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

FORM 8-K

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

**Date of Report (Date of earliest event reported):
February 28, 2013**

DiamondRock Hospitality Company
(Exact name of registrant as specified in charter)

Maryland	**001-32514**	**20-1180098**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

**3 Bethesda Metro Center, Suite 1500
Bethesda, MD 20814**
(Address of Principal Executive Offices) (Zip Code)

(240) 744-1150
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. Results of Operations and Financial Condition.

On February 28, 2013, DiamondRock Hospitality Company (the "Company") issued a press release announcing its financial results for the fiscal quarter and year ended December 31, 2012 (the "Press Release"). The text of the Press Release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

The information contained in the press release attached as Exhibit 99.1 to this report shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. Furthermore, the information contained in the press release attached as Exhibit 99.1 to this report shall not be deemed to be incorporated by reference in the filings of the registrant under the Securities Act of 1933.

ITEM 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 28, 2013, the Board of Directors (the "Board") of the Company approved the appointment of Robert Tanenbaum as Chief Operating Officer and Executive Vice President, Asset Management of the Company, such appointment to be effective May 1, 2013 upon the retirement of John L. Williams. In this role, Mr. Tanenbaum will join the Company's executive management team and oversee the Company's Asset Management Department. Mr. Tanenbaum is expected to formally join the Company as an employee on April 1, 2013, and may provide consulting and other services to the Company prior to that date.

Mr. Tanenbaum brings over 20 years of experience in the hotel industry to the Company. Most recently he was the Principal of Madison Hotel Advisors, LLC, which he founded in 2004. Prior to founding Madison Hotel Advisors, LLC, he was a Vice President of Asset Management with Host Hotels & Resorts from 1996 to 2004. His experience prior to that includes PKF Consulting in San Francisco, CA and Four Seasons Hotels in Chicago, IL and Maui, HI. Mr. Tanenbaum is an active member of the Hospitality Asset Managers Association and is a graduate of the Pennsylvania State University with a Bachelor of Science degree in Hotel Restaurant and Institutional Management.

In connection with Mr. Tanenbaum's appointment, the Board approved the terms of an offer letter between the Company and Mr. Tanenbaum, which outlines his salary and benefits for 2013. The material terms of the offer letter, as supplemented, are as follows:

- Mr. Tanenbaum's 2013 annual base salary will be $400,000.
- Mr. Tanenbaum will receive a one-time equity-based signing bonus valued at $50,000 consisting of a mix of restricted stock and performance stock units, which is expected to be granted in May 2013.
- Mr. Tanenbaum will also be eligible for an annual cash bonus, with a target bonus of 80% of his base salary, and a threshold and a maximum bonus of 40% and 160%, respectively, of his base salary.
- Mr. Tanenbaum will receive an award of $400,000 in equity-based incentive compensation consisting of a mix of restricted stock and performance stock units, which is expected to be granted in May 2013. Thereafter, he will be eligible to receive an annual grant of equity-based incentive compensation at the same time the Compensation Committee of the Board approves the annual grants to other employees of the Company.

It is also expected that Mr. Tanenbaum and the Company will enter into a severance agreement, substantially in the form entered into by other executive officers, except that Mr. Tanenbaum's severance agreement will not include a tax gross-up provision.

Mr. Tanenbaum does not have any familial relationship requiring disclosure under Item 401(d) of Regulation S-K. Mr. Tanenbaum does not have any related party interests requiring disclosure under Item 404(a) of Regulation S-K. Mr. Tanenbaum is not a director of the Company or any other registered company.

The above descriptions of the offer letter and the form of severance agreement are not complete and are qualified entirely by reference to the text of those agreements, which are filed as an exhibit (with the form of severance agreement filed as Exhibit B to the offer letter) to this Current Report on Form 8-K and are incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are included with this report:

Exhibit No.	Description
10.1	Offer Letter, by and between DiamondRock Hospitality Company and Robert Tanenbaum, dated as of February 22, 2013, as supplemented on February 26, 2013.
99.1	Press release dated February 28, 2013.

SIGNATURE

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 hereunto duly authorized.

DIAMONDROCK HOSPITALITY COMPANY

Date: March 1, 2013

By: /s/ William J. Tennis

William J. Tennis

Executive Vice President, General Counsel and Corporate Secretary

Exhibit 10.1

February 22, 2013

Mr. Rob Tanenbaum
4417 36th Street North
Arlington, VA 22207

Dear Rob:

We are excited to offer you a position with DiamondRock Hospitality Company ("DiamondRock" or the "Company") as Chief Operating Officer and Executive Vice President, Asset Management, reporting to me. The commencement date of your employment will be April 1, 2013. However, the position of Chief Operating Officer will be effective on May 1, 2013, and in this position, you will serve as a "named executive officer" of DiamondRock. A description of your responsibilities is set forth in Exhibit A.

The compensation and benefits that we are able to offer you are as follows:

- Your base salary will be $400,000 per year.
- You will be eligible to receive an annual cash bonus with a target of 80% of your base salary that you receive in that year, with a maximum bonus percentage of 160% and a threshold bonus percentage of 40%; the actual percentage will be determined by DiamondRock's Board of Directors based on your performance and DiamondRock's financial results during the year. You must be employed on the last day of the fiscal year to receive a bonus for that year, and the first year bonus will be pro-rated.

  Example: your annual salary is $400,000, you worked nine months in 2013 and your bonus percentage was the target (80%), your bonus would be $240,000.
- You will be eligible to receive an equity incentive grant each year, subject to the approval of DiamondRock's Board of Directors. Your initial equity incentive grant award will be valued at $400,000 and, subject to approval from the Board of Directors, is expected to be issued in May 2013. The equity incentive grant will be composed of two components, each of which will compose 50% of the total equity incentive grant, as follows:
  (i) Restricted Stock, which will vest in three equal annual installments, commencing in February 2014 and (ii) Performance Stock Units which will all vest in February 2016 and will be based on the total shareholder return of DiamondRock relative to the total shareholder return of a peer group over a three-year performance period. The actual amount of Restricted Stock and Performance Stock Units will be determined by the closing price of DiamondRock stock on an appropriate day following the grant of the stock by the Board of Directors. The terms and conditions of the Restricted Stock and the Performance Stock Units will be fully set forth in separate agreements to be entered into at the time of the grant. The design and vesting schedule for the equity incentive grant each year will be the same as for the other executives of DiamondRock.

- Prior to the commencement of your employment, DiamondRock will enter into a Severance Agreement with you, providing for, among other things, compensation to be paid to you upon the termination of your employment for certain reasons. The form of Severance Agreement is attached hereto as Exhibit B.
- You will be eligible to participate in DiamondRock's 401(k) Plan. We have a company match where DiamondRock will match a portion of your contribution to the 401(k) Plan.
- You will receive twenty-five (25) days of paid time off (PTO) per year; in your discretion, you may use your PTO days either for vacation or for sick days.
- You will be eligible to participate in DiamondRock's medical and dental benefits. If you enroll within thirty (30) days of the date you start work, your coverage will be effective on the first day of the first full month that you are employed by DiamondRock; otherwise, you generally must wait until the Company's annual enrollment period to enroll and benefits would not be available until the following plan year, which starts on July 1 of each year. Currently, DiamondRock pays 100% of the premium for the medical and dental plan, but DiamondRock retains the right to, at any time, change the amount that it pays towards the premium.
- You will be eligible to participate in DiamondRock's life insurance and disability benefits. DiamondRock currently provides life insurance equal to two times your salary, up to $200,000, Long Term Disability Insurance equal to 60% of your earnings up to $10,000 per month and Short Term Disability up to $1500 per week. Currently, DiamondRock pays 100% of the premium for the life insurance and long term disability insurance, but DiamondRock retains the right to, at any time, change the amount that it pays towards the premium.

As you know, in the ordinary course of business, compensation and benefit programs evolve as business needs and laws change. To the extent it becomes necessary and desirable to change any of the plans in which you may participate, such changes will apply to you as they do to other employees of DiamondRock.

This letter constitutes the full commitments that have been extended to you. However, this does not constitute a contract of employment for any period of time. DiamondRock reserves the right, at the discretion of the Board of Directors, to modify the compensation terms in the future subject to the limitations in the Severance Agreement. Further, please be aware that the Compensation Committee of DiamondRock will need to formally approve these terms.

Employment with DiamondRock is also contingent upon a satisfactory background and reference check. Please complete the attached ***Employment Application Consent Release*** and return it to my attention together with this Offer Letter.

DiamondRock has established a Social Security Verification procedure for verifying Social Security numbers in order to prevent discrepancies and mismatches between the information in DiamondRock's payroll records and the information on file with the Social Security Administration (SSA). As part of your new hire paperwork, you will be required to complete Section 1 of the Record of Social Security Administration Verification form which includes your name, Social Security number, date of birth and gender. This information will be verified with records at the SSA.

Under the Immigration Reform and Control Act, DiamondRock must verify your eligibility for employment in the United States. On your first day of work you will be expected to present one or more of the documents listed on the enclosed U.S. Department of Justice form and to complete a Government Form I-9. This information will be used to verify your eligibility for employment and to preclude the unlawful hiring of individuals who are not authorized to work in the U.S.

On behalf of everyone at DiamondRock, I want to express our enthusiasm to have you join our Company.

Sincerely,

/s/ Mark Brugger

Mark Brugger
Chief Executive Officer

CC: Bill Tennis

I accept the above offer to be employed by DiamondRock Hospitality Company and I understand and agree to the terms set forth.

Signed: /s/ Robert Tanenbaum

Date: February 25, 2013

Exhibit A

Responsibilities of the Chief Operating Officer
and
Executive Vice President, Asset Management

The Chief Operating Officer and Executive Vice President, Asset Management ("COO") will help formulate the Company's strategy and be responsible for its successful implementation. Providing leadership and direction to the overall business, the COO is expected to drive value and cash flow through superior operating results, and to ensure that the right organizational structure is in place and qualified executives are in appropriate roles. The COO will be responsible to maintain DiamondRock's strong culture, where individuals are compensated for performance. In the near term, the COO is expected to achieve further operating efficiencies, implement enhanced sales and marketing strategies, and oversee appropriate property investments. The COO is expected to successfully drive the Company's growth plan. The COO must develop strong relationships with a number of constituencies, including employees, the Board and Chief Executive Officer, and appropriate external parties.

Specific position duties and responsibilities include the following:

- Play a leadership role at the Company as the head of asset management with a team of more than 6 reporting up to the position.
- Play a leadership role outside of the Company as one of the primary interfaces with the senior leaders at the brand companies (e.g., Marriott, Hilton, Starwood) and with the third-party operators (e.g., Davidson, Highgate, Interstate).
- Manage the Company's portfolio of assets as single, stand-alone investments. Analyze and track return on investment on the portfolio, individual assets and incremental investments.
- Oversee asset management function and focus on maximizing value of the hotel assets through:

  1) Setting the revenue management strategy for each hotel; 2) implementing profit containment plans; and 3) reviewing the capital improvement plans for each hotel.
- Coordinate with the departmental team members to analyze, monitor and maximize the value of and return on the portfolio.
- Use research, industry analysis/benchmarking, accounting, hotel financial analysis and computer modeling fundamentals to analyze hotel operation, hotel business plans, hotel capital investments, sales & marketing plans and hotel strategic alternatives.
- Keep current on all markets affecting the hospitality industry and specifically the markets in which the assets are situated.
- Constantly examine and monitor the operating performance of the assets to ensure the return on investment in each asset is maximized.

- Meet with hotel executive teams to review operating performance, annual business plans and longer term strategic plans.
- Proactively identify and resolve ownership issues to maintain the integrity of the assets.
- Ensure the effective deployment of capital. Update, execute and monitor each hotel's short and long-term capital plans.
- Prepare investment summaries and make recommendations for major hotel expenditures.
- Analyze and track of return on investment for the assets as well as profit improving projects, either implemented or proposed.
- Identify value enhancement opportunities within the portfolio.
- Oversee the preparation of monthly, quarterly and annual reports for all assets in designated territory.
- Play a key role in underwriting acquisition opportunities. While the COO is not responsible for identifying acquisitions, they play an integral part in the process.

