa facilities within a single self-contained property. As a result, our Gaylord Hotels properties provide a convenient and entertaining environment for convention guests. Our Gaylord Hotels properties focus on the large group meetings market in the United States.

In 2012, we completed restructuring transactions to facilitate our qualification as a REIT for federal income tax purposes. Our goal is to become the nation s premier hospitality REIT for group-oriented meetings hotel assets located in urban and resort markets.

As discussed below, on October 1, 2012, Marriott assumed responsibility for managing the day-to-day operations of our Gaylord Hotels properties. As a result, we now rely upon Marriott to generate occupancy and revenue levels at our hotel properties. However, there can be no assurance that Marriott will be able to increase occupancy and revenue levels at our hotel properties.

See Cautionary Note Regarding Forward-Looking Statements in this Item 2 and Item 1A, Risk Factors, in our Annual Report on Form 10-K for the year ended December 31, 2014 for important information regarding forward-looking statements made in this report and risks and uncertainties we face.

Dividend Policy

Pursuant to our current dividend policy, we plan to pay a quarterly cash dividend to shareholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income, whichever is greater. On February 26, 2015, our board of directors declared our first quarter 2015 cash dividend in the amount of $0.65 per share of common

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stock, or an aggregate of approximately $33.3 million in cash, which was paid on April 16, 2015 to stockholders of record as of the close of business on March 31, 2015. On June 9, 2015, our board of directors declared our second quarter 2015 cash dividend in the amount of $0.65 per share of common stock, or an aggregate of approximately $33.3 million in cash, which was paid on July 15, 2015 to stockholders of record as of the close of business on June 30, 2015. On July 31, 2015, our board of directors declared our third quarter 2015 cash dividend in the amount of $0.70 per share of common stock, or an aggregate of approximately $35.9 million in cash, which was paid on October 15, 2015 to stockholders of record as of the close of business on September 30, 2015. We currently plan to pay a quarterly cash dividend of $0.70 per share of common stock in January 2016. The declaration, timing and amount of dividends will be determined by action of our board of directors. Our dividend policy may be altered at any time by our board of directors.

Share Repurchase Authorization

On August 20, 2015, we announced that our board of directors authorized a share repurchase program for up to $100 million of our common stock using cash on hand and borrowings under our revolving credit line. The repurchases are intended to be implemented through open market transactions on U.S. exchanges or in privately negotiated transactions, in accordance with applicable securities laws, and any market purchases will be made during open trading window periods or pursuant to any applicable Rule 10b5-1 trading plans. The authorization extends until December 31, 2016. The timing, prices, and sizes of repurchases will depend upon prevailing market prices, general economic and market conditions and other considerations. The repurchase program does not obligate us to acquire any particular amount of stock. During the three months and nine months ended September 30, 2015, we did not make any repurchases under this authorization.

Debt Transactions

As further described below in Liquidity and Capital Resources Principal Debt Agreements, (i) in the first quarter of 2015, we cash settled the remaining 4.7 million warrants associated with our previously outstanding 3.75% convertible notes for total consideration of $154.7 million, (ii) in April 2015, certain of our subsidiaries completed the private placement of $400.0 million in aggregate principal amount of 5% senior notes due 2023 (the $400 Million 5% Senior Notes), and (iii) in June 2015, we refinanced our credit facility by extending the maturity of the $700 million revolving credit facility for an additional two years and modifying certain covenants. Our term loan B in the original aggregate principal amount of $400.0 million (the term loan B) under our credit facility remains outstanding. The $300 million senior secured term loan (the term loan A) under our credit facility was paid off and eliminated with a substantial portion of the proceeds from the $400 Million 5% Senior Notes issuance.

Our Strategic Plan

Our goal is to become the nation s premier hospitality REIT for group-oriented meetings hotel assets in urban and resort markets.

Existing Hotel Property Design. Our hotel properties focus on the large group meetings market in the United States and incorporate meeting and exhibition space, signature guest rooms, food and beverage offerings, fitness and spa facilities and other attractions within a large hotel property so attendees needs are met in one location. This strategy creates a better experience for both meeting planners and guests, and has led to our current hotel properties claiming a place among the leading convention hotels in the country.

Expansion of Hotel Asset Portfolio. While we intend our short-term capital allocation strategy to focus on returning capital to stockholders, part of our long-term growth strategy includes acquisitions of other hotels, particularly in the

group meetings sector of the hospitality industry, either alone or through joint ventures or alliances with one or more third parties. We intend to pursue attractive investment opportunities which meet our acquisition parameters, specifically, group-oriented large hotels and overflow hotels with existing or potential

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leisure appeal. We are interested in highly accessible upper-upscale assets with over 400 hotel rooms in urban and resort group destination markets. We also consider assets that possess or are located near convention centers that present a repositioning opportunity and/or would significantly benefit from capital investment in additional rooms or meeting space. We plan to expand the geographic diversity of our existing asset portfolio through acquisitions. As a REIT, we no longer view independent, large-scale development of resort and convention hotels as part of our long-term growth strategy.

Leverage Brand Name Awareness. We believe the Grand Ole Opry is one of the most recognized entertainment brands in the United States. We promote the Grand Ole Opry name through various media, including our WSM-AM radio station, the Internet and television, and through performances by the Grand Ole Opry s members, many of whom are renowned country music artists. As such, we have alliances in place with multiple distribution partners in an effort to foster brand extension. We are continuously exploring additional products, such as television specials and retail products, through which we can capitalize on our brand affinity and awareness. We believe that licensing our brand for products may provide an opportunity to increase revenues and cash flow with relatively little capital investment.

Our Current Operations

Our ongoing operations are organized into three principal business segments:

Hospitality, consisting of Gaylord Opryland, Gaylord Palms, Gaylord Texan, Gaylord National, the Inn at Opryland and the AC Hotel.

Entertainment, previously referred to as Opry and Attractions, consisting of our Grand Ole Opry assets, WSM-AM and our Nashville attractions, which are owned in TRSs.

Corporate and Other, consisting of our corporate expenses.

For the three months and nine months ended September 30, 2015 and 2014, our total revenues were divided among these business segments as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Segment	**2015**	**2014**	**2015**	**2014**
Hospitality	89%	89%	91%	91%
Entertainment (previously Opry and Attractions)	11%	11%	9%	9%
Corporate and Other	0%	0%	0%	0%

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, which are managed by Marriott. These factors impact the price that Marriott can charge for our hotel rooms and other amenities, such as food and beverage and meeting space. The following key performance indicators are commonly used in the hospitality REIT industry:

hotel occupancy a volume indicator;

average daily rate (ADR) a price indicator calculated by dividing room revenue by the number of rooms sold;

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Revenue per Available Room (RevPAR) a summary measure of hotel results calculated by dividing room revenue 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 Group Room Nights Booked a volume indicator which represents, on an aggregate basis, the total number of definite group bookings for future room nights at our hotel properties confirmed during the applicable period, net of cancellations.

Hospitality segment revenue from our occupied hotel rooms is recognized as earned on the close of business each day and from concessions and food and beverage sales at the time of sale. Cancellation fees, as well as attrition fees that 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, 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 credit criteria, billed and collected on a short-term receivables basis. The hospitality industry is capital intensive, and we rely on the ability of our hotels to generate operating cash flow to repay debt financing and fund maintenance capital expenditures.

