

**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):
November 13, 2017

DiamondRock Hospitality Company

(Exact name of registrant as specified in charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-32514
(Commission File Number)

20-1180098
(IRS Employer
Identification No.)

2 Bethesda Metro Center, Suite 1400
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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 7.01. Regulation FD Disclosure

A copy of a slide presentation that DiamondRock Hospitality Company ("**DiamondRock**") intends to use at investor meetings is attached to this Current Report on Form 8-K ("**Current Report**") as Exhibit 99.1 and is incorporated by reference herein. Additionally, DiamondRock has posted the slide presentation in the investor relations/presentations section of its website at www.drhc.com.

The information in this Current Report, including the exhibit attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or otherwise subject to the liabilities of such section. The information in this Current Report, including the exhibit, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation — November 2017

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: November 13, 2017

By: /s/ William J. Tennis

William J. Tennis

Executive Vice President, General Counsel and Corporate Secretary



INVESTOR PRESENTATION

November 2017



Forward Looking Statements

Certain statements made during this presentation are forward-looking statements that are subject to risks and uncertainties. Forward-looking statements generally include the words "believe," "expect," "anticipate," "plan," "estimate," "project," "will," "intend" or other similar expressions. Forward-looking statements include, without limitation, statements regarding, industry outlook, results of operations, cash flows, business strategies, growth and value opportunities, capital and other expenditures, financing plans, expense reduction initiatives and projected dispositions.

Factors that could cause actual results to materially differ from those contained in the forward-looking statements include, without limitation, those risks and uncertainties discussed in the Company's most recent Annual Report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K, which have been filed with the Securities and Exchange Commission, all of which you should carefully review. The forward-looking statements made are based on our beliefs, assumptions and expectations of future performance, taking into account all information currently available to us. Actual results could differ materially from the forward-looking statements made during this presentation. The forward-looking statements made during this presentation are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995.

Any forward-looking statement speaks only as of the date on which it is made. 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 presentation is as of the date of this presentation, 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. In addition, the Company is still assessing the impact of Hurricanes Irma and Maria on its full year 2017 guidance.

This presentation contains statistics and other data that has been obtained or compiled from information made available by third-party service providers.



DiamondRock at a Glance

KEY STATISTICS

Hotels (Rooms)	28 (9,619)
Enterprise Value	\$3.1B
Market Cap	\$2.3B
Enterprise Value / Key	~\$320K
Dividend Yield	4.4%
Net Debt/EBITDA ⁽¹⁾	3.1x

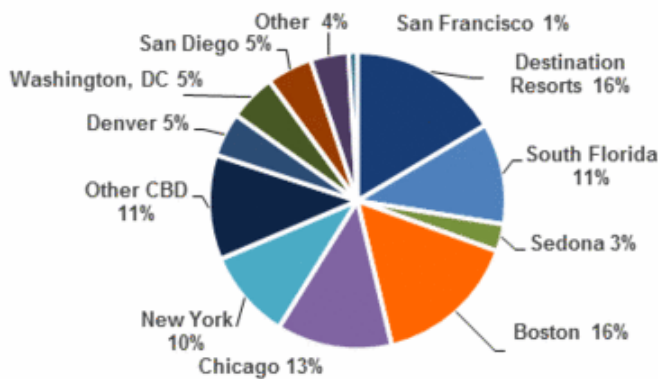
Market data as of 11/8/17.

RAISED FY17 REVPAR GUIDANCE

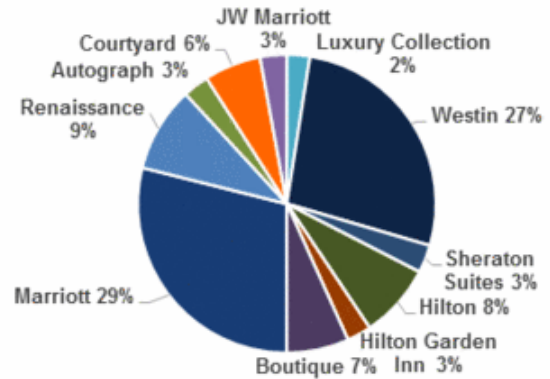
- RevPAR: 2.0% to 2.5%
 - Implied Q4 RevPAR of 2% to 4%
- EBITDA and FFO adjusted for natural disasters:
 - Adjusted EBITDA: \$239M - \$247M
 - Adj. FFO per Share: \$0.95 - \$0.98
- FY RevPAR guidance among highest of peer group

Note: Updated guidance for impact of Hurricanes Irma and Maria. Previously updated for acquisition of L'Auberge de Sedona and Orchards Inn Sedona for ownership period.

URBAN AND RESORT HOTELS IN TOP MARKETS⁽²⁾



POWERFUL BRANDS⁽²⁾



(1) Based on PF 2017F EBITDA and 2017F year-end net debt. Pro forma for acquisition of L'Auberge de Sedona and Orchards Inn Sedona for the full-year. Includes Frenchman's Reef and Inn at Key West.

(2) Based on 2017F EBITDA for all properties. Pro forma for acquisition of L'Auberge de Sedona and Orchards Inn Sedona for the full-year. Includes Frenchman's Reef and Inn at Key West.



Why DiamondRock?