Exhibit B

SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (the "**Agreement**") is made this day of , by DiamondRock Hospitality Company, a Maryland corporation (the "**REIT**"), with its principal place of business at 3 Bethesda Metro Center, Suite 1500, Bethesda, Maryland 20814 and , residing at (the "**Executive**"). This Agreement is effective as of , the first day of employment of Executive.

1. **Purpose**

The REIT considers it essential to the best interests of its stockholders to promote and preserve the continuous employment of key management personnel. The Board of Directors of the REIT (the "**Board of Directors**") recognizes that, as in the case with many corporations, the possibility of a termination of employment exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the distraction of key management personnel to the detriment of the REIT and its stockholders. Therefore, the Board of Directors has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the REIT's key management. Nothing in this Agreement shall be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the REIT, the Executive shall not have any right to be retained in the employ of the REIT.

2. **Definitions**

(a) **Accrued Salary**. "Accrued Salary" shall mean accrued and unpaid base salary through the Date of Termination. In addition, in the event the Executive's annual bonus for the REIT's most recently completed fiscal year has not yet been paid to the Executive, then Accrued Salary also shall include such prior fiscal year's earned, accrued and unpaid bonus.

(b) **Cause**. "Cause" for termination shall mean a determination by the Board of Directors in good faith that any of the following events has occurred: (i) indictment of the Executive of, or the conviction or entry of a plea of guilty or nolo contendere by the Executive to any felony, or any misdemeanor involving moral turpitude; (ii) the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the REIT, DiamondRock Hospitality Limited Partnership (the "**Operating Partnership**") and their subsidiaries (the REIT, the Operating Partnership and their subsidiaries are hereinafter referred to as the "**DiamondRock Group**") other than an occasional and de minimis use of Company property for personal purposes; (iii) the Executive's willful failure or gross negligence in the performance of his assigned duties for the DiamondRock Group, which failure or gross negligence continues for more than 5 days following the Executive's receipt of written or electronic notice of such willful failure or gross negligence from the Board of Directors; (iv) any act or omission of the Executive that has a demonstrated and material adverse impact on the DiamondRock Group's reputation for honesty and fair dealing or any other conduct of the Executive that would reasonably be expected to result in injury to the reputation of the DiamondRock Group; or (v) willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the REIT to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate, destroy or fail to produce documents or other materials.

For purposes of this Section 2(b), any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or based upon the written advice of counsel for the DiamondRock Group shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the DiamondRock Group. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of the Board of Directors, finding that, in the good faith opinion of the Board of Directors, the Executive has engaged in the conduct described in this Section 2(b); provided, that if the Executive is a member of the Board of Directors, the Executive shall not vote on such resolution.

(c) **Change in Control**. "Change in Control" shall mean any of the following events:

(i) The conclusion of the acquisition (whether by a merger or otherwise) by any Person (other than a Qualified Affiliate), in a single transaction or a series of related transactions, of Beneficial Ownership of more than 50 % of (1) the REIT's outstanding common stock (the "**Common Stock**") or (2) the combined voting power of the REIT's outstanding securities entitled to vote generally in the election of directors (the "**Outstanding Voting Securities**");

(ii) The merger or consolidation of the REIT with or into any other Person other than a Qualified Affiliate, if the directors immediately prior to the merger or consolidation cease to be the majority of the Board of Directors at anytime within 12 months of the completion of the merger or consolidation;

(iii) Any one or a series of related sales or conveyances to any Person or Persons (including a liquidation or dissolution) other than any one or more Qualified Affiliates of all or substantially all of the assets of the REIT or the Operating Partnership; or

(iv) Incumbent Directors cease, for any reason, to be a majority of the members of the Board of Directors, where an "**Incumbent Director**" is (1) an individual who is a member of the Board of Directors on the effective date of this Agreement or (2) any new director whose appointment by the Board of Directors or whose nomination for election by the stockholders was approved by a majority of the persons who were already Incumbent Directors at the time of such appointment, election or approval, other than any individual who assumes office initially as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors or as a result of an agreement to avoid or settle such a contest or solicitation.

A Change in Control shall also be deemed to have occurred upon the completion of a tender offer for the REIT's securities representing more than 50% of the Outstanding Voting Securities, other than a tender offer by a Qualified Affiliate.

For purposes of this definition of Change in Control, the following definitions shall apply: (A) "**Beneficial Ownership**," "**Beneficially Owned**" and "**Beneficially Owns**" shall have the meanings provided in Exchange Act Rule 13d-3; (B) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended; (C) "**Person**" shall mean any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), including any natural person, corporation, trust, association, company, partnership, joint venture, limited liability company, legal entity of any kind, government, or political subdivision, agency or instrumentality of a government, as well as two or more Persons acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of the REIT's securities; and (D) "**Qualified Affiliate**" shall mean (I) any directly or indirectly wholly owned subsidiary of the REIT or the Operating Partnership; (II) any employee benefit plan (or related trust) sponsored or maintained by the REIT or the Operating Partnership or by any entity controlled by the REIT or the Operating Partnership; or (III) any Person consisting in whole or in part of the Executive or one or more individuals who are then the REIT's Chief Executive Officer or any other named executive officer (as defined in Item 402 of Regulation S-K under the Securities Act of 1933) of the REIT as indicated in its most recent securities filing made before the date of the transaction.

(d) **Date of Termination**. "Date of Termination" shall mean the actual date of the Executive's termination of employment with the REIT.

(e) **Disability**. "Disability" shall mean if the Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(f) **Good Reason**. “Good Reason” for termination shall mean the occurrence of one of the following events, without the Executive’s prior written consent, provided such event is not corrected within 15 days following the Board of Director’s receipt of written or electronic notice of such event: (i) a material diminution in the Executive’s duties or responsibilities or any material demotion from the Executive’s current position at the REIT, including, without limitation: (A) if the Executive is the CEO, either discontinuing his direct reporting to the Board of Directors or a committee thereof or discontinuing the direct reporting to the CEO by each of the senior executives responsible for finance, legal, acquisition and operations or (B) if the Executive is not the CEO, discontinuing the Executive reporting directly to the CEO or (C) if the Executive is the Chief Accounting Officer, discontinuing the Executive’s reporting directly to the Chief Financial Officer or to the Chief Executive Officer; (ii) if the Executive is a member of the Board of Directors, the failure of the REIT or its affiliates to nominate the Executive as a Director of the REIT; (iii) a requirement that the Executive work principally from a location outside the 50 mile radius from the REIT’s address, except for required travel on the REIT’s business to the extent substantially consistent with the Executive’s business travel obligations on the date hereof; (iv) failure to pay the Executive any compensation, benefits or to honor any indemnification agreement to which the Executive is entitled within 30 days of the date due; or (v) the occurrence of any of the following events or conditions in the year immediately following a Change in Control: (A) a reduction in the Executive’s annual base salary or annual bonus opportunity as in effect immediately prior to the Change in Control; (B) the failure of the REIT to obtain an agreement, reasonably satisfactory to the Executive, from any successor or assign of the REIT to assume and agree to adopt this Agreement for a period of at least two years from the Change in Control.

(g) **Restricted Period**. The “Restricted Period” shall mean, the Executive’s employment with the REIT, which period may be extended for an additional period of 12 months if the Executive is entitled to, and receives, the Cash Severance specified under Section 3(b)(2) hereof.

(h) **Retirement.** As used in this Agreement, “Retirement” shall mean a retirement by the Executive if the Executive has been designated as an eligible retiree by the Board of Directors, in the Board’s sole discretion.

3. **Effect of Termination**

(a) **Any Termination**. If the Executive’s employment with the REIT terminates for any reason, the Executive shall be entitled to any Accrued Salary. The Executive shall have no rights or claims against the DiamondRock Group except to receive the payments and benefits described in this Section 3. The REIT shall have no further obligations to Executive except as otherwise expressly provided under this Agreement, provided any such termination shall not adversely affect or alter Executive’s rights under any employee benefit plan of the REIT in which Executive, at the Date of Termination, has a vested interest, unless otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

None of the benefits described in this Section 3 (other than Accrued Salary) will be payable unless the Executive has signed a general release which has become irrevocable, satisfactory to the REIT in the reasonable exercise of its discretion, releasing the DiamondRock Group, its affiliates including the REIT, and their officers, directors and employees, from any and all claims or potential claims arising from or related to the Executive's employment or termination of employment. In addition, the benefits described in this Section 3 (other than Accrued Salary) are conditioned upon the Executive's ongoing compliance with his/her restrictions, covenants and promises under Sections 4, 5, 6 and 7 below (as applicable).

(b) **Termination by the REIT without Cause or by Executive for Good Reason**. If the REIT terminates the Executive's employment without Cause, or the Executive terminates his employment for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

(i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on the target bonus for such fiscal year to be paid within 90 days after the Date of Termination;

(ii) an amount equal to (A) two times (B) the sum of (I) the Executive's base salary in effect immediately prior to the Date of Termination, and (II) the Executive's target annual bonus (collectively, the "**Cash Severance**") to be paid within 90 days after the date of Termination;

(iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period.

(iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(c) **Termination In the Event of Death or Disability**. If the Executive's employment terminates because of the Executive's death or Disability, then in addition to the benefits under Section 3(a) above, the Executive (or his estate or other legal representatives, as the case may be) shall be entitled to receive:

(i) a pro-rata bonus, payable within 90 days after the Date of Termination, for the fiscal year determined through the Date of Termination and calculated based on the target bonus for such fiscal year;

(ii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA, following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period.

(iii) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(d) **Termination In the Event of Retirement**. If the Executive's employment terminates because of his Retirement, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

(i) a pro-rata bonus, payable within 90 days after the date of termination, for the fiscal year determined through the Date of Termination and calculated based on the target bonus for such fiscal year; and

(ii) notwithstanding the Retirement by the Executive, all unvested time-based restricted stock awards shall continue to vest at the times and on the terms as set forth in the relevant restricted stock award agreements as if the Executive remained continuously employed by the REIT from the Date of Termination through each such vesting date. The treatment of non-time-based equity compensation awards (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in individual grant agreements and/or the applicable plans covering such awards.

(e) **Termination In the Event of a Change in Control**. In the event the Executive's termination of employment occurs in connection with or following a Change in Control, and in the event that any payment made pursuant to Section 3 hereof or any insurance benefits, accelerated vesting, pro-rated bonus or other benefit payable to the Executive under this Agreement or otherwise (the "**Severance Payments**"), are subject to the excise tax imposed by Section 4999 (as it may be amended or replaced) of the Internal Revenue Code of 1986, as amended (the "**Excise Tax**"); then

(i) If the reduction of the Severance Payments to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "**Safe Harbor Cap**") would provide the Executive with a greater after tax benefit than if such amounts were not reduced, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments of cash orginating under Section 3 (a)-3(d) hereof, and then by reducing other payments to the extent permitted by any applicable plan and/or agreement.

(ii) If the reduction for the Severance Payments to the Safe Harbor Cap would not result in a greater after tax result to the Executive, no amounts payable under this agreement shall be reduced pursuant to this provision.

(iii) The determination of whether the Excise Tax is payable and the amount thereof shall be made in writing in good faith by a nationally recognized independent certified public accounting firm selected by the REIT and approved by the Executive, such approval not to be unreasonably withheld (the "**Accounting Firm**"). For purposes of making the calculations required by this Section 3(e), to the extent not otherwise specified herein, reasonable assumptions and approximations may be made with respect to applicable taxes and reasonable, good faith interpretations of the Code may be relied upon. The REIT and the Executive shall furnish such information and documents as may be reasonably requested in connection with the performance of the calculations under this Section 3(e). The REIT shall bear all costs incurred in connection with the performance of the calculations contemplated by this Section 3(e).

4. **Non-Disparagement**

The Executive agrees that he/she will not, whether during or after the Executive's employment with the REIT, make any statement, orally or in writing, regardless of whether such statement is truthful, nor take any action, that (a) in any way could disparage the DiamondRock Group or any officers, executives, directors, partners, managers, members, principals, employees, representatives, or agents of the DiamondRock Group, or which foreseeably could or reasonably could be expected to harm the reputation or goodwill of any of those persons or entities, or (b) in any way, directly or indirectly, could knowingly cause, encourage or condone the making of such statements or the taking of such actions by anyone else.