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. 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 our hotels experience, and the level of transient business at our hotels during such period. We rely on Marriott, as the manager of our hotels, to manage these factors and to offset any identified shortfalls in occupancy.

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Selected Financial Information

The following table contains our unaudited selected summary financial data for the three months and nine months ended September 30, 2015 and 2014. 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). As a result of the updates to the hospitality industry s *Uniform System of Accounts for the Lodging Industry, Eleventh Revised Edition*, as discussed further in Note 1 to the condensed consolidated financial statements included herein, certain amounts in the 2014 results have been reclassified to conform to the 2015 presentation.

	Unaudited Three Months Ended September 30,				Unaudited Nine Months Ended September 30,			
	2015	**%**	**2014**	**%**	**2015**	**%**	**2014**	**%**
Income Statement Data:								
REVENUES:								
Rooms	$ 92,828	36.7%	$ 92,378	37.7%	$ 292,089	37.4%	$ 282,836	37.7%
Food and beverage	108,558	42.9%	104,175	42.5%	345,931	44.3%	331,378	44.2%
Other hotel revenue	23,456	9.3%	22,549	9.2%	69,111	8.9%	70,021	9.3%
Entertainment (previously Opry and Attractions)	27,978	11.1%	25,913	10.6%	72,873	9.3%	65,144	8.7%
Total revenues	252,820	100.0%	245,015	100.0%	780,004	100.0%	749,379	100.0%
OPERATING EXPENSES:								
Rooms	27,347	10.8%	28,397	11.6%	80,216	10.3%	82,778	11.0%
Food and beverage	63,797	25.2%	60,508	24.7%	193,661	24.8%	184,748	24.7%
Other hotel expenses	70,108	27.7%	71,863	29.3%	210,513	27.0%	212,788	28.4%
Management fees	3,213	1.3%	3,622	1.5%	10,516	1.3%	11,485	1.5%
Entertainment (previously Opry and Attractions)	18,954	7.5%	16,557	6.8%	48,775	6.3%	44,239	5.9%
Corporate	8,017	3.2%	6,952	2.8%	21,384	2.7%	19,707	2.6%
Preopening costs	118	0.0%		0.0%	909	0.1%		0.0%
Impairment and other charges		0.0%		0.0%	2,890	0.4%		0.0%
Depreciation and amortization:								
Hospitality	26,383	10.4%	25,886	10.6%	79,175	10.2%	77,403	10.3%
Entertainment (previously Opry and Attractions)	1,434	0.6%	1,327	0.5%	4,199	0.5%	3,983	0.5%
Corporate and Other	681	0.3%	820	0.3%	2,093	0.3%	2,882	0.4%
	28,498	11.3%	28,033	11.4%	85,467	11.0%	84,268	11.2%

Total depreciation and amortization								
Total operating expenses	220,052	87.0%	215,932	88.1%	654,331	83.9%	640,013	85.4%
OPERATING INCOME (LOSS):								
Hospitality	33,994	15.1%	28,826	13.2%	133,050	18.8%	115,033	16.8%
Entertainment (previously Opry and Attractions)	7,590	27.1%	8,029	31.0%	19,899	27.3%	16,922	26.0%
Corporate and Other	(8,698)	(A)	(7,772)	(A)	(23,477)	(A)	(22,589)	(A)
Preopening costs	(118)	(A)		(A)	(909)	(A)		(A)
Impairment and other charges		(A)		(A)	(2,890)	(A)		(A)
Total operating income	32,768	13.0%	29,083	11.9%	125,673	16.1%	109,366	14.6%
Interest expense	(16,138)	(A)	(17,135)	(A)	(47,765)	(A)	(48,277)	(A)
Interest income	2,982	(A)	3,001	(A)	9,383	(A)	9,070	(A)
Loss on extinguishment of debt		(A)		(A)		(A)	(2,148)	(A)
Other gains and (losses), net	2,467	(A)	(282)	(A)	(18,104)	(A)	(4,608)	(A)
Benefit for income taxes	4,612	(A)	463	(A)	3,425	(A)	371	(A)
Net income	26,691	(A)	15,130	(A)	72,612	(A)	63,774	(A)
Loss on call spread and warrant modifications related to convertible notes		(A)		(A)		(A)	(4,952)	(A)
Net income available to common shareholders	$ 26,691	(A)	$ 15,130	(A)	$ 72,612	(A)	$ 58,822	(A)

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

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Summary Financial Results

Results

The following table summarizes our financial results for the three months and nine months ended September 30, 2015 and 2014 (in thousands, except percentages and per share data):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Total revenues	$ 252,820	$ 245,015	3.2%	$ 780,004	$ 749,379	4.1%
Total operating expenses	220,052	215,932	1.9%	654,331	640,013	2.2%
Operating income	32,768	29,083	12.7%	125,673	109,366	14.9%
Net income	26,691	15,130	76.4%	72,612	63,774	13.9%
Net income available to common shareholders	26,691	15,130	76.4%	72,612	58,822	23.4%
Net income per share available to common shareholders - fully diluted (1)	0.52	0.25	108.0%	1.41	0.97	45.4%

(1) For 2014, reflects dilution from convertible notes and related common stock warrants outstanding during 2014.

Total Revenues

The increase in our total revenues for the three months ended September 30, 2015, as compared to the same period in 2014, is attributable to increases in our Hospitality segment and Entertainment segment revenues for the 2015 period of $5.7 million and $2.1 million, respectively, as discussed more fully below. The increase in our total revenues for the nine months ended September 30, 2015, as compared to the same period in 2014, is attributable to increases in our Hospitality segment and Entertainment segment revenues for the 2015 period of $22.9 million and $7.7 million, respectively, as discussed more fully below. Total Hospitality revenues in the three months and nine months ended September 30, 2105 includes $2.4 million and $3.6 million, respectively, in insurance proceeds related to a norovirus outbreak in the first quarter of 2015. Total Hospitality revenues in the three months and nine months ended September 30, 2015 include $1.2 million and $4.9 million, respectively, in attrition and cancellation fee collections, a decrease of $0.2 million and $1.6 million, respectively, from the 2014 periods.

Total Operating Expenses

The increase in our total operating expenses for the three months ended September 30, 2015, as compared to the same period in 2014, is primarily the result of increases in our Entertainment segment and Corporate segment expenses of $2.4 million and $1.1 million, respectively, as discussed more fully below. The increase in our total operating expenses for the nine months ended September 30, 2015, as compared to the same period in 2014, is primarily the result of increases in Entertainment segment and Hospitality segment expenses of $4.5 million and $3.1 million, respectively. In addition, the nine-month 2015 period includes $2.9 million in impairment and other charges, as discussed more fully below.

Net Income

Our net income of $26.7 million for the three months ended September 30, 2015, as compared to net income of $15.1 million for the same period in 2014, was due to the change in our revenues and operating expenses reflected above and the following factors, each as described more fully below:

An increase of $4.1 million in the benefit for income taxes, primarily attributable to changes in valuation allowance.

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A $2.7 million increase in other gains and (losses), net due primarily to the prior year including losses for the change in fair value of derivative liabilities associated with portions of the warrants related to our previous 3.75% convertible notes.

Our net income of $72.6 million for the nine months ended September 30, 2015, as compared to net income of $63.8 million for the same period in 2014, was due to the change in our revenues and operating expenses reflected above and the following factors, each as described more fully below:

An increase of $14.2 million in other losses during the 2015 period on the change in the fair value of derivative liabilities associated with portions of the warrants related to our previous 3.75% convertible notes.

