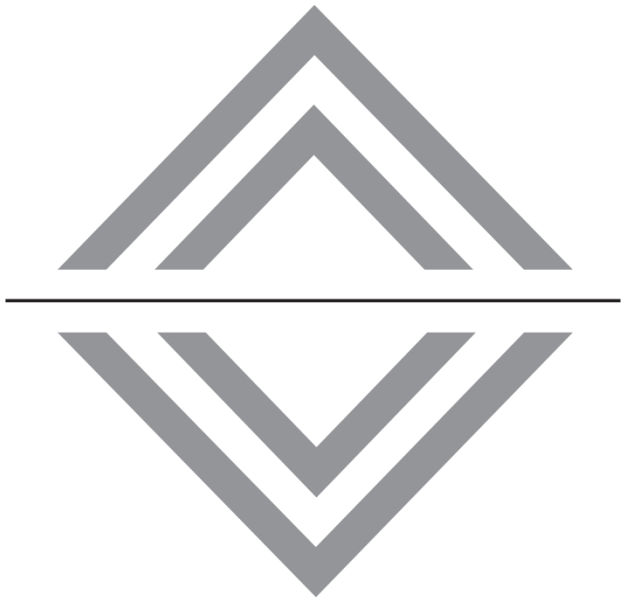


ASHFORD

Investor & Analyst Day – May 2014



ASHFORD
HOSPITALITY PRIME



ASHFORD
HOSPITALITY TRUST



ASHFORD
INVESTMENT MANAGEMENT

Introduction

Deric Eubanks

Senior Vice President - Finance

Safe Harbor

In keeping with the SEC's "Safe Harbor" guidelines, certain statements made during this presentation could be considered forward-looking and subject to certain risks and uncertainties that could cause results to differ materially from those projected. When we use the words "will likely result," "may," "anticipate," "estimate," "should," "expect," "believe," "intend," or similar expressions, we intend to identify forward-looking statements. Such forward-looking statements include, but are not limited to, our business and investment strategy, our understanding of our competition, current market trends and opportunities, projected operating results, and projected capital expenditures.

These forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated including, without limitation: general volatility of the capital markets and the market price of our common stock; changes in our business or investment strategy; availability, terms and deployment of capital; availability of qualified personnel; changes in our industry and the market in which we operate, interest rates or the general economy, the degree and nature of our competition, and the satisfaction of the conditions to the completion of the proposed spin-off of Ashford Inc. These and other risk factors are more fully discussed in the Company's filings with the Securities and Exchange Commission. Historical results are not indicative of future performance.

EBITDA is defined as net income before interest, taxes, depreciation and amortization. EBITDA yield is defined as trailing twelve month EBITDA divided by the purchase price. A capitalization rate is determined by dividing the property's net operating income by the purchase price. Net operating income is the property's funds from operations minus a capital expense reserve of either 4% or 5% of gross revenues. Hotel EBITDA flow-through is the change in Hotel EBITDA divided by the change in total revenues. EBITDA, FFO, AFFO, CAD and other terms are non-GAAP measures, reconciliations of which have been provided in prior earnings releases and filings with the SEC.

This overview is for informational purposes only and is not an offer to sell, or a solicitation of an offer to buy or sell, any securities of Ashford Hospitality Trust, Inc., Ashford Hospitality Prime, Inc., Ashford Inc., or any of their respective affiliates, and may not be relied upon in connection with the purchase or sale of any such security.

Management Team Attending



Monty J. Bennett
Chairman & Chief Executive Officer



Douglas Kessler
President



David Brooks
Chief Operating Officer & General Counsel



David Kimichik
Chief Financial Officer



Jeremy Welter
EVP – Asset Management



Rob Hays
SVP – Corp. Finance & Strategy



Deric Eubanks
SVP - Finance

Timeline



9:05 to 9:25am

Corporate, Economy & Industry Overview

Monty J. Bennett, Chairman & Chief Executive Officer



9:25 to 9:40am

Capital Structure & Balance Sheet Overview

David Kimichik, Chief Financial Officer



9:40 to 9:50am

Ashford Investment Management Overview

Rob Hays, Senior Vice President – Corporate Finance & Strategy



9:50 to 10:20am

Asset Management Overview

Jeremy Welter, Executive Vice President – Asset Management

Timeline

10:20 to 10:30am
Coffee Break & Sign-up for 1-on-1 Meetings



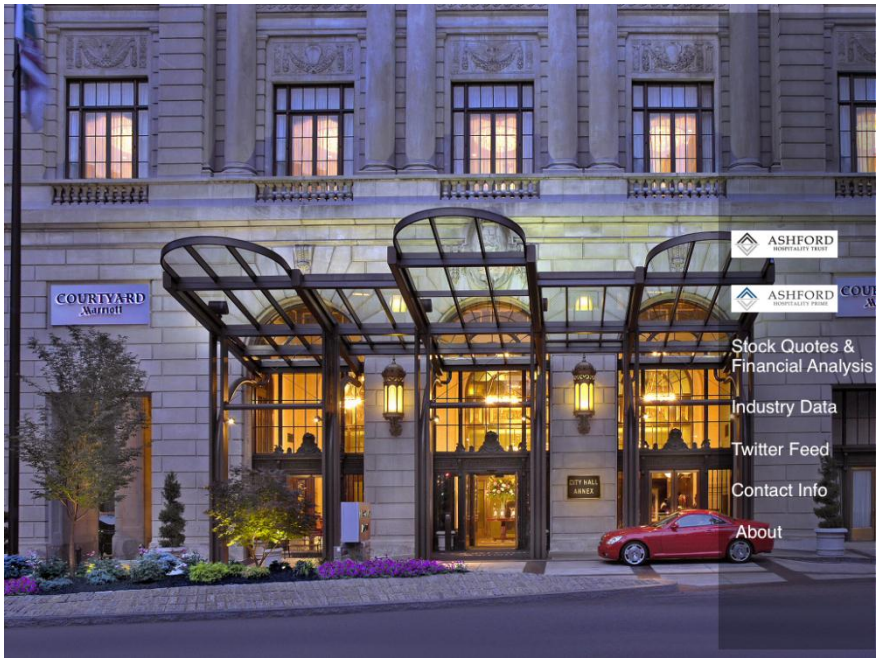
10:30 to 11:00am
Growth & Acquisition Strategy
Douglas Kessler, President

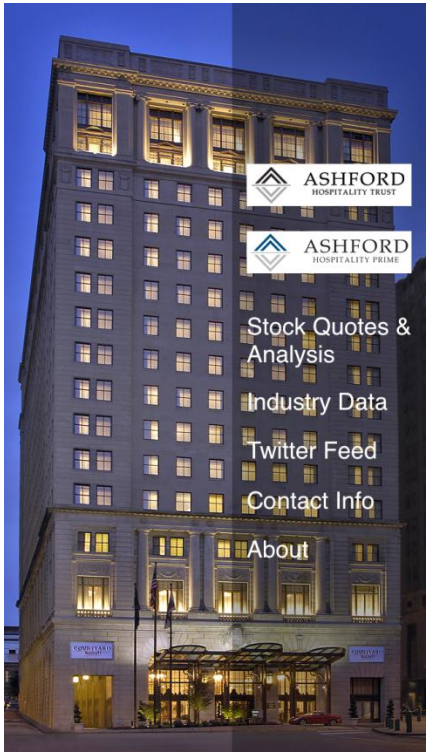
11:00 to 11:30am
Question & Answer Session
Management Team

11:30 to 12:30pm
Lunch with Management

Ashford on Mobile & Social Media

- **Follow Chairman and Chief Executive Officer, Monty J. Bennett, on Twitter at www.twitter.com/MBennettAshford or @MBennettAshford**
- **The Ashford App is now available for free download at Apple's App Store by searching "Ashford"**





Presentation Overview

Monty J. Bennett

Chairman & Chief Executive Officer

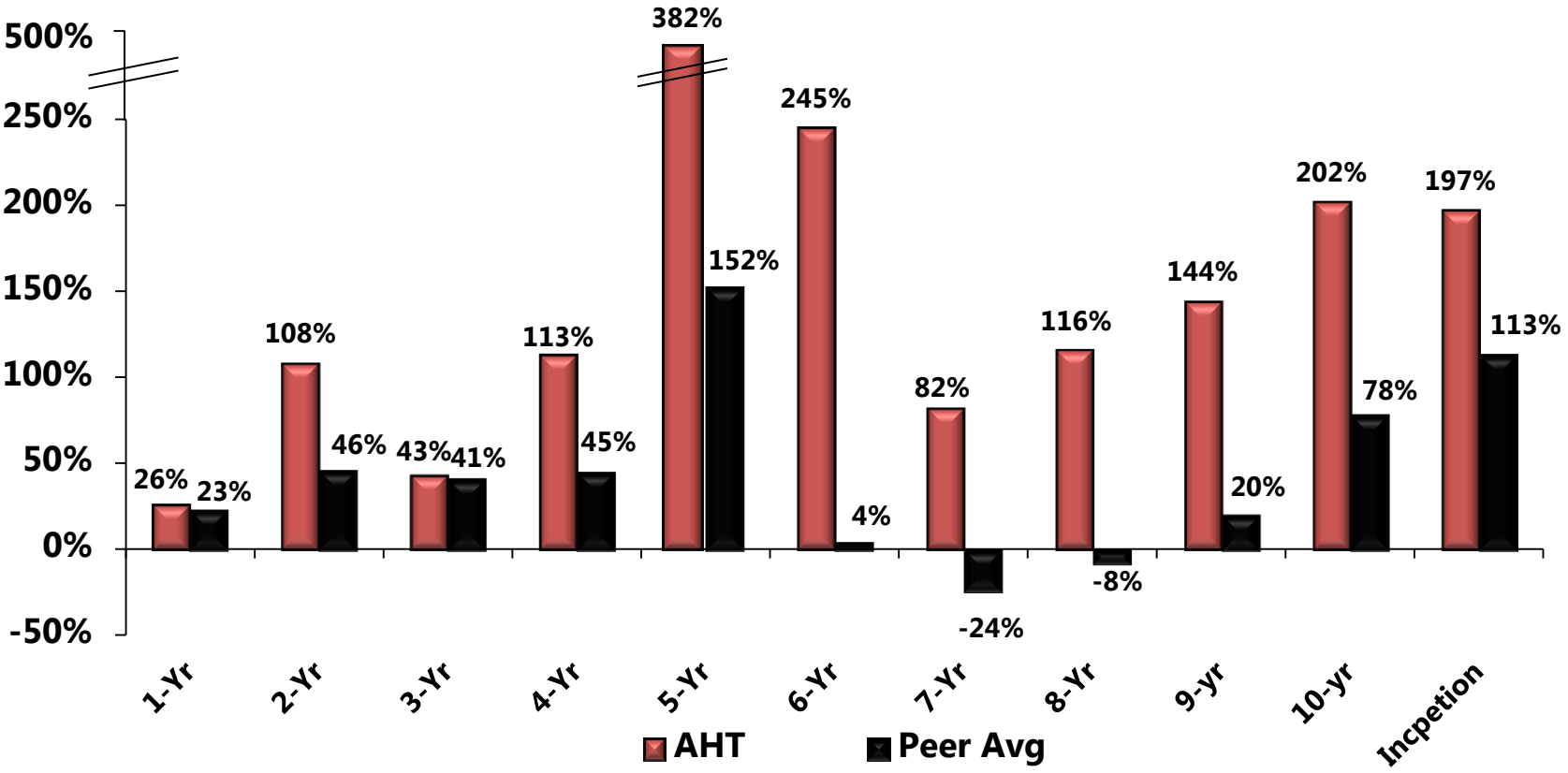
Presentation Overview

- Ashford has delivered superior shareholder returns
- Multiple ways to invest with this highly-experienced management team
- There is still significant upside remaining in this lodging cycle
- Proven asset management expertise
- Attractive growth opportunities across all Ashford platforms

10-Year Track Record of Outperformance

- **Disciplined growth, operational expertise, and capital allocation to maximize shareholder returns**
- **AHT and AHP expect to benefit from strong management capabilities**

Total Shareholder Return



Peer average includes: BEE, CHSP, CLDT, DRH, FCH, HST, HT, INN, LHO, PEB, RLJ, SHO
Trailing Total Shareholder Returns as of 5/9/14
Source: Bloomberg

Ashford Total Returns

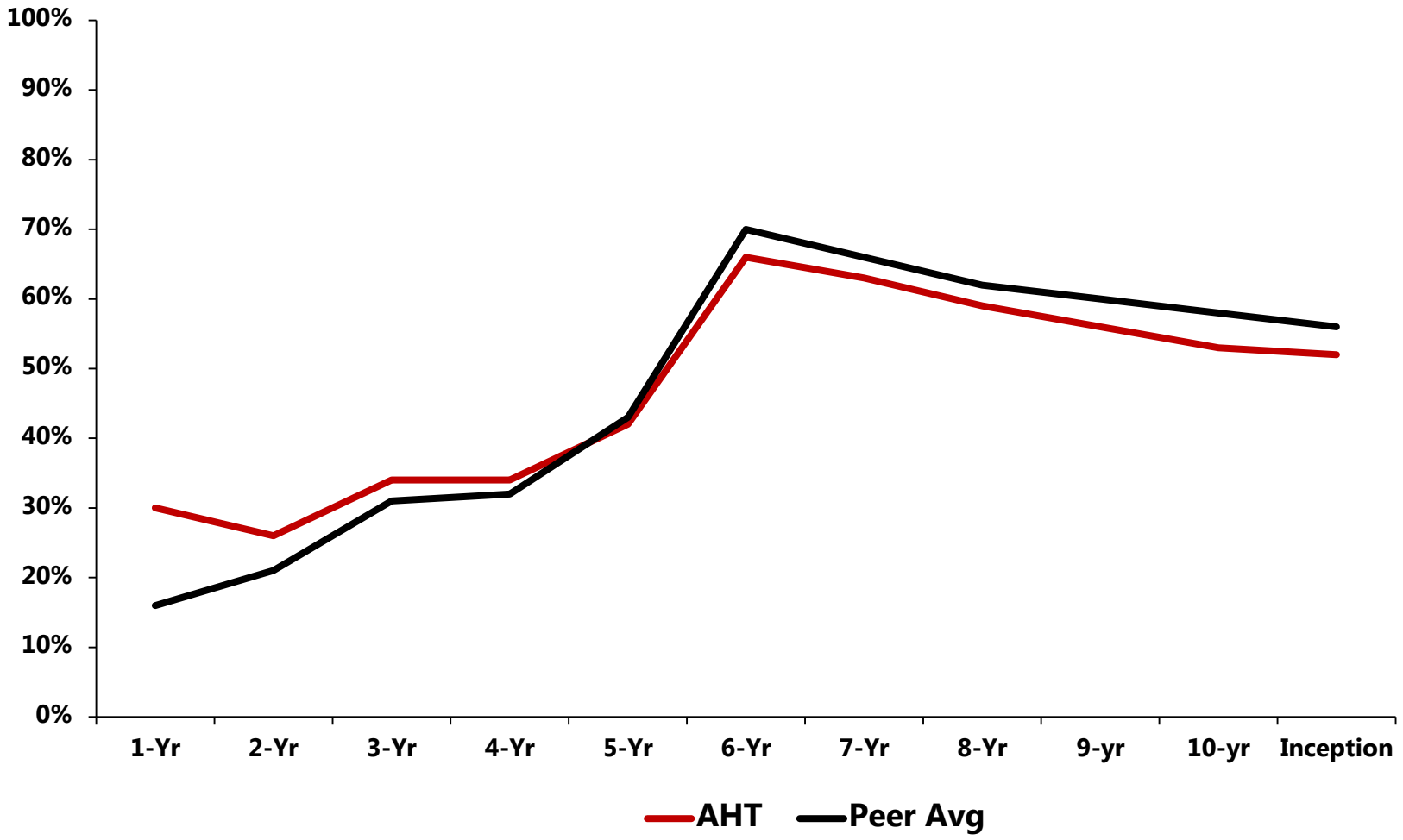
- **Outperformance every year versus every benchmark**