5. **Non-Competition**

(a) **Non-Competition**. Subject to Section 5(b) hereof, the Executive agrees that during the Restricted Period the Executive shall not, without the prior express written consent of the REIT, directly or indirectly, anywhere in the United States, own an interest in, join, operate, control or participate in, or be connected as an owner, officer, executive, employee, partner, member, manager, shareholder, or principal of or with, any lodging-oriented real estate investment company. Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a real estate investment company. The restrictions of this Section 5(a) shall not apply if the Executive's employment with the REIT is terminated without cause by the Company or the Executive effective during the 12 month period immediately following a Change in Control.

(b) **Board's Discretion**. Notwithstanding anything contained herein, the Board of Directors retains the right, in its sole discretion, to shorten or eliminate the post-employment Restricted Period for any Executive.

6. **Non-Solicitation of Employees.** The Executive agrees that while he/she is employed as an employee of the REIT and for a period of 12 months after the termination of the Employee's employment with the REIT for whatever reason, the Employee shall not, without the express written consent of the REIT, hire, solicit, recruit, induce or procure (or assist or encourage any other person or entity to hire, solicit, recruit, induce or procure), directly or indirectly or on behalf of himself or any other person or entity, any officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group or any person who was an officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group at any time during the final year of the Executive's employment with the REIT, to work for the Executive or any person or entity with which the Executive is or intends to be affiliated or otherwise directly or indirectly encourage any such person to terminate his or her employment or other relationship with the DiamondRock Group without the prior express written consent of the REIT. Notwithstanding anything contained herein, the foregoing shall not restrain the Executive from hiring, soliciting, recruiting, inducing or procuring any person to work for the Executive or any person or entity with which the Executive is or intends to be affiliated if such person was either terminated by the REIT or such person resigned for Good Reason. In addition, the Board of Directors retains the right, in its sole discretion, to release any Executive from its obligations under this Section.

7. **Injunctive Relief.** The Executive understands that the restrictions contained in Section 4, 5 and 6 of this Agreement are intended to protect the REIT's interests in its proprietary information, goodwill, and its employee and investor relationships, and agrees that such restrictions (and the scope and duration thereof) are necessary, reasonable and appropriate for this purpose. The Executive acknowledges and agrees that it would be difficult to measure any damages caused to the REIT which might result from any breach by the Executive of his promises and obligations under Sections 4, 5 and/or 6, that the REIT would be irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach. Therefore, the Executive agrees and consents that the REIT shall be entitled to an injunction or other appropriate equitable relief (in addition to all other remedies it may have for damages or otherwise) to restrain any such breach or threatened breach without showing or proving any actual damage to the REIT; and the REIT shall be entitled to an award of its attorneys fees and costs incurred in enforcing the Executive's obligations under Sections 4, 5 and/or 6.

8. **Miscellaneous**

(a) **409A**. Notwithstanding anything to the contrary, if the Executive is a "key employee" (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) and any of the REIT's stock is publicly traded on an established securities market or otherwise, to the extent necessary to avoid any penalties under Section 409A of the Code, any payment hereunder may not be made before the date that is six months after the date of separation from service.

(b) **Tax Withholding**. All payments made by the REIT under this Agreement shall be net of any tax or other amounts required to be withheld by the REIT under applicable law.

(c) **No Mitigation**. The REIT agrees that, if the Executive's employment by the REIT is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the REIT pursuant to Section 3 hereof. Further, the amount of any payment provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the REIT or otherwise.

(d) **No Offset**. The REIT's obligation to make the payments provided for in this Agreement and otherwise perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the REIT, the Operating Partnership or any of their subsidiaries may have against the Executive or others unless such set-off, counterclaim, recoupment, defense, or other right arises from the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the Operating Partnership and their subsidiaries.

(e) **Litigation and Regulatory Cooperation**. During and after Executive's employment, Executive shall reasonably cooperate with the REIT in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the REIT which relate to events or occurrences that transpired while Executive was employed by the REIT; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the REIT at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the REIT in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the REIT. The REIT shall also provide Executive with compensation on an hourly basis (to be derived from the sum of his Base Salary and average annual incentive compensation) for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse Executive for all costs and expenses incurred in connection with his performance under this Section 8(e), including, but not limited to, reasonable attorneys' fees and costs.

(f) **Notices**. All notices required or permitted under this Agreement shall be in writing and shall be deemed effective (i) upon personal delivery, (ii) upon deposit with the United States Postal Service, by registered or certified mail, postage prepaid, or (iii) in the case of facsimile transmission or delivery by nationally recognized overnight delivery service, when received, addressed as follows:

(i) If to the REIT, to:

DiamondRock Hospitality Company
3 Bethesda Metro, Suite 1500
Bethesda, MD 20814
Facsimile: (240) 744-1199
Attn: 1) Lead Director; 2) Chairman of the Board and 3)
Chairman of the Compensation Committee

(ii) If to the Executive, to:

INSERT ADDRESS

or to such other address or addresses as either party shall designate to the other in writing from time to time by like notice.

(g) **Pronouns**. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

(h) **Entire Agreement**. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

(i) **Amendment**. This Agreement may be amended or modified only by a written instrument executed by both the REIT and the Executive.

(j) **Governing Law and Forum**. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland, without regard to its conflicts of laws principles, by a court of competent jurisdiction located within the State of Maryland.

(k) **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any entity with which or into which the REIT may be merged or which may succeed to its assets or business or any entity to which the REIT may assign its rights and obligations under this Agreement; provided, however, that the obligations of the Executive are personal and shall not be assigned or delegated by him.

(l) **Waiver**. No delays or omission by the REIT or the Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the REIT or the Executive on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(m) **Captions**. The captions appearing in this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(n) **Severability**. In case any provision of this Agreement shall be held by a court or arbitrator with jurisdiction over the parties to this Agreement to be invalid, illegal or otherwise unenforceable, such provision shall be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. In the event that any portion or provision of this Agreement (including, without limitation, any portion or provision of Sections 4, 5, and/or 6) is determined by a court or arbitrator of competent jurisdiction to be invalid, illegal or otherwise unenforceable by reason of excessive scope as to geographic, temporal or functional coverage, such provision will be reformed and deemed to extend only over the maximum geographic, temporal and functional scope as to which it may be enforceable and shall be enforced by said court or arbitrator accordingly.

(o) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIAMONDROCK HOSPITALITY COMPANY

By: ______________________________

Title:

EXECUTIVE

____

Name:

February 26, 2013

Mr. Rob Tanenbaum
4417 36th Street North
Arlington, VA 22207

RE: Signing Bonus Equity Grant

Dear Rob:

We are excited that you have accepted our offer to join DiamondRock Hospitality Company ("DiamondRock") as Chief Operating Officer and Executive Vice President, Asset Management. This letter agreement supplements that certain Offer Letter, dated as of February 22, 2013, and executed by you on February 25, 2013 (the "Offer Letter"). The terms of this letter agreement are intended to supplement the terms originally set forth in the Offer Letter.

The compensation and benefits that you will receive in connection with your employment with DiamondRock are as set forth in the Offer Letter, as supplemented hereby. Subject to approval from the Board of Directors, you will receive an additional, upfront equity incentive grant as a one-time signing bonus valued at $50,000, which is expected to be issued in May 2013. This equity incentive grant will be composed of two components, each of which will compose 50% of the foregoing equity incentive grant, as follows: (i) Restricted Stock, which will vest in three equal annual installments, commencing in February 2014 and (ii) Performance Stock Units which will all vest in February 2016 and will be based on the total shareholder return of DiamondRock relative to the total shareholder return of a peer group over a three-year performance period. The actual amount of Restricted Stock and Performance Stock Units will be determined by the closing price of DiamondRock stock on an appropriate day following the grant of the stock by the Board of Directors. The terms and conditions of the Restricted Stock and the Performance Stock Units will be fully set forth in separate agreements to be entered into at the time of the grant. The design and vesting schedule for the equity incentive grant each year will be the same as for the other executives of DiamondRock.

This letter agreement, together with the Offer Letter, constitutes the full commitments that have been extended to you. Please be aware that the Compensation Committee of DiamondRock will need to formally approve these terms.

Please acknowledge your agreement with the foregoing by counter-signing below.

On behalf of everyone at DiamondRock, I want to reiterate our enthusiasm that you are joining our Company.

Sincerely,

/s/ Mark Brugger

Mark Brugger
Chief Executive Officer

CC: Bill Tennis

I understand and agree to the terms set forth in this letter agreement.

Signed: /s/ Robert Tanenbaum

Date: February 27, 2013

Exhibit 99.1

COMPANY CONTACT

Sean Mahoney
(240) 744-1150

FOR IMMEDIATE RELEASE

THURSDAY, FEBRUARY 28, 2013

DIAMONDROCK HOSPITALITY COMPANY REPORTS FOURTH QUARTER AND FULL YEAR 2012 RESULTS AND INCREASES QUARTERLY DIVIDEND

BETHESDA, Maryland, Thursday, February 28, 2013 – DiamondRock Hospitality Company (the "Company") (NYSE: DRH) today announced results of operations for its fourth fiscal quarter and full year ended December 31, 2012. The Company is a lodging-focused real estate investment trust that owns a portfolio of 27 premium hotels in the United States. The Company also announced a 6% increase to its quarterly dividend commencing with the first quarter 2013.

2012 Transactions

- **Hotel Acquisitions**: The Company successfully completed the acquisition of five hotels for approximately $525 million during 2012.
- **Hotel Dispositions**: The Company sold four non-core hotels during 2012 for total proceeds of over $300 million.
- **Equity Raises**: The Company raised approximately $275 million through offerings of its common stock in July 2012.
- **Credit Facility**: The Company amended and restated its $200 million senior unsecured revolving credit facility to lower its borrowing rate, increase its financial flexibility and extend the term for one year.
- **Hotel Financings**: The Company closed on a $170 million loan secured by the Lexington Hotel New York and a $74 million loan secured by the Westin Washington D.C. City Center during 2012.
- **Dividends**: The Company declared four quarterly dividends totaling $0.32 per share during 2012 and returned approximately $56 million to shareholders.

2012 Operating Results

- **Pro Forma Revenue**: The Company's Pro Forma Revenue was $802.4 million, an increase of 7.2% from the comparable period in 2011.
- **Pro Forma RevPAR**: The Company's Pro Forma RevPAR was $134.36, an increase of 5.3% from the comparable period in 2011.
- **Pro Forma Hotel Adjusted EBITDA Margin**: The Company's Pro Forma Hotel Adjusted EBITDA margin was 27.18%, an increase of 87 basis points from the comparable period in 2011.
- **Adjusted EBITDA:** The Company's Adjusted EBITDA was $189.7 million, an increase of 17.0% over the comparable period in 2011.

- **Adjusted FFO:** The Company's Adjusted FFO was $140.2 million and Adjusted FFO per diluted share was $0.78.

Fourth Quarter 2012 Highlights

- **Pro Forma Revenue**: The Company's Pro Forma Revenue was $267.8 million, an increase of 6.6% from the comparable period in 2011.
- **Pro Forma RevPAR**: The Company's Pro Forma RevPAR was $138.24, an increase of 3.9% from the comparable period in 2011.
- **Pro Forma Hotel Adjusted EBITDA Margin**: The Company's Pro Forma Hotel Adjusted EBITDA margin was 28.90%, an increase of 105 basis points from the comparable period in 2011.
- **Adjusted EBITDA:** The Company's Adjusted EBITDA was $72.3 million.
- **Adjusted FFO:** The Company's Adjusted FFO was $56.5 million and Adjusted FFO per diluted share was $0.29.
- **Dividends**: The Company declared a quarterly dividend of $0.08 per share during the fourth quarter.

Mark W. Brugger, President and Chief Executive Officer of DiamondRock Hospitality Company, stated, "Our fourth quarter operating results were above our expectations, and we are pleased with the continued repositioning of our portfolio in 2012, including our entry into San Francisco with the accretive acquisition of the Hotel Rex. We also continued to strengthen our balance sheet through the amendment of our credit facility and by entering into attractive secured financing. We enter 2013 with attractive industry fundamentals, a strong balance sheet and numerous upside opportunities through our repositioning projects. We are also pleased to increase our quarterly dividend for 2013."

