



FOR IMMEDIATE RELEASE

**DRIFTWOOD HOSPITALITY MANAGEMENT ANNOUNCES
\$400MM JOINT VENTURE WITH APOLLO GLOBAL REAL ESTATE**

Strategic Partnership Focused on Acquiring and Repositioning Hotels across U.S.

North Palm Beach, FL – July 12, 2011 – Driftwood Hospitality Management, LLC, (“DHM”) today announced a \$400MM joint venture with a real estate investment fund managed and advised by affiliates of Apollo Global Management, LLC (together with its subsidiaries, “Apollo”). Through their collaboration, the companies have launched a broad acquisition strategy, pursuing the purchase, renovation and reflagging of full-service hotels across the United States.

“We are thrilled to partner with Apollo, a company that mirrors our own entrepreneurial spirit and aligns well with our strategic plan,” said Driftwood Hospitality Management President David Buddemeyer. “This relationship is focused on value creation, affording DHM the opportunity to fully utilize our vast operations expertise. Out of the gate, we have already contracted to acquire \$45MM of hotels with the Apollo fund’s support and collectively, we plan to acquire up to \$400MM of hotels through this relationship over the next two years.”

As a leading hospitality industry player, DHM’s current portfolio consists of 27 hotels comprising over 5,900 rooms in major resort destinations and top business travel and convention markets in the United States, the Bahamas and Costa Rica. This includes independent boutique and resort locations, as well as award-winning franchises of nationally recognized hospitality brand systems such as InterContinental Hotels Group, Starwood Hotels & Resorts Worldwide, Inc., Hilton Worldwide, Carlson, Choice Hotels International, Inc. and Wyndham Worldwide.

“We are pleased to have the opportunity to form this strategic relationship to capitalize on the recovering hospitality market in the U.S. with a best-in-class operator,” said Raymond Mikulich, Managing Director and Head of U.S. Real Estate for Apollo. “Driftwood and its principals have a long track record of success in the industry.”

Apollo Global Real Estate is a fully integrated operating division of Apollo that sources, underwrites and structures investments in commercial real estate assets, companies and operating platforms through its multi-disciplinary team of real estate investment professionals. Apollo Global Real Estate’s investment professionals manage \$6.5B in real estate assets as of March 31, 2011.

Armet Capital served as the investment advisor to DHM in this transaction.

“We are delighted to have advised Driftwood on this, and look forward to working with the joint venture’s management in the implementation of their business strategy,” said Jay Flannery, managing member of Armet Capital.

About Driftwood Hospitality Management

Based in North Palm Beach, Fla., Driftwood Hospitality Management, LLC is a leader in providing solutions-based services for the domestic and international hotel industry. Boasting extensive management experience and relationships with most major hotel franchising companies, Driftwood covers the full spectrum of lodging business needs, from mid-size extended-stay to limited-service properties, boutique hotels and full-service resorts featuring spas, restaurants and convention centers. Currently, Driftwood's focus is on strategic acquisition, development, third-party management and receivership.

Driftwood has additional offices in Costa Rica, Scottsdale, Ariz. and Miami, Florida. In the past three years alone, the company and its hotels have received more than 20 industry awards.

For more information, visit www.DriftwoodHospitality.com.

About Apollo

Apollo (NYSE:APO) is a leading global alternative asset manager with offices in New York, Los Angeles, London, Frankfurt, Luxembourg, Singapore, Mumbai and Hong Kong. Apollo had assets under management of \$70 billion as of March 31, 2011, in private equity, credit-oriented capital markets and real estate funds invested across a core group of nine industries where Apollo has considerable knowledge and resources.

For more information, please visit www.agm.com.

About Armet Capital

Founded in 2008, Armet is active in real estate advisory, principal investing and providing capital to real estate owners and developers. The principals of Armet have more than 25 years of experience in the real estate capital markets with specific expertise in the hotel industry including numerous acquisitions. Armet has offices in New York and Houston.

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