An increase of $3.1 million in the benefit for income taxes, primarily attributable to changes in valuation allowance.

The 2014 period included a loss on the extinguishment of debt of $2.1 million associated with the repurchase and conversion of portions of our previous 3.75% convertible notes.

Factors and Trends Contributing to Performance

The most important factors and trends contributing to our performance during the three months and nine months ended September 30, 2015 described herein were:

Increased outside-the-room spending at Gaylord Texan (an increase of 13.4% and 10.2%), Gaylord National (an increase of 8.5% and 2.4%) and Gaylord Opryland (an increase of 5.3% and 3.5%) during the three-month and nine-month 2015 periods, respectively, as compared to the 2014 periods, primarily due to increases in banquet revenue.

Increased occupancy at Gaylord Texan (an increase of 2.2 and 5.2 points of occupancy for the three-month and nine-month 2015 periods, respectively, as compared to the 2014 periods) primarily as a result of an increase in group business.

Increased ADR at Gaylord Texan (an increase of 6.8% and 5.5% for the three-month and nine-month 2015 periods, respectively, as compared to the 2014 periods) primarily as a result of room rate increases for both groups and transient business.

Decreased occupancy at Gaylord Opryland (a decrease of 6.1 and 2.1 points of occupancy for the three-month and nine-month 2015 periods, respectively, as compared to the 2014 periods) primarily as a result of decreases in both group and transient business. In addition, during January and February 2015, Gaylord Opryland experienced a norovirus outbreak and a severe weather winter storm. These events contributed to the decreased occupancy in the nine-month 2015 period.

Decreased occupancy and ADR at Gaylord Palms (a decrease of 7.7 points of occupancy and 7.3% of ADR) for the three-month 2015 period, as compared to the 2014 period, due to a decrease in group room nights.

In-the-year, for-the-year cancellations increased 11.9% for the nine-month 2015 period, as compared to the 2014 period, partially a result of the norovirus outbreak and severe weather during January and February 2015 at Gaylord Opryland.

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Increased attrition levels for the 2015 periods, as compared to the 2014 periods, which partially offset the increase in operating income and Total RevPAR. Attrition for the 2015 periods was 13.7% and 12.8% of bookings, respectively, compared to 9.7% and 10.4% in the 2014 periods, respectively.

Increased net definite group room nights booked during the three-month 2015 period (an increase of 26.6%), as compared to the 2014 period.

The nine-month 2015 period included an increase in losses of $14.2 million in other gains and losses, net, associated with losses on the change in the fair value of derivative liabilities associated with portions of the warrants related to our previous 3.75% convertible notes.

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 and nine months ended September 30, 2015 and 2014 (in thousands, except percentages and performance metrics):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	**2014**	**% Change**	**2015**	**2014**	**% Change**
Revenues (1):						
Rooms	$ 92,828	$ 92,378	0.5%	$ 292,089	$ 282,836	3.3%
Food and beverage	108,558	104,175	4.2%	345,931	331,378	4.4%
Other hotel revenue	23,456	22,549	4.0%	69,111	70,021	-1.3%
Total hospitality revenue	224,842	219,102	2.6%	707,131	684,235	3.3%
Hospitality operating expenses:						
Rooms	27,347	28,397	-3.7%	80,216	82,778	-3.1%
Food and beverage	63,797	60,508	5.4%	193,661	184,748	4.8%
Other hotel expenses	70,108	71,863	-2.4%	210,513	212,788	-1.1%
Management fees	3,213	3,622	-11.3%	10,516	11,485	-8.4%
Depreciation and amortization	26,383	25,886	1.9%	79,175	77,403	2.3%
Total Hospitality operating expenses	190,848	190,276	0.3%	574,081	569,202	0.9%
Hospitality operating income (2)	$ 33,994	$ 28,826	17.9%	$ 133,050	$ 115,033	15.7%
Hospitality performance metrics:						
Occupancy	71.9%	74.2%	-3.1%	72.7%	73.0%	-0.4%
ADR	$ 169.24	$ 167.03	1.3%	$ 178.88	$ 175.23	2.1%

RevPAR (3)	$ 121.71	$ 123.99	-1.8%	$ 130.07	$ 127.94	1.7%
Total RevPAR (4)	$ 294.81	$ 294.09	0.2%	$ 314.88	$ 309.50	1.7%
Net Definite Group Room Nights Booked	396,810	313,385	26.6%	1,062,298	1,039,279	2.2%

(1) Hospitality segment results and performance metrics include the results of our Gaylord Hotels and the Inn at Opryland for all periods presented. Results of the AC Hotel are included as of its opening in April 2015.

(2) Hospitality segment operating income does not include $2.9 million of impairment charges during the nine months ended September 30, 2015 and does not include $0.1 million and $0.9 million of preopening costs during the three months and nine months ended September 30, 2015, respectively. See the discussion of these items set forth below.

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(3) We calculate Hospitality RevPAR by dividing room revenue 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, food and beverage, and other ancillary services revenue (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 September 30, 2015, as compared to the same period in 2014, is primarily due to increases of $5.4 million and $3.9 million at Gaylord Texan and Gaylord National, respectively, as well as $2.5 million in revenue from the AC Hotel, which opened in April 2015. These increases were partially offset by a decrease of $6.3 million at Gaylord Palms. The increase in total Hospitality segment revenue in the nine months ended September 30, 2015, as compared to the same period in 2014, is primarily due to increases of $15.9 million and $4.7 million at Gaylord Texan and Gaylord National, respectively, as well as $4.8 million in revenue at the AC Hotel. These increases were partially offset by a decrease of $4.8 million at Gaylord Palms. The increases for both periods are primarily a result of increased rooms revenue and outside-the-room spending during the 2015 periods as a result of an increase in premium group business discussed below.

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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Group	73%	73%	77%	77%
Transient	27%	27%	23%	23%

Rooms operating expenses decreased in the three months ended September 30, 2015, as compared to the same period in 2014, due to decreases at Gaylord Opryland, Gaylord Palms and Gaylord National, as described below. The decrease in rooms operating expenses in the nine months ended September 30, 2015, as compared to the same period in 2014, is primarily attributable to decreases at Gaylord Opryland and Gaylord Palms, as described below.

The increase in food and beverage operating expenses in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, is primarily attributable to increases at Gaylord Texan, Gaylord National and Gaylord Opryland, partially offset by a decrease at Gaylord Palms, as described below.

Other hotel expenses for the three months and nine months ended September 30, 2015 and 2014 consist of the following (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Administrative employment costs	$ 25,312	$ 24,339	4.0%	$ 78,218	$ 73,612	6.3%
Utilities	7,602	8,103	-6.2%	21,219	21,925	-3.2%
Property taxes	7,906	7,359	7.4%	23,937	23,541	1.7%
Other	29,288	32,062	-8.7%	87,139	93,710	-7.0%
Total other hotel expenses	$ 70,108	$ 71,863	-2.4%	$ 210,513	$ 212,788	-1.1%

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Administrative employment costs include salaries and benefits for hotel administrative functions, including, among others, senior management, accounting, human resources, sales, conference services, engineering and security. Administrative employment costs increased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily due to previously unfilled positions at Gaylord Opryland. Utility costs decreased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily due to decreases at Gaylord National and Gaylord Palms. Property taxes increased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily due to an increase at Gaylord National. Other expenses, which include supplies, advertising, maintenance costs and consulting costs, decreased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of decreases at each of our Gaylord Hotels properties.