Operating Results

Please see "Certain Definitions" and "Non-GAAP Financial Measures" attached to this press release for an explanation of the terms "EBITDA," "Adjusted EBITDA," "Hotel Adjusted EBITDA Margin," "FFO" and "Adjusted FFO." The discussions of "Pro Forma" operating results assume all of the Company's 27 hotels were owned since January 1, 2011.

For the full year 2012, the Company reported the following:

	Full Year 2012	Full Year 2011	Change
Pro Forma ADR	$175.43	$168.61	4.0%
Pro Forma Occupancy	76.6%	75.7%	0.9 percentage points
Pro Forma RevPAR	$134.36	$127.61	5.3%
Pro Forma Rooms Revenue	$568.8 million	$531.6 million	7.0%
Pro Forma Revenue	$802.4 million	$748.6 million	7.2%
Pro Forma Hotel Adjusted EBITDA Margins	27.18%	26.31%	87 basis points
Adjusted EBITDA	$189.7 million	$162.1 million	17.0%
Adjusted FFO	$140.2 million	$103.6 million	$36.6 million
Adjusted FFO per diluted share	$0.78	$0.62	$0.16
Net Loss	($16.6 million)	($7.7 million)	($8.9 million)
Loss per diluted share	($0.09)	($0.05)	($0.04)
Diluted Weighted Average Shares	180.8 million	166.7 million	

For the fourth quarter beginning September 8, 2012 and ending December 31, 2012, the Company reported the following:

	Fiscal Q4 2012	Fiscal Q4 2011	Change
Pro Forma ADR	$185.02	$178.55	3.6%
Pro Forma Occupancy	74.7%	74.5%	0.2 percentage points
Pro Forma RevPAR	$138.24	$133.03	3.9%
Pro Forma Rooms Revenue	$189.2 million	$178.2 million	6.2%
Pro Forma Revenue	$267.8 million	$251.4 million	6.6%
Pro Forma Hotel Adjusted EBITDA Margins	28.90%	27.85%	105 basis points
Adjusted EBITDA	$72.3 million	$60.5 million	19.5%
Adjusted FFO	$56.5 million	$40.0 million	$16.5 million
Adjusted FFO per diluted share	$0.29	$0.24	$0.05
Net Income	$16.6 million	$4.9 million	$11.7 million
Earnings per diluted share	$0.09	$0.03	$0.06
Diluted Weighted Average Shares	195.6 million	168.2 million	

Appointment of Chief Operating Officer

Robert Tanenbaum will join the Company on April 1, 2013 and will be appointed as Chief Operating Officer and Executive Vice President, Asset Management no later than May 1, 2013. Mr. Tanenbaum will lead the Company's asset management efforts and will report directly to Mark W. Brugger, President and Chief Executive Officer. Mr. Tanenbaum brings over 20 years of experience in the hospitality industry to the Company. Most recently he was the Principal of Madison Hotel Advisors, LLC, which he founded in 2004 and whose clients include Goldman Sachs' Whitehall Funds and Equity Group Investments. Prior to founding Madison Hotel Advisors, LLC, he was a Vice President of Asset Management with Host Hotels & Resorts from 1996 to 2004. His experience prior to that includes PKF Consulting in San Francisco, CA and Four Seasons Hotels in Chicago, IL and Maui, HI. Additionally, Mr. Tanenbaum is an active member of the Hospitality Asset Managers Association and is a graduate of the Pennsylvania State University with a Bachelor of Science degree in Hotel Restaurant and Institutional Management.

Capital Expenditures

2012—The Company continued to invest in its portfolio by spending approximately $49.3 million on capital improvements during 2012. Of that amount, approximately $23.4 million was funded from corporate cash and the balance from restricted cash reserves held by hotel managers. The most significant projects for 2012 included the following:

- **Conrad Chicago:** The Company added 4,100 square feet of new meeting space in 2012 and expects to reposition the food and beverage outlets and re-concept the hotel lobby during the first quarter of 2013.
- **Renaissance Worthington:** The Company substantially completed a comprehensive restoration of the concrete façade of the hotel.
- **Marriott Atlanta Alpharetta:** The Company completed a renovation of the guest rooms at the hotel.
- **Frenchman's Reef:** The Company renovated the premium Morning Star guest rooms during the fourth quarter of 2012 and completed a renovation of the boat dock in early 2013.

2013—The Company expects to spend approximately $140 million for capital improvements in 2013 and early 2014. A description of the most significant planned capital projects are as follows:

- **Lexington Hotel New York:** In connection with executing the rebranding strategy at the Lexington Hotel, the Company has begun a comprehensive renovation of the hotel, including the lobby, corridors, guest rooms and guest bathrooms. The current estimated renovation cost is $40 million to $45 million and is expected to be completed during the third quarter of 2013.

- **Manhattan Courtyards:** The Company is currently renovating the guest rooms and guest bathrooms at the Courtyard Manhattan/Midtown East and Courtyard Manhattan/Fifth Avenue. The renovation scope at the Courtyard Midtown East also includes the public space and the addition of five new guest rooms. The renovations will be substantially complete during the first half of 2013.
- **Westin Washington D.C.:** The Company expects to undertake a comprehensive renovation during 2013 to reposition the hotel to capture higher-rated business, leisure and group customers. The renovation scope will touch every aspect of the guest experience, including the guest rooms, corridors, meeting space and the lobby.
- **Westin San Diego:** The Company expects to undertake a comprehensive renovation beginning in late 2013 of the guestrooms, corridors, lobby, public areas, and meeting space.
- **Hilton Boston Downtown:** The Company expects to undertake a renovation of the guestrooms, corridors, public areas, and meeting space in 2014.
- **Hilton Burlington:** The Company expects to undertake renovations of the corridors and guestrooms in 2014.

The Company expects renovation disruption of $10 to $12 million of Hotel Adjusted EBITDA during the year ended December 31, 2013 as a result of these projects. This disruption has been factored into the Company's outlook for 2013 detailed below.

2013 Reporting Calendar Change

In 2013, the Company will report its quarterly results of operations on a calendar quarter basis. Historically, the Company reported its quarterly results of operations based on the fiscal calendar used by Marriott International. Since the Company is not changing its fiscal year, its financial information will not be restated in its quarterly filings with the U.S. Securities and Exchange Commission. The following table highlights the changes in the Company's reporting calendar.

Quarter	2012 Old Calendar			2013 Calendar
1st	Marriott Non-Marriott	January 1 – March 23 January 1 – February 28	All	January 1 – March 31
2nd	Marriott Non-Marriott	March 24 – June 15 March 1 – May 31	All	April 1 – June 30
3rd	Marriott Non-Marriott	June 16 – September 7 June 1 – August 31	All	July 1 – September 30
4th	Marriott Non-Marriott	September 8 – December 31 September 1 – December 31	All	October 1 – December 31

The Company's 2013 quarterly results will not be directly comparable to its 2012 results, since Marriott International will not provide restated 2012 operating statements. Instead, in comparing 2013 quarterly results to 2012 results, the Company will (i) use the non-Marriott 2012 results on a calendar quarter basis and (ii) use Marriott 2012 results as follows:

- The first quarter of 2012 will include Marriott operating results from January 1 to March 23.
- The second quarter of 2012 will include Marriott operating results from March 24 to June 15.
- The third quarter of 2012 will include Marriott operating results from June 16 to October 5.
- The fourth quarter of 2012 will include the Marriott operating results from October 6 to December 31.

The following table reallocates selected 2012 quarterly pro forma operating information as described above into the 2013 reporting calendar.

	Quarter 1, 2012	Quarter 2, 2012	Quarter 3, 2012	Quarter 4, 2012
RevPAR	$ 117.09	$ 146.48	$ 139.56	$ 133.36
Revenues (in thousands)	$ 167,026	$ 210,809	$ 228,371	$ 196,005
Hotel Adjusted EBITDA (in thousands)	$ 35,685	$ 64,564	$ 63,776	$ 54,085
% of Full Year	*16.4%*	*29.6%*	*29.2%*	*24.8%*
Hotel Adjusted EBITDA Margin	21.36%	30.63%	27.93%	27.59%
Available Rooms	1,004,405	1,010,443	1,184,252	1,034,027

Dividends

The Company's Board of Directors declared a quarterly dividend of $0.08 per share to stockholders of record as of December 31, 2012. The dividend was paid on January 10, 2013. The Company increased its quarterly dividend for 2013 by 6% and its Board of Directors declared a quarterly dividend of $0.085 per share for stockholders of record as of March 31, 2013. The dividend will be paid on April 12, 2013.

Outlook and Guidance

The Company is providing annual guidance for 2013, but does not undertake to update it for any developments in its business. Achievement of the anticipated results is subject to the risks disclosed in the Company's filings with the U.S. Securities and Exchange Commission. The Company's 2013 RevPAR guidance assumes all of the Company's 27 hotels were owned since January 1, 2012.

Based on its outlook, the Company expects the following full year 2013 results:

Metric	Pre-Renovation Guidance	Renovation Disruption	2013 Guidance
Pro Forma RevPAR Growth	4 percent to 6 percent	3 percent	1 percent to 3 percent
Adjusted EBITDA	$207 million to $215 million	$10 million to $12 million	$195 million to $205 million
Adjusted FFO	$146 million to $152 million	$7 million to $8 million	$138 million to $145 million
Adjusted FFO per share (based on 195.9 million shares)	$0.75 to $0.78	$0.04 to $0.05	$0.70 to $0.74

Earnings Call

The Company will host a conference call to discuss its fourth quarter and full year results on Friday, March 1, 2013, at 10:00 a.m. Eastern Time (ET). To participate in the live call, investors are invited to dial 866-825-3209 (for domestic callers) or 617-213-8061 (for international callers). The participant passcode is 85514453. A live webcast of the call will be available via the investor relations section of DiamondRock Hospitality Company's website at www.drhc.com or www.earnings.com. A replay of the webcast will also be archived on the website for one year.

About the Company

DiamondRock Hospitality Company is a self-advised real estate investment trust (REIT) that is an owner of premium hotel properties. The Company owns 27 premium hotels with approximately 11,600 rooms and holds one senior mortgage loan. The Company's hotels are generally operated under globally recognized brands such as Hilton, Marriott, and Westin. For further information, please visit DiamondRock Hospitality Company's website at www.drhc.com.

This press release contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as "believe," "expect," "intend," "project," "forecast," "plan" and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks include, but are not limited to: national and local economic and business conditions, including the potential for additional terrorist attacks, that will affect occupancy rates at the Company's hotels and the demand for hotel products and services; operating risks associated with the hotel business; risks associated with the level of the Company's indebtedness; relationships with property managers; the ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; risks associated with the development of a hotel by a third-party developer; risks associated with the rebranding of the Lexington Hotel New York; and other risk factors contained in the Company's filings with the Securities and Exchange Commission. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this release is as of the date of this release, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

Reporting Periods for Statement of Operations

The results reported in the Company's consolidated statements of operations are based on results of its hotels reported by hotel managers. The Company's hotel managers use different reporting periods. Marriott International, the manager of most of the Company's hotels, uses a fiscal year ending on the Friday closest to December 31 and reports 12 weeks of operations for the first three quarters and 16 or 17 weeks for the fourth quarter of the year for its domestic managed hotels. In contrast, Marriott International for its non-domestic hotels (including Frenchman's Reef), Davidson Hotel Company, manager of the Hilton Boston, Vail Resorts, manager of the Vail Marriott, Hilton Hotels Corporation, manager of the Conrad Chicago and the Hilton Minneapolis, Westin Hotel Management, L.P., manager of the Westin Boston Waterfront, Alliance Hospitality Management, manager of the Hilton Garden Inn Chelsea, Sage Hospitality, manager of the JW Marriott Denver Cherry Creek and the Courtyard Denver, Highgate Hotels, manager of the Lexington Hotel, Interstate Hotels and Resorts, manager of the Westin Washington D.C., the Westin San Diego and the Hilton Burlington, and Joie de Vivre Hospitality, LLC, manager of the Hotel Rex report results on a monthly basis (collectively, the "monthly-reporting hotels). Additionally, the Company, as a REIT, is required by U.S. federal tax laws to report results on a calendar year basis. As a result, the Company has adopted the reporting periods used by Marriott International for its domestic hotels, except that the fiscal year always ends on December 31 to comply with REIT rules. The first three fiscal quarters end on the same day as Marriott International's fiscal quarters but the fourth quarter ends on December 31 and full year results, as reported in the statement of operations, always include the same number of days as the calendar year.

