

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|---|--|---|--|
| 1 Issuer's name <u>DiamondRock Hospitality Company</u> | | 2 Issuer's employer identification number (EIN) <u>20-1180098</u> | |
| 3 Name of contact for additional information <u>Sean M. Mahoney, CFO</u> | | 4 Telephone No. of contact <u>240-744-1150</u> | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>3 Bethesda Metro Center, Suite 1500</u> | | 5 Email address of contact <u>sean.mahoney@drhc.com</u> | |
| 8 Date of action <u>04/07/2011</u> | | 7 City, town, or post office, state, and Zip code of contact <u>Bethesda, MD 20814</u> | |
| 10 CUSIP number <u>252784 and U25268</u> | | 9 Classification and description <u>Common Stock, \$0.01 par value</u> | |
| 11 Serial number(s) <u>N/A</u> | | 12 Ticker symbol <u>DRH</u> | |
| 13 Account number(s) <u>N/A</u> | | | |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶
DiamondRock Hospitality Company made a cash distribution of \$0.08 per share on April 7, 2011 to each of its common stockholders of record on March 25, 2011.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶
A portion of the cash distribution made by DiamondRock Hospitality Company is not taxable as a dividend under Section 301(c)(1), but is applied against basis under Section 301(c)(2) ("return of capital"). The return of capital on a per share basis is \$0.024422. As such, each stockholder's tax basis in the common stock of DiamondRock Hospitality Company is decreased by the lesser of the amount of the stockholder's share of the return of capital distributions or the stockholder's tax basis in such common stock.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶
The change in basis was determined by comparing the cash distributions made by DiamondRock Hospitality Company during the 2011 calendar year to the amount of DiamondRock Hospitality Company's 2011 current earnings and profits determined under Sections 312 and 316. The total cash distributions on the common shares made during the calendar year were \$40,180,944 and the 2011 current earnings and profits were \$27,914,921, resulting in a total return of capital for the tax year 2011 attributable to all of the common stockholders in the amount of \$12,266,023. Accordingly, the return of capital percentage is 30.527% (\$12,266,023 / \$40,180,944 = 30.527%).

Part II Organizational Action (continued)

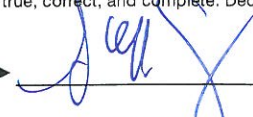
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Sections 301, 312 and 316.

18 Can any resulting loss be recognized? ▶
No loss can be recognized as a result of the cash distributions to the common stockholders.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The reporting tax year is the 2011 calendar year.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here


Signature ▶ 

Date ▶ 2/2/12

Print your name ▶ Sean M. Mahoney

Title ▶ CFO

Paid Preparer Use Only

| | | | | |
|---|---|-----------------------|---|--------------------------|
| Print/Type preparer's name Scott A. Riddell | Preparer's signature  | Date <u>2/2/12</u> | Check <input type="checkbox"/> if self-employed | PTIN P00642363 |
| Firm's name ▶ Ernst & Young U.S. LLP | | | Firm's EIN ▶ 34-6565596 | |
| Firm's address ▶ 8484 Westpark Drive, McLean, VA 22102 | | | Phone no. (703) 747-1000 | |

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| 3 Name of contact for additional information Sean M. Mahoney, CFO | 4 Telephone No. of contact 240-744-1150 | 5 Email address of contact sean.mahoney@drhc.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3 Bethesda Metro Center, Suite 1500 | | 7 City, town, or post office, state, and Zip code of contact Bethesda, MD 20814 | |
| 8 Date of action 06/27/2011 | | 9 Classification and description Common Stock, \$0.01 par value | |
| 10 CUSIP number 252784 and U25268 | 11 Serial number(s) N/A | 12 Ticker symbol DRH | 13 Account number(s) N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶
DiamondRock Hospitality Company made a cash distribution of \$0.08 per share on June 27, 2011 to each of its common stockholders of record on June 17, 2011.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶
A portion of the cash distribution made by DiamondRock Hospitality Company is not taxable as a dividend under Section 301(c)(1), but is applied against basis under Section 301(c)(2) ("return of capital"). The return of capital on a per share basis is \$0.024422. As such, each stockholder's tax basis in the common stock of DiamondRock Hospitality Company is decreased by the lesser of the amount of the stockholder's share of the return of capital distributions or the stockholder's tax basis in such common stock.

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Part II Organizational Action (continued)

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18 Can any resulting loss be recognized? ▶
No loss can be recognized as a result of the cash distributions to the common stockholders.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The reporting tax year is the 2011 calendar year.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 2/2/12

Print your name ▶ Sean M. Mahoney Title ▶ CFO

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|-------------------------------|---|---|---------------|---|------------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | <u>Scott A. Riddell</u> |  | <u>2/2/12</u> | | <u>P00642363</u> |
| | Firm's name ▶ <u>Ernst & Young U.S. LLP</u> | Firm's EIN ▶ <u>34-6565596</u> | | Phone no. <u>(703) 747-1000</u> | |
| | Firm's address ▶ <u>8484 Westpark Drive, McLean, VA 22102</u> | | | | |

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| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3 Bethesda Metro Center, Suite 1500 | | 7 City, town, or post office, state, and Zip code of contact Bethesda, MD 20814 | |
| 8 Date of action 09/20/2011 | | 9 Classification and description Common Stock, \$0.01 par value | |
| 10 CUSIP number 252784 and U25268 | 11 Serial number(s) N/A | 12 Ticker symbol DRH | 13 Account number(s) N/A |

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14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶
DiamondRock Hospitality Company made a cash distribution of \$0.08 per share on September 20, 2011 to each of its common stockholders record on September 9, 2011.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶
A portion of the cash distribution made by DiamondRock Hospitality Company is not taxable as a dividend under Section 301(c)(1), but is applied against basis under Section 301(c)(2) ("return of capital"). The return of capital on a per share basis is \$0.024422. As such, each stockholder's tax basis in the common stock of DiamondRock Hospitality Company is decreased by the lesser of the amount of the stockholder's share of the return of capital distributions or the stockholder's tax basis in such common stock.

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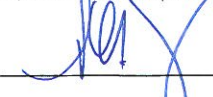
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17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
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Sign Here
Signature ▶  Date ▶ 2/2/12
Print your name ▶ **Sean M. Mahoney** Title ▶ **CFO**

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| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Scott A. Riddell |  | <u>2/2/12</u> | | P00642363 |
| | Firm's name ▶ Ernst & Young U.S. LLP | Firm's EIN ▶ 34-6565596 | | Phone no. (703) 747-1000 | |
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