Ashford Trust (NYSE: AHT) Total Returns vs. Benchmarks					
Total Returns as of 5/9/14	**Ashford**	**Bloomberg Hotel REIT Index**	**MSCI U.S. REIT Index**	**DJ U.S. Real Estate Index**	**S&P 500 Index**
1- Year	25.6%	19.8%	2.0%	0.9%	17.9%
3-Year	43.2%	39.0%	37.2%	32.4%	49.0%
5-Year	381.6%	177.4%	180.9%	166.0%	129.8%
Since IPO (08/2003)	196.5%	134.9%	N/A	171.1%	135.5%

Source: Bloomberg

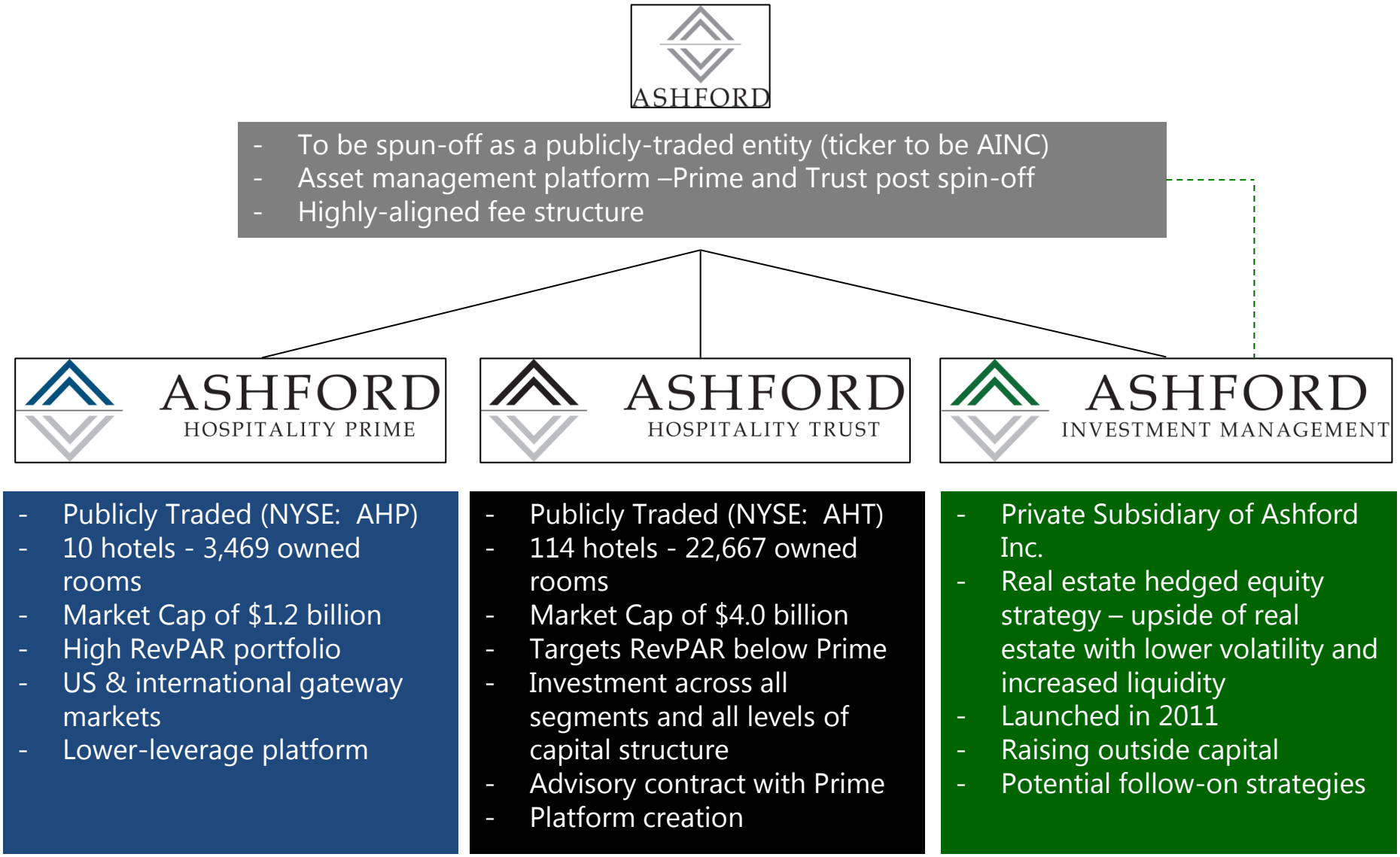
Total Shareholder Return - Volatility

- **Ashford's volatility has been lower than peer average**



Peer average includes: BEE, CHSP, CLDT, DRH, FCH, HST, HT, INN, LHO, PEB, RLJ, SHO
Trailing Volatility as of 5/9/2014
Source: Bloomberg

Ashford Family of Companies



Management Focus



- Same management team running combined platforms of similar size to single platform prior to spin-off
- Will devote time to managing assets within platforms in same manner as before the spin-off
- Same asset managers overseeing same assets
- But now multiple ways for investors to invest

Corporate Structure – High Alignment

- **Ashford Trust and Ashford Prime have highly-aligned management and fee structures as well as attractive corporate governance provisions**

Ashford Trust

- Insider ownership of 18%*
- Two-thirds independent directors
- Directors elected on an annual basis
- Lead director is independent
- Related party transactions must be approved by majority of independent directors
- Advisory agreement is terminable upon a change of control for a fee

Ashford Prime

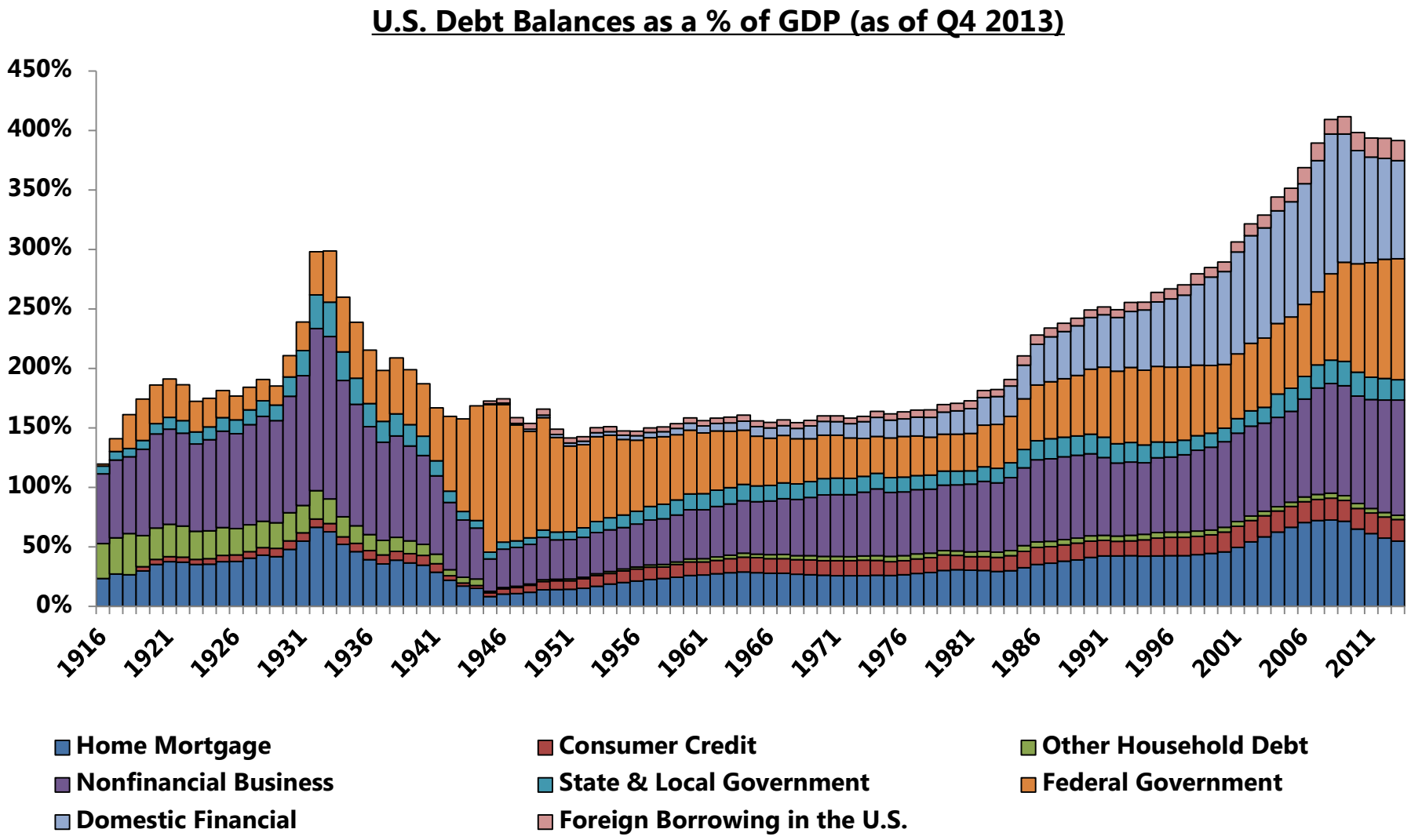
- Insider ownership of 14%*
- Two-thirds independent directors
- Directors elected on an annual basis
- Lead director is independent
- Related party transactions must be approved by majority of independent directors
- Advisory agreement is terminable upon a change of control for a fee

ASHFORD

* Insider ownership for Ashford entities includes direct & indirect interests as well as interests of related parties

