

DiamondRock Hospitality Co
Form 10-Q
August 09, 2013

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

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 30, 2013

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 195,470,791 shares of its \$0.01 par value common stock outstanding as of August 9, 2013.

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PART I. FINANCIAL INFORMATION

Item I. Financial Statements

DIAMONDROCK HOSPITALITY COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

As of June 30, 2013 and December 31, 2012

(in thousands, except share and per share amounts)

	June 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Property and equipment, at cost	\$3,173,959	\$3,131,175
Less: accumulated depreciation	(573,332)	(519,721)
	2,600,627	2,611,454
Deferred financing costs, net	8,719	9,724
Restricted cash	88,115	76,131
Due from hotel managers	86,129	68,532
Note receivable	48,661	53,792
Favorable lease assets, net	40,452	40,972
Prepaid and other assets	77,904	73,814
Cash and cash equivalents	54,251	9,623
Total assets	\$3,004,858	\$2,944,042
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage debt	\$ 1,064,074	\$968,731
Senior unsecured credit facility	—	20,000
Total debt	1,064,074	988,731
Deferred income related to key money, net	24,168	24,362
Unfavorable contract liabilities, net	79,103	80,043
Due to hotel managers	55,631	51,003
Dividends declared and unpaid	16,919	15,911
Accounts payable and accrued expenses	91,025	88,879
Total other liabilities	266,846	260,198
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.01 par value; 400,000,000 shares authorized; 195,470,791 and 195,145,707 shares issued and outstanding at June 30, 2013 and December 31, 2012, respectively	1,955	1,951
Additional paid-in capital	1,977,520	1,976,200
Accumulated deficit	(305,537)	(283,038)
Total stockholders' equity	1,673,938	1,695,113
Total liabilities and stockholders' equity	\$3,004,858	\$2,944,042

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 30, 2013 and June 15, 2012 and

the Periods from January 1, 2013 to June 30, 2013 and January 1, 2012 to June 15, 2012

(in thousands, except per share amounts)

	Fiscal Quarter Ended		Period From	January 1, 2012 to
	June 30, 2013 (Unaudited)	June 15, 2012 (Unaudited)	January 1, 2013 to June 30, 2013 (Unaudited)	June 15, 2012 (Unaudited)
Revenues:				
Rooms	\$154,549	\$123,972	\$278,835	\$205,465
Food and beverage	56,943	46,414	102,220	76,625
Other	12,692	10,564	24,432	17,282
Total revenues	224,184	180,950	405,487	299,372
Operating Expenses:				
Rooms	39,226	32,605	75,569	56,958
Food and beverage	38,079	32,419	71,885	55,723
Management fees	7,351	6,502	12,231	9,569
Other hotel expenses	74,559	59,248	144,126	107,034
Depreciation and amortization	27,193	20,129	54,026	40,190
Impairment of favorable lease asset	—	468	—	468
Hotel acquisition costs	14	1,999	24	2,031
Corporate expenses	5,287	5,001		