As discussed above, each of our management agreements with Marriott requires us to pay Marriott a base management fee of approximately 2% of gross revenues from the applicable property for each fiscal year or portion thereof. Additionally, an incentive management fee is based on the profitability of our Gaylord Hotels properties calculated on a pooled basis. In the three months ended September 30, 2015 and 2014, we accrued $3.9 million and $4.4 million, respectively, and in the nine months ended September 30, 2015 and 2014, we accrued $12.1 million and $13.7 million, respectively, related to base management fees for our Hospitality segment. We also accrued $0.1 million and $0.6 million, respectively, related to incentive management fees for our Hospitality segment during the three months and nine months ended September 30, 2015. We did not accrue an incentive management fee related to our Hospitality segment properties during the three months or nine months ended September 30, 2014. Management fees are presented throughout this Quarterly Report on Form 10-Q net of the amortization of the deferred management rights proceeds discussed in Note 2 to the accompanying condensed consolidated financial statements included herein.

Total Hospitality segment depreciation and amortization expense increased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of an increase at Gaylord Texan, as described below, as well as depreciation for the AC Hotel, which opened in April 2015.

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Property-Level Results. The following presents the property-level financial results of our Hospitality segment for the three months and nine months ended September 30, 2015 and 2014.

Gaylord Opryland Results. The results of Gaylord Opryland for the three months and nine months ended September 30, 2015 and 2014 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Revenues:						
Rooms	$ 30,828	$ 33,530	-8.1%	$ 94,058	$ 97,059	-3.1%
Food and beverage	34,943	33,971	2.9%	100,131	96,925	3.3%
Other hotel revenue	10,625	9,294	14.3%	28,136	27,031	4.1%
Total revenue	76,396	76,795	-0.5%	222,325	221,015	0.6%
Operating expenses:						
Rooms	8,544	9,286	-8.0%	23,723	26,195	-9.4%
Food and beverage	19,179	18,007	6.5%	54,367	52,484	3.6%
Other hotel expenses	22,576	22,861	-1.2%	64,496	64,980	-0.7%
Management fees	1,288	1,293	-0.4%	3,462	3,714	-6.8%
Depreciation and amortization	7,689	7,804	-1.5%	22,967	23,558	-2.5%
Total operating expenses	59,276	59,251	0.0%	169,015	170,931	-1.1%
Performance metrics:						
Occupancy	73.4%	79.5%	-7.7%	72.7%	74.8%	-2.8%
ADR	$ 158.38	$ 159.11	-0.5%	$ 164.46	$ 164.85	-0.2%
RevPAR	$ 116.27	$ 126.46	-8.1%	$ 119.55	$ 123.36	-3.1%
Total RevPAR	$ 288.13	$ 289.64	-0.5%	$ 282.57	$ 280.91	0.6%

Rooms revenue and RevPAR decreased at Gaylord Opryland during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, as a result of a decrease in occupancy, due to a decrease in group and transient business. These decreases in rooms revenue and RevPAR were partially attributable to a rooms renovation project at Gaylord Opryland that was completed in September 2015, which resulted in approximately 18,000 room nights out of service in the three months and nine months ended September 30, 2015. The nine-month 2015 period was also impacted by a norovirus outbreak that occurred in January and February 2015 at the property, as well as a winter storm that occurred during February 2015. Rooms expenses decreased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of decreased employment costs due to improved productivity.

The increase in food and beverage revenue at Gaylord Opryland during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, was primarily due to increased banquet revenues from corporate groups. Food and beverage expenses increased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of an increase in variable costs associated with the increase in revenue.

Other revenue increased at Gaylord Opryland during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, due primarily to the receipt of $2.4 million and $3.6 million, respectively, in

insurance proceeds related to the norovirus outbreak, partially offset by a decrease in ancillary revenues, such as parking fees, related to the decrease in occupancy. Other hotel expenses decreased slightly in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014.

Depreciation and amortization decreased slightly at Gaylord Opryland during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014.

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Gaylord Palms Results. The results of Gaylord Palms for the three months and nine months ended September 30, 2015 and 2014 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Revenues:						
Rooms	$ 11,911	$ 14,386	-17.2%	$ 47,435	$ 49,471	-4.1%
Food and beverage	16,394	19,710	-16.8%	65,969	67,956	-2.9%
Other hotel revenue	3,367	3,917	-14.0%	12,584	13,395	-6.1%
Total revenue	31,672	38,013	-16.7%	125,988	130,822	-3.7%
Operating expenses:						
Rooms	3,630	4,295	-15.5%	11,450	12,454	-8.1%
Food and beverage	10,203	11,409	-10.6%	35,763	36,323	-1.5%
Other hotel expenses	13,669	14,607	-6.4%	44,638	46,518	-4.0%
Management fees	325	613	-47.0%	1,768	2,230	-20.7%
Depreciation and amortization	4,589	4,576	0.3%	13,947	13,614	2.4%
Total operating expenses	32,416	35,500	-8.7%	107,566	111,139	-3.2%
Performance metrics:						
Occupancy	64.7%	72.4%	-10.6%	73.0%	76.2%	-4.2%
ADR	$ 142.29	$ 153.51	-7.3%	$ 169.18	$ 169.18	0.0%
RevPAR	$ 92.08	$ 111.22	-17.2%	$ 123.58	$ 128.88	-4.1%
Total RevPAR	$ 244.86	$ 293.87	-16.7%	$ 328.23	$ 340.83	-3.7%

Rooms revenue and RevPAR decreased at Gaylord Palms during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, due primarily to a decrease in occupancy for groups. Rooms expenses decreased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, as a result of decreased variable expenses associated with the decrease in occupancy.

Food and beverage revenue decreased at Gaylord Palms during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, due primarily to a decrease in both banquets and food and beverage outlets. Food and beverage expenses decreased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of a decrease in variable costs associated with the decrease in revenue.

Other revenue at Gaylord Palms decreased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of a decrease in ancillary revenues, such as parking fees, related to the decrease in occupancy. Other hotel expenses decreased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, due primarily to a decrease in utility costs.

Depreciation and amortization increased slightly at Gaylord Palms during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014.

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Gaylord Texan Results. The results of Gaylord Texan for the three months and nine months ended September 30, 2015 and 2014 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Revenues:						
Rooms	$ 19,945	$ 18,128	10.0%	$ 59,162	$ 52,186	13.4%
Food and beverage	25,633	21,981	16.6%	81,337	72,680	11.9%
Other hotel revenue	4,668	4,729	-1.3%	15,012	14,771	1.6%
Total revenue	50,246	44,838	12.1%	155,511	139,637	11.4%
Operating expenses:						
Rooms	4,493	4,321	4.0%	12,925	13,711	-5.7%
Food and beverage	13,948	12,199	14.3%	42,169	38,166	10.5%
Other hotel expenses	14,623	14,495	0.9%	43,676	43,338	0.8%
Management fees	673	730	-7.8%	2,247	2,292	-2.0%
Depreciation and amortization	4,960	4,857	2.1%	15,043	14,267	5.4%
Total operating expenses	38,697	36,602	5.7%	116,060	111,774	3.8%
Performance metrics:						
Occupancy	77.1%	74.9%	2.9%	75.6%	70.4%	7.4%
ADR	$ 186.01	$ 174.22	6.8%	$ 189.64	$ 179.78	5.5%
RevPAR	$ 143.48	$ 130.41	10.0%	$ 143.42	$ 126.51	13.4%
Total RevPAR	$ 361.46	$ 322.55	12.1%	$ 376.99	$ 338.51	11.4%

Rooms revenue and RevPAR increased at Gaylord Texan during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, due primarily to increased occupancy due to an increase in group rooms during the three-month 2015 period and both group and transient rooms during the nine-month 2015 period, as well as increased ADR for both groups and transient for both periods. These increases in rooms revenue and RevPAR were partially attributable to a completed rooms renovation project at Gaylord Texan, which resulted in approximately 9,600 and 36,000 room nights out of service in the three months and nine months ended September 30, 2014, respectively. The rooms renovation project was completed in August 2014. Rooms expenses increased marginally during the three months ended September 30, 2015 and decreased during the nine months ended September 30, 2015, as compared to the same periods in 2014, as increased variable expenses associated with the increase in occupancy were offset by the prior year period including non-capitalized costs associated with the rooms renovation project.