Economic & Industry Overview

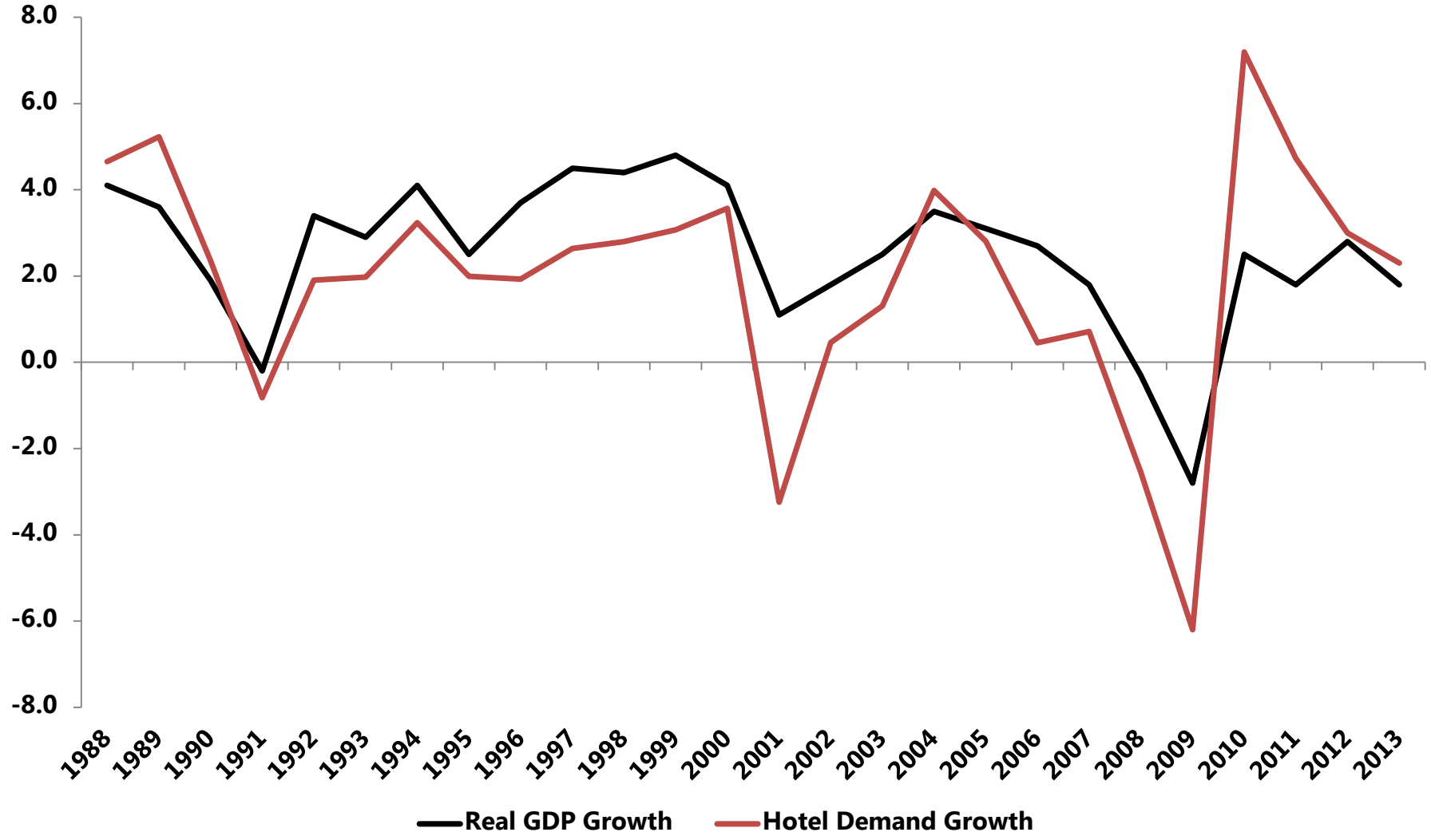
Historical US Debt Balances



ASHFORD

Source: Federal Reserve - Z.1, Treasury Direct, Bureau of Economic Analysis

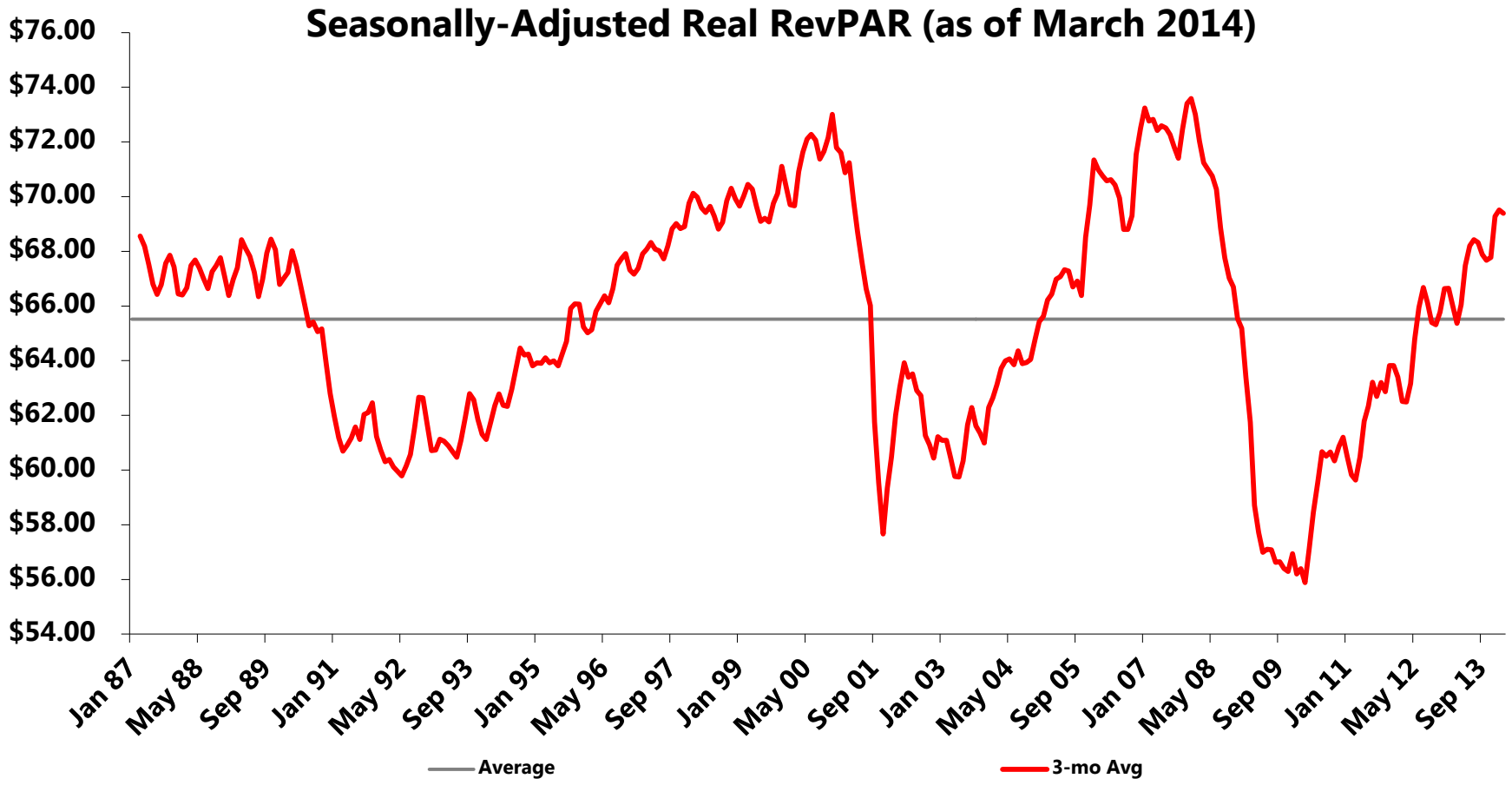
Hotel Demand Driven by Economy



Source: Smith Travel Research & U.S. Dept. of Commerce: BEA

Real RevPAR Growing

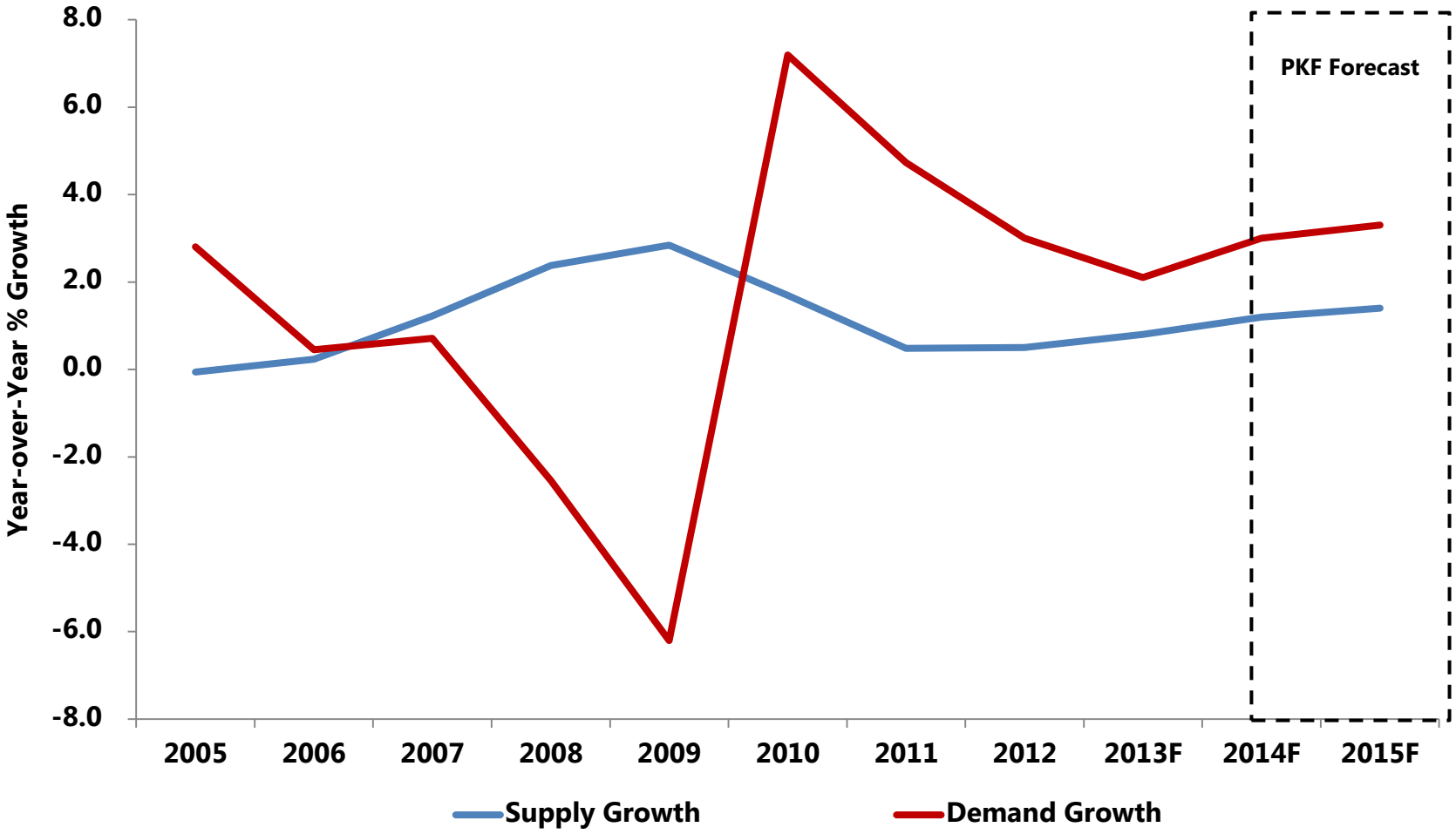
- **Real RevPAR remains well below the previous peak and each recent new peak has exceeded prior cycles**



Source: Smith Travel Research

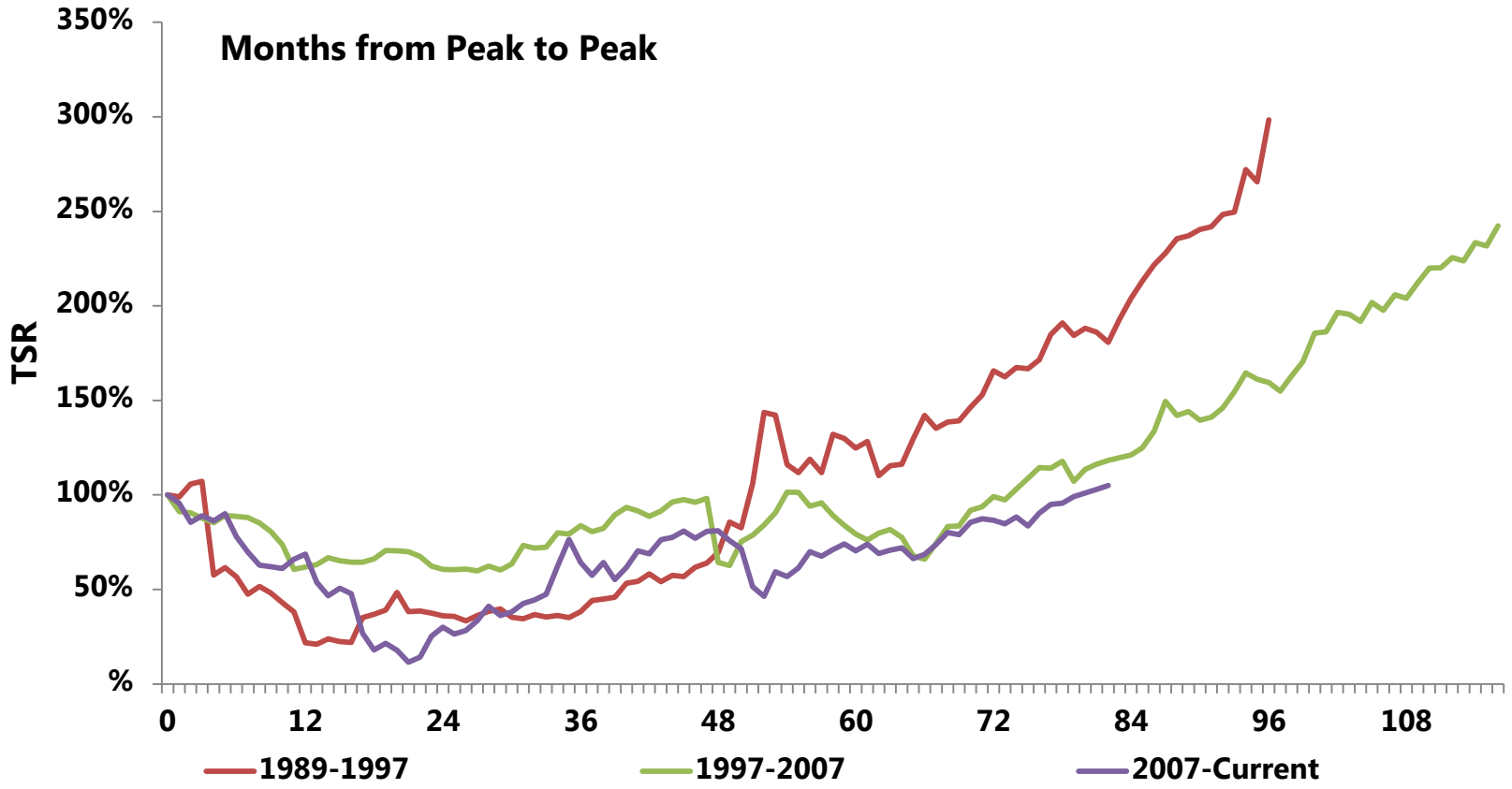
Attractive Supply/Demand Imbalance

- **Demand expected to exceed supply through at least 2015**



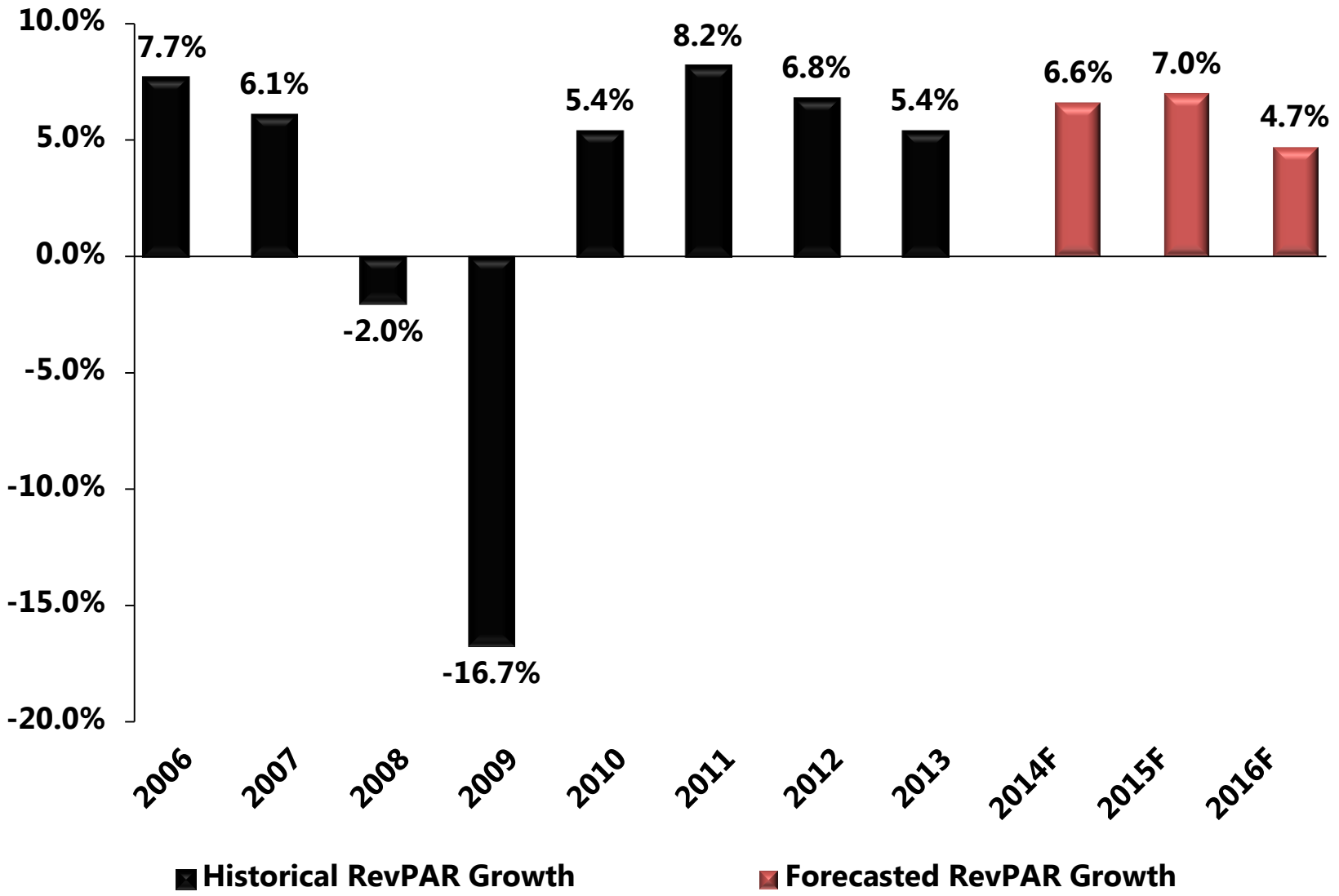
Historical Industry Stock Returns

- **Historically, attractive returns remain for investors from this point in the lodging cycle**



Index includes AHT, BEE, DRH, FCH, HST, HT, LHO, and SHO. Companies are included in the data from the time of their IPO
Current data as of March 31, 2014

PKF RevPAR Growth Forecasts



PKF RevPAR Growth Forecasts

- **With strong potential RevPAR gains, those companies with reasonable flow-throughs could experience significant EBITDA growth**
- **PKF estimates 2-year cumulative EBITDA growth of about 28%***