1 Premier Hotel Portfolio

- Top-tier RevPAR portfolio among lodging REIT peers
- Strategically diversified brands, managers, and geographic distribution

2 DRH to Outperform FY17

- FY RevPAR guidance of 2.25% at midpoint second highest among peer group
- Key markets including NYC and Chicago performing ahead of expectations
- Q4 trending well with October RevPAR growth of 7.9%

3 DRH Portfolio Well-Positioned for 2018

- Renovation tailwinds in 1H18 post-completion of six major renovations
- Strong group footprint led by Chicago
- Redevelopment of Inn at Key West and Frenchman's Reef an opportunity

4 Capital Allocation Opportunities

- Acquired L'Auberge de Sedona & Orchards Inn for \$97M at 8% EBITDA yield
- >\$350M in investment capacity (\$167M of cash and undrawn \$300M LOC)
- Evaluating selective value-add acquisition opportunities

5 Intense Asset Management Focus

- Q3 hotel operating expense growth limited to 1.6%
- New asset management initiatives driving results, such as portfolio LED lighting project with >50% IRR and two year payback

6 Fortress Balance Sheet

- ~3.1x Net Debt / EBITDA by year-end 2017
- Average debt maturity of ~6 years with 20 hotels unencumbered by debt



The Gwen, A Luxury Collection Hotel



Vail Marriott Mountain Resort

High Quality Portfolio With Urban and Resort Concentration

San Francisco
JW Marriott Denver
Vail Marriott
Courtyard Denver
Sonoma Renaissance
Shorebreak Hotel
Westin San Diego

Huntington Beach
Hotel Rex

San Diego
L'Auberge De Sedona

Huntington Beach
Orchards Inn Sedona

San Diego
Worthington Renaissance

Salt Lake City
Salt Lake City Marriott

Sedona
Westin Ft. Lauderdale

Denver
Chicago Marriott
The Gwen, A Luxury Collection Hotel

Fort Worth
Inn at Key West

Chicago
Hilton Burlington
Hilton Boston

Atlanta
Key West Suites

Ft. Lauderdale
Frenchman's Reef

Key West
Key West Suites

St. Thomas
Frenchman's Reef

Washington DC
Lexington Hotel NYC
Courtyard Midtown NYC
HGI Times Square
Courtyard 5th Ave. NYC
Westin DC

New York City
Westin DC

Boston
Boston Westin

Burlington
Boston Westin

Charleston
Charleston Renaissance

Westin DC

DIAMONDROCK HOSPITALITY



DIAMONDROCK
HOSPITALITY

2018 Highlights





Continued Strength in 2018

1 DRH Chicago Portfolio to Significantly Outperform

- The Gwen and Chicago Marriott's combined group pace up 13.4% in '18
- Expect to continue to benefit from renovations

2 Disruption from Renovations and Natural Disasters in 2017

- 1H18 to benefit from renovations in Charleston, Sonoma, Worthington, and Chicago (58K room nights impact to occ. in Q117)
- Q317 natural disasters impacted occupancy by ~8.5K rooms while Q4 impacted by ~1.6K rooms

3 Stability in NYC Market

- NYC demand continues to outpace supply, while Midtown East outperforms broader market due to low supply and closure of Waldorf
- Courtyard Midtown East conversion to franchise with independent operator to improve revenue management

4 Other Key Markets to Outperform including Denver, San Diego

- San Diego citywides up over 20%
- Denver hotels to benefit from large Marriott hotel leaving the system, while Courtyard Denver drives value from recent lobby and meeting space renovation

5 >\$350M in Investment Capacity with Low Leverage

- Significant investment capacity with \$167M cash on hand and an undrawn \$300M line of credit



Shorebreak Hotel



Charleston Renaissance



2018 DRH Key Market Drivers

Market (% of 2017F EBITDA)	2018 Outlook	2018 Demand ⁽¹⁾	2018 Supply ⁽¹⁾	DRH / Market Commentary:
Chicago (13%)		2.1%	2.2%	Strong citywide calendar with combined Marriott and Gwen group pace up ~13% in 2018 Chicago Gwen and Marriott to outperform off of renovation tailwinds
Ft. Worth, TX (5%)		3.0%	4.0%	Continued ramp from room renovations to drive outperformance
San Diego (5%)		2.5%	2.9%	Strong Citywide Calendar
Sedona (3%)		N/A	0.0%	DRH AM initiatives to drive outperformance
Boston (16%)		2.2%	1.2%	Strong transient demand; Seaport district continues to expand
Denver (5%)		3.2%	3.5%	Continuing to absorb high supply, but expect stabilization of Cherry Creek submarket Courtyard Denver recently renovated lobby and meeting space
Ft. Lauderdale (7%)		5.9%	6.1%	Stabilization from 2017 challenges (Supply, Miami weakness due to convention center and Zika)
Washington, DC (5%)		1.1%	1.7%	Tough Q1 Comps due to Inauguration / Women's March
New York City (10%)		7.0%	6.5%	NYC supply to peak in 2018 and stabilize thereafter Waldorf-Astoria closure a catalyst for Midtown East (~10% supply reduction) Lexington gaining market share with refocused rev. mgmt. and in beta program for new \$25 facility fee
San Francisco (1%)		1.6%	0.9%	Expect continued challenging dynamics due to Moscone closure

(1) Based on STR's most recent forecast for MSA where available. PKF research used where STR data not applicable.

(2) Based on DRH's proprietary city-wide activity data.