Two consequences of the reporting cycle the Company has adopted are: (1) quarterly start dates will usually differ between years, except for the first quarter which always commences on January 1, and (2) the first and fourth quarters of operations and year-to-date operations may not include the same number of days as reflected in prior years.

While the reporting calendar the Company adopted is more closely aligned with the reporting calendar used by the manager of most of its properties, one final consequence of the calendar is the Company is unable to report any results for the monthly-reporting hotels for the month of operations that ends after its fiscal quarter-end because none of the managers of these hotels make mid-month results available. As a result, the quarterly results of operations include results from these hotels as follows: first quarter (January and February), second quarter (March to May), third quarter (June to August) and fourth quarter (September to December). While this does not affect full-year results, it does affect the reporting of quarterly results.

Beginning in 2013, the Company will report its quarterly results of operations on a calendar quarter basis.

DIAMONDROCK HOSPITALITY COMPANY
CONSOLIDATED BALANCE SHEETS
As of December 31, 2012 and 2011
(in thousands, except share and per share amounts)

	2012	2011
ASSETS		
Property and equipment, at cost	$3,131,175	$2,667,682
Less: accumulated depreciation	(519,721)	(433,178)
	2,611,454	2,234,504
Assets held for sale	—	263,399
Deferred financing costs, net	9,724	5,869
Restricted cash	76,131	53,871
Due from hotel managers	68,532	50,728
Note receivable	53,792	54,788
Favorable lease assets, net	40,972	43,285
Prepaid and other assets	73,814	65,900
Cash and cash equivalents	9,623	26,291
Total assets	**$2,944,042**	**$2,798,635**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage debt	$ 968,731	$ 762,933
Mortgage debt of assets held for sale	—	180,000
Senior unsecured credit facility	20,000	100,000
Total debt	988,731	1,042,933
Deferred income related to key money, net	24,362	24,593
Unfavorable contract liabilities, net	80,043	81,914
Due to hotel managers	51,003	41,676
Liabilities of assets held for sale	—	3,805
Dividends declared and unpaid	15,911	13,594
Accounts payable and accrued expenses	88,879	87,963
Total other liabilities	260,198	253,545
Stockholders' Equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.01 par value; 400,000,000 shares authorized; 195,145,707 and 167,502,359 shares issued and outstanding at December 31, 2012 and December 31, 2011, respectively	1,951	1,675
Additional paid-in capital	1,976,200	1,708,427
Accumulated deficit	(283,038)	(207,945)
Total stockholders' equity	1,695,113	1,502,157
Total liabilities and stockholders' equity	**$2,944,042**	**$2,798,635**

DIAMONDROCK HOSPITALITY COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

	Fiscal Quarter Ended December 31, 2012 (Unaudited)	Fiscal Quarter Ended December 31, 2011 (Unaudited)	Year Ended December 31, 2012	Year Ended December 31, 2011
Revenues:				
Rooms	$ 188,070	$ 153,005	$ 526,113	$ 431,219
Food and beverage	62,971	54,364	180,387	159,744
Other	15,360	10,772	43,147	31,213
Total revenues	266,401	218,141	749,647	622,176
Operating Expenses:				
Rooms	47,643	40,743	140,029	115,786
Food and beverage	43,207	37,852	128,938	114,029
Management fees	9,603	8,143	24,915	21,631
Other hotel expenses	90,815	75,584	261,947	221,471
Depreciation and amortization	37,350	28,206	100,152	85,376
Impairment losses	—	—	30,844	—
Hotel acquisition costs	245	(84)	10,591	2,521
Corporate expenses	5,383	6,346	21,095	21,247
Total operating expenses	234,246	196,790	718,511	582,061
Operating income	32,155	21,351	31,136	40,115
Other Expenses (Income):				
Interest income	(29)	(33)	(307)	(614)
Interest expense	17,061	15,292	53,771	45,406
Gain on early extinguishment of debt	—	—	(144)	—
Total other expenses	17,032	15,259	53,320	44,792
Income (Loss) from continuing operations before income taxes	15,123	6,092	(22,184)	(4,677)
Income tax benefit (expense)	1,166	(1,675)	6,158	(3,322)
Income (Loss) from continuing operations	16,289	4,417	(16,026)	(7,999)
Income (Loss) from discontinued operations, net of income taxes	339	520	(566)	321
Net income (loss)	$ 16,628	$ 4,937	$ (16,592)	$ (7,678)
Earnings (Loss) per share:				
Continuing operations	$ 0.09	$ 0.03	$ (0.09)	$ (0.05)
Discontinued operations	0.00	0.00	(0.00)	(0.00)
Basic and diluted earnings (loss) per share	$ 0.09	$ 0.03	$ (0.09)	$ (0.05)

Non-GAAP Financial Measures

We use the following non-GAAP financial measures that we believe are useful to investors as key measures of our operating performance: EBITDA, Adjusted EBITDA, FFO and Adjusted FFO. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with GAAP. EBITDA, Adjusted EBITDA, FFO and Adjusted FFO, as calculated by us, may not be comparable to other companies that do not define such terms exactly as the Company.

EBITDA and FFO

EBITDA represents net (loss) income excluding: (1) interest expense; (2) provision for income taxes, including income taxes applicable to sale of assets; and (3) depreciation and amortization. We believe EBITDA is useful to an investor in evaluating our operating performance because it helps investors evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization) from our operating results. In addition, covenants included in our indebtedness use EBITDA as a measure of financial compliance. We also use EBITDA as one measure in determining the value of hotel acquisitions and dispositions.

The Company computes FFO in accordance with standards established by NAREIT, which defines FFO as net (loss) income determined in accordance with GAAP, excluding gains or losses from sales of properties and impairment losses, plus depreciation and amortization. The Company believes that the presentation of FFO provides useful information to investors regarding its operating performance because it is a measure of the Company's operations without regard to specified non-cash items, such as real estate depreciation and amortization and gain or loss on sale of assets. The Company also uses FFO as one measure in assessing its results.

Adjustments to EBITDA and FFO

We adjust FFO and EBITDA when evaluating our performance because we believe that the exclusion of certain additional recurring and non-recurring items described below provides useful supplemental information to investors regarding our ongoing operating performance and that the presentation of Adjusted EBITDA and Adjusted FFO, when combined with GAAP net income, EBITDA and FFO, is beneficial to an investor's complete understanding of our operating performance. We adjust EBITDA and FFO for the following items:

- *Non-Cash Ground Rent*: We exclude the non-cash expense incurred from straight lining the rent from our ground lease obligations and the non-cash amortization of our favorable lease assets.
- *Non-Cash Amortization of Favorable and Unfavorable Contracts:* We exclude the non-cash amortization of the favorable management contract assets recorded in conjunction with our acquisitions of the Westin Washington D.C. City Center, Westin San Diego, and Hilton Burlington and the unfavorable contract liabilities recorded in conjunction with our acquisitions of the Bethesda Marriott Suites, the Chicago Marriott Downtown, the Renaissance Charleston and the Lexington Hotel New York. The amortization of the favorable and unfavorable contracts does not reflect the underlying operating performance of our hotels.
- *Cumulative Effect of a Change in Accounting Principle*: Infrequently, the Financial Accounting Standards Board (FASB) promulgates new accounting standards that require the consolidated statement of operations to reflect the cumulative effect of a change in accounting principle. We exclude the effect of these one-time adjustments because they do not reflect its actual performance for that period.
- *Gains from Early Extinguishment of Debt*: We exclude the effect of gains recorded on the early extinguishment of debt because we believe they do not accurately reflect the underlying performance of the Company.
- *Acquisition Costs*: We exclude acquisition transaction costs expensed during the period because we believe they do not reflect the underlying performance of the Company.
- *Allerton Loan*: In 2010 and 2011, we included cash payments received on the senior loan secured by the Allerton Hotel in Adjusted EBITDA and Adjusted FFO. GAAP requires us to record the cash received from the borrower as a reduction of our basis in the mortgage loan due to the uncertainty over the timing and amount of cash payments on the loan. In 2012, due to the uncertainty of the timing of the bankruptcy resolution, we excluded both cash interest payments received from the borrower and the legal costs incurred as a result of the bankruptcy proceedings from our calculation of Adjusted EBITDA and Adjusted FFO. We have not adjusted our 2011 Adjusted EBITDA and Adjusted FFO calculations to reflect this change in presentation. Beginning in 2013, we will begin to record interest income on the loan as a result of the settlement of the bankruptcy proceedings, which will be included in the calculation of EBITDA and FFO. We will reduce Adjusted EBITDA and Adjusted FFO for the cash payments previously recognized in 2010 and 2011, which will be amortized over the term of the new loan.

- *Other Non-Cash and /or Unusual Items*: We exclude the effect of certain non-cash and/or unusual items because we believe they do not reflect the underlying performance of the Company. In 2012, we excluded the franchise termination fee paid to Radisson because we believe that including it does not reflect the ongoing performance of the hotel. In 2013, we will exclude the severance costs related to the retirement of our President and Chief Operating Officer.

In addition, to derive Adjusted EBITDA we exclude gains or losses on dispositions and impairment losses because we believe that including them in EBITDA is not consistent with reflecting the ongoing performance of our hotels. Additionally, the gain or loss on dispositions and impairment losses represent either accelerated depreciation or excess depreciation in previous periods, and depreciation is excluded from EBITDA.

In addition, to derive Adjusted FFO we exclude any fair value adjustments to debt instruments. Specifically, we exclude the impact of the non-cash amortization of the debt premium recorded in conjunction with the acquisition of the JW Marriott Denver at Cherry Creek and fair market value adjustments to the Company's interest rate cap agreement.

The following tables are reconciliations of our U.S. GAAP net income (loss) to EBITDA and Adjusted EBITDA (in thousands):

	Fiscal Quarter Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
Net income (loss)	$ 16,628	$ 4,937	$ (16,592)	$ (7,678)
Interest expense (1)	17,061	18,419	56,068	55,507
Income tax (benefit) expense (2)	(1,242)	1,829	(6,046)	2,623
Real estate depreciation and amortization (3)	37,350	32,389	101,498	99,224
EBITDA	69,797	57,574	134,928	149,676
Non-cash ground rent	2,074	2,118	6,694	6,996
Non-cash amortization of favorable and unfavorable contracts, net	(357)	(576)	(1,653)	(1,860)
Gain (Loss) on sale of hotel properties	61	—	(9,479)	—
Gain on early extinguishment of debt	—	—	(144)	—
Acquisition costs	246	(84)	10,591	2,521
Allerton loan interest payments	—	1,459	—	3,163
Allerton loan legal fees	476	—	2,493	—
Franchise termination fee	—	—	750	—
Litigation settlement	—	—	—	1,650
Impairment losses (4)	—	—	45,534	—
Adjusted EBITDA	$ 72,297	$ 60,491	$ 189,714	$ 162,146

(1) Amounts include interest expense included in discontinued operations as follows: $3.1 million in the fiscal quarter ended December 31, 2011; $2.3 million in the year ended December 31, 2012; and $10.1 million in the year ended December 31, 2011.

(2) Amounts include income tax (expense) benefit included in discontinued operations as follows $0.1 million in the fiscal quarter ended December 31, 2012; ($0.2) million in the fiscal quarter ended December 31, 2011; ($0.1) million in the year ended December 31, 2012; and $0.7 million in the year ended December 31, 2011.

(3) Amounts include depreciation expense included in discontinued operations as follows: $4.2 million in the fiscal quarter ended December 31, 2011; $1.3 million in the year ended December 31, 2012; and $13.8 million in the year ended December 31, 2011.

(4) Amount includes a $14.7 million impairment loss included in discontinued operations.