The increase in food and beverage revenue at Gaylord Texan during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, was primarily due to an increase in banquet revenue. Food and beverage expenses increased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, as a result of increased variable costs associated with the increase in revenue.

Other revenue at Gaylord Texan decreased modestly during the three months ended September 30, 2015, as compared to the same period in 2014. Other revenue increased during the nine months ended September 30, 2015, as compared to the same period in 2014, primarily as a result of increased collection of attrition and cancellation fees. Other hotel expenses increased slightly in the three months and nine months ended September 30, 2015, as compared to the same

periods in 2014.

Depreciation and amortization increased at Gaylord Texan during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of capital expenditures associated with the rooms renovation.

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Gaylord National Results. The results of Gaylord National for the three months and nine months ended September 30, 2015 and 2014 are as follows (in thousands, except percentages and performance metrics):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Revenues:						
Rooms	$ 25,347	$ 24,139	5.0%	$ 79,787	$ 77,606	2.8%
Food and beverage	30,221	27,663	9.2%	95,383	91,339	4.4%
Other hotel revenue	4,744	4,563	4.0%	13,214	14,708	-10.2%
Total revenue	60,312	56,365	7.0%	188,384	183,653	2.6%
Operating expenses:						
Rooms	9,486	9,847	-3.7%	29,213	28,498	2.5%
Food and beverage	19,553	18,202	7.4%	59,089	55,847	5.8%
Other hotel expenses	17,298	18,886	-8.4%	53,154	55,199	-3.7%
Management fees	718	926	-22.5%	2,576	3,068	-16.0%
Depreciation and amortization	8,499	8,320	2.2%	25,463	24,971	2.0%
Total operating expenses	55,554	56,181	-1.1%	169,495	167,583	1.1%
Performance metrics:						
Occupancy	70.6%	68.1%	3.7%	71.0%	70.5%	0.7%
ADR	$ 195.38	$ 193.16	1.1%	$ 206.32	$ 201.98	2.1%
RevPAR	$ 138.03	$ 131.46	5.0%	$ 146.42	$ 142.42	2.8%
Total RevPAR	$ 328.44	$ 306.95	7.0%	$ 345.72	$ 337.04	2.6%

Rooms revenue and RevPAR increased at Gaylord National during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of an increase in occupancy for groups and an increase in ADR for both groups and transient. Rooms expenses at Gaylord National decreased during the three months ended September 30, 2015, as compared to the same period in 2014, primarily as a result of a decrease in employment costs. Rooms expenses increased at Gaylord National during the nine months ended September 30, 2015, as compared to the same period in 2014, primarily due to increased employment costs.

Food and beverage revenue increased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of an increase in banquets. Food and beverage expenses increased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily due to changes in variable costs associated with the changes in revenue.

Other revenue at Gaylord National increased modestly during the three months ended September 30, 2015, as compared to the same period in 2014. Other revenue decreased during the nine months ended September 30, 2015, as compared to the same period in 2014, primarily due to a decrease in attrition and cancellation fee collections. Other hotel expenses decreased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily due to decreased sales and marketing costs and decreased utility costs.

Depreciation and amortization at Gaylord National increased modestly during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014.

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Entertainment Segment (previously Opry and Attractions)

Total Segment Results. The following presents the financial results of our Entertainment segment for the three months and nine months ended September 30, 2015 and 2014 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Revenues	$ 27,978	$ 25,913	8.0%	$ 72,873	$ 65,144	11.9%
Operating expenses	18,954	16,557	14.5%	48,775	44,239	10.3%
Depreciation and amortization	1,434	1,327	8.1%	4,199	3,983	5.4%
Operating income	$ 7,590	$ 8,029	-5.5%	$ 19,899	$ 16,922	17.6%

Entertainment segment revenue increased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily due to increased attendance and additional shows at the Grand Ole Opry, as well as increased ancillary business such as tours and retail.

Entertainment operating expenses increased during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of increased variable expenses related to the increase in shows and ancillary revenues, as well as increased consulting costs.

Entertainment depreciation expense increased modestly in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014.

Corporate and Other Segment

Total Segment Results. The following presents the financial results of our Corporate and Other segment for the three months and nine months ended September 30, 2015 and 2014 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Operating expenses	$ 8,017	$ 6,952	15.3%	$ 21,384	$ 19,707	8.5%
Depreciation and amortization	681	820	-17.0%	2,093	2,882	-27.4%
Operating loss	$ (8,698)	$ (7,772)	11.9%	$ (23,477)	$ (22,589)	3.9%

Corporate and Other operating expenses, which consist primarily of costs associated with senior management salaries and benefits, legal, human resources, accounting, pension, information technology and other administrative costs, increased in the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, primarily as a result of the pension settlement charge discussed in Note 9 to the condensed consolidated financial statements included herein.

Corporate and Other depreciation and amortization expense decreased in the three months and nine months ended September 30, 2015, as compared with the same periods in 2014, primarily due to the continued disposal of certain fixed assets that were no longer required as a result of our conversion to a REIT.

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Operating Results Preopening Costs

During the three months and nine months ended September 30, 2015, we incurred $0.1 million and $0.9 million, respectively, in preopening costs related to the AC Hotel. The hotel opened in April 2015.

Operating Results Impairment and Other Charges

During the nine months ended September 30, 2015, we incurred $2.9 million in impairment charges related to assets previously used in special events programming that is being discontinued.

Non-Operating Results Affecting Net Income

General

The following table summarizes the other factors which affected our net income for the three months and nine months ended September 30, 2015 and 2014 (in thousands, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	**2014**	**% Change**	**2015**	**2014**	**% Change**
Interest expense	$ (16,138)	$ (17,135)	-5.8%	$ (47,765)	$ (48,277)	-1.1%
Interest income	2,982	3,001	-0.6%	9,383	9,070	3.5%
Loss on extinguishment of debt			0.0%		(2,148)	100.0%
Other gains and (losses), net	2,467	(282)	974.8%	(18,104)	(4,608)	-292.9%
Benefit for income taxes	4,612	463	896.1%	3,425	371	823.2%

Interest Expense

Interest expense decreased $1.0 million and $0.5 million during the three months and nine months ended September 30, 2015, as compared to the same periods in 2014, due primarily to the lack of interest expense associated with our 3.75% convertible notes, which matured in October 2014, and a decrease in interest expense associated with our credit facility, due to a decrease in borrowings. These decreases were partially offset by increased interest expense associated with our $400 Million 5% Senior Notes, which we issued in April 2015. The nine-month decrease was also partially offset by increased interest expense on our term loan B facility, which we entered into in June 2014. We also incurred $1.9 million in interest expense during the nine months ended September 30, 2015 related to the write-off of deferred financing costs associated with the refinancing of our credit facility.

