



## RLJ Lodging Trust Announces Agreement to Acquire Hilton Cabana Miami Beach for \$71.6 Million

December 3, 2012

BETHESDA, Md.--(BUSINESS WIRE)--Dec. 3, 2012-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that it has entered into a purchase and sale agreement to acquire upon completion the 231-room Hilton Cabana Miami Beach (the "Hotel") for a fixed purchase price of \$71.6 million, or approximately \$310,000 per key.

The property opened as a hotel in the early 1950's and was closed and gutted in 2007 in anticipation of a condominium conversion. The conversion did not materialize and the property went into foreclosure. In 2011, the current owners purchased the property to develop a new hotel, which they expect to complete and open in the fourth quarter of 2013 as a Hilton.

"We are thrilled to be entering the Miami Beach market. We see this acquisition as an excellent opportunity to enter a gateway market with multiple demand generators," commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. "Furthermore, the Hilton brand is underrepresented in this market which should provide for outsized performance from this hotel."

According to Smith Travel Research ("STR"), there are currently two Hilton affiliated hotels that represent approximately 1% of the total rooms in the Miami Beach market. The Company expects that the Hotel's association with a premium brand, such as Hilton, will yield strong demand from brand loyal guests seeking accommodations in the area.

The Hotel, which is located directly on the beach, will benefit from its location along the 6200 block of Collins Avenue in Miami Beach. Several of the buildings located along Collins Avenue and Ocean Drive are historic in nature; therefore, the market's strict regulatory environment will make new development difficult.

The Miami market, which is one of the top-ranked lodging markets in the nation, garners one of the highest average daily rates and one of the highest revenue per available room ("RevPAR") of any U.S. city and is surpassed only by New York, Oahu Island and San Francisco. In 2011, the Miami-Hialeah market posted a 14.1% RevPAR increase over 2010 and it continued to show strong signs of growth with a 7.9% RevPAR growth year-to-date through September 2012, as reported by STR.

Miami's climate, numerous events, and unique amenities make it one of the most active tourist destinations in North America. Miami Beach is serviced by the Miami International Airport ("MIA"), a major U.S. gateway for Latin America and several other countries. In 2011, MIA's total passenger count was over 35 million, of which almost 50% was accounted for by international travelers. Miami has ranked consistently as one of the top markets for overseas visitors and in 2011 it was ranked by the U.S. Department of Commerce as the third most visited destination.

Miami's excellent business climate, with its skilled multilingual and multicultural workforce has attracted numerous international firms and Fortune 500 companies such as Carnival Cruise Lines and American Airlines. In the coming years, the Hotel will benefit from Miami's steadily increasing transient demand, robust convention activity, and strong ties to Latin America. The Hotel represents a unique opportunity for the Company to own a high quality asset in a dynamic market with multiple demand generators.

Upon entering the agreement, the Company committed to a \$7.2 million deposit that will be refunded if the Hotel is not completed. The Company is not assuming any construction risk, including the risk of construction overruns. The Company expects that construction will be completed in approximately 12 months, with an anticipated opening late in fourth quarter of 2013.

Along with customary closing requirements and conditions, the acquisition of this hotel is also subject to other various conditions, including the substantial completion of the Hotel by a third-party developer within the contractual scope of the agreement. As a result, there can be no assurance that the Company will complete this transaction.

### 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. The Company's portfolio consists of 145 hotels in 21 states and the District of Columbia, with a total of more than 21,600 rooms. Additional information may be found on the Company's website: <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.*

Source: RLJ Lodging Trust

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