	Guidance			
	Pre Renovation 2013		Full Year 2013	
	Low End	High End	Low End	High End
Net income (1)	$ 33,558	$ 40,558	$ 25,558	$ 33,558
Interest expense	59,000	58,400	59,000	58,400
Income tax expense (benefit)	1,600	4,200	(2,400)	1,200
Real estate related depreciation and amortization	107,000	106,000	107,000	106,000
EBITDA	201,158	209,158	189,158	199,158
Non-cash ground rent	6,400	6,400	6,400	6,400
Non-cash amortization of favorable and unfavorable contracts, net	(1,400)	(1,400)	(1,400)	(1,400)
Key money write-off	(860)	(860)	(860)	(860)
Allerton interest income	(1,163)	(1,163)	(1,163)	(1,163)
Severence costs	2,865	2,865	2,865	2,865
Adjusted EBITDA	$207,000	$215,000	$195,000	$205,000

(1) Net income includes approximately $6.1 million of interest income related to the Allerton loan.

The following tables are reconciliations of our U.S. GAAP net income (loss) to FFO and Adjusted FFO (in thousands):

	Fiscal Quarter Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
Net income (loss)	$ 16,628	$ 4,937	$ (16,592)	$ (7,678)
Real estate related depreciation and amortization (1)	37,350	32,389	101,498	99,224
Impairment losses (2)	—	—	45,534	—
Loss (gain) on sale of hotel properties	61	—	(9,479)	—
FFO	54,039	37,326	120,961	91,546
Non-cash ground rent	2,074	2,118	6,694	6,996
Non-cash amortization of favorable and unfavorable contracts, net	(357)	(576)	(1,653)	(1,860)
Gain on early extinguishment of debt	—	—	(144)	—
Acquisition costs	246	(84)	10,591	2,521
Allerton loan interest payments	—	1,459	—	3,163
Allerton loan legal fees	476	—	2,493	—
Franchise termination fee	—	—	750	—
Litigation settlement	—	—	—	1,650
Fair value adjustments to debt instruments	(28)	(212)	471	(373)
Adjusted FFO	$ 56,450	$ 40,031	$140,163	$103,643
Adjusted FFO per share	$ 0.29	$ 0.24	$ 0.78	$ 0.62

(1) Amounts include depreciation expense included in discontinued operations as follows: $4.2 million in the fiscal quarter ended December 31, 2011; $1.3 million in the year ended December 31, 2012; and $13.8 million in the year ended December 31, 2011.

(2) Amount includes a $14.7 million impairment loss included in discontinued operations.

	Guidance			
	Pre Renovation		Full Year 2013	
	Low End	High End	Low End	High End
Net income (1)	$ 33,558	$ 40,558	$ 25,558	$ 33,558
Real estate related depreciation and amortization	107,000	106,000	107,000	106,000
FFO	140,558	146,558	132,558	139,558
Non-cash ground rent	6,400	6,400	6,400	6,400
Non-cash amortization of favorable and unfavorable contracts, net	(1,400)	(1,400)	(1,400)	(1,400)
Key money write-off	(860)	(860)	(860)	(860)
Allerton interest income	(1,163)	(1,163)	(1,163)	(1,163)
Severence costs	2,865	2,865	2,865	2,865
Debt premium amortization	(400)	(400)	(400)	(400)
Adjusted FFO	$146,000	$152,000	$138,000	$145,000
Adjusted FFO per share	$ 0.75	$ 0.78	$ 0.70	$ 0.74

(1) Net income includes approximately $6.1 million of interest income related to the Allerton loan.

Use and Limitations of Non-GAAP Financial Measures

Our management and Board of Directors use EBITDA, Adjusted EBITDA, FFO and Adjusted FFO to evaluate the performance of our hotels and to facilitate comparisons between us and other lodging REITs, hotel owners who are not REITs and other capital intensive companies. The use of these non-GAAP financial measures has certain limitations. These non-GAAP financial measures as presented by us, may not be comparable to non-GAAP financial measures as calculated by other real estate companies. These measures do not reflect certain expenses or expenditures that we incurred and will incur, such as depreciation, interest and capital expenditures. We compensate for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our reconciliations to the most comparable GAAP financial measures, and our consolidated statements of operations and cash flows, include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures.

These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. They should not be considered as alternatives to operating profit, cash flow from operations, or any other operating performance measure prescribed by GAAP. These non-GAAP financial measures reflect additional ways of viewing our operations that we believe, when viewed with our GAAP results and the reconciliations to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. We strongly encourage investors to review our financial information in its entirety and not to rely on a single financial measure.

Certain Definitions

In this release, when we discuss “Hotel Adjusted EBITDA,” we exclude from Hotel EBITDA the non-cash expense incurred by the hotels due to the straight lining of the rent from our ground lease obligations, the non-cash amortization of our favorable lease assets, the non-cash amortization of the unfavorable contract liabilities recorded in conjunction with the acquisitions of the Bethesda Marriott Suites, the Chicago Marriott Downtown, the Renaissance Charleston and the Lexington Hotel New York. Hotel EBITDA represents hotel net income excluding: (1) interest expense; (2) income taxes; and (3) depreciation and amortization. Hotel Adjusted EBITDA margins are calculated as Hotel Adjusted EBITDA divided by total hotel revenues. Net debt is calculated as total debt outstanding less unrestricted cash.

DIAMONDROCK HOSPITALITY COMPANY
PRO FORMA HOTEL OPERATING DATA
Schedule of Property Level Results
(in thousands)
(unaudited)

	Fiscal Quarter Ended December 31,			Year Ended December 31,		
	2012	2011	% Change	2012	2011	% Change
Revenues:						
Rooms	$189,245	$178,210	6.2%	$568,778	$531,641	7.0%
Food and beverage	63,045	60,459	4.3%	187,315	178,421	5.0%
Other	15,546	12,686	22.5%	46,290	38,492	20.3%
Total revenues	267,836	251,355	6.6%	802,383	748,554	7.2%
Operating Expenses:						
Rooms departmental expenses	47,912	45,774	4.7%	148,703	137,654	8.0%
Food and beverage departmental expenses	43,276	41,433	4.4%	133,409	126,178	5.7%
Other direct departmental	6,858	6,521	5.2%	21,893	20,651	6.0%
General and administrative	21,192	21,001	0.9%	65,168	62,719	3.9%
Utilities	9,132	9,055	0.9%	28,461	28,375	0.3%
Repairs and maintenance	11,518	11,632	(1.0%)	35,749	35,125	1.8%
Sales and marketing	21,840	20,668	5.7%	67,050	62,820	6.7%
Base management fees	6,914	6,326	9.3%	20,352	18,858	7.9%
Incentive management fees	2,663	2,340	13.8%	5,556	5,205	6.7%
Property taxes	12,073	10,071	19.9%	37,211	34,658	7.4%
Ground rent	4,600	4,503	2.2%	14,603	14,199	2.8%
Other fixed expenses	3,963	3,681	7.7%	11,180	10,656	4.9%
Total hotel operating expenses	191,941	183,005	4.9%	589,335	557,098	5.8%
Hotel EBITDA	75,895	68,350	11.0%	213,048	191,456	11.3%
Non-cash ground rent	1,941	2,067	(6.1%)	6,445	6,908	(6.7%)
Non-cash amortization of unfavorable contract liabilities	(426)	(426)	0.0%	(1,383)	(1,383)	0.0%
Hotel Adjusted EBITDA	$ 77,410	$ 69,991	10.6%	$218,110	$196,981	10.7%

NOTE:

The pro forma operating data above includes the operating results for the Company's portfolio of 27 hotels owned as of December 31, 2012 assuming they were owned since January 1, 2011 and excludes the operating results of the four hotels sold during 2012.

Market Capitalization as of December 31, 2012
(in thousands, except per share data)

Enterprise Value	
Common equity capitalization (at December 31, 2012 closing price of $9.00/share)	$1,762,877
Consolidated debt	988,731
Cash and cash equivalents	(9,623)
Total enterprise value	$2,741,985
Share Reconciliation	
Common shares outstanding	195,146
Unvested restricted stock held by management and employees	676
Share grants under deferred compensation plan held by directors	53
Combined shares outstanding	195,875

Debt Summary as of December 31, 2012
(dollars in thousands)

Property	Interest Rate	Term	Outstanding Principal	Maturity
Courtyard Manhattan / Midtown East	8.810%	Fixed	$ 41,933	October 2014
Salt Lake City Marriott Downtown	5.500%	Fixed	28,640	January 2015
Courtyard Manhattan / Fifth Avenue	6.480%	Fixed	50,173	June 2016
Los Angeles Airport Marriott	5.300%	Fixed	82,600	July 2015
Frenchman's Reef Marriott	5.440%	Fixed	58,690	August 2015
Renaissance Worthington	5.400%	Fixed	54,700	July 2015
Orlando Airport Marriott	5.680%	Fixed	57,583	January 2016
Chicago Marriott Downtown	5.975%	Fixed	211,477	April 2016
Hilton Minneapolis	5.464%	Fixed	96,901	April 2021
JW Marriott Denver Cherry Creek	6.470%	Fixed	40,761	July 2015
Lexington Hotel New York	LIBOR + 3.00	Variable	170,368	March 2015
Westin Washington D.C. City Center	3.990%	Fixed	74,000	January 2023
Debt premium (1)			905	
Total mortgage debt			968,731	
Senior unsecured credit facility	LIBOR + 1.90	Variable	20,000	January 2017
Total debt			$ 988,731	

(1) Non-cash GAAP adjustment recorded upon the assumption of the JW Marriott Denver at Cherry Creek mortgage debt in 2011.

Pro Forma Operating Statistics – Fourth Quarter (1)

	ADR			Occupancy			RevPAR			Hotel Adjusted EBITDA Margin		
	4Q 2012	4Q 2011	B/(W)	4Q 2012	4Q 2011	B/(W)	4Q 2012	4Q 2011	B/(W)	4Q 2012	4Q 2011	B/(W)
Atlanta Alpharetta	$140.21	$128.67	9.0%	63.6%	67.4%	(3.8%)	$ 89.15	$ 86.78	2.7%	27.29%	27.33%	-4 bps
Bethesda Marriott Suites	$171.49	$174.97	(2.0%)	63.2%	63.3%	(0.1%)	$108.32	$110.72	(2.2%)	26.05%	26.68%	-63 bps
Boston Westin (2)	$223.12	$211.66	5.4%	67.4%	65.7%	1.7%	$150.49	$139.05	8.2%	26.88%	24.76%	212 bps
Hilton Boston Downtown (2)	$231.45	$220.66	4.9%	68.5%	75.0%	(6.5%)	$158.56	$165.55	(4.2%)	30.17%	37.39%	-722 bps
Hilton Burlington (2)	$156.25	$145.61	7.3%	74.2%	74.5%	(0.3%)	$115.94	$108.51	6.8%	36.51%	50.17%	-1366 bps
Renaissance Charleston	$173.50	$164.23	5.6%	85.4%	84.2%	1.2%	$148.12	$138.28	7.1%	33.36%	29.76%	360 bps
Hilton Garden Inn Chelsea (2)	$261.27	$248.59	5.1%	98.5%	93.6%	4.9%	$257.33	$232.61	10.6%	50.73%	51.44%	-71 bps
Chicago Marriott	$214.94	$204.72	5.0%	78.2%	78.1%	0.1%	$168.01	$159.83	5.1%	28.65%	30.10%	-145 bps
Chicago Conrad (2)	$236.47	$219.55	7.7%	82.4%	82.8%	(0.4%)	$194.75	$181.86	7.1%	34.47%	36.24%	-177 bps
Courtyard Denver Downtown (2)	$161.28	$148.15	8.9%	83.3%	84.1%	(0.8%)	$134.28	$124.60	7.8%	44.28%	42.92%	136 bps
Courtyard Fifth Avenue	$315.53	$295.00	7.0%	96.8%	89.4%	7.4%	$305.55	$263.70	15.9%	39.70%	33.64%	606 bps
Courtyard Midtown East	$312.37	$305.03	2.4%	88.8%	84.2%	4.6%	$277.54	$256.85	8.1%	41.08%	41.44%	-36 bps
Frenchman's Reef (2)	$200.04	$208.56	(4.1%)	68.8%	78.1%	(9.3%)	$137.68	$162.94	(15.5%)	8.39%	(24.47%)	3286 bps
JW Marriott Denver Cherry Creek (2)	$229.58	$226.27	1.5%	79.3%	75.3%	4.0%	$182.04	$170.35	6.9%	30.70%	30.80%	-10 bps
Los Angeles Airport	$107.22	$102.98	4.1%	83.9%	80.9%	3.0%	$ 90.00	$ 83.27	8.1%	15.83%	11.18%	465 bps
Hilton Minneapolis (2)	$149.81	$148.32	1.0%	70.0%	68.6%	1.4%	$104.83	$101.79	3.0%	28.46%	27.00%	146 bps
Oak Brook Hills	$132.72	$119.05	11.5%	52.9%	54.0%	(1.1%)	$ 70.19	$ 64.34	9.1%	12.58%	9.96%	262 bps
Orlando Airport Marriott	$ 99.35	$ 96.94	2.5%	68.0%	69.8%	(1.8%)	$ 67.52	$ 67.66	(0.2%)	20.06%	17.94%	212 bps
Hotel Rex (2)	$189.15	$168.21	12.4%	81.4%	79.4%	2.0%	$153.89	$133.47	15.3%	37.52%	32.61%	491 bps
Salt Lake City Marriott	$129.47	$127.82	1.3%	67.5%	58.1%	9.4%	$ 87.40	$ 74.23	17.7%	31.22%	24.37%	685 bps
The Lodge at Sonoma	$242.15	$231.82	4.5%	75.0%	69.3%	5.7%	$181.68	$160.61	13.1%	26.45%	25.89%	56 bps
Torrance Marriott South Bay	$110.41	$104.63	5.5%	78.5%	81.3%	(2.8%)	$ 86.69	$ 85.05	1.9%	25.72%	23.82%	190 bps
Vail Marriott (2)	$211.51	$197.87	6.9%	55.8%	51.7%	4.1%	$118.06	$102.23	15.5%	18.07%	11.96%	611 bps
Lexington Hotel New York (2)	$237.45	$241.34	(1.6%)	95.2%	95.8%	(0.6%)	$225.97	$231.32	(2.3%)	45.28%	44.72%	56 bps
Westin San Diego (2)	$144.03	$146.21	(1.5%)	76.4%	72.0%	4.4%	$110.08	$105.29	4.5%	27.45%	31.93%	-448 bps
Westin Washington D.C. City Center (2)	$193.93	$198.61	(2.4%)	70.3%	74.7%	(4.4%)	$136.27	$148.33	(8.1%)	31.51%	41.04%	-953 bps
Renaissance Worthington	$173.21	$151.96	14.0%	64.4%	72.7%	(8.3%)	$111.56	$110.48	1.0%	31.12%	28.23%	289 bps
Total/Weighted Average	$185.02	$178.55	3.6%	74.7%	74.5%	0.2%	$138.24	$133.03	3.9%	28.90%	27.85%	105 bps