Cash interest expense increased $2.1 million to $14.8 million in the three months ended September 30, 2015 and increased $6.8 million to $41.8 million in the nine months ended September 30, 2015, as compared to the same periods in 2014. Non-cash interest expense, which includes amortization of deferred financing costs and debt discounts, the write-off of deferred financing costs, and capitalized interest, decreased $3.1 million to $1.3 million in the three months ended September 30, 2015 and decreased $7.3 million to $6.0 million in the nine months ended September 30, 2015, as compared to the same periods in 2014.

Our weighted average interest rate on our borrowings, excluding the write-off of deferred financing costs during the periods, was 4.3% and 5.3% for the three months and 4.1% and 5.2% for the nine months ended September 30, 2015 and 2014, respectively.

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Interest Income

Interest income for the three months and nine months ended September 30, 2015 and 2014 primarily includes amounts earned on the bonds that were received in connection with the development of Gaylord National, which we hold as notes receivable.

Loss on Extinguishment of Debt

In April 2014, we settled the repurchase of and subsequently cancelled $56.3 million of our 3.75% convertible notes in private transactions for aggregate consideration of $120.2 million, which was funded by cash on hand and borrowings under our revolving credit facility. In addition, in June 2014, we settled $15.3 million of our 3.75% convertible notes that were converted by holders for aggregate consideration of $33.4 million. As a result of these transactions, we recorded a loss on extinguishment of debt of approximately $2.1 million during the nine months ended September 30, 2014.

Other Gains and (Losses), net

Other gains and (losses), net for the nine months ended September 30, 2015 and for the three months and nine months ended September 30, 2014 primarily consists of $20.2 million, $1.6 million and $6.1 million, respectively, in losses on the change in the fair value of derivative liabilities associated with portions of the warrants associated with our 3.75% convertible notes, as discussed more fully in Note 7 to the condensed consolidated financial statements included herein. Other gains and (losses), net also includes $2.5 million and $2.4 million for the three months and nine months ended September 30, 2015 and 2014, respectively, from a fund associated with the Gaylord National bonds to reimburse us for certain marketing and maintenance expenses.

Benefit for Income Taxes

As a REIT, we generally will not be subject to federal corporate income taxes on ordinary taxable income and capital gains income from real estate investments that we distribute to our stockholders. We will, however, be subject to corporate income taxes on built-in gains (the excess of fair market value over tax basis at January 1, 2013) that result from gains on certain assets. In addition, we will continue to be required to pay federal and state corporate income taxes on earnings of our TRSs.

For the three months ended September 30, 2015 and 2014, we recorded an income tax benefit of $4.6 million and $0.5 million, respectively, and $3.4 million and $0.4 million for the nine months ended September 30, 2015 and 2014, respectively. These results differ from the statutory rate primarily due to the non-taxable income of the REIT and the decrease in valuation allowance required at the TRSs.

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, maintenance capital expenditures, and dividends to stockholders. During the nine months ended September 30, 2015, our net cash flows provided by operating activities were $151.0 million, reflecting primarily cash provided by our income before depreciation expense, amortization expense, income tax provision, stock-based compensation expense, loss on repurchase of warrants and other non-cash charges of approximately $186.6 million, partially offset by unfavorable changes in working capital of approximately $35.6 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 our Gaylord Hotels

properties and a decrease in accrued expenses primarily related to the payment of accrued compensation and accrued expenses associated with our hotel holiday programs.

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During the nine months ended September 30, 2014, our net cash flows provided by operating activities were $157.2 million, reflecting primarily cash provided by our income before depreciation expense, amortization expense, income tax benefit, stock-based compensation expense, loss on extinguishment of debt, and other non-cash charges of approximately $171.5 million, partially offset by unfavorable changes in working capital of approximately $14.3 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 our Gaylord Hotels properties.

Cash Flows From Investing Activities. During the nine months ended September 30, 2015, our primary uses of funds for investing activities were purchases of property and equipment, which totaled $63.4 million, and an increase in restricted cash and cash equivalents associated with the furniture, fixtures and equipment (FF&E) reserve we are obligated to maintain for future planned and emergency-related capital expenditures at the properties that Marriott manages for us. These uses of cash were partially offset by the receipt of $10.0 million in proceeds related to the sale of our rights in a letter of intent which entitled us to a portion of an economic interest in the income from the land underlying the new MGM casino project in National Harbor, Maryland. Purchases of property, plant and equipment consisted primarily of an expansion of the Ryman Auditorium, the renovation of a portion of the guest rooms at Gaylord Opryland, and ongoing maintenance capital expenditures for our existing properties.

During the nine months ended September 30, 2014, our primary uses of funds for investing activities were purchases of property and equipment, which totaled $50.7 million, partially offset by a decrease in restricted cash and cash equivalents associated with the FF&E reserve discussed above. Purchases of property, plant and equipment consisted primarily of a rooms renovation project at Gaylord Texan and 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 nine months ended September 30, 2015, our net cash flows used in financing activities were approximately $131.8 million, primarily reflecting $271.6 million in repayments under our credit facility, $154.7 million paid to cash settle the remaining 4.7 million warrants associated with our 3.75% convertible notes, the payment of $95.4 million in cash dividends and the payment of $11.1 million in deferred financing costs, partially offset by the issuance of $400.0 million in senior notes.

During the nine months ended September 30, 2014, our net cash flows provided by financing activities were approximately $97.5 million, primarily reflecting $399.0 million in net borrowings under our term loan B facility and $17.5 million in borrowings under our credit facility. These inflows were partially offset by $108.3 million to cash settle 4.8 million of the warrants associated with our previous 3.75% convertible notes, the payment of $81.4 million in cash dividends, and the payment of $8.4 million in deferred financing costs. In addition, we paid $126.5 million in cash related to repurchases and the settlement of conversions of our previous 3.75% convertible notes, and issued 6.3 million shares for the settlement of the conversion spread, which were offset by the exercise of the related purchased options and our receipt and cancellation of the related shares.

Liquidity

At September 30, 2015, we had $40.3 million in unrestricted cash and $380.1 million available for borrowing under our credit facility, which we refinanced in June 2015 with an extended maturity to 2019. During the nine months ended September 30, 2015, we net repaid $271.6 million under our credit facility, cash settled the remaining 4.7 million warrants associated with our 3.75% convertible notes for $154.7 million, paid cash dividends of $95.4 million and incurred capital expenditures of $63.4 million. These outflows, partially offset by the issuance of $400.0 million in senior notes during April 2015 and cash flows from operating activities discussed above, were the primary

factors in the decrease in our cash balance from December 31, 2014 to September 30, 2015.

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We currently plan to pay a quarterly cash dividend of $0.70 per share in January 2016, subject to determinations as to the timing and amount by our board of directors. We anticipate investing in our operations during the remainder of 2015 by spending between $17 million and $27 million in capital expenditures, which primarily includes ongoing maintenance capital of our current facilities.