Chicago to Outperform in 2018

- The Chicago Marriott and the Gwen are expected to benefit from continued ramp post-renovation and a strong citywide calendar
 - Combined group pace up 13.4% in 2018
- Chicago Marriott completing final stage of \$110M renovation in Q1 2018
 - Benefits from renovation already being realized with business transient up 24% YTD and hotel outperforming CBD RevPAR by over 600bps YTD 2017
- The Gwen is ramping following the completion of its comprehensive \$27M renovation and conversion to the Luxury Collection
 - Renovation yielding results with group up 15% and business transient up 21% YTD 2017
- Chicago citywides up nearly 25% in 2018



Chicago Marriott Downtown Magnificent Mile



The Gwen, Luxury Collection

Recent Repositionings to Drive Value in 2017 and 2018

1 The Gwen

- Rebranded to Luxury Collection
- \$27M comprehensive renovation completed in April 2017
- 1,200bps market share opportunity
- \$3M NOI upside opportunity

2 Chicago Marriott

- 4th phase of \$110M renovation to be completed Winter 2017-18
- 2018 group pace up double digits
- New model on room service implemented

3 L'Auberge and Orchards Inn

- Acquired for 8% Yield
- Ample asset management opportunities
- \$2.9M upside identified ('16-'20)
- Orchards Inn - potential \$75 rate / resort fee upside (\$1.1M in revenues) from repositioning

4 Worthington Renaissance

- \$18M renovation completed in 2016
- RevPAR to be up >20% in 2017
- Expect to gain >1000bps market share in 2017 with continued outperformance in 2018

5 Sonoma Renaissance

- \$7M renovation completed in April 2017
- Total basis only \$213K per room
- Temporary disruption in Q4 due to wildfires

6 Charleston Renaissance

- \$6M renovation completed in March 2017
- 500bps market share opportunity
- RevPAR to be up >15% 2H17



Charleston Renaissance

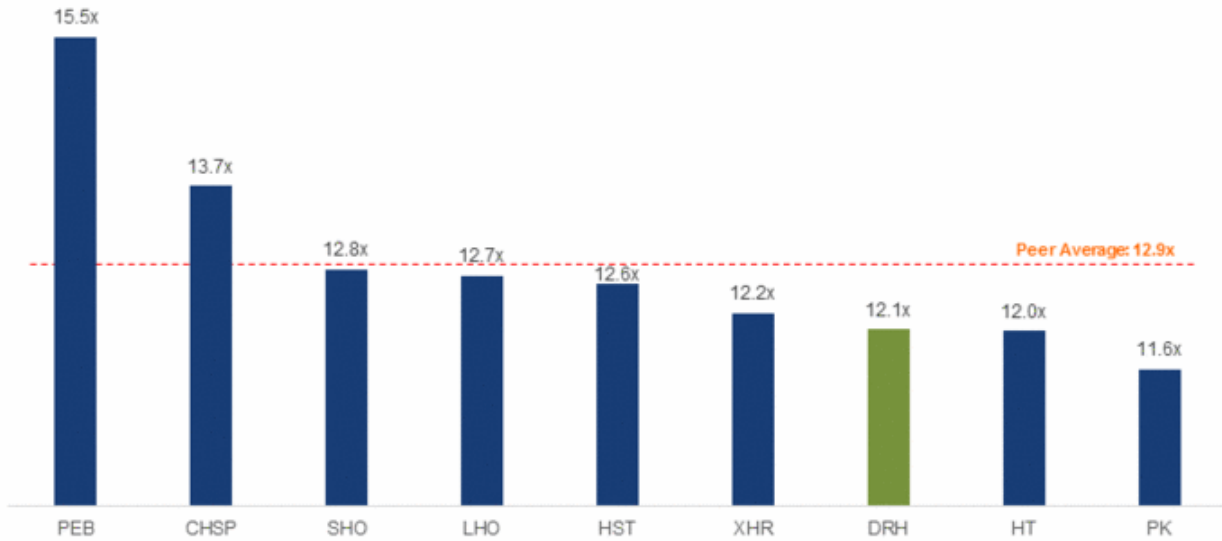


Worthington Renaissance



DRH Trading at Compelling Valuation

2018 Consensus EBITDA Multiple



- DRH currently trading at 0.8x discount to peer group

Source: Baird, FactSet. Data as of 11/7.



2018 Supply Outlook

- Weighted average supply of 2.1% expected in 2018
 - Portfolio supply expected to modestly decelerate from 2017
- Many of DRH's submarkets are well-insulated to new supply with high barriers to entry and high development cost
- Much of DRH's resort portfolio has no supply
- NYC Supply expected to peak in 2018 and moderate going forward