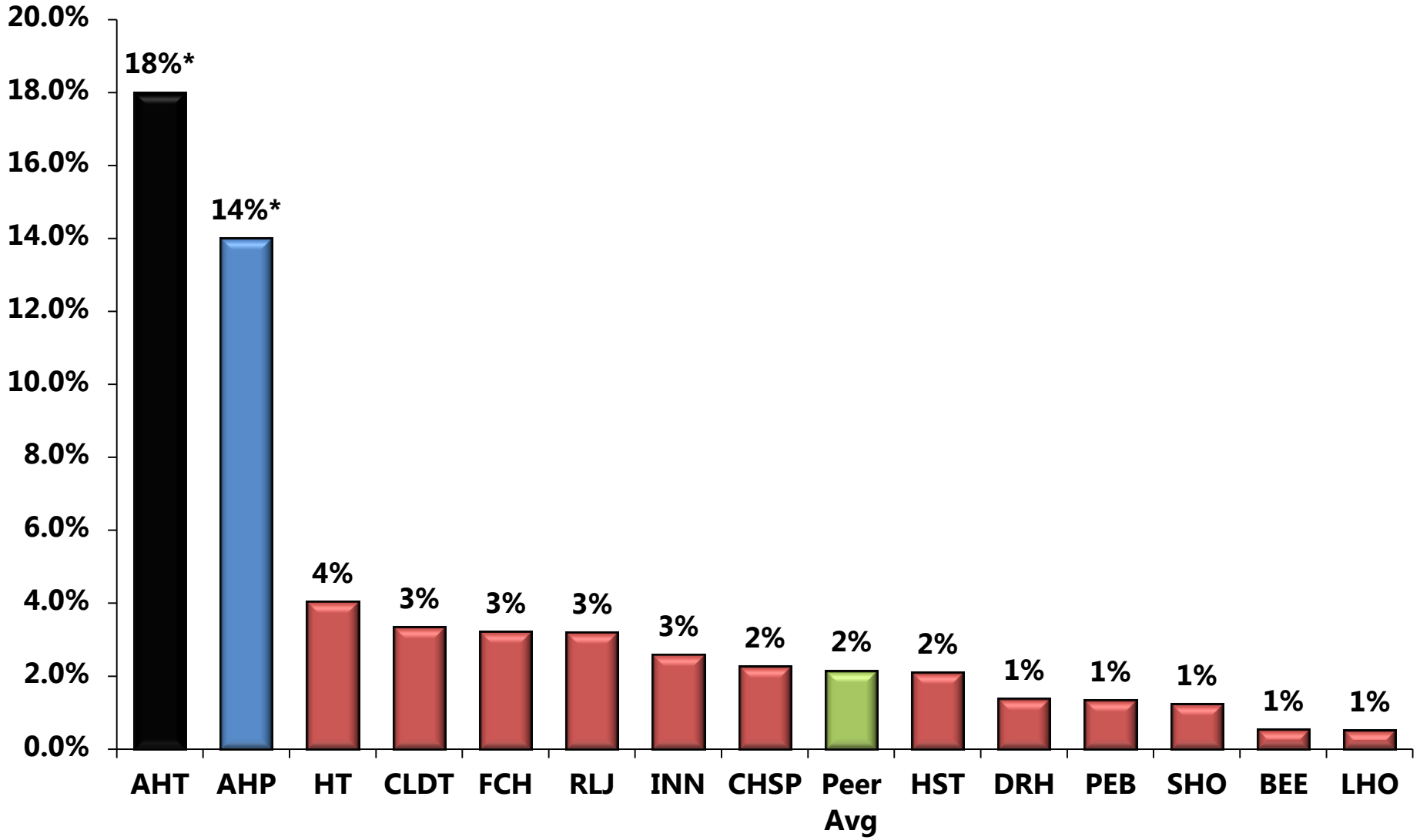
CUMULATIVE 2-YEAR EBITDA GROWTH

2-YEAR EBITDA FLOW %	COMPOUNDED 2-YEAR REVPAR GROWTH RATE				
	5.5%	**6.0%**	**6.5%**	**7.0%**	**7.5%**
20.0%	9.0%	9.9%	10.7%	11.6%	12.5%
25.0%	11.3%	12.4%	13.4%	14.5%	15.6%
30.0%	13.6%	14.8%	16.1%	17.4%	18.7%
35.0%	15.8%	17.3%	18.8%	20.3%	21.8%
40.0%	**18.1%**	**19.8%**	**21.5%**	**23.2%**	**24.9%**
45.0%	**20.3%**	**22.2%**	**24.2%**	**26.1%**	**28.0%**
50.0%	**22.6%**	**24.7%**	**26.8%**	**29.0%**	**31.1%**
55.0%	**24.9%**	**27.2%**	**29.5%**	**31.9%**	**34.2%**
60.0%	27.1%	29.7%	32.2%	34.8%	37.4%
65.0%	29.4%	32.1%	34.9%	37.7%	40.5%
70.0%	31.6%	34.6%	37.6%	40.6%	43.6%

ASHFORD

*Based on PKF RevPAR/ADR/Occupancy projections and EBITDA growth resulting from PKF EBITDA change regression equation

Highest Insider Ownership

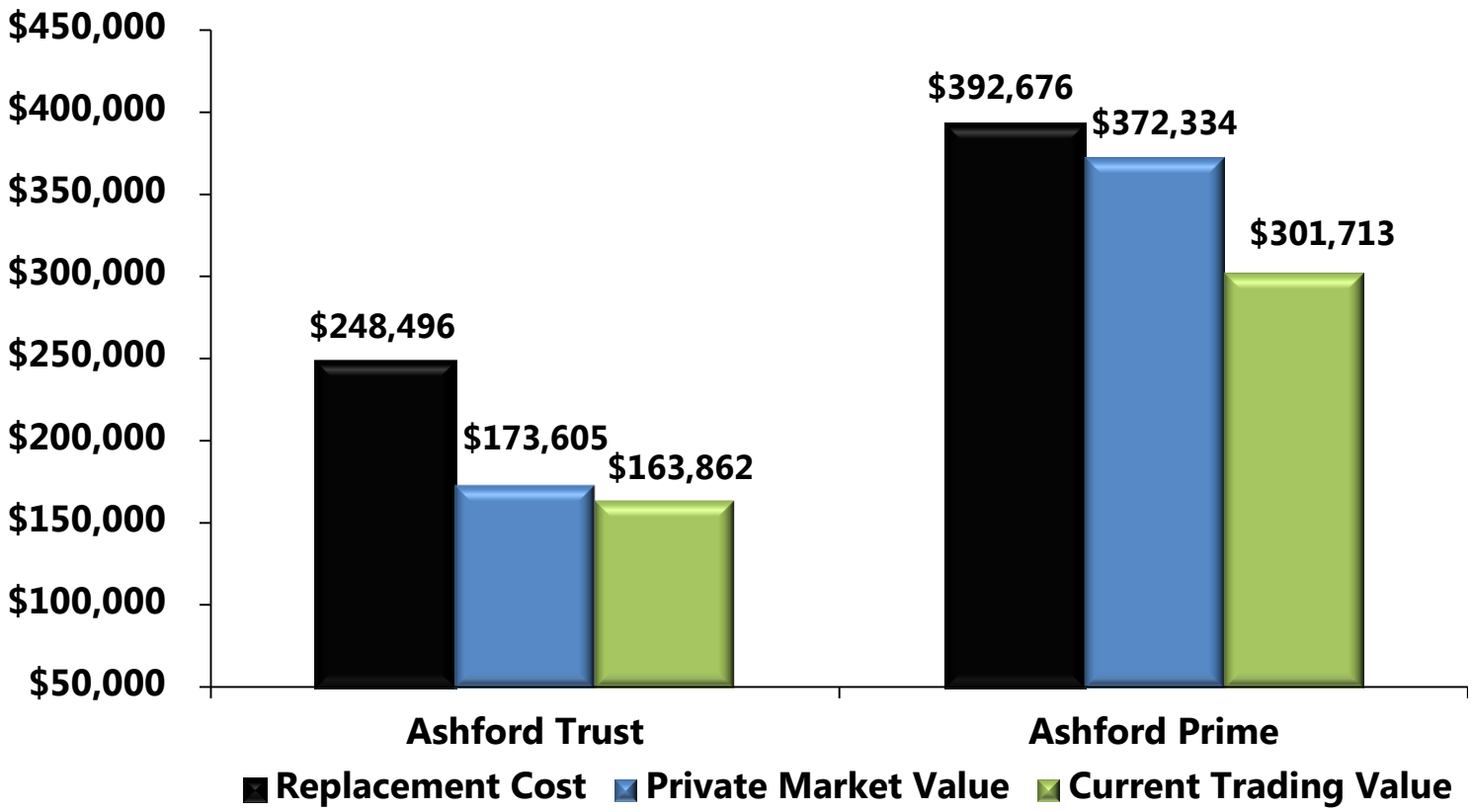


ASHFORD

Public Lodging REITs include: BEE, CHSP, CLDT, DRH, FCH, HST, HT, INN, LHO, PEB, RLJ, SHO
Source: Company filings.
* Insider ownership for Ashford entities includes direct & indirect interests & interests of related parties

Estimated Value per Key

- **Ashford Trust and Ashford Prime are currently trading well below replacement cost and private market value**



Source – Replacement Cost: HVS & JP Morgan
Source – Private Market Values: HVS

Capital Structure & Balance Sheet

David Kimichik

Chief Financial Officer

Ashford Prime Capital Structure

	$ in millions except per share data
Stock Price (as of 5/9/14)	$15.47
Fully diluted shares outstanding (mm) (2)	34.1
Equity value	**$527.6**
Debt (1) (2)	719.7
Total Market Capitalization	**$1,247.3**
Less: Net working capital (1) (2)	(182.5)
Total Enterprise Value	**$1,064.8**

(1) Ashford Prime's pro rata share
(2) As of 3/31/14

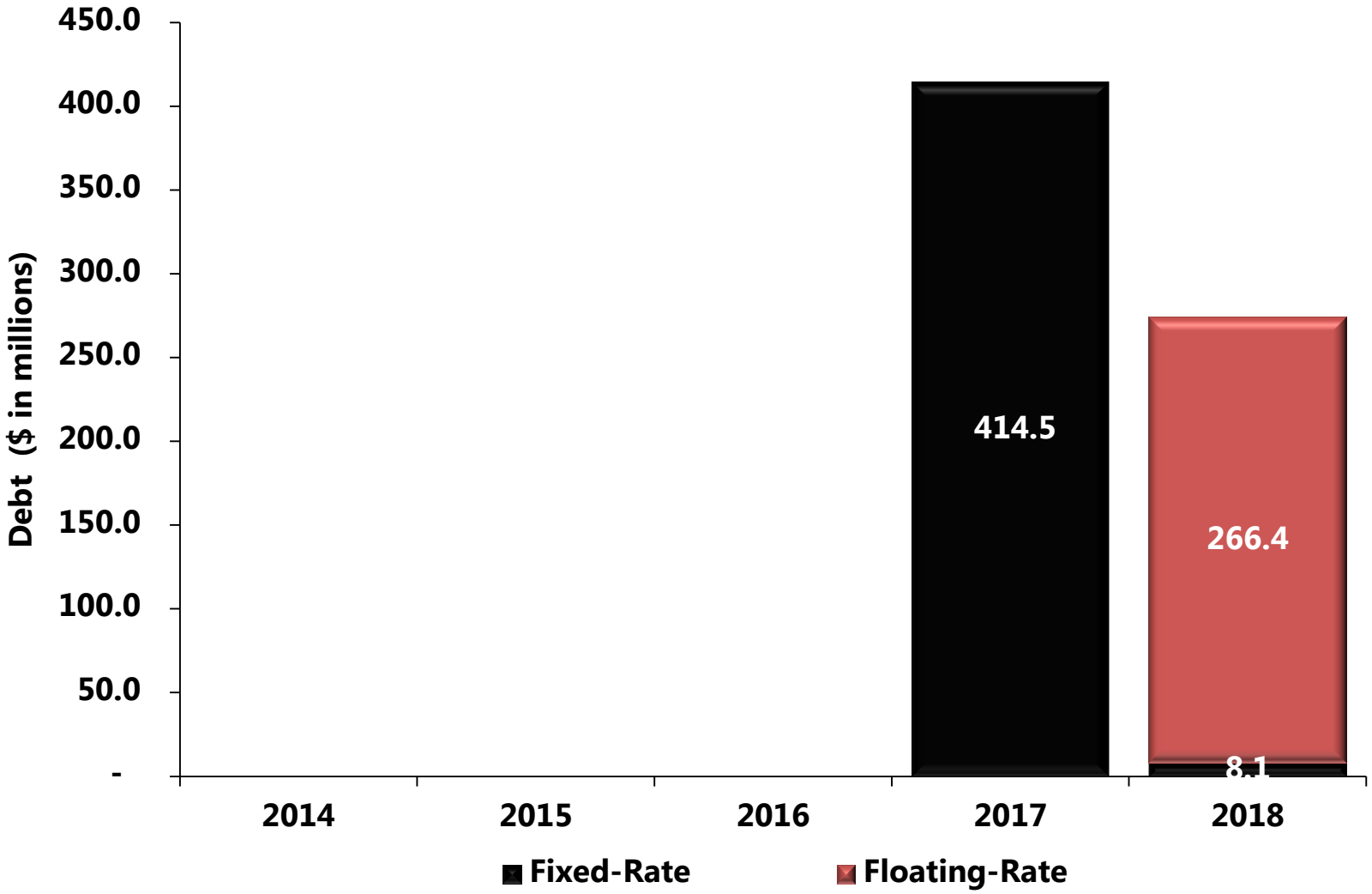
ASHFORD

Ashford Prime Net Working Capital

	$ in millions
Cash and cash equivalents	$172.4
Restricted cash	5.2
Accounts receivable, net	10.3
Prepaid expenses	3.7
Due from affiliates, net	(0.9)
Due from 3rd party hotel managers, net	20.1
Total current assets	**$210.7**
Accounts payable, net & accrued expenses	$26.5
Dividends payable	1.7
Total current liabilities	**$28.2**
Net working capital	**$182.5**

Ashford Prime's pro rata share as of 3/31/14

Ashford Prime Debt Maturities



Ashford Prime Balance Sheet Initiatives

- Target (Net Debt + Preferred)/EBITDA < 5.0x
- Maintain mix of fixed and floating rate debt
- Ladder maturities
- Maintain excess cash balance to capitalize on opportunities
- Focus on property-level, non-recourse debt

Ashford Trust Capital Structure

	$ in millions except per share data
Stock Price (as of 5/9/14)	$10.46
Fully diluted shares outstanding (mm) (2)	102.4
Equity value	**$1,070.8**
Preferred equity (Par value) (2)	393.9
Debt (1) (2)	2,582.4
Total Market Capitalization	**$4,047.1**
Less: Net working capital (1) (2)	(394.8)
Total Enterprise Value	**$3,652.4**

(1) Includes Ashford Trust's 71.74% share of the Highland Portfolio
(2) As of 3/31/14

ASHFORD

Ashford Trust Net Working Capital

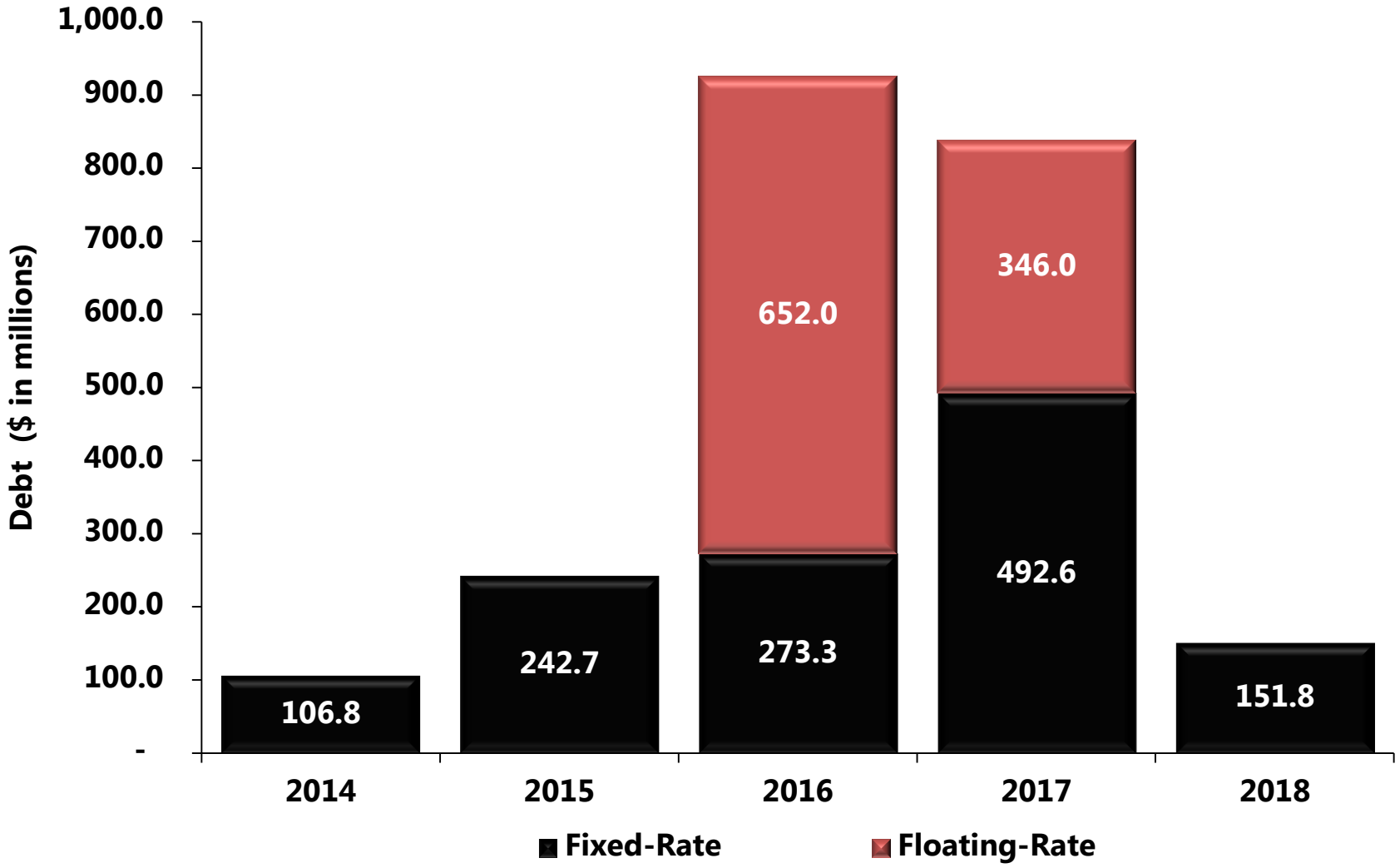
	$ in millions
Cash and cash equivalents*	$171.7
Marketable securities, net	27.2
Restricted cash*	123.4
Accounts receivable, net*	47.1
Prepaid expenses*	18.7
Due from affiliates, net*	3.5
Due from 3rd party hotel managers, net*	49.2
Market value of Ashford Prime investment	75.3
Total current assets	**$516.1**
Accounts payable, net & accrued expenses*	$100.4
Dividends payable	20.9
Total current liabilities	**$121.3**
Net working capital	**$394.8**

ASHFORD

As of 3/31/14

* Includes Ashford Trust's 71.74% share of the Highland Portfolio

Ashford Trust Debt Maturities



Ashford Trust Balance Sheet Initiatives

- Target Net Debt/Gross Assets of 50-60%
- Maintain mix of fixed and floating rate debt
- Ladder maturities
- Proactively refinance upcoming maturities
- Maintain excess cash balance to capitalize on opportunities
- Focus on property-level, non-recourse debt

ASHFORD
INVESTMENT MANAGEMENT

Ashford Investment Management

Rob Hays

President & Chief Strategy Officer – Ashford Investment Management

Senior Vice President – Corporate Finance & Strategy – Ashford Inc.