We believe that our cash on hand and cash from operations will be adequate to fund our short-term commitments, as well as: (i) normal operating expenses, (ii) interest expense on long-term debt obligations, (iii) capital lease and operating lease obligations, and (iv) declared dividends. If our existing cash and cash from operations were inadequate to fund such items, we could draw on our credit facility, subject to the satisfaction of covenants in the credit facility. We believe that drawing on this credit facility will not be necessary for general working capital purposes. We may, however, draw on our credit facility for operational and capital needs in the future.

Our outstanding principal debt agreements, none of which mature prior to 2019, 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 their scheduled maturity date.

Principal Debt Agreements

At September 30, 2015, we were in compliance with all covenants related to our outstanding debt.

Credit Facility. On June 5, 2015, the Company entered into Amendment No. 2 (the Amendment) among the Company, as a guarantor, the Operating Partnership, as borrower, certain other subsidiaries of the Company party thereto, as guarantors, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent, to the Company s Fourth Amended and Restated Credit Agreement (the Credit Facility). Prior to the Amendment, the Company s Credit Facility consisted of a $700.0 million senior secured revolving credit facility (the revolving credit facility), the term loan A, and the term loan B. Following the Amendment, the Company s Credit Facility consists of the revolving credit facility and the term loan B, which matures on January 15, 2021. The Company paid off the previously outstanding term loan A during the second quarter of 2015 with a substantial portion of the proceeds from the Operating Partnership s and Finco s private placement of the $400 Million 5% Senior Notes, and the term loan A was eliminated.

Pursuant to the Amendment, the Company extended the maturity date of the revolving credit facility under the Credit Facility to June 5, 2019 and provided for two additional six-month extension options, at the election of the Company. In addition, the Amendment lowered the adjustable margin (the Applicable Margin) for determining the interest rate on revolving loans based on the Company s consolidated funded indebtedness to total asset value ratio (as defined in the Credit Facility). Interest on our borrowings under the revolving credit facility is payable quarterly, in arrears, for base rate-based loans and at the end of each interest rate period for LIBOR-based loans. The effective interest rate at September 30, 2015 was LIBOR plus 1.65%. Principal is payable in full at maturity. Further, the unused commitment fee was reduced to 0.2% to 0.3% per year of the average unused portion of the revolving credit facility. The Company s term loan B remains outstanding.

The Credit Facility continues to be guaranteed by us, each of our four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of our subsidiaries. The Credit Facility continues to be secured by (i) a first mortgage lien on the real property of each of our Gaylord Hotels properties, (ii) pledges of equity interests in our subsidiaries that own the Gaylord Hotels properties, (iii) our personal property and the personal property of the Operating Partnership and our subsidiaries that guarantee the Credit Facility and (iv) all proceeds and products from our Gaylord Hotels properties. Advances are subject to a 55% borrowing base, based on the appraisal value of the Gaylord Hotels properties (reduced to 50% in the event a hotel property is sold).

In addition, the 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

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encumbrances and other matters customarily restricted in such agreements. The material financial covenants, ratios or tests contained in the 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 to 1.00.

- We must maintain a consolidated tangible net worth (as defined in the Credit Facility) of not less than $175 million plus 75% of the proceeds received by us or any of our subsidiaries in connection with any equity issuance.

- We must maintain a consolidated fixed charge coverage ratio (as defined in the Credit Facility), of not less than 1.50 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 shall occur and be continuing under the Credit Facility, the commitments under the Credit Facility may be terminated and the principal amount outstanding under the Credit Facility, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

At September 30, 2015, $317.9 million of borrowings were outstanding under the Credit Facility, and the lending banks had issued $2.0 million of letters of credit under the facility, which left $380.1 million of availability under the Credit Facility (subject to the satisfaction of debt incurrence tests under the indentures governing our $350 million in aggregate principal amount of senior notes due 2021 (the $350 Million 5% Senior Notes) and $400 Million 5% Senior Notes.

As a result of the Amendment, we wrote off $1.9 million of deferred financing costs during the nine months ended September 30, 2015, which is included in interest expense in the accompanying condensed consolidated statement of operations.

$400 Million Term Loan Facility. On June 18, 2014, we amended the Credit Facility such that we added an additional senior secured term loan facility in the aggregate principal amount of up to $400.0 million to the Credit Facility. Proceeds from the term loan B were used to repay revolving loans under the Credit Facility, to repay our 3.75% convertible notes and to settle a part of the warrant transactions described below. The term loan B has a maturity date of January 15, 2021 and borrowings bear interest at an annual rate of LIBOR plus an adjustable margin, subject to a LIBOR floor of 0.75%. At September 30, 2015, the interest rate on the term loan B was LIBOR plus 2.75%. The term loan B amortizes in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of $400.0 million, commencing on September 30, 2014, with the balance due at maturity. Amounts borrowed under the term loan B that are repaid or prepaid may not be reborrowed. At closing, we drew down on the term loan B in full.

Consistent with our other loans under our Credit Facility, the term loan B is guaranteed by the Company, each of our four wholly-owned subsidiaries that own the Gaylord Hotels-branded properties, and certain other of our subsidiaries.

The term loan B is secured by (i) a first mortgage lien on the real property of each of our Gaylord Hotels properties, (ii) pledges of equity interests in our subsidiaries that own the Gaylord Hotels properties, (iii) the personal property of the Company, the Operating Partnership and the guarantors and (iv) all proceeds and products from our Gaylord Hotels properties. Amounts drawn on the term loan B are subject to a 55% borrowing base, based on the appraisal value of the Gaylord Hotels properties (reduced to 50% in the event a hotel property is sold).

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The term loan B is subject to certain covenants contained in the Credit Facility, 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 term loan B is subject to substantially all of the events of default provided for the Credit Facility (other than the financial maintenance covenants). If an event of default shall occur and be continuing, the commitments under the term loan B may be terminated and the principal amount outstanding under the term loan B, together with all accrued and unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

$350 Million 5% Senior Notes. On April 3, 2013, the Operating Partnership and RHP Finance Corporation, a subsidiary of the Company, completed the private placement of $350.0 million in aggregate principal amount of senior notes due 2021, which are guaranteed by the Company and its subsidiaries that guarantee the Credit Facility. The $350 Million 5% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The $350 Million 5% Senior Notes have a maturity date of April 15, 2021 and bear interest at 5% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning October 15, 2013. The $350 Million 5% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries existing and future senior unsecured indebtedness and senior in right of payment to future subordinated indebtedness, if any. The $350 Million 5% Senior Notes are effectively subordinated to the issuing subsidiaries secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor s existing and future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The $350 Million 5% Senior Notes will be effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership s subsidiaries that do not guarantee the $350 Million 5% Senior Notes.

The issuing subsidiaries may redeem the $350 Million 5% Senior Notes on or before April 15, 2016, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, up to, but excluding, the applicable redemption date plus a make-whole redemption premium. The $350 Million 5% Senior Notes will be redeemable, in whole or in part, at any time on or after April 15, 2016 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 103.75%, 102.50%, 101.25%, and 100.00% beginning on April 15 of 2016, 2017, 2018, and 2019, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

In connection with the issuance of the $350 Million 5% Senior Notes, we completed a registered offer to exchange the $350 Million 5% Senior Notes for registered notes with substantially identical terms as the $350 Million 5% Senior Notes in November 2013.