(1) The pro forma operating data includes the operating results for the Company's 27 hotels assuming they were owned since January 1, 2011.

(2) The hotel reports results on a monthly basis. The data presented is based upon the Company's reporting calendar for the fourth quarter and includes the months of September through December.

Pro Forma Operating Statistics – Full Year (1)

	ADR			Occupancy			RevPAR			Hotel Adjusted EBITDA Margin		
	YTD 2012	YTD 2011	B/(W)	YTD 2012	YTD 2011	B/(W)	YTD 2012	YTD 2011	B/(W)	YTD 2012	YTD 2011	B/(W)
Atlanta Alpharetta	$139.59	$132.24	5.6%	66.0%	67.8%	(1.8%)	$ 92.11	$ 89.70	2.7%	29.90%	29.21%	69 bps
Bethesda Marriott Suites	$166.08	$169.54	(2.0%)	64.8%	64.4%	0.4%	$107.69	$109.20	(1.4%)	26.08%	25.88%	20 bps
Boston Westin	$203.85	$197.64	3.1%	73.3%	69.7%	3.6%	$149.46	$137.69	8.5%	23.39%	23.74%	-35 bps
Hilton Boston Downtown	$220.59	$205.82	7.2%	76.0%	77.6%	(1.6%)	$167.68	$159.63	5.0%	35.67%	37.01%	-134 bps
Hilton Burlington	$156.57	$144.23	8.6%	73.8%	69.7%	4.1%	$115.55	$100.51	15.0%	37.13%	35.79%	134 bps
Renaissance Charleston	$180.50	$167.50	7.8%	85.1%	84.6%	0.5%	$153.58	$141.74	8.4%	34.36%	32.28%	208 bps
Hilton Garden Inn Chelsea	$217.77	$213.29	2.1%	96.1%	92.6%	3.5%	$209.30	$197.42	6.0%	44.02%	46.10%	-208 bps
Chicago Marriott	$200.80	$191.48	4.9%	74.1%	72.8%	1.3%	$148.78	$139.43	6.7%	23.50%	23.89%	-39 bps
Chicago Conrad	$213.51	$198.14	7.8%	80.2%	83.9%	(3.7%)	$171.18	$166.33	2.9%	29.52%	30.82%	-130 bps
Courtyard Denver Downtown	$159.29	$152.56	4.4%	84.6%	80.5%	4.1%	$134.83	$122.84	9.8%	45.46%	43.11%	235 bps
Courtyard Fifth Avenue	$274.04	$260.09	5.4%	91.7%	86.9%	4.8%	$251.29	$226.07	11.2%	30.96%	27.97%	299 bps
Courtyard Midtown East	$269.79	$262.99	2.6%	86.7%	83.5%	3.2%	$233.91	$219.68	6.5%	34.59%	34.34%	25 bps
Frenchman’s Reef	$228.17	$229.24	(0.5%)	78.7%	81.8%	(3.1%)	$179.48	$187.53	(4.3%)	19.51%	(1.20%)	2071 bps
JW Marriott Denver Cherry Creek	$227.24	$230.21	(1.3%)	76.4%	72.8%	3.6%	$173.69	$167.59	3.6%	29.72%	29.33%	39 bps
Los Angeles Airport	$109.11	$104.15	4.8%	86.7%	84.6%	2.1%	$ 94.64	$ 88.12	7.4%	18.49%	15.72%	277 bps
Hilton Minneapolis	$143.19	$142.22	0.7%	72.6%	73.7%	(1.1%)	$103.99	$104.87	(0.8%)	27.12%	29.24%	-212 bps
Oak Brook Hills	$120.39	$115.30	4.4%	56.6%	54.3%	2.3%	$ 68.12	$ 62.64	8.7%	9.69%	9.04%	65 bps
Orlando Airport Marriott	$103.82	$ 99.05	4.8%	72.2%	74.9%	(2.7%)	$ 74.97	$ 74.19	1.1%	23.53%	20.83%	270 bps
Hotel Rex	$178.93	$155.20	15.3%	84.8%	81.3%	3.5%	$151.72	$126.24	20.2%	36.58%	30.45%	613 bps
Salt Lake City Marriott	$134.07	$127.40	5.2%	66.4%	59.4%	7.0%	$ 89.07	$ 75.64	17.8%	29.64%	25.10%	454 bps
The Lodge at Sonoma	$235.86	$217.76	8.3%	72.1%	70.4%	1.7%	$170.05	$153.32	10.9%	21.81%	18.75%	306 bps
Torrance Marriott South Bay	$110.15	$105.31	4.6%	82.6%	81.2%	1.4%	$ 90.95	$ 85.46	6.4%	25.62%	24.56%	106 bps
Vail Marriott	$225.47	$218.23	3.3%	63.7%	61.1%	2.6%	$143.72	$133.33	7.8%	27.82%	25.41%	241 bps
Lexington Hotel New York	$205.70	$200.70	2.5%	94.8%	95.5%	(0.7%)	$195.01	$191.72	1.7%	35.99%	36.90%	-91 bps
Westin San Diego	$149.32	$144.54	3.3%	79.3%	77.6%	1.7%	$118.40	$112.19	5.5%	30.04%	32.63%	-259 bps
Westin Washington D.C. City Center	$193.77	$196.49	(1.4%)	73.2%	76.3%	(3.1%)	$141.93	$149.99	(5.4%)	34.43%	38.13%	-370 bps
Renaissance Worthington	$161.04	$157.00	2.6%	68.3%	71.9%	(3.6%)	$109.93	$112.83	(2.6%)	29.26%	29.79%	-53 bps
Total/Weighted Average	$175.43	$168.61	4.0%	76.6%	75.7%	0.9%	$134.36	$127.61	5.3%	27.18%	26.31%	87 bps

(1) The pro forma operating data includes the operating results for the Company’s 27 hotels assuming they were owned since January 1, 2011.

Pro Forma Hotel Adjusted EBITDA Reconciliation

	Fourth Quarter 2012 (1)					
	Total Revenues	Net Income / (Loss)	Plus: Depreciation	Plus: Interest Expense	Plus: Non-Cash Adjustments (2)	Equals: Hotel Adjusted EBITDA
Atlanta Alpharetta	$ 4,680	$ 806	$ 471	$ —	$ —	$ 1,277
Bethesda Marriott Suites	$ 4,753	$ (1,343)	$ 637	$ —	$ 1,944	$ 1,238
Boston Westin (3)	$ 24,786	$ 4,043	$ 2,618	$ —	$ 2	$ 6,663
Hilton Boston Downtown (3)	$ 7,696	$ 577	$ 1,745	$ —	$ —	$ 2,322
Hilton Burlington (3)	$ 4,779	$ 686	$ 1,031	$ —	$ 28	$ 1,745
Renaissance Charleston	$ 3,504	$ 735	$ 473	$ —	$ (39)	$ 1,169
Hilton Garden Inn Chelsea (3)	$ 5,468	$ 2,191	$ 583	$ —	$ —	$ 2,774
Chicago Marriott	$ 34,882	$ 2,361	$ 4,087	$ 4,033	$ (487)	$ 9,994
Chicago Conrad (3)	$ 9,599	$ 2,161	$ 1,148	$ —	$ —	$ 3,309
Courtyard Denver Downtown (3)	$ 3,112	$ 1,058	$ 320	$ —	$ —	$ 1,378
Courtyard Fifth Avenue	$ 6,559	$ 1,067	$ 405	$ 1,068	$ 64	$ 2,604
Courtyard Midtown East	$ 10,302	$ 2,263	$ 724	$ 1,245	$ —	$ 4,232
Frenchman's Reef (3)	$ 15,591	$ (1,758)	$ 2,027	$ 1,039	$ —	$ 1,308
JW Marriott Denver Cherry Creek (3)	$ 7,062	$ 812	$ 602	$ 754	$ —	$ 2,168
Los Angeles Airport	$ 16,942	$ (489)	$ 1,765	$ 1,406	$ —	$ 2,682
Minneapolis Hilton (3)	$ 16,537	$ 845	$ 2,363	$ 1,724	$ (226)	$ 4,706
Oak Brook Hills	$ 7,051	$ 466	$ 310	$ —	$ 111	$ 887
Orlando Airport Marriott	$ 5,913	$ (801)	$ 945	$ 1,042	$ —	$ 1,186
Hotel Rex	$ 2,036	$ 490	$ 274	$ —	$ —	$ 764
Salt Lake City Marriott	$ 7,783	$ 992	$ 929	$ 509	$ —	$ 2,430
The Lodge at Sonoma	$ 6,392	$ 1,229	$ 462	$ —	$ —	$ 1,691
Torrance Marriott South Bay	$ 7,169	$ 903	$ 941	$ —	$ —	$ 1,844
Vail Marriott (3)	$ 7,060	$ 538	$ 738	$ —	$ —	$ 1,276
Lexington Hotel New York (3)	$ 20,757	$ 321	$ 6,682	$ 2,351	$ 44	$ 9,398
Westin San Diego (3)	$ 8,336	$ 934	$ 1,298	$ —	$ 56	$ 2,288
Westin Washington D.C. City Center (3)	$ 8,474	$ 1,089	$ 1,523	$ —	$ 58	$ 2,670
Renaissance Worthington	$ 10,613	$ 1,463	$ 888	$ 949	$ 3	$ 3,303
Total	$267,836	$23,639	$ 35,989	$ 16,120	$ 1,558	$77,410

(1) The pro forma operating data includes the operating results for the Company's 27 hotels assuming they were owned since January 1, 2011.