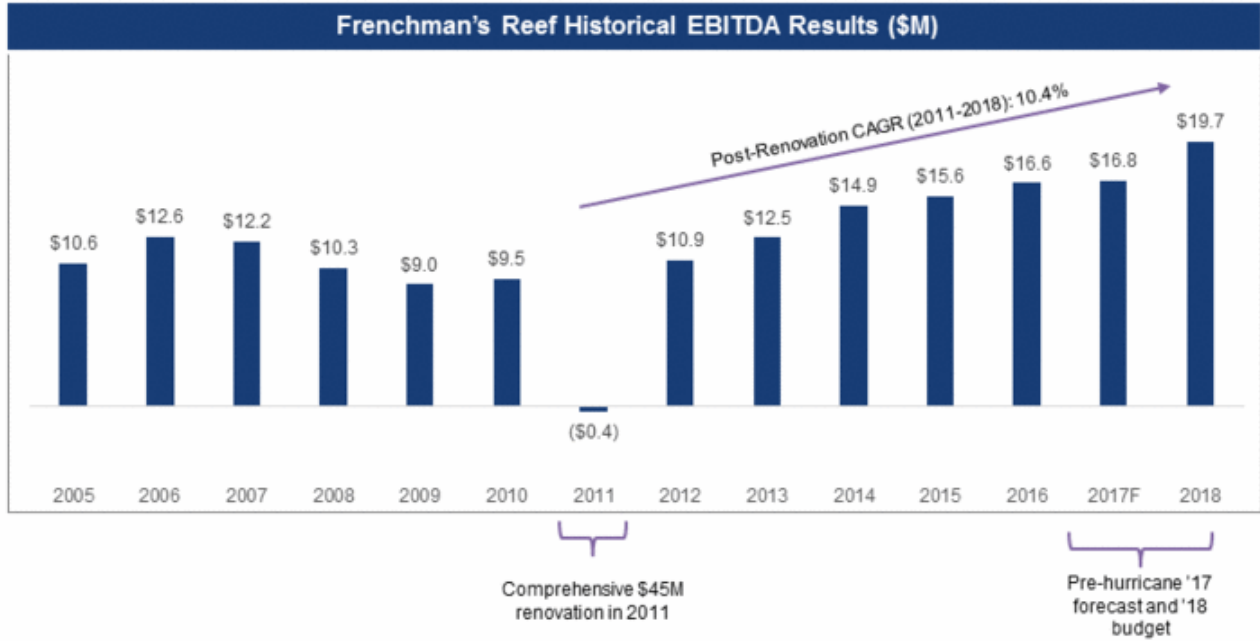


Case Studies:
Creating Value Through Renovations and Repositionings



Case Study: Frenchman's 2011 Renovation

- Comprehensive \$45M renovation of guestrooms and public spaces in 2011 drove strong growth in EBITDA, with 2016 EBITDA growing 75% since prior to the renovation in 2010
- 8.7x multiple on 2017F EBITDA and 9.0% NOI cap rate versus 12.3x EBITDA multiple and 5.9% cap rate in 2012 following renovation underscores return on investment
- 2016A EBITDA was \$4.4M or 36% higher than prior peak EBITDA





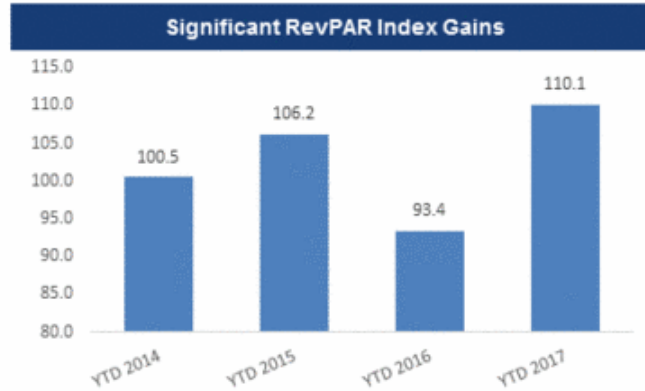
Case Study: Worthington Renaissance

Impressive double-digit RevPAR growth since the renovation:

- Q3 RevPAR grew 46%
 - Group room revenue up 27% and business transient rooms revenue up 79%
- RevPAR index has grown 8 out of 8 months since the renovation
- Average RevPAR index growth of 20.7% per month post-renovation
- YTD market share up 16.7 percentage points



Renovated Guestroom



Old Guestroom



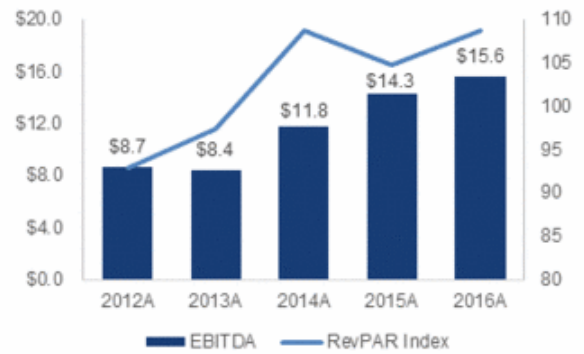
Case Study: Hilton Boston Downtown

INVESTMENT HIGHLIGHTS

- DRH Basis of \$452K/Key for 403-room hotel
- 41-key addition added >\$15M to hotel's NAV
 - Added 41 additional guestrooms to hotel by converting under-utilized suites into two guestrooms in 2014 with over 20% IRR
 - Upgraded ~90 rooms in the process
- Utilized DRH revenue management best practices to drive high value business transient and optimal group mix
 - Trailing Twelve Month RevPAR Index has improved from 92.9 to 108.8 since 2012, an increase of nearly 16 pp's
- Focus on cost initiatives and ROI projects driving bottom line growth
 - EBITDA up 80% since 2012 - growing at a 16% CAGR



EBITDA UP NEARLY \$7M IN LAST 5 YEARS





Case Study: Westin Boston Waterfront

INVESTMENT HIGHLIGHTS

- DRH Basis of \$441K/Key for 793-room hotel
- Headquarters hotel for the Boston Convention and Exhibition Center, the largest convention center in the Northeast

RECENT VALUE-ADD PROJECTS

- Creation of 12,500 sq. ft. of meeting space in 2014 yielding approx. \$3M in revenue annually at >30% IRR
- Built Pavilion Tent at a cost of \$400K in 2014 which drove >\$3M in revenue last year
- Hotel Adj. EBITDA up nearly 100% and RevPAR up nearly 50% since 2010
- Rethinking of group space driving significant additional group business over last several years
- Asset management focus on driving the right group mix and yielding high quality business transient

