



For Immediate Release

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Davidson Hotel Company to Manage Sheraton Washington North Hotel in Beltsville, Md.

Second Major Management Contract in 30 Days for Davidson

MEMPHIS, Tenn., February 9, 2009—Davidson Hotel Company, one of the nation's largest independent hotel management companies, today announced that it has signed an agreement to operate the 205-room Sheraton Washington North Hotel in Beltsville, Md., located just north of the beltway outside Washington, D.C. The hotel is owned by a joint venture affiliate of The Carlyle Group, a global private equity firm, and an undisclosed partner. This is the second major management contract Davidson has signed in the past 30 days.

“The sharp downturn in the economy has had a dramatic impact on the hotel industry, and hotel owners and investors are increasingly gravitating toward proven operators who can maximize profits in all phases of the economic cycle,” said John A. Belden, Davidson's president and chief executive officer. “We have signed 10 new management contracts in the past 15 months (one will open in late 2009); five in just the last six months. We believe this reflects the confidence that owners/investors place in our results-oriented management system.”

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“Throughout our 35-year history, we specifically have sought out assets that could benefit from stronger management, positioning and capitalization,” said Steven A. Margol, Davidson’s executive vice president of business development. “The skillset we have refined in order to create value in such challenging assets has prepared us well for operating in today’s difficult economic environment.”

“This marks our sixth management agreement with Carlyle, and our fifth hotel in the Greater Washington, D.C. metro area, allowing for even greater synergies and economies of scale,” said Patrick F. Lupsha, Davidson’s chief operating officer. “Following the implementation of our proprietary management and marketing systems, we fully expect this hotel to move to the forefront of its competitive set.”

Located at 4095 Powder Mill Road, the nine-story hotel is situated just eight miles outside of Washington D.C. and a short drive from Washington National Airport, Baltimore/Washington International Airport, and a number of government and corporate offices, including the FBI, FDA, U.S. Social Security Administration, Walter Reed Hospital, and USDA, as well as the University of Maryland. Each guestroom features high-speed Internet access, a 37-inch flat-screen LCD TV, dual-line phones, spacious workspace and the Sheraton Sweet Sleeper^(SM) Bed. Hotel amenities include 5,000 square feet of meeting space, a state-of-the-art fitness center, outdoor pool, shuttle service to the surrounding area, the Link@Sheraton and a private Club Lounge.

About the Carlyle Group

The Carlyle Group is a global private equity firm with \$91.5 billion of assets under management committed to 66 funds as of September 30, 2008. Carlyle invests in buyouts, growth capital, real estate and leveraged finance in Africa, Asia, Australia, Europe, North America and South America focusing on aerospace & defense, automotive & transportation, consumer & retail, energy & power, financial services, healthcare, industrial, infrastructure, technology & business services and telecommunications & media. Since 1987, the firm has invested \$52.7 billion of equity in 866 transactions for a total purchase price of approximately \$225.8 billion. In the aggregate, Carlyle portfolio companies have more than \$109 billion in revenue and employ more than 415,000 people around the world. www.carlyle.com

About Davidson Hotel Company

Headquartered in Memphis, Tenn., Davidson Hotel Company is an award-winning, full-service hotel owner and third-party management company that provides management, development/renovation, acquisition, consulting and accounting expertise for the hospitality industry. The company currently owns and/or manages 36 upscale, independent and branded hotels with nearly 10,200 rooms across the United States, including such affiliations as Westin, Sheraton, Hyatt, Hilton, Hilton Garden Inn, Embassy Suites, Doubletree, Marriott, Renaissance, Crowne Plaza and Holiday Inn. Additional information on Davidson may be found at the company's Web site, www.davidsonhotels.com.