$400 Million 5% Senior Notes. On April 14, 2015, the Operating Partnership and Finco completed the private placement of $400.0 million in aggregate principal amount of senior notes due 2023. The $400 Million 5% Senior Notes are general unsecured senior obligations of the Company s issuing subsidiaries and are guaranteed by the Company and its subsidiaries that guarantee the Credit Facility. The $400 Million 5% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The $400 Million 5% Senior Notes have a maturity date of April 15, 2023 and bear interest at 5% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning October 15, 2015. The $400 Million 5% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries existing and future senior unsecured indebtedness, including the $350 Million 5% Senior Notes, and senior in right of payment to future subordinated indebtedness, if any. The $400 Million 5% Senior Notes are effectively subordinated to the issuing subsidiaries

secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor s existing and future

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senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The $400 Million 5% Senior Notes are effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership s subsidiaries that do not guarantee the $400 Million 5% Senior Notes.

The issuing subsidiaries may redeem the $400 Million 5% Senior Notes before April 15, 2018, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, up to, but excluding, the applicable redemption date plus a make-whole redemption premium. The $400 Million 5% Senior Notes will be redeemable, in whole or in part, at any time on or after April 15, 2018 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 103.75%, 102.50%, 101.25%, and 100.00% beginning on April 15 of 2018, 2019, 2020, and 2021, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

The net proceeds from the issuance of the $400 Million 5% Senior Notes totaled approximately $392 million, after deducting the initial purchasers discounts, commissions and offering expenses. We used substantially all of these proceeds to repay amounts outstanding under our previous term loan A, eliminating the term loan A, and to repay a portion of the amounts outstanding under the revolving credit facility portion of the Credit Facility.

In connection with the issuance of the $400 Million 5% Senior Notes, we entered into a registration rights agreement under which we were required to use our commercially reasonable efforts to complete a registered offer to exchange the $400 Million 5% Senior Notes for registered notes with substantially identical terms as the $400 Million 5% Senior Notes. We completed the exchange offer in September 2015.

Additional Debt Limitations. Pursuant to the terms of the management agreements and pooling agreement with Marriott, we are subject to certain debt limitations described below.

The management agreements provide for the following limitations on indebtedness encumbering a hotel:

- The aggregate principal balance of all mortgage and mezzanine debt encumbering the hotel shall be no greater than 75% of the fair market value of the hotel; and

- The ratio of (a) aggregate Operating Profit (as defined in the management agreement) in the 12 months prior to the closing on the mortgage or mezzanine debt to (b) annual debt service for the hotel shall equal or exceed 1.2:1; but is subject to the pooling agreement described below.

The pooled limitations on Secured Debt (as defined in the pooling agreement) are as follows:

- The aggregate principal balance of all mortgage and mezzanine debt on Pooled Hotels (as defined in the pooling agreement), shall be no more than 75% of the fair market value of Pooled Hotels.

- The ratio of (a) aggregate Operating Profit (as defined in the pooling agreement) of Pooled Hotels in the 12 months prior to closing on any mortgage or mezzanine debt to (b) annual debt service for the Pooled Hotels,

shall equal or exceed 1.2:1.

Off-Balance Sheet Arrangements

We enter into commitments under letters of credit, primarily for the purpose of securing our deductible obligations with our insurers, and lending banks under our Credit Facility had issued $2.0 million of letters of credit at September 30, 2015. Except as set forth in this paragraph, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

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Commitments and Contractual Obligations

The following table summarizes our significant contractual obligations at September 30, 2015, including long-term debt and operating and capital lease commitments (amounts in thousands):

		Payment due by Period			
Contractual obligations	Total amounts committed	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt (1)	$ 1,468,900	$ 6,000	$	$ 317,900	$ 1,145,000
Capital leases	682	19	40	43	580
Operating leases (2)	623,879	4,761	8,651	9,025	601,442
Construction commitments (3)	20,704	20,704			
Total contractual obligations	$ 2,114,165	$ 31,484	$ 8,691	$ 326,968	$ 1,747,022

(1) Long-term debt commitments do not include approximately $340.8 million in interest payments projected to be due in future years (less than 1 year $57.2 million; 1-3 years $114.0 million; 3-5 years $105.5 million; more than 5 years $64.1 million) based on the stated interest rates on our fixed-rate debt and the rates in effect at September 30, 2015 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 our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the interest we paid during 2014, 2013 and 2012.

(2) Total operating lease commitments of $623.9 million 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.

(3) With respect to our properties that are operated under management agreements with Marriott, we are obligated to maintain an FF&E reserve account for future planned and emergency-related capital expenditures at these properties. The amount funded into each of these reserve accounts is determined pursuant to the management agreements. For fiscal year 2015, the amount funded into the reserve accounts will be 5.0% of the respective property s total annual revenue. At September 30, 2015, $20.7 million was held in FF&E reserve accounts for future capital expenditures at our properties. According to the terms of each management agreement with Marriott, the reserve funds are to be held by Marriott in a restricted cash account. Although it is not required that such funds be expended in a given year, each management agreement provides any excess funds will carry over for use in future years.

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 7 and Note 8 to our Annual Report on Form 10-K for the year ended December 31, 2014 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, stock-based compensation, depreciation and amortization, income taxes,

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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, 2014. There were no newly identified critical accounting policies in the first nine months of 2015 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, 2014.

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 changes in asset values of investments that fund our pension plan.

Risk Related to Changes in Interest Rates

Borrowings outstanding under the revolving credit portion of our Credit Facility bear interest at an annual rate of LIBOR plus 1.65%, subject to adjustment as defined in the agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the $317.9 million in borrowings outstanding under the revolving credit portion of our Credit Facility at September 30, 2015 would increase by approximately $3.2 million.

Borrowings outstanding under our $400 million term loan B currently bear interest at an annual rate of LIBOR plus 2.75%, subject to adjustment as defined in the agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the $395.0 million in borrowings outstanding under our $400 million term loan B at September 30, 2015 would increase by approximately $4.0 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 September 30, 2015. As a result, the interest rate market risk implicit in these investments at September 30, 2015, if any, is low.

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. At September 30, 2015, the value of the investments in the pension fund was $67.0 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 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

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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, Commitments and Contingencies, 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 the Company s Annual Report on Form 10-K for the year ended December 31, 2014.

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

Inapplicable.

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.

RYMAN HOSPITALITY PROPERTIES, INC.

Date: November 5, 2015

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
President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Jennifer Hutcheson
Jennifer Hutcheson
Senior Vice President and Corporate Controller
(Principal Accounting Officer)

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INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
3.1	Amended and Restated Certificate of Incorporation of Ryman Hospitality Properties, Inc. (incorporated by reference to Exhibit 3.1 to the Company s Current Report on Form 8-K filed October 1, 2012).
3.2	Amended and Restated Bylaws of Ryman Hospitality Properties, Inc. (incorporated by reference to Exhibit 3.2 to the Company s Current Report on Form 8-K filed October 1, 2012).
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 Ryman Hospitality Properties, Inc. s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets (unaudited) at September 30, 2015 and December 31, 2014, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (unaudited) for the three months and nine months ended September 30, 2015 and 2014, (iii) Condensed Consolidated Statements of Cash Flows (unaudited) for the nine months ended September 30, 2015 and 2014, and (iv) Notes to Condensed Consolidated Financial Statements (unaudited).
*	Filed herewith.
**	Furnished herewith.
#	Management contract or compensatory plan or arrangement.