EBITDA HAS NEARLY DOUBLED SINCE 2010

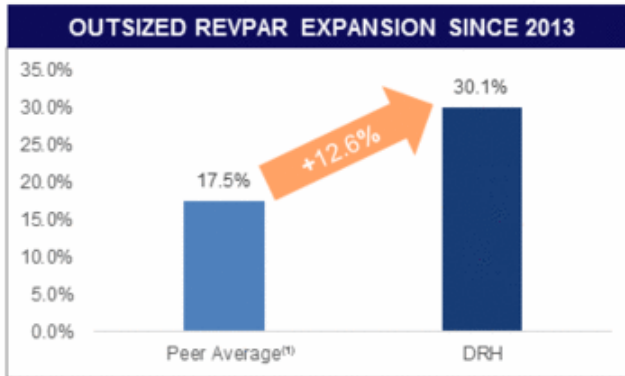


Intense Asset Management

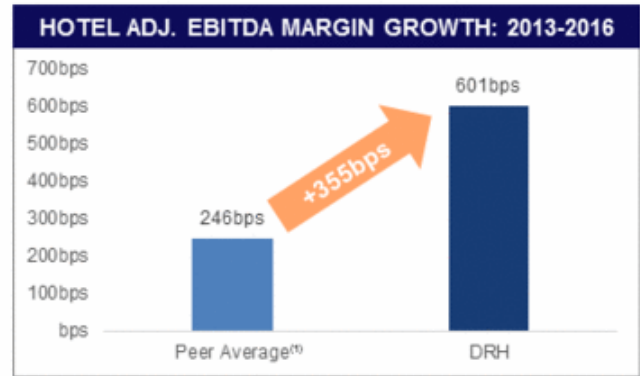


Proven Asset Management Track Record

- COO Tom Healy Brings New Initiatives
 - Exploring new opportunities in labor management, energy and food cost
 - 3Q17 Expense Growth Held to 1.6%
- Since 2013, DRH has grown margins by ~600bps
 - RevPAR Penetration Index increased by nearly 10 percentage points since 2013
 - Absolute RevPAR has increased ~30%, outperforming peers by over 12 pp's



(1) Peer group includes Chesapeake, Hereta, Host, LaSalle, Peblebrook, and Sunstone.



Asset Management – Q3 2017 Successes

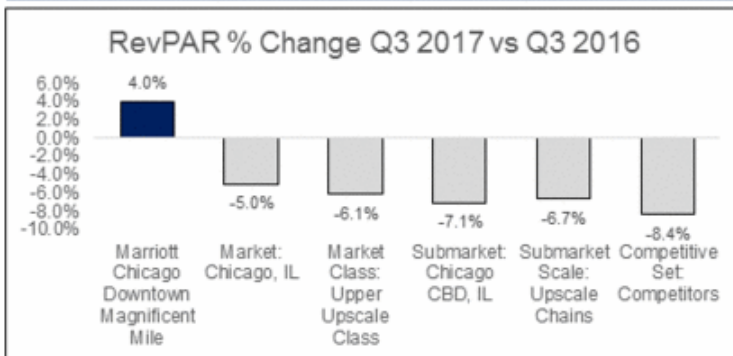
Lexington

- On Site Asset Management
- New Leadership Team
- Sales Strategy Redeployment
- Facility Fee Implementation

Full Year GOP is currently forecasting to beat 2017 Budget by \$4.1M



Chicago Marriott



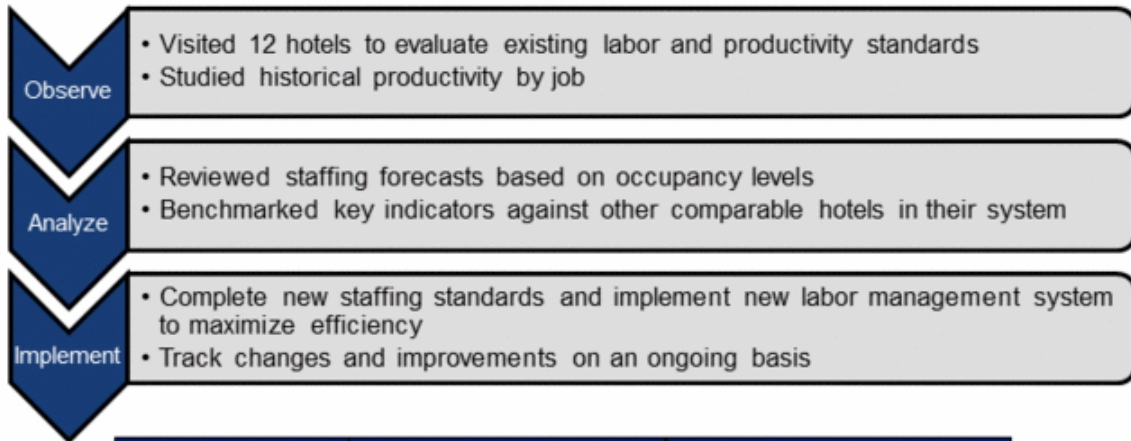
- Market Facing New Supply
- Transient Segmentation Improvement
- Cost Containment Initiatives in Progress

Full Year GOP is currently forecasting to beat 2017 Budget by \$1.0M



Case Study: Labor Operating Initiatives

Working with third-party to reduce labor expenses and improve productivity without sacrificing quality of service



Year 1 Potential Savings	Range of Potential Savings		Estimated EBITDA Margin Impact	
	Low	High	Low	High
Westin Boston	\$ 421,200	\$ 672,800	46 bps	73 bps
Lexington	626,400	965,300	99 bps	152 bps
Vail Marriott	371,200	465,600	99 bps	124 bps
Chicago Marriott	351,900	760,800	34 bps	74 bps
Sedona	206,950	460,000	73 bps	162 bps
Salt Lake City Marriott	166,520	391,090	50 bps	118 bps



Case Study: Energy Operating Initiatives

Conducting comprehensive hands-on energy efficiency audits throughout the portfolio through direct bidding with energy suppliers and LED lighting conversions

- \$1.3M of annual cost savings identified across 17 hotels
- 53% IRR and two-year payback
- Energy reduction of up to 78% for the least efficient assets
- \$2.5M estimated CapEx investment, before utility rebates with estimated utility rebates of >\$170K
- Conversions have been completed at Bethesda Marriott Suites and Westin D.C., with staggered completion of the remaining hotels to be completed over next 6 months
 - Direct energy contract negotiations resulted in an annual \$73K of found savings at Bethesda Marriott Suites

Case Study:

Worthington Renaissance

- Formerly the least energy efficient hotel in the portfolio
- Guestrooms and corridors LED conversion completed in conjunction with renovation
- Meeting space will receive state-of-the-art LED cove lighting in Grand Ballroom and Grand Prefunction space
- Property will be 98% LED upon completion
- Estimated First Year Electric Savings: \$183K (22%)



Case Study: Food Costs

Identifying opportunities for food cost savings through purchasing management and operational optimization

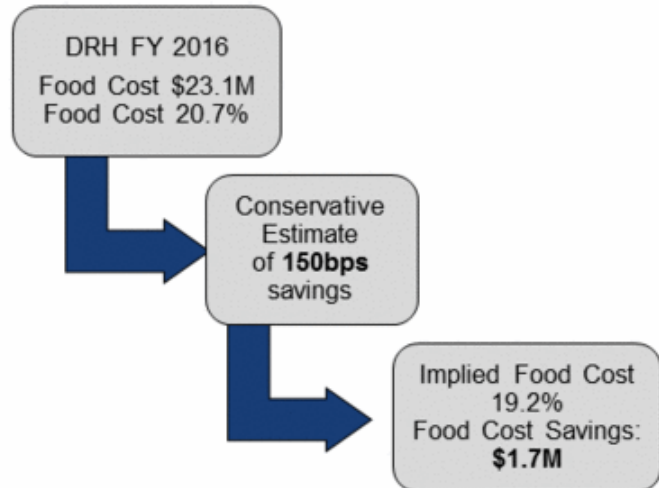
- Invoice Monitoring
- Menu Pricing / Menu Reengineering
- Annual Operating Audits
- Specs vs Brand
- Compliance Metrics
- Labor Productivity Improvement

Purchasing Management

- **L'Auberge de Sedona** - Modifying specifications for Lamb Racks resulted in **\$38,000** annual savings (55%)

Operational Optimization

- **L'Auberge de Sedona** - Increased coffee price point, resulting in **\$26,000** of additional annual revenue





Marriott - Starwood Combination Fuels Growth

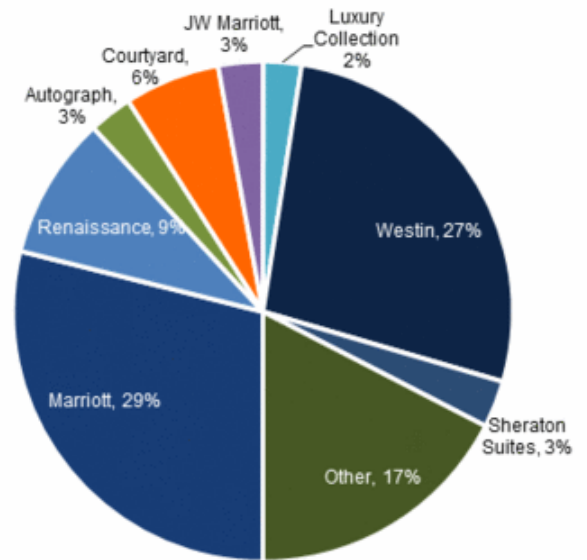
DRH to Benefit From Marriott-Starwood Merger

- DRH Portfolio has 20 of 28 Hotels in new-Marriott brand family
- Marriott most powerful hotel brand company in the world:
 - Largest reservation system: 1.2M hotel rooms worldwide
 - Most powerful loyalty program: 100M members globally, growing at 1M members per month

DRH Has >2,500 Hotel Rooms Under Starwood Brands

- Expect hotels to gain share post reservation and loyalty system merge
 - ~90% of SPG members did not have Marriott Rewards
 - 50bps of share gains on legacy HOT portfolio equals >\$1M in EBITDA
- Expect to improve profitability from reduced shared service cost
 - 50bps of margin improvement on legacy HOT portfolio equals >\$1M in incremental profit

MAR-HOT Brand Breakdown⁽¹⁾



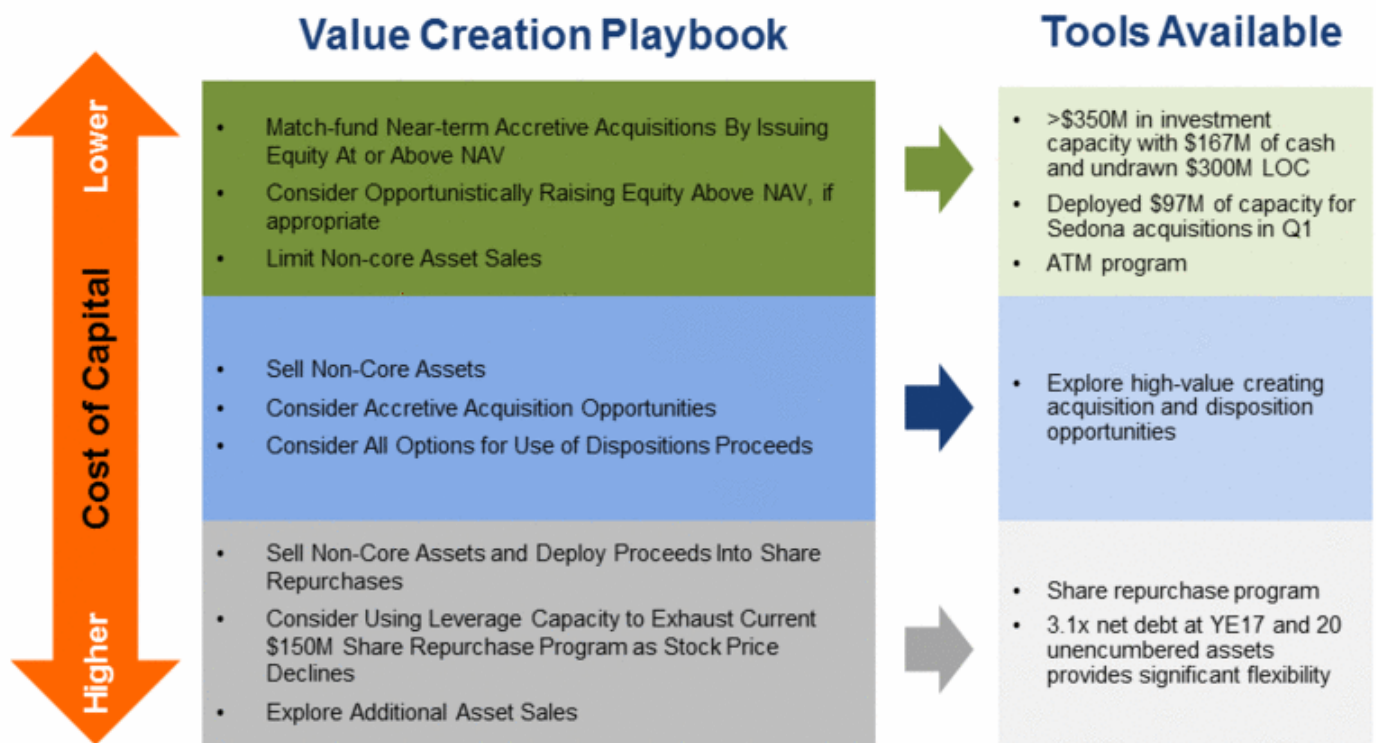
(1) Based on PF 2017F EBITDA. Pro forma for acquisition of L'Auberge de Sedona and Orchards Inn Sedona for the full-year.

