



## **RLJ Lodging Trust Acquires Two Focused-Service Hotels in the Key Gateway Markets of New York City and Washington, D.C. for \$146.5 Million**

May 31, 2012

BETHESDA, Md.--(BUSINESS WIRE)--May. 31, 2012-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that it acquired two focused-service hotels, the 226-room Courtyard New York Manhattan/Upper East Side and the 187-room Residence Inn by Marriott Bethesda Hotel Downtown, for a combined total of \$146.5 Million.

"We were able to leverage our extensive network and strong industry relationships to source and execute accretive transactions in key gateway cities," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "We expect these two new additions to yield strong results and strengthen our overall portfolio."

The Company acquired the Courtyard New York Manhattan/Upper East Side through a bankruptcy court-ordered sale for a purchase price of \$82.0 million, or approximately \$363,000 per key. The purchase price represents a forward capitalization rate of approximately 7.5% on the hotel's projected 2013 net operating income. The Company's purchase price is considerably lower than other recently traded hotels in Manhattan and is a significant discount to replacement cost.

Additionally, the Company was able to successfully leverage its strong industry relationships and acquire the Residence Inn by Marriott Bethesda Hotel Downtown in an off-market transaction for a purchase price of \$64.5 million, or approximately \$345,000 per key. The purchase price represents a forward capitalization rate of approximately 7.1% on the hotel's projected 2013 net operating income.

The new additions to the Company's portfolio are compliant with its overall investment strategy. The Company remains selective and disciplined in its pursuit to acquire accretive assets that drive shareholder value. These two focused-service hotels in key gateway markets exhibit high growth and high barriers-to-entry characteristics. Both hotels are well positioned to capitalize on Marriott's strong reservation system and guest loyalty program as well as their proximity to upscale shopping, renowned medical centers, and other commercial and leisure demand generators.

The acquisitions were funded through a combination of cash available on the Company's balance sheet and proceeds from its credit facility. An updated Pro forma RevPAR and Pro forma Consolidated Hotel EBITDA outlook will be provided in the Company's upcoming second quarter earnings press release.

With the addition of these two hotels, the Company now owns 143 hotels and more than 21,000 rooms in 20 states and the District of Columbia.

### **About Us**

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust focused on acquiring premium-branded, focused-service and compact full-service hotels. Additional information may be found on the Company's website at <http://rljlodgingtrust.com>.

### **Forward Looking Statements**

*This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, that may cause actual results to differ significantly from those expressed in any forward-looking statement, including statements related to, among other things, the timing, price or amount of purchases, if any, under the Company's common stock repurchase program, the Company's target leverage ratio, potential acquisitions or dispositions, the completion of the 2012 capital improvement plan, RevPAR growth, EBITDA growth, Hotel EBITDA margins or cash G&A expenses. All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause the Company's future results to differ materially from any forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's Annual report on Form 10-K for the year ended December 31, 2011, and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission.*

For additional information or to receive press releases via email, please visit our website: <http://rljlodgingtrust.com>

Source: RLJ Lodging Trust

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