Goals of Ashford Investment Management

Ashford hopes to achieve multiple goals through the creation of AIM

Create value for investors

Management expertise
Insightful & unique data
Rigorous analysis & research

Create new fee steams

Diversify asset base

Future growth opportunities

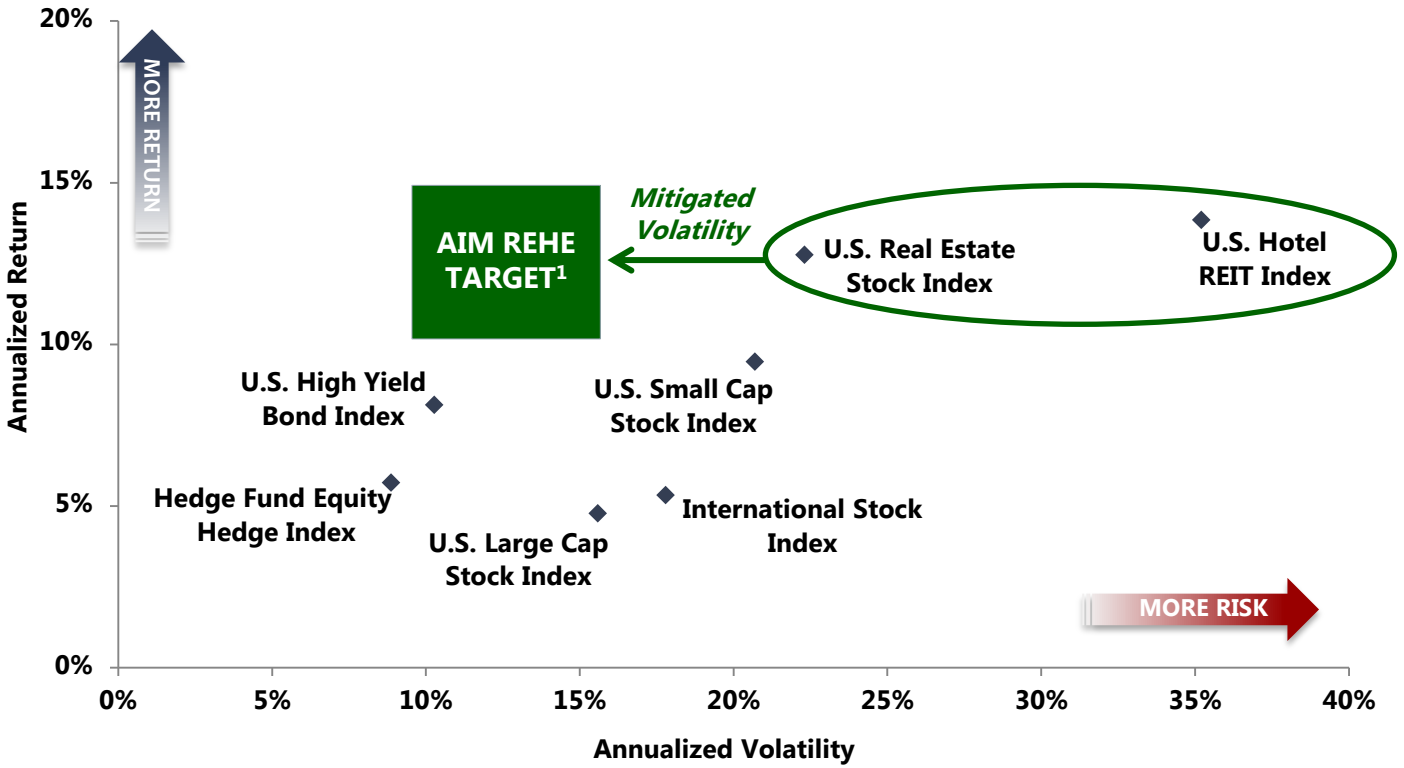
Long-term Opportunity in Real Estate Securities

Real estate has offered attractive long-term mid-teen returns, but with high volatility

Opportunity in capturing upside while hedging volatility[1]

Annualized Returns vs. Annualized Risk for Various Asset Classes January 2000 through December 2013

Real Estate Hedged Equity ("REHE") Strategy Targets Low- to Mid-Teen Long-term Returns and Volatility



Source: Bloomberg

Past performance is not an indication of future results.

1. The strategy does not attempt to replicate benchmarks. No assurance can be given that the investment objective will be achieved or that an investor will receive a return of all or part of his or her investment capital, and investment results may vary substantially over time

Real Estate Hedged Equity ("REHE") Strategy

Objective

Capture attractive net returns in liquid, primarily U.S. listed real estate securities with mitigated volatility[1]

Strategy characteristics

Industry Focus:

Real estate
REITs
Hospitality
Leisure

Proactive Multi-Level Hedging:

Security
Industry
Macro

Cyclical Awareness:

Cyclical, top-down industry & macro viewpoints supported by fundamentals

Liquidity[2]:

Equity market cap >$5b

Monthly liquidity

1. No assurance can be given that the investment objective will be achieved or that an investor will receive a return of all or part of his or her investment capital, and investment results may vary substantially over time
2. Indicative equity liquidity target within the investing universe

Next Steps

Focus in the near future is on REHE Strategy execution and capital raising

Continue to build on strong track record of REHE Strategy

Greater focus on raising capital

Target date for launch is second half of 2014

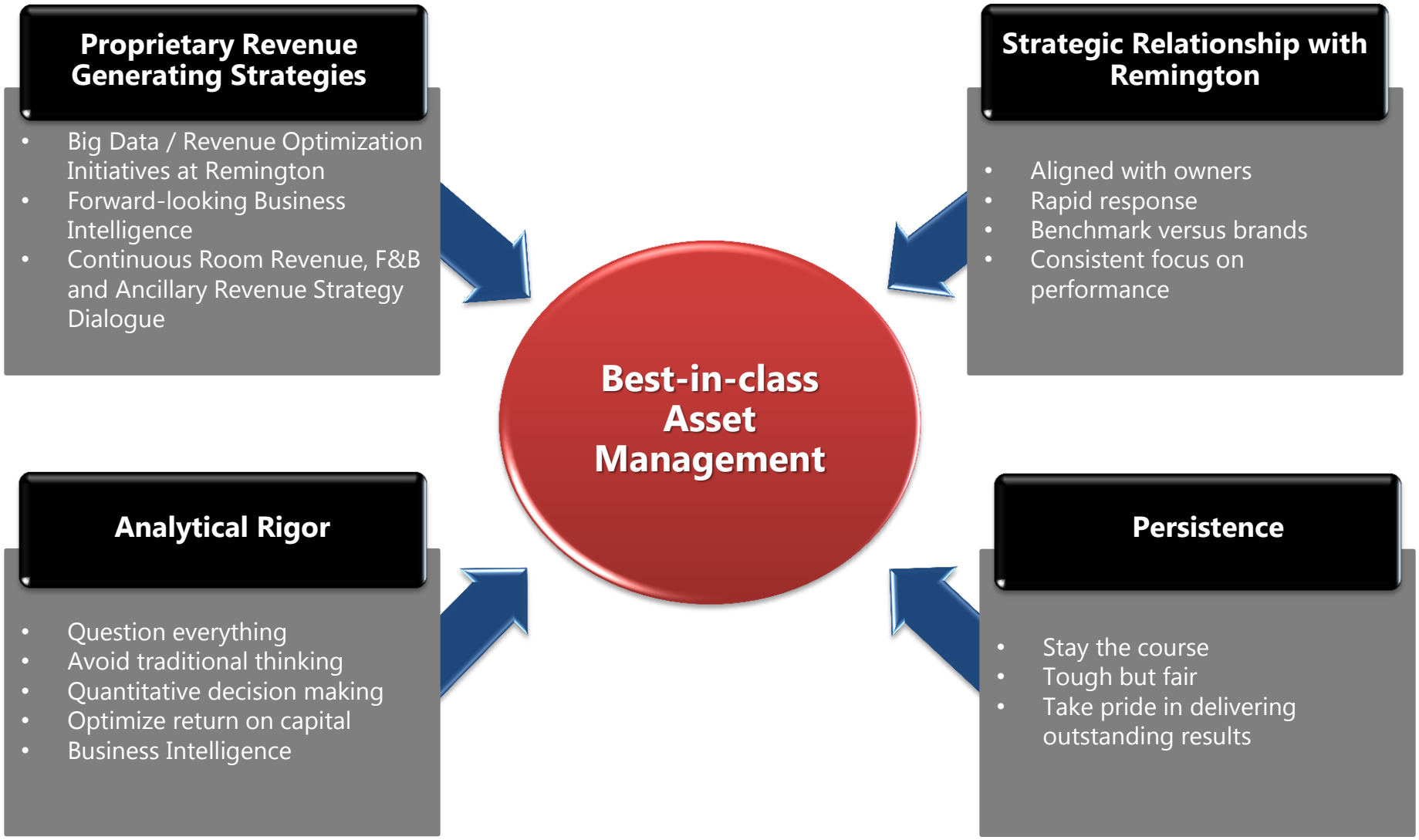
Investigate additional strategies and products for the platform

