

For Immediate Release

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**Interstate Hotels & Resorts Forms Strategic Alliance with
International Hotel Investments Ltd (IHI Ltd)**

Relationship to Establish Platform for Expansion in Europe

ARLINGTON, Va., April 21, 2010—Interstate Hotels & Resorts, the United States' largest independent hotel management company, today announced that it has formed a strategic alliance with IHI Ltd, an affiliate of Harte Holdings, to operate and selectively invest in hotels in Europe. Interstate already manages six hotels for affiliates of Harte Holdings in the U.S. and Europe, four of which are owned by a joint venture between the two organizations. The new alliance will expand Interstate's third-party hotel management platform throughout the EU.

“We have been a pioneer in third-party hotel management in Europe, and with 12 hotels under contract there, we have the size and scale to support additional expansion,” said Thomas F. Hewitt, chairman and chief executive officer. “In the near future, we intend to open a European office to oversee our growing European portfolio, which will be similar in scope and responsibility to our international offices in Moscow, Mexico, and most recently, India.”

Hewitt noted that the strength of Interstate's international management platform comes from its reliance on local partners with strong ties to the region. “IHI Ltd is a highly regarded European company, with considerable experience in the industry. With their strong local relationships, cultural expertise and depth of industry knowledge, they will identify suitable

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assets, source capital, structure transactions and asset manage. Our emphasis will be on third-party management opportunities, and, when appropriate, we may co-invest with owners and developers. We already are working on several possible development projects sourced by IHI Ltd that Interstate will manage.”

In December 2009, the Argyll Hotel Group, an affiliate of Harte Holdings, selected Interstate to manage two upscale boutique hotels in downtown London, increasing the number of its Interstate-managed properties to six. “Our relationship with Interstate has proven mutually rewarding over the years, and we know them to be a strong and capable operator,” said Donal Kelleher, director of IHI Ltd. “This alliance underscores our confidence in their ability to continue to successfully adapt their proven management practices to international markets.”

“We believe this alliance significantly enhances our ability to source additional new contracts and/or development and acquisition opportunities throughout Europe,” said Leslie Ng, Interstate’s chief investment officer. “In addition to our self-generated pipeline, we see significant management opportunities arising as top-quality brands like Marriott, Starwood, Hilton and IHG, with whom we have had long and positive relationships, continue to announce plans to step up the pace of their international expansion.”

About IHI Ltd

IHI Ltd is a European-based hotel asset management company which is connected with a wide variety of real estate projects across mainland Europe and the U.S., consisting primarily of hotels, residential, commercial and retail assets in these areas. The board of IHI Ltd has significant experience in this area.

About Interstate Hotels & Resorts, Inc.

Interstate Hotels & Resorts, Inc, a wholly owned subsidiary of a 50/50 joint venture between subsidiaries of Thayer Lodging and Jin Jiang, is the United States' largest independent hotel management company based on revenue managed. Interstate has operated hotels in Europe for over a decade and is committed to additional expansion throughout the European Union. In 2008, Interstate established a hotel management platform in India and recently announced the establishment of a joint venture to create a platform to pioneer third party hotel management in China. The company and its affiliates manage and/or have ownership interests in a over 225 properties with nearly 46,000 rooms in the United States, Russia, India, Mexico, Belgium, Canada, Ireland and England. The company has ownership interests in 56 of those properties, including six wholly owned assets. For more information about Interstate Hotels & Resorts, visit the company's Web site: www.ihrco.co