

DiamondRock Hospitality Co  
Form 10-Q  
July 26, 2011

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

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FORM 10-Q

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

For the quarterly period ended June 17, 2011

OR

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

Commission file number 001-32514

DIAMONDROCK HOSPITALITY COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Maryland

20-1180098

(State of Incorporation)

(I.R.S. Employer Identification No.)

3 Bethesda Metro Center, Suite 1500, Bethesda,

20814

Maryland

(Address of Principal Executive Offices)

(Zip Code)

(240) 744-1150

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The registrant had 167,385,657 shares of its \$0.01 par value common stock outstanding as of July 26, 2011.

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## Item I. Financial Statements

## DIAMONDROCK HOSPITALITY COMPANY

## CONDENSED CONSOLIDATED BALANCE SHEETS

As of June 17, 2011 and December 31, 2010

(in thousands, except share amounts)

	June 17, 2011 (Unaudited)	December 31, 2010
<b>ASSETS</b>		
Property and equipment, at cost	\$2,901,026	\$2,468,289
Less: accumulated depreciation	(439,324	) (396,686
	2,461,702	2,071,603
Deferred financing costs, net	6,935	5,492
Restricted cash	75,812	51,936
Due from hotel managers	60,340	50,715
Note receivable	57,346	57,951
Favorable lease assets, net	43,825	42,622
Prepaid and other assets	75,232	50,089
Cash and cash equivalents	20,918	84,201
Total assets	\$2,802,110	\$2,414,609
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Mortgage debt	\$921,094	\$780,880
Senior unsecured credit facility	115,000	—
Total debt	1,036,094	780,880
Deferred income related to key money, net	20,564	19,199
Unfavorable contract liabilities, net	82,923	83,613
Due to hotel managers	37,408	36,168
Dividends declared and unpaid	13,549	—
Accounts payable and accrued expenses	87,827	81,232
Total other liabilities	242,271	220,212
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.01 par value; 200,000,000 shares authorized; 167,385,657 and 154,570,543 shares issued and outstanding at June 17, 2011 and December 31, 2010, respectively	1,674	1,546
Additional paid-in capital	1,706,887	1,558,047
Accumulated deficit	(184,816	) (146,076
Total stockholders' equity	1,523,745	1,413,517
Total liabilities and stockholders' equity	\$2,802,110	\$2,414,609

The accompanying notes are an integral part of these condensed consolidated financial statements.



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## DIAMONDROCK HOSPITALITY COMPANY

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the Fiscal Quarters Ended June 17, 2011 and June 18, 2010 and

the Periods from January 1, 2011 to June 17, 2011 and January 1, 2010 to June 18, 2010

(in thousands, except per share amounts)

	Fiscal Quarter Ended		Period From	January 1, 2010 to
	June 17, 2011 (Unaudited)	June 18, 2010 (Unaudited)	January 1, 2011 to June 17, 2011 (Unaudited)	June 18, 2010 (Unaudited)
Revenues:				
Rooms	\$111,866	\$95,730	\$191,184	\$167,378
Food and beverage	49,432	47,699	86,466	83,250
Other	8,207	7,696	14,122	13,324
Total revenues	169,505	151,125	291,772	263,952
Operating Expenses:				
Rooms	28,534	24,458	51,243	44,530
Food and beverage	33,210	31,490	60,252	56,215
Management fees	6,987	5,482	10,389	8,554
Other hotel expenses	58,211	51,990	105,931	96,619
Depreciation and amortization	21,682	19,074	43,034	37,981
Hotel acquisition costs	1,904	337	2,159	337
Corporate expenses	4,373	3,560	8,448	6,911