Asset Management Overview

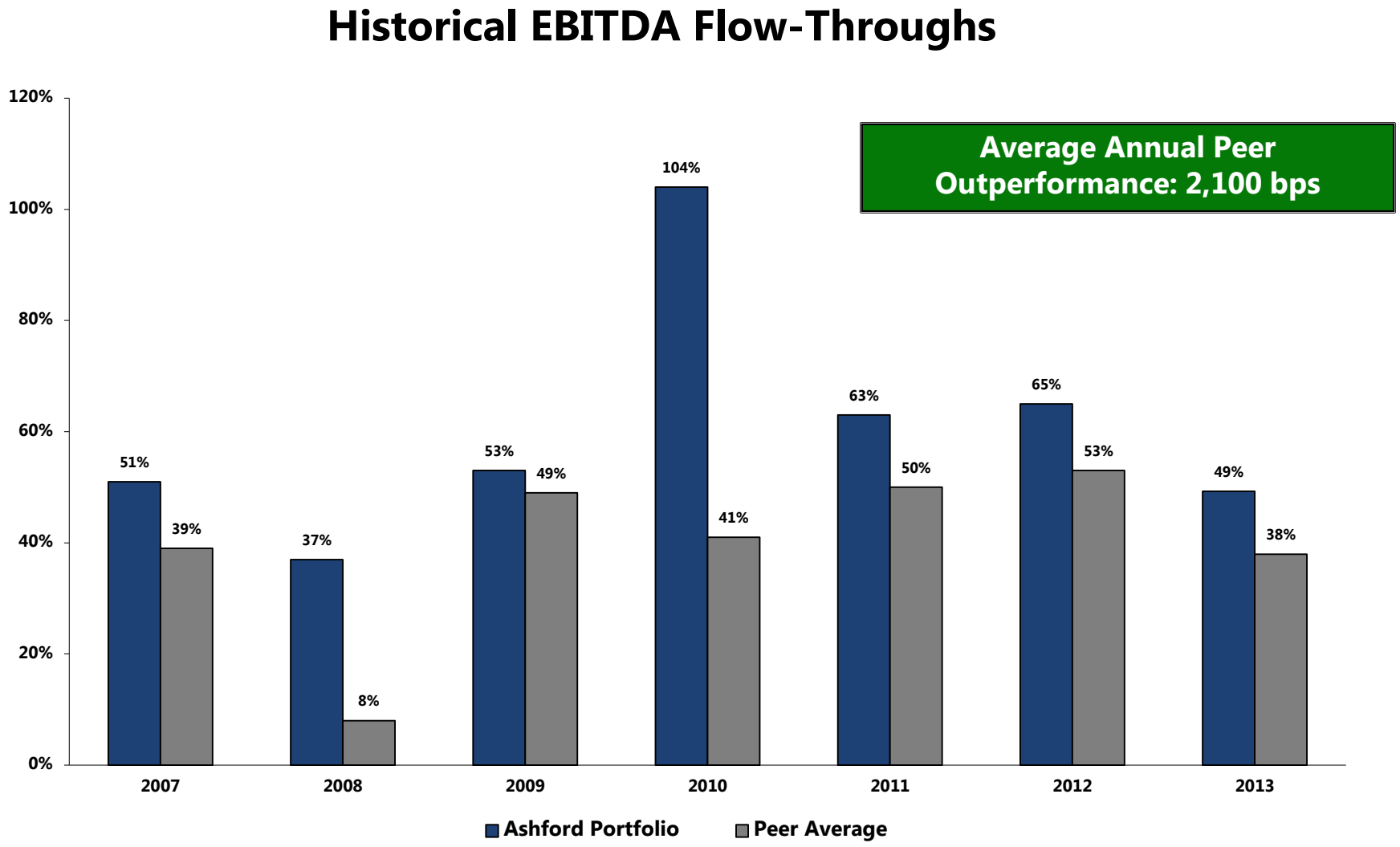
Jeremy Welter

Executive Vice President – Asset Management

Best-in-Class Asset Management



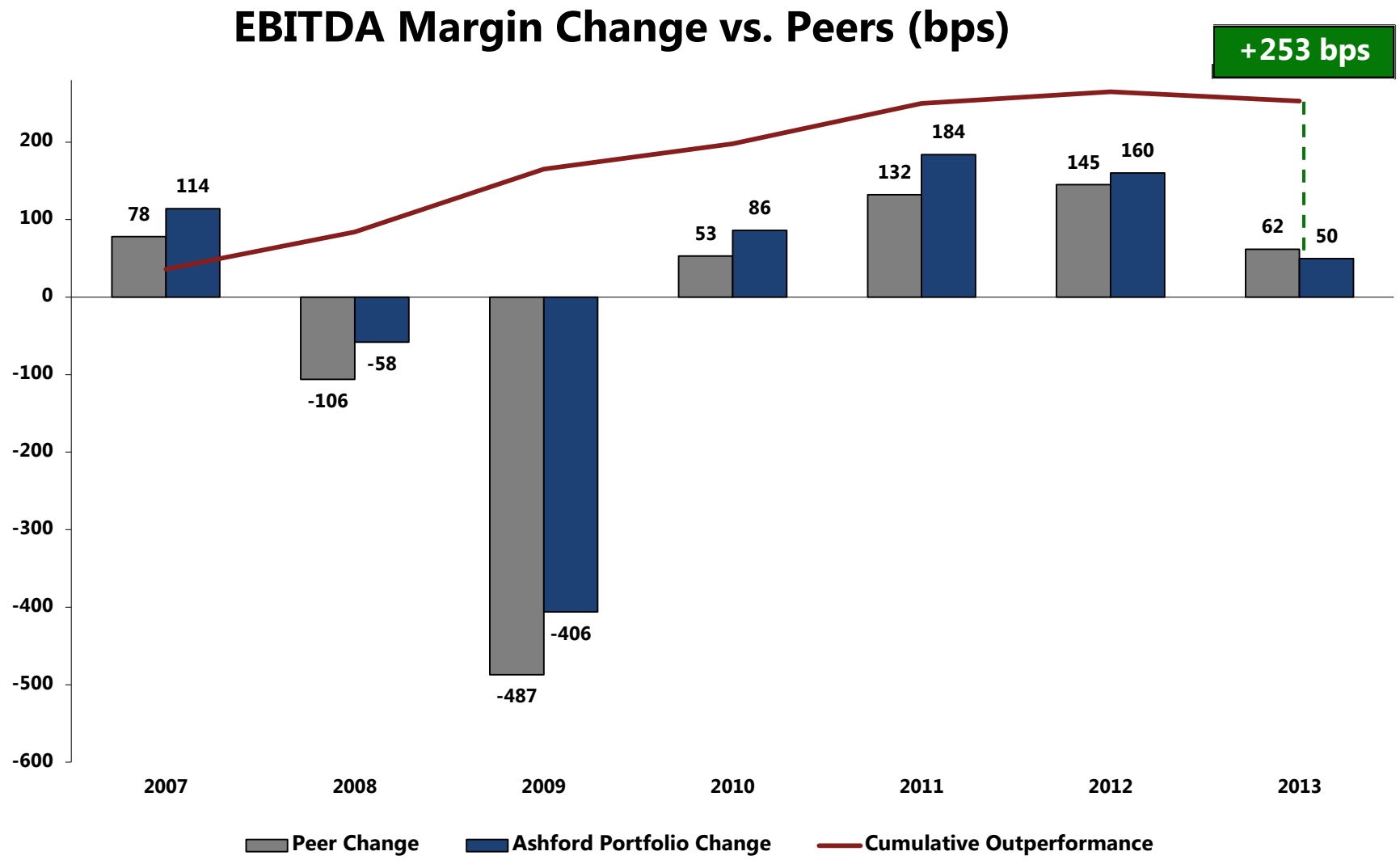
Historical Flow-Through vs. Peers



ASHFORD

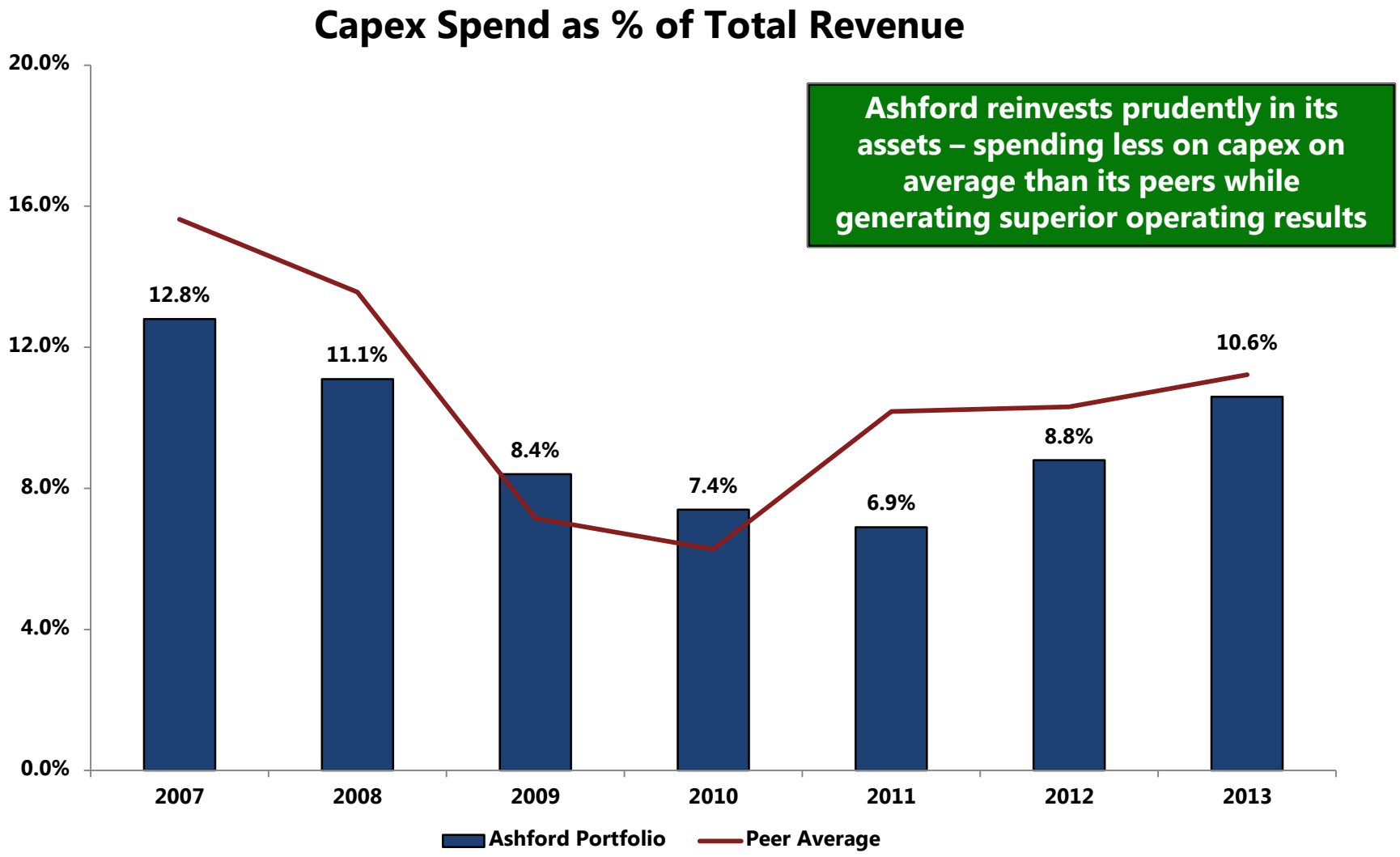
Ashford Portfolio includes Ashford Trust & Ashford Prime
Peers include: BEE, CHSP, DRH, FCH, HST, HT, LHO, PEB, SHO
Source: Company Filings

Historical Margin Outperformance



Ashford Portfolio includes Ashford Trust & Ashford Prime
Peers include: BEE, CHSP, DRH, FCH, HST, HT, LHO, PEB, SHO
Source: Company Filings

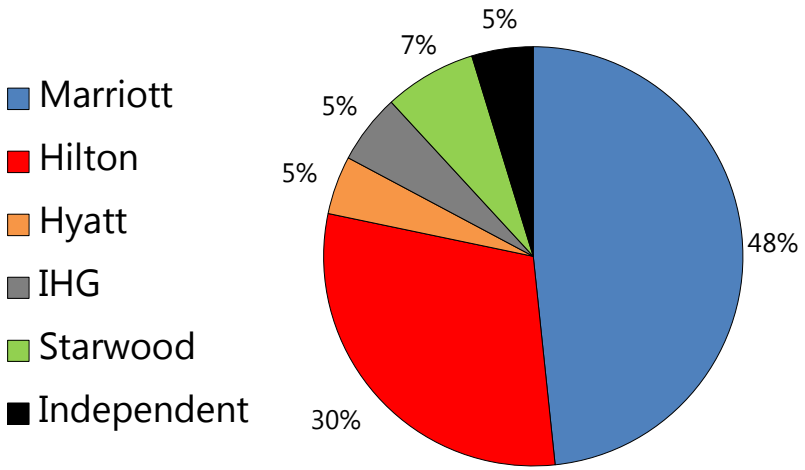
Reinvestment in Assets



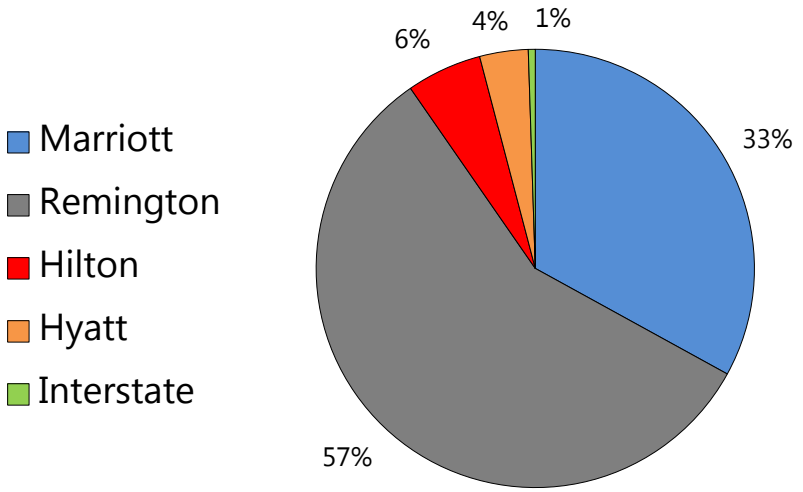
Ashford Portfolio includes Ashford Trust & Ashford Prime
Peers include: BEE, CHSP, DRH, FCH, HST, HT, LHO, PEB, SHO
Source: Company Filings

