



*For Immediate Release*

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**Davidson Hotel Company Sees Significant Opportunity  
to Grow Third-Party Management Business in 2009**

*Company Expects Owners/Lenders Will Look for Experienced Operators  
to Not Only Weather Current Economy, but Also Enhance Value*

MEMPHIS, Tenn., January 28, 2009—Davidson Hotel Company, one of the nation's largest independent hotel management companies, today announced that it expects to increase substantially its third-party hotel management contracts during 2009. Company officials noted that they already are witnessing growing demand from owners/lenders looking to increase their assets' value and profitability during the current economic downturn. The company anticipates it could add up to 10 new management contracts this year. Since the first of the year, Davidson has signed an agreement to operate the 329-room, AAA Four Diamond® Wynfrey Hotel in Birmingham, Ala., and expects to announce a second contract to manage a nationally franchised, mid-Atlantic hotel within the next 30 days.

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“With RevPAR down across the hospitality industry, owners and lenders are seeking seasoned hotel operators with a proven track record of improving the bottom line in all phases of the economic cycle,” said John A. Belden, Davidson’s president and chief executive officer. “Davidson successfully has improved operations for countless underperforming properties throughout its 35-plus year history.”

“Results are what owners/investors seek more than ever today,” said Patrick F. Lupsha, Davidson’s chief operating officer. “Last year, our portfolio’s RevPAR significantly outperformed the industry and our competitive set in every quarter. As the economy struggles, we believe owners and investors will seek the best possible management to generate returns that will allow them to service their debt first, and, secondarily, to enhance the value of their properties. This creates significant opportunities for a deeply experienced and stable operator like Davidson.”

Steven A. Margol, Davidson’s executive vice president of business development, said the company also has the financial strength to co-invest with owners. “Some owners want their management companies to have ‘skin in the game.’ We have sliver investments in approximately half the properties we manage and have the capital available to co-invest when appropriate. Few other management companies have those resources available today.”

Davidson recently named Bernard M. Murphy, senior vice president-business development, to spearhead the company’s efforts in securing third-party management contracts. “With 27 years of hospitality experience, Bernie was the ideal choice to help us expand our

growing portfolio,” Belden stated. “He is well known and respected within our industry and has the drive, determination and foresight to grow our third-party management contract business.

“We are well positioned to weather this phase of the economic cycle,” Belden explained. “We have invested in our infrastructure to allow us to be efficiently scalable, we have a strong executive team in place and we have the management experience so aggressively sought after in this marketplace.”

### **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 35 upscale, independent and branded hotels with approximately 10,000 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](http://www.davidsonhotels.com).