(2) The non-cash adjustments include expenses incurred by the hotels due to the straight lining of the rent from ground lease obligations, the non-cash amortization of favorable lease assets, and the non-cash amortization of unfavorable contract liabilities.

(3) The hotel reports results on a monthly basis. The amounts presented are based on the Company's reporting calendar for the fourth quarter and include the months of September through December.

Pro Forma Hotel Adjusted EBITDA Reconciliation

	Fourth Quarter 2011 (1)					
	Total Revenues	Net Income / (Loss)	Plus: Depreciation	Plus: Interest Expense	Plus: Non-Cash Adjustments (2)	Equals: Hotel Adjusted EBITDA
Atlanta Alpharetta	$ 4,632	$ 876	$ 390	$ —	$ —	$ 1,266
Bethesda Marriott Suites	$ 4,760	$ (1,301)	$ 643	$ —	$ 1,928	$ 1,270
Boston Westin (3)	$ 22,803	$ 1,640	$ 3,849	$ —	$ 156	$ 5,645
Hilton Boston Downtown (3)	$ 9,003	$ 1,950	$ 1,416	$ —	$ —	$ 3,366
Hilton Burlington (3)	$ 4,618	$ 1,726	$ 563	$ —	$ 28	$ 2,317
Renaissance Charleston	$ 3,233	$ 537	$ 464	$ —	$ (39)	$ 962
Hilton Garden Inn Chelsea (3)	$ 4,930	$ 1,953	$ 583	$ —	$ —	$ 2,536
Chicago Marriott	$ 32,508	$ 2,304	$ 3,982	$ 3,984	$ (486)	$ 9,784
Chicago Conrad (3)	$ 8,952	$ 1,964	$ 1,280	$ —	$ —	$ 3,244
Courtyard Denver Downtown (3)	$ 2,922	$ 500	$ 311	$ 443	$ —	$ 1,254
Courtyard Fifth Avenue	$ 5,589	$ 172	$ 593	$ 1,051	$ 64	$ 1,880
Courtyard Midtown East	$ 9,391	$ 1,949	$ 709	$ 1,234	$ —	$ 3,892
Frenchman's Reef (3)	$ 10,268	$ (5,203)	$ 1,803	$ 887	$ —	$ (2,513)
JW Marriott Denver Cherry Creek (3)	$ 6,902	$ 801	$ 559	$ 766	$ —	$ 2,126
Los Angeles Airport	$ 15,727	$ (1,406)	$ 1,796	$ 1,369	$ —	$ 1,759
Minneapolis Hilton (3)	$ 16,788	$ 828	$ 2,274	$ 1,725	$ (294)	$ 4,533
Oak Brook Hills	$ 6,516	$ (500)	$ 982	$ —	$ 167	$ 649
Orlando Airport Marriott	$ 5,842	$ (977)	$ 997	$ 1,028	$ —	$ 1,048
Hotel Rex	$ 1,748	$ 296	$ 274	$ —	$ —	$ 570
Salt Lake City Marriott	$ 6,418	$ 209	$ 833	$ 522	$ —	$ 1,564
The Lodge at Sonoma	$ 5,512	$ 977	$ 450	$ —	$ —	$ 1,427
Torrance Marriott South Bay	$ 7,036	$ 692	$ 984	$ —	$ —	$ 1,676
Vail Marriott (3)	$ 6,110	$ 5	$ 726	$ —	$ —	$ 731
Lexington Hotel New York (3)	$ 21,275	$ 6,326	$ 3,140	$ 4	$ 44	$ 9,514
Westin San Diego (3)	$ 8,437	$ 1,529	$ 1,109	$ —	$ 56	$ 2,694
Westin Washington D.C. City Center (3)	$ 9,409	$ 2,477	$ 1,326	$ —	$ 58	$ 3,861
Renaissance Worthington	$ 10,026	$ 1,034	$ 855	$ 937	$ 4	$ 2,830
Total	$251,355	$21,358	$ 32,891	$ 13,950	$ 1,686	$69,991

(1) The pro forma operating data includes the operating results for the Company's 27 hotels assuming they were owned as of January 1, 2011.

(2) The non-cash adjustments include expenses incurred by the hotels due to the straight lining of the rent from ground lease obligations, the non-cash amortization of our favorable lease assets and the non-cash amortization of our unfavorable contract liabilities.

(3) The hotel reports results on a monthly basis. The amounts presented are based on the Company's reporting calendar for the fourth quarter and include the months of September through December.

Pro Forma Hotel Adjusted EBITDA Reconciliation

	Full Year 2012 (1)					
	Total Revenues	Net Income / (Loss)	Plus: Depreciation	Plus: Interest Expense	Plus: Non-Cash Adjustments (2)	Equals: Hotel Adjusted EBITDA
Atlanta Alpharetta	$ 15,340	$ 3,237	$ 1,350	$ —	$ —	$ 4,587
Bethesda Marriott Suites	$ 14,928	$ (4,447)	$ 2,073	$ —	$ 6,267	$ 3,893
Boston Westin	$ 72,755	$ 8,312	$ 8,700	$ —	$ 7	$ 17,019
Hilton Boston Downtown	$ 24,393	$ 3,031	$ 5,671	$ —	$ —	$ 8,702
Hilton Burlington	$ 14,000	$ 1,758	$ 3,349	$ —	$ 91	$ 5,198
Renaissance Charleston	$ 11,379	$ 2,512	$ 1,524	$ —	$ (126)	$ 3,910
Hilton Garden Inn Chelsea	$ 13,387	$ 3,999	$ 1,894	$ —	$ —	$ 5,893
Chicago Marriott	$ 96,735	$ (1,663)	$ 12,978	$13,003	$ (1,581)	$ 22,737
Chicago Conrad	$ 25,580	$ 4,083	$ 3,469	$ —	$ —	$ 7,552
Courtyard Denver Downtown	$ 9,393	$ 3,067	$ 1,028	$ 175	$ —	$ 4,270
Courtyard Fifth Avenue	$ 17,202	$ (17)	$ 1,693	$ 3,443	$ 207	$ 5,326
Courtyard Midtown East	$ 27,787	$ 3,291	$ 2,372	$ 3,949	$ —	$ 9,612
Frenchman's Reef	$ 55,752	$ 1,086	$ 6,421	$ 3,372	$ —	$ 10,879
JW Marriott Denver Cherry Creek	$ 20,076	$ 1,686	$ 1,867	$ 2,414	$ —	$ 5,967
Los Angeles Airport	$ 56,728	$ 173	$ 5,800	$ 4,514	$ —	$ 10,487
Minneapolis Hilton	$ 49,075	$ 835	$ 7,622	$ 5,524	$ (671)	$ 13,310
Oak Brook Hills	$ 21,946	$ (863)	$ 2,504	$ —	$ 486	$ 2,127
Orlando Airport Marriott	$ 20,047	$ (1,665)	$ 3,024	$ 3,359	$ —	$ 4,718
Hotel Rex	$ 5,960	$ 1,288	$ 892	$ —	$ —	$ 2,180
Salt Lake City Marriott	$ 24,136	$ 2,613	$ 2,876	$ 1,664	$ —	$ 7,153
The Lodge at Sonoma	$ 18,994	$ 2,637	$ 1,506	$ —	$ —	$ 4,143
Torrance Marriott South Bay	$ 22,759	$ 2,682	$ 3,148	$ —	$ —	$ 5,830
Vail Marriott	$ 25,503	$ 4,731	$ 2,363	$ —	$ —	$ 7,094
Lexington Hotel New York	$ 53,904	$ (1,238)	$ 13,798	$ 6,695	$ 145	$ 19,400
Westin San Diego	$ 26,288	$ 3,499	$ 4,217	$ —	$ 182	$ 7,898
Westin Washington D.C. City Center	$ 26,196	$ 3,879	$ 4,950	$ —	$ 189	$ 9,018
Renaissance Worthington	$ 32,140	$ 3,460	$ 2,871	$ 3,061	$ 11	$ 9,403
Total	$802,383	$51,966	$ 109,960	$51,173	$ 5,207	$ 218,110

(1) The pro forma operating data includes the operating results for the Company's 27 hotels assuming they were owned since January 1, 2011.

(2) The non-cash adjustments include expenses incurred by the hotels due to the straight lining of the rent from ground lease obligations, the non-cash amortization of favorable lease assets, and the non-cash amortization of unfavorable contract liabilities.

Pro Forma Hotel Adjusted EBITDA Reconciliation

	Full Year 2011 (1)					
	Total Revenues	Net Income / (Loss)	Plus: Depreciation	Plus: Interest Expense	Plus: Non-Cash Adjustments (2)	Equals: Hotel Adjusted EBITDA
Atlanta Alpharetta	$ 15,219	$ 3,195	$ 1,251	$ —	$ —	$ 4,446
Bethesda Marriott Suites	$ 15,092	$ (4,459)	$ 2,094	$ —	$ 6,271	$ 3,906
Boston Westin	$ 66,564	$ 2,808	$ 12,486	$ —	$ 507	$ 15,801
Hilton Boston Downtown	$ 25,826	$ 4,955	$ 4,603	$ —	$ —	$ 9,558
Hilton Burlington	$ 12,505	$ 2,555	$ 1,829	$ —	$ 91	$ 4,475
Renaissance Charleston	$ 10,540	$ 2,060	$ 1,468	$ —	$ (126)	$ 3,402
Hilton Garden Inn Chelsea	$ 12,544	$ 3,918	$ 1,865	$ —	$ —	$ 5,783
Chicago Marriott	$ 90,912	$ (3,081)	$ 13,200	$ 13,182	$ (1,581)	$ 21,720
Chicago Conrad	$ 24,904	$ 2,979	$ 4,697	$ —	$ —	$ 7,676
Courtyard Denver Downtown	$ 8,595	$ 1,122	$ 1,135	$ 1,448	$ —	$ 3,705
Courtyard Fifth Avenue	$ 15,547	$ (1,233)	$ 1,909	$ 3,465	$ 207	$ 4,348
Courtyard Midtown East	$ 26,068	$ 2,658	$ 2,302	$ 3,991	$ —	$ 8,951
Frenchman’s Reef	$ 34,367	$ (8,092)	$ 4,705	$ 2,976	$ —	$ (411)
JW Marriott Denver Cherry Creek	$ 19,628	$ 1,464	$ 1,817	$ 2,476	$ —	$ 5,757
Los Angeles Airport	$ 52,726	$ (2,026)	$ 5,816	$ 4,500	$ —	$ 8,290
Minneapolis Hilton	$ 50,769	$ 4,266	$ 7,348	$ 3,998	$ (768)	$ 14,844
Oak Brook Hills	$ 20,471	$ (1,882)	$ 3,191	$ —	$ 542	$ 1,851
Orlando Airport Marriott	$ 19,699	$ (2,549)	$ 3,257	$ 3,395	$ —	$ 4,103
Hotel Rex	$ 4,963	$ 619	$ 892	$ —	$ —	$ 1,511
Salt Lake City Marriott	$ 20,990	$ 806	$ 2,718	$ 1,744	$ —	$ 5,268
The Lodge at Sonoma	$ 16,924	$ 1,750	$ 1,423	$ —	$ —	$ 3,173
Torrance Marriott South Bay	$ 22,093	$ 2,239	$ 3,188	$ —	$ —	$ 5,427
Vail Marriott	$ 23,225	$ 3,647	$ 2,254	$ —	$ —	$ 5,901
Lexington Hotel New York	$ 52,767	$ 9,119	$ 10,189	$ 13	$ 148	$ 19,469
Westin San Diego	$ 25,356	$ 4,487	$ 3,604	$ —	$ 182	$ 8,273
Westin Washington D.C. City Center	$ 28,316	$ 6,298	$ 4,311	$ —	$ 189	$ 10,798
Renaissance Worthington	$ 31,944	$ 3,674	$ 2,732	$ 3,098	$ 11	$ 9,515
Total	$ 748,554	$ 41,297	$ 106,284	$ 44,286	$ 5,673	$ 196,981

(1) The pro forma operating data includes the operating results for the Company’s 27 hotels assuming they were owned since January 1, 2011.

(2) The non-cash adjustments include expenses incurred by the hotels due to the straight lining of the rent from ground lease obligations, the non-cash amortization of favorable lease assets, and the non-cash amortization of unfavorable contract liabilities.