Portfolio Overview – Ashford Trust

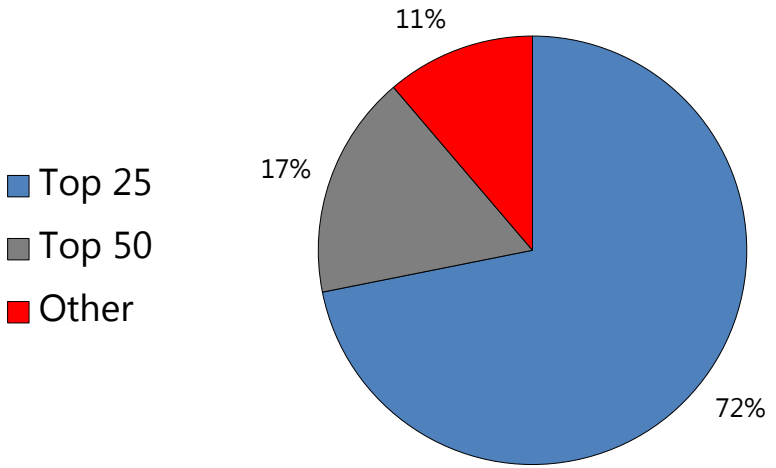
Ashford Trust Brands by EBITDA



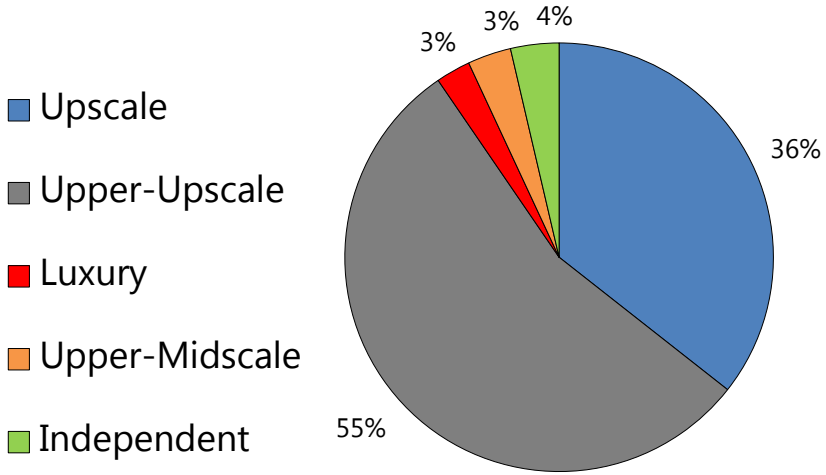
Ashford Trust Managers by EBITDA



Ashford Trust MSA by EBITDA



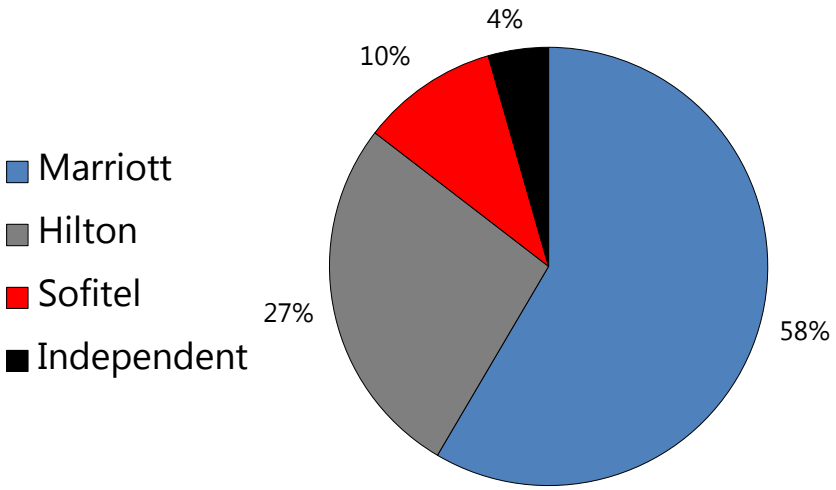
Ashford Trust Segment by EBITDA



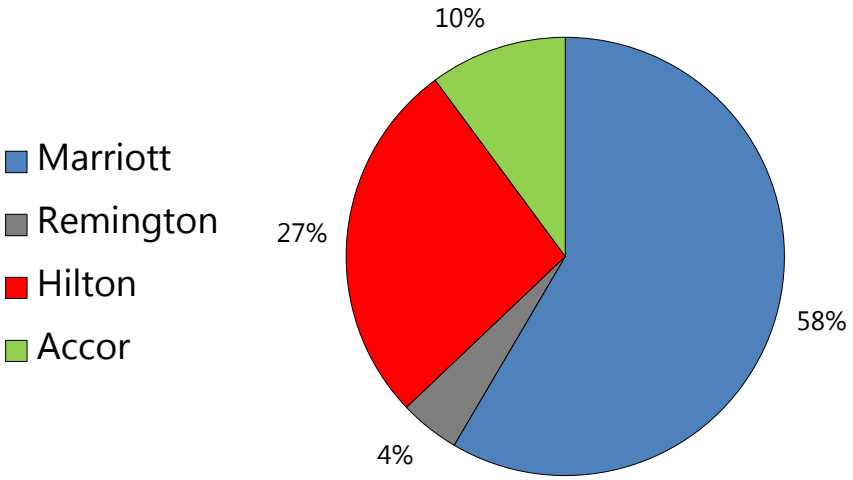
**FY 2013 Hotel EBITDA*

Portfolio Overview – Ashford Prime

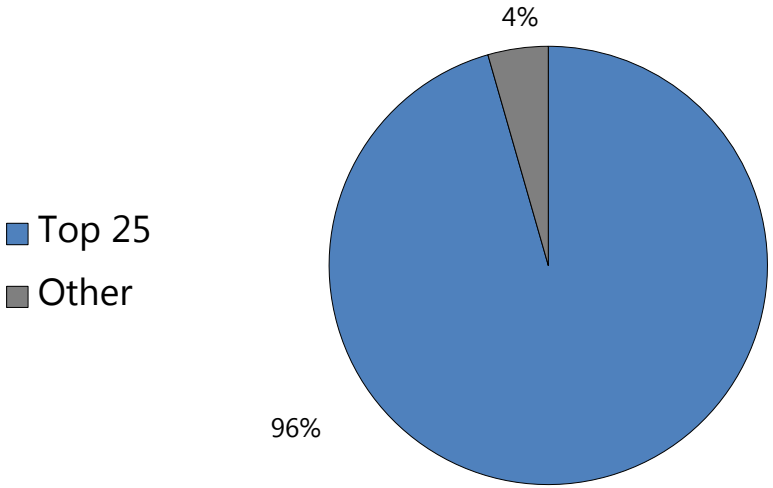
Ashford Prime Brands by EBITDA



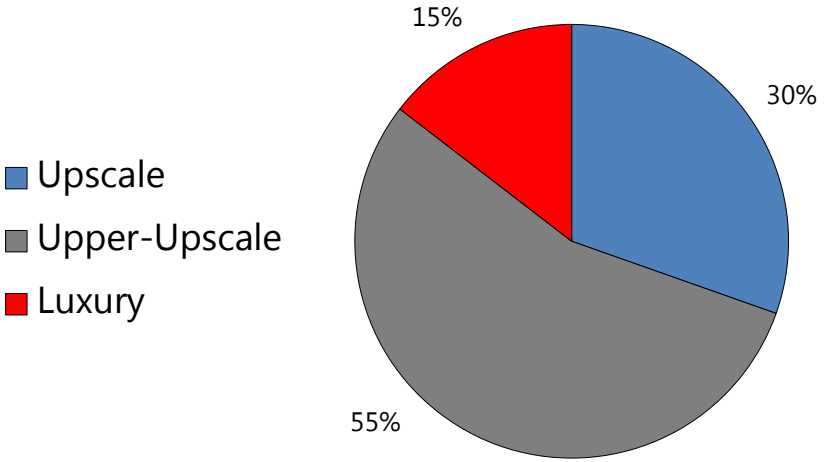
Ashford Prime Managers by EBITDA



Ashford Prime MSA by EBITDA

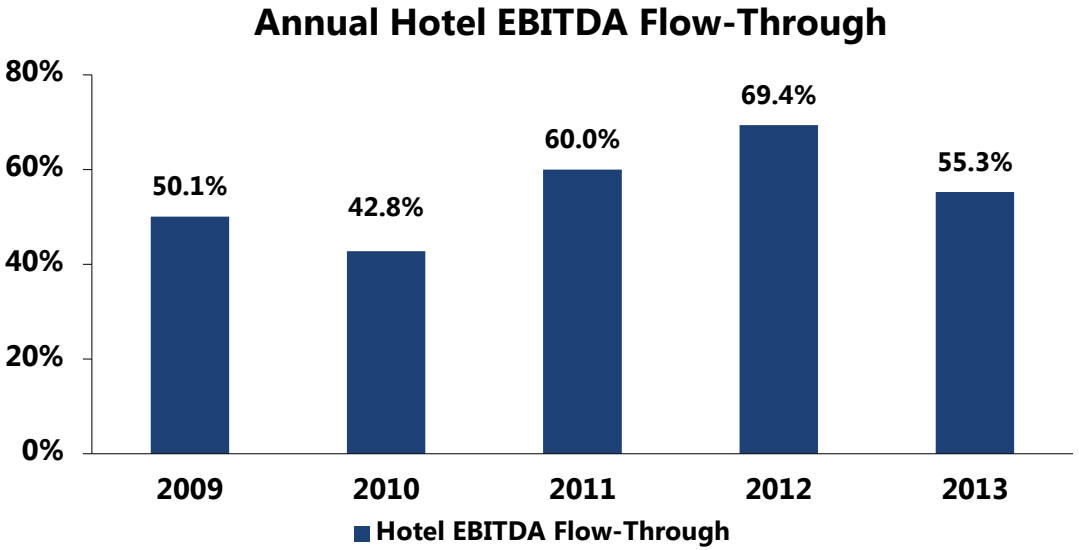


Ashford Prime Segment by EBITDA



**FY 2013 Hotel EBITDA*

Asset Performance – Ashford Trust





	2012	2013	Q1 2013	Q1 2014	Var
RevPAR	$94.65	$97.14	$94.47	$101.55	**7.5%**
Hotel Revenue	$1,013,117	$1,034,819	$249,518	$264,325	**5.9%**
Hotel EBITDA	$305,719	$317,546	$74,879	$82,664	**10.4%**
EBITDA Flow		**55.3%**		**52.6%**	

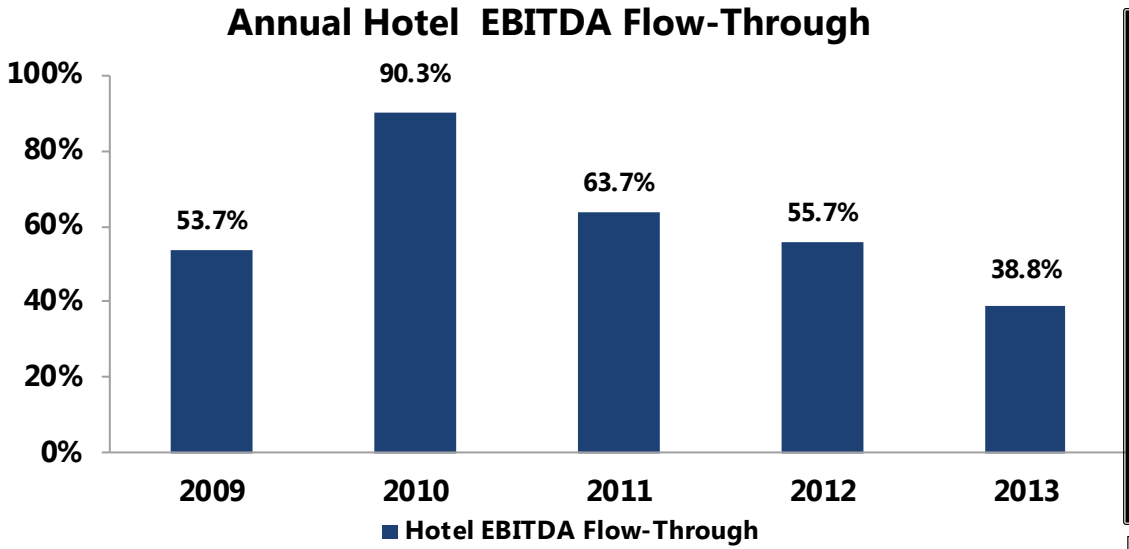
Revenue and EBITDA figures displayed in $000's



The above table assumes for quarterly periods the 114 properties owned and included in continuing operations March 31, 2014 were owned as of the beginning of each of the periods shown
The above table assumes for annual periods the 115 properties owned and included in continuing operations December 31, 2013 were owned as of the beginning of each of the periods shown

ASHFORD

Asset Performance – Ashford Prime







	2012	2013	Q1 2013	Q1 2014	Var
RevPAR	$140.20	$148.64	$140.03	$147.69	5.5%
Hotel Revenue	$221,188	$233,475	$66,830	$69,179	3.5%
Hotel EBITDA	$66,993	$71,757	$18,166	$18,823	3.6%
EBITDA Flow-Through		38.8%		28.0%	

Revenue and EBITDA figures displayed in $000's

The above table assumes for quarterly periods the 10 properties owned and included in continuing operations at March 31, 2014 were owned as of the beginning of each of the periods shown
The above table assumes for annual periods the 8 properties owned and included in continuing operations at December 31, 2013 were owned as of the beginning of each of the periods shown

ASHFORD

Ashford Trust Top 10 Markets – New Supply Analysis

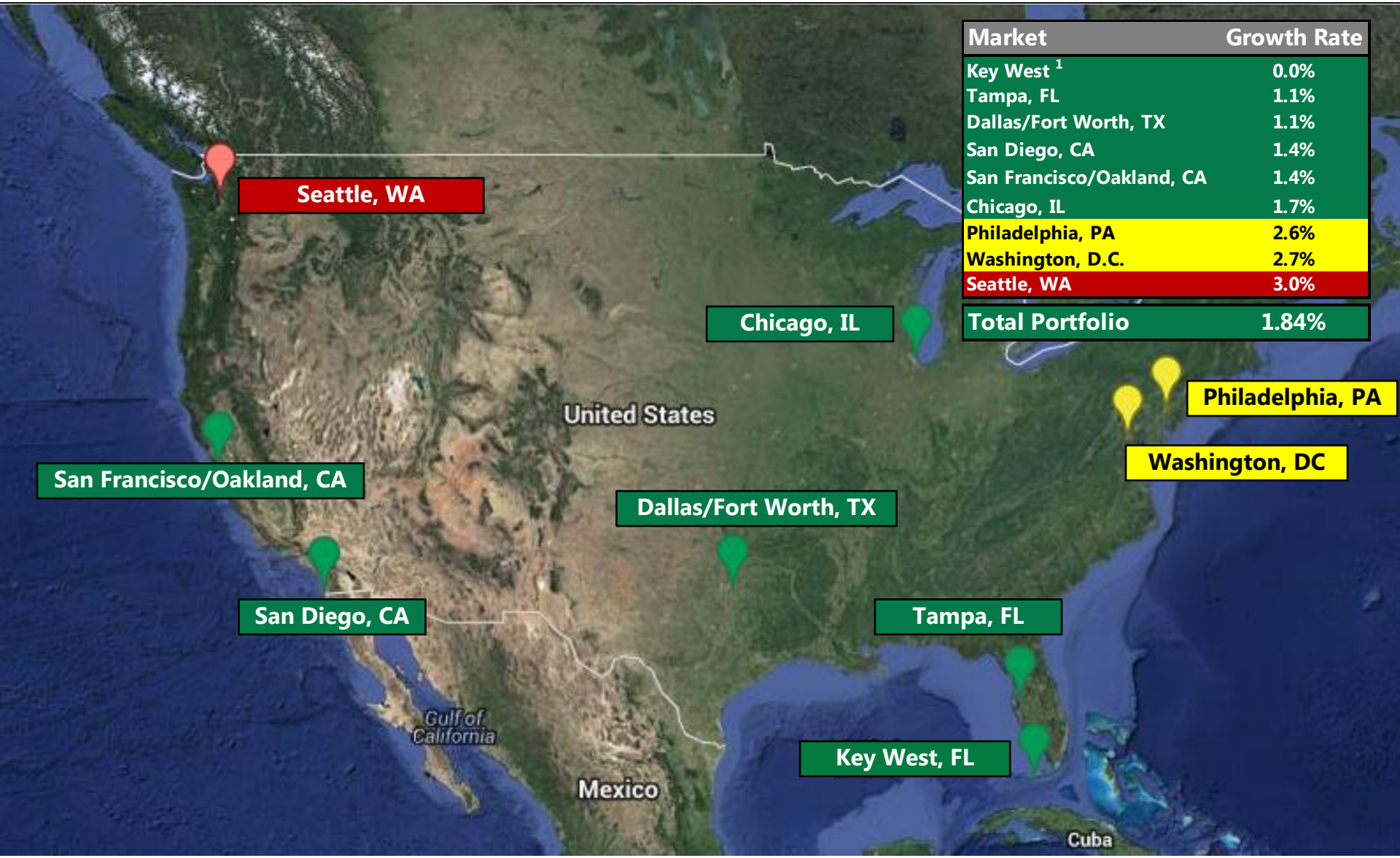
Market	Growth Rate
Atlanta, GA	0.8%
Dallas/Fort Worth, TX	1.1%
San Francisco/Oakland, CA	1.4%
NY/NJ	1.8%
Orlando, FL	2.0%
Boston, MA	2.0%
Los Angeles, CA	2.1%
Houston, TX	2.6%
Nashville, TN	2.7%
Washington, D.C.	2.7%
Total Portfolio	**1.77%**



Supply growth rate includes projects In Construction only
Data by Smith Travel Research as of January 1, 2014
Supply growth includes markets within MSA in which Ashford Trust owns assets

ASHFORD

Ashford Prime Markets – New Supply Analysis



Market	Growth Rate
Key West [1]	0.0%
Tampa, FL	1.1%
Dallas/Fort Worth, TX	1.1%
San Diego, CA	1.4%
San Francisco/Oakland, CA	1.4%
Chicago, IL	1.7%
Philadelphia, PA	2.6%
Washington, D.C.	2.7%
Seattle, WA	3.0%
Total Portfolio	**1.84%**

1 Key West represents growth rate of the Key West Tract
Supply growth rate includes projects In Construction only
Data by Smith Travel Research as of January 1, 2014
Supply growth includes markets within MSA in which Ashford Prime owns assets

ASHFORD

Remington Revenue Initiatives

Ashford-owned, Remington-managed assets gained 190 bps in Q1 2014 RevPAR Index. After the initial successes of these initiatives, Ashford plans to implement Remington strategies in our non-Remington hotels

- **Group Retail Rate Pricing Guidelines**
- **Increased Staffing**
- **Catering Revenues**
- **Big Data Initiative**
- **Aggressive Marketing Goals**
- **Centralized Lead Development**

Ashford Energy Initiatives

Savings Initiatives:

- **Ashford utilizes a four-pronged approach to energy cost management**
  - **Benchmarking and Conservation –** benchmark each property against both Ashford and non-Ashford comparable hotels
    - 73% of Ashford hotels rank above Energy Star peer set average
  - **Efficiency Audits –** regularly audit properties to identify potential inefficiencies
  - **Equipment Investments –** prioritize ROI analyses to determine optimal equipment recommissioning
    - $450k est. annual savings improvement in 2013
  - **Hedging Strategy –** implement conservative hedging strategy to minimize expense volatility
    - 2013 savings of $2.4m against published utility rate

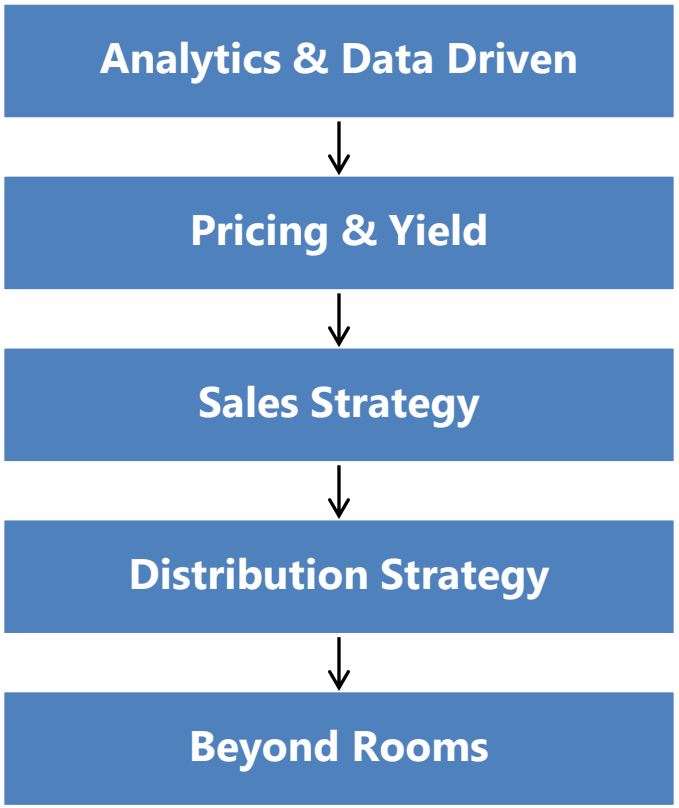
FY 2013 Savings* vs Baseline (2008) at Current Rates

Energy	Annual Savings
Electricity	$1,692,123
Natural Gas	$253,753
Water	$93,935
Total	**$2,039,812**