Capital Allocation Opportunities





Creating Value Throughout Cycle





Acquisition of L'Auberge de Sedona and Orchards Inn Sedona

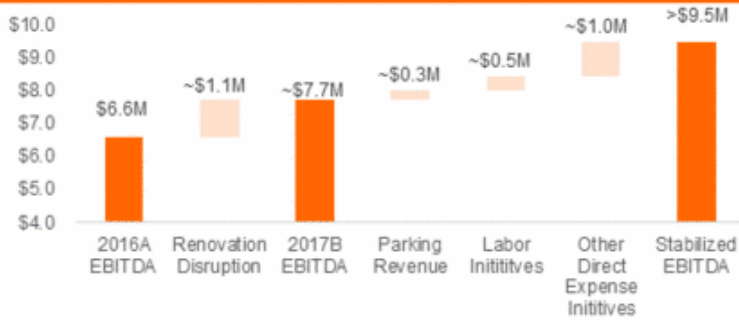
\$97M Acquisition of Luxury Assets in High-Growth Market

- Iconic assets with immediate asset management upside in attractive, high-growth resort market
- #1 Conde-Nast rated hotel in Southwest
- Sourced in off-market deal
- Recycled capital from dispositions at a 12.8x multiple and \$120 RevPAR into 12.6x multiple and >\$250 RevPAR
- Attractive deal metrics:
 - Highest RevPAR asset in portfolio
 - Acquired at 8% EBITDA yield
 - Currently trading at 11.3x multiple on 2017 EBITDA
- No new supply currently planned or under development in Sedona



L'Auberge de Sedona

Clear Path to Stabilized EBITDA



L'Auberge De Sedona



DIAMONDROCK
HOSPITALITY

Fortress Balance Sheet





Fortress Balance Sheet

- Completed 2017 financing program in 1H17 with 5-year \$200M term loan
- \$300M Line of Credit with no outstanding borrowings
- ~\$167 million unrestricted cash
- Net Debt to EBITDA of 3.1x by YE17
- Weighted average debt maturity of 6 years with 3.8% weighted average interest rate

LEVERAGE AT LOW END OF PEER GROUP



Source: Baird, 2017F Net Debt plus preferred / EBITDA.

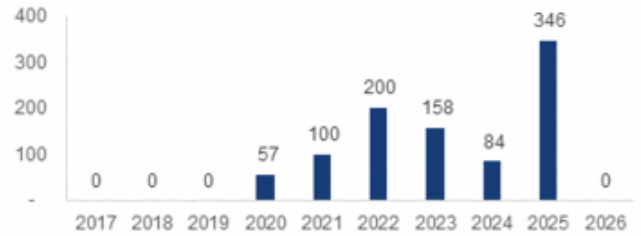
DIAMONDROCK HOSPITALITY

20 UNENCUMBERED HOTELS

Unencumbered Pool	8 Encumbered Hotels
Hilton Boston	Boston Westin
The Gwen	Courtyard Midtown East
Vail Marriott	Salt Lake City Marriott
Courtyard Denver	Westin Washington, DC
Hotel Rex San Francisco	Sonoma Renaissance
Hilton Burlington	Westin San Diego
Alpharetta Marriott	Worthington Renaissance
Charleston Renaissance	JW Marriott Cherry Creek
Bethesda Marriott Suites	
HGI Times Square	Unencumbered Pool
Inn at Key West	Frenchman's Reef Marriott
Key West Suites	Chicago Marriott
Westin Fort Lauderdale	Courtyard 5th Avenue
Shorebreak Hotel	L'Auberge de Sedona
	Orchards Inn
	Lexington Hotel

20 UNENCUMBERED HOTELS (~\$175M in 2016A Hotel Adj. EBITDA)

WELL-LADDERED DEBT MATURITIES





Key Takeaways

- ✓ **High Quality, Well Diversified Portfolio**
- ✓ **Strategic Capital Allocation Creating Value Throughout Cycle (>\$350M in Investment Capacity)**
- ✓ **Portfolio Well-Positioned for 2018**
- ✓ **Asset Management To Fuel Outperformance**
- ✓ **Unique, Low Levered Balance Sheet**



The Lexington New York City



Hilton Garden Inn Times Square



Westin Washington, D.C.

Appendix





Frenchman's Reef & Inn at Key West Update

Frenchman's Reef & Morning Star Marriott Beach Resort

- Closed on September 6th and is currently expected to remain closed through the end of 2018
- Sustained significant wind and water-related damage
- Team of structural engineers and other experts are on-site and have begun remediation work
- Team currently assembling scope and design of final project
- Covered by insurance, including business interruption for lost profits, subject to a \$6.5M deductible
- Commenced insurance claim and expect interim BI payments

Inn at Key West

- Closed on September 6th and currently expected to remain closed into the second quarter of 2018
- Sustained substantial wind and water-related damage from Hurricane Irma
- Plan to reopen with a new name and identity
- Covered by insurance, including business interruption for lost profits, subject to a \$0.9M deductible



2017 Renovation Program

Significant Capital Projects					
<u>Property</u>	<u>Project</u>	<u>Approx. '16-'17 Spend(\$M)</u>	<u>4Q16 Disruption</u>	<u>1Q17 Disruption</u>	<u>2Q17 Disruption</u>
Charleston Renaissance	Guestroom Renovation	\$8M	2.1K Rooms of 15.3K Total	5.0K Rooms of 14.9K Total	--
Chicago Marriott	Guestroom, Fitness Center and Meeting Space Renovation	\$60M	9.9K Rooms of 110.4K Total	29.1K Rooms of 108.0K total	--
The Gwen	Lobby and Guestroom Renovation	\$27M	1.3K Rooms of 28.6K Total	12.9K Rooms of 28.0K Total	--
Shorebreak Hotel	Lobby / F&B Renovation	\$5M	--	2.3K Rooms of 14.1K Total	--
Sonoma Renaissance	Guestroom Renovation	\$9M	--	7.6K Rooms of 16.4K Total	1.2K Rooms of 16.6K Total
Worthington Renaissance	Guestroom Renovation	\$23M	12.6K Rooms of 45.4K Total	1.1K Rooms of 45.9K Total	--

Portfolio Impact:

- Q416 renovation program impacted 2.9% of total available rooms
- Q117 renovation program impacted 6.8% of total available rooms

Note: Represents DRP capital estimates and include full amount of spend from 2016-2017, including capital before renovation program in that time period.



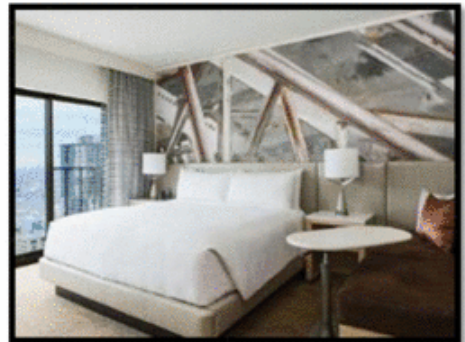
Recent Renovations

Before



Chicago Marriott
\$110M Rooms Renovation

After



**The Gwen, Luxury
Collection**
\$27.5M Rooms Renovation





Recent Renovations *(cont'd)*

Before



Charleston Renaissance
\$6.3M Rooms Renovation

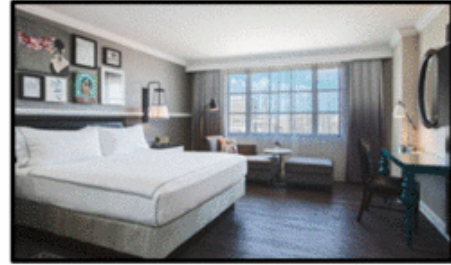


Sonoma Renaissance
\$7.3M Rooms Renovation



Worthington Renaissance
\$18.1M Rooms Renovation

After





Creating Value Through Opportunistic Dispositions

Sold three non-core hotels in 2016 for total of \$275M:

- **Hilton Garden Inn Chelsea**
 - Lowers NYC exposure, union hotel, disruptive near-term capital needs
- **Hilton Minneapolis**
 - Ground lease, low RevPAR, brand-managed, near-term capital needs, union
- **Orlando Airport Marriott**
 - Airport hotel, lowest RevPAR hotel (sub \$100), brand-managed, near-term capital needs, peaking cash flows

Impact of Dispositions:

- Portfolio RevPAR increased by approximately \$8
- Improves Hotel Adj. EBITDA margins by approximately 46 bps
- Increased share of third-party operated hotels
- Helps right-size allocation to NYC
- Avoids over \$50M of disruptive, near-term capital expenditures

IMPROVED PORTFOLIO QUALITY⁽¹⁾



	Orlando Airport Marriott	Hilton Minneapolis	HGI Chelsea	Weighted Average
Total Consideration ⁽²⁾	\$67M	\$143M	\$65M	\$275M
2015 RevPAR	\$92.21	\$115.44	\$219.97	\$119.78
TTM NOI Cap Rate ⁽³⁾	9.7%	7.6%	6.6%	7.8%
TTM NOI Cap Rate w/ Capital ⁽³⁾	7.5%	6.3%	5.9%	6.6%
TTM EBITDA Multiple ⁽³⁾	8.6x	11.0x	13.5x	10.7x
TTM EBITDA Multiple w/ Capital ⁽³⁾	11.0x	13.1x	14.9x	12.8x

(1) Based on 2015A financials pre and post the disposition of the Orlando Airport, Minneapolis Hilton, and HGI Chelsea for the full fiscal year.

(2) Total consideration is the purchase price plus FF&E Reserve (for Orlando and Minneapolis) and standard pro-rations of working capital at closing.

(3) Trailing twelve months through the period ended March 31, 2016.