**Usage and savings calculated with Ashford Trust Portfolio only*

Revenue Optimization Initiatives

Increasing Market Share via
Relentless Revenue Focus

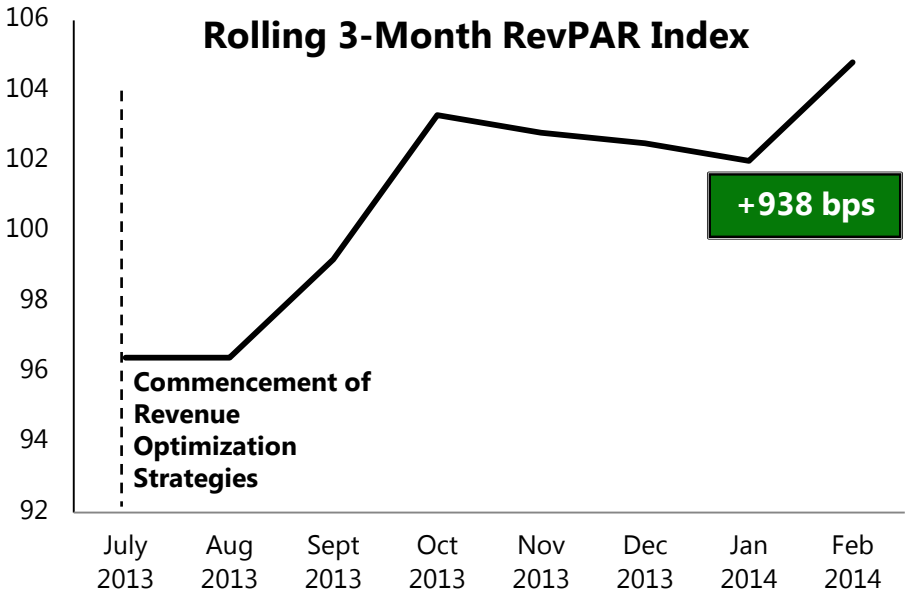


Case Study – Revenue Optimization

One of Ashford Trust's larger assets in terms of rooms (491) and total revenue ($27m in 2013)

- VP of Revenue Optimization partnered with Marriott Sales Leadership to restructure group lead generation
- Increased property dedicated Revenue Management & Sales resources, specifically DOS and dedicated RM
- Strategically added eCommerce spend where ROIs were north of 10:1
- Completed lobby / restaurant redesign to improve the sense of arrival and overall F&B offering
- **Net Result: clear reversal in market share trend; now growing RevPAR index**





Parking Initiatives

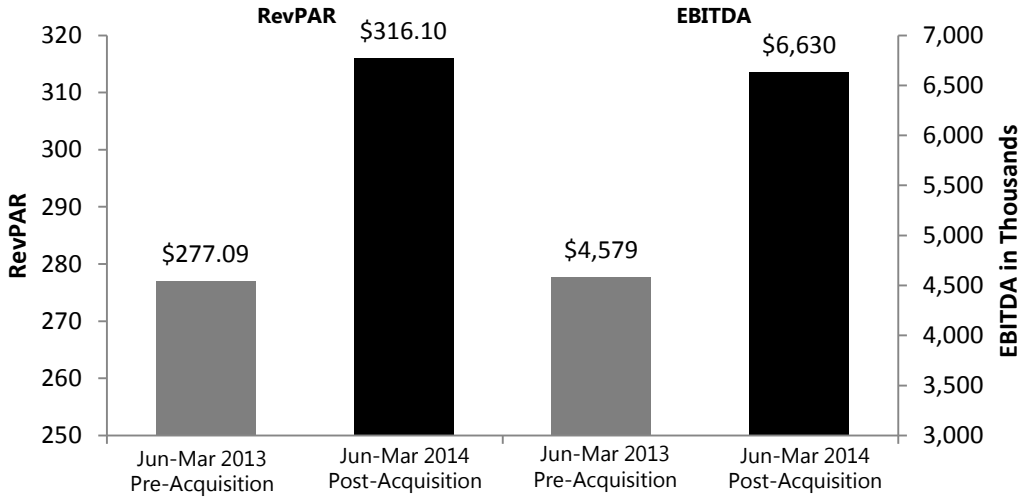
- **Combined revenue of $29m in 2013, an increase of 6.8% over 2012**
- **Combined profits increase of 12% and flow of 104%**



Contract Re-bidding	• Conducted RFPs at 7 hotels in Q1 2014
Rate/Split Increases	• Implemented 2014 rate increases at 19% of hotels, scheduled increases in subsequent quarters
First-to-Charge	• Generated incremental annualized revenue of $900k in 2013 from 8 first-time chargers
Annual Surveys	• Conduct detailed annual surveys for each of the 50 parking locations in the combined portfolio
Outsourcing	• Third-party operators manage 48% of Ashford parking portfolio
Benchmarking	• Continuous intra-portfolio benchmarking ensures Ashford maximizes returns within each operation

Case Study – Acquisition & Conversion to Remington-Managed

Pier House Resort





	Jun-Mar 2013 Pre-Takeover	Jun-Mar 2014 Post-Takeover	Var
RevPAR	$ 277.09	$ 316.10	**14.1%**
Total Revenue	$ 15,519	$ 17,317	**11.6%**
EBITDA	$ 4,579	$ 6,630	**44.8%**
EBITDA Flow		**114.0%**	

Implemented Strategies:

- Eliminated $1.5m in expenses through cost cutting initiatives:
  - Right-sized staffing level
  - Implemented improved housekeeping practices
  - Identified additional F&B efficiencies
  - Realized synergies with other Remington-managed Key West assets
- Saved $385k in insurance expense by adding to Ashford program
- Realized approximately $400k in annualized incremental parking revenue

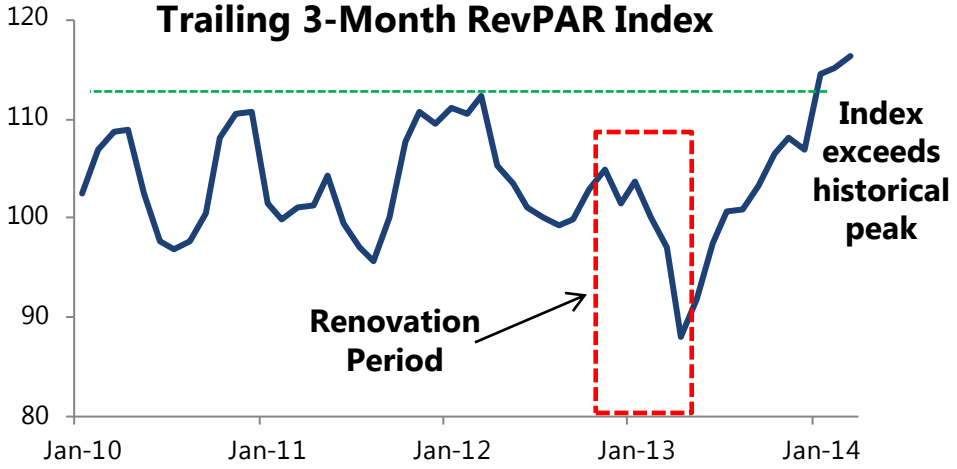
Case Study – Renovation

Hilton La Jolla Torrey Pines

Renovation Summary:

- Extensive lobby, restaurant, and rooms renovation between April 2012 and June 2013
- Significant revenue improvement since completion
  - All-time peak 116.4 RevPAR index and ranked number 1 in RevPAR index YTD through March
- Ashford asset management strategies bring additional revenue to the bottom line
  - 54.5% increase in GOP and 71.4% flow-through over last year YTD through March





	Jan-Mar 10/11/12 Avg*	Jan-Mar 2014	Var
RevPAR Index	107.3	116.4	+850 bps
EBITDA Margin	26.5%	31.1%	+460 bps
Cumulative EBITDA Flow (Since 2010)		60.2%	

*Average excludes 2013 because of renovation impact

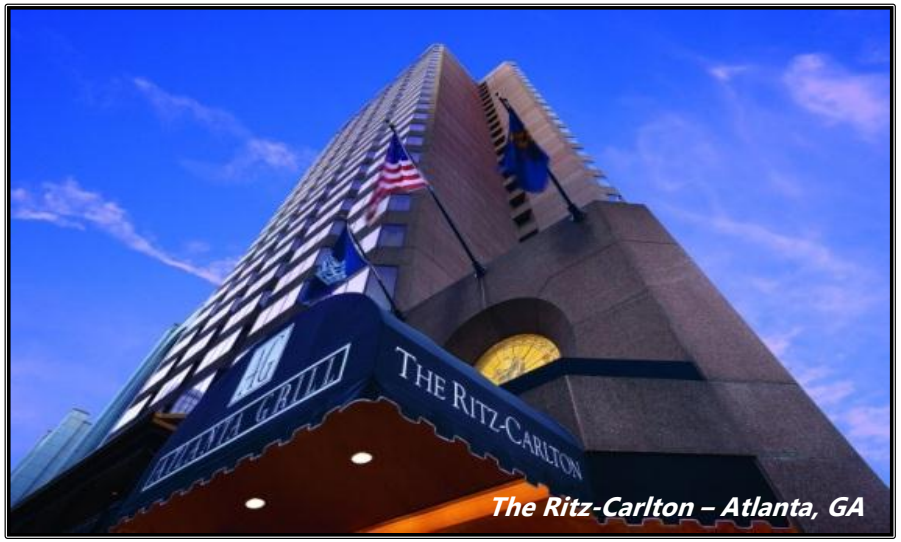
ASHFORD

Case Study – Aggressive Asset Management

The Ritz-Carlton Atlanta

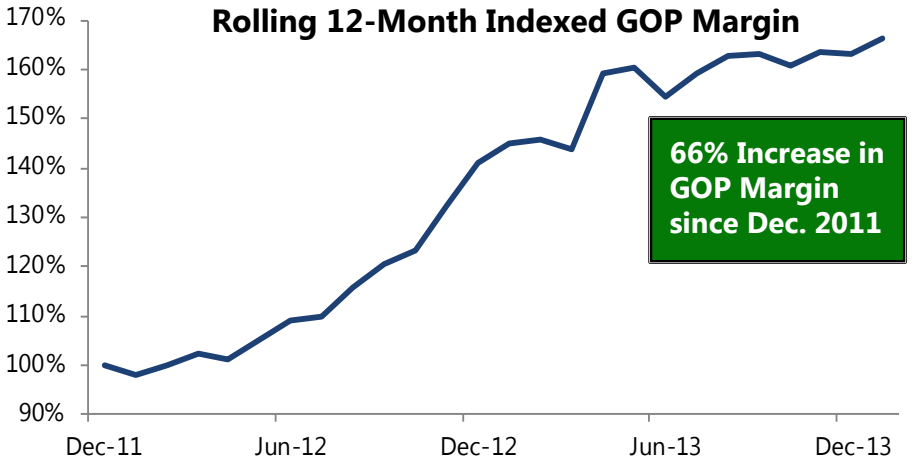
Ashford Asset Management:

- Acquired asset in early 2011 as part of 28-property Highland portfolio
- Extraordinary revenue improvement since Ashford takeover
  - Frequent sales meetings with property
  - Achieved all-time peak 135.4 RevPAR index in 2013 – Increase of 1,750 bps from 2010
- Ashford asset management performed a Deep Dive
  - Reduced labor costs
  - Re-negotiated laundry and other 3rd party contracts



The Ritz-Carlton – Atlanta, GA

	2010	2013	Var
RevPAR Index	117.9	135.4	**+1,750 bps**
GOP Margin	11.4%	20.9%	**+950 bps**
EBITDA Margin	8.0%	17.2%	**+920 bps**
Cumulative EBITDA Flow		**68.8%**	



Case Study – Conversion from Brand-Managed to Remington-Managed

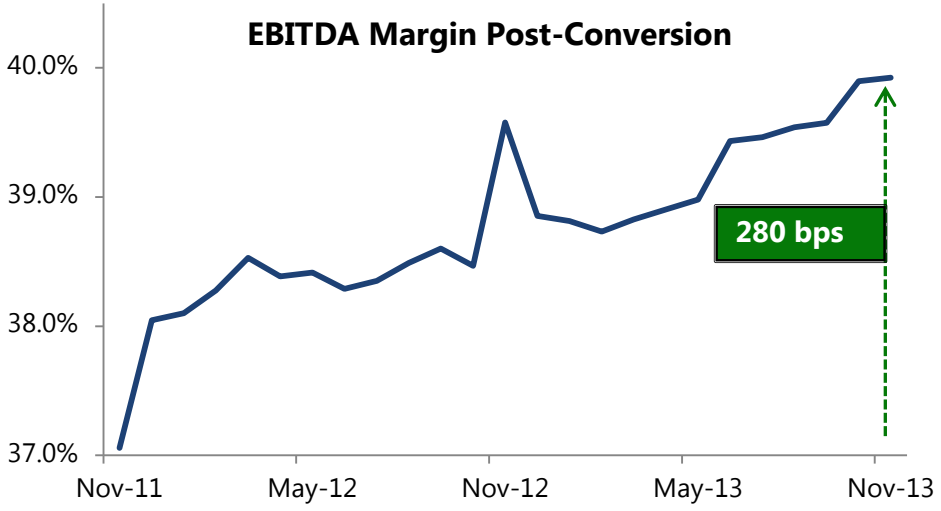
Hilton Boston Back Bay

Conversion Summary:

- In November 2011, Ashford Trust converted property to franchise
- Ashford & Remington have driven 9.2% revenue growth with 71.0% flow-through to GOP since conversion
  - Replaced Hilton sales cluster with newly-hired staff, saving on expenses and driving revenue
  - Significantly reduced staffing expense by retaining only necessary personnel


Hilton Back Bay – Boston, MA

	TTM Nov-11	TTM Nov-13	Var
Total Revenue	$ 30,083	$ 32,860	**9.2%**
GOP Margin	44.6%	47.7%	**+310 bps**
EBITDA Margin	37.1%	39.9%	**+280 bps**
Cumulative EBITDA Flow		**71.0%**	



Case Study – Value Enhancement

Renaissance Nashville



Renaissance Nashville – Nashville, TN

Transaction Summary:

- Acquired fee simple interest in hotel for minimal consideration
- Eliminated $500k annual lease expense
- Negotiated long-term lease on additional space
    - 30,000 s.f. of meeting space and 50,000 s.f. of prefunction and lobby space at no cost for a term of 30 years with no rental costs

Hilton Ft. Worth



Hilton Fort Worth – Ft. Worth, TX

Transaction Summary:

- Extended Parking Lease – Successfully extended parking garage ground lease with the City of Ft. Worth for an additional 40 years

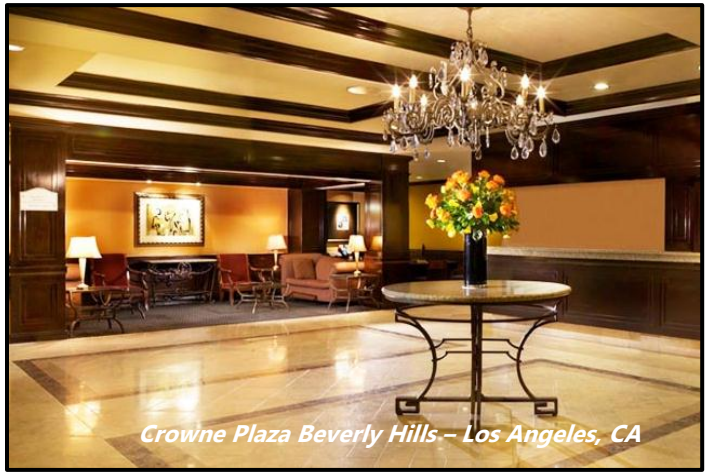
- Reduced Lease Payment – Renegotiated lease payment structure resulting in estimated annual savings of ~$200k

Case Study – Repositioning

Crowne Plaza Beverly Hills

Ashford Asset Management:

- Asset management team identified a significant imbalance of full-service Marriott brands within the densely populated Beverly Hills/Los Angeles market
  - No full-service Marriott within a 6.5-mile radius
- Entered into a franchise agreement to convert the 258-room Crowne Plaza Beverly Hills to the Marriott Beverly Hills
  - Conversion timing corresponds with the expiration of the Crowne Plaza franchise agreement, resulting in no termination fees
- Conversion is consistent with Ashford's goal of maximizing the long-term value of its assets



Crowne Plaza Beverly Hills – Los Angeles, CA



Crowne Plaza Beverly Hills – Los Angeles, CA

Asset Management Takeaways

- Best-in-class asset management platform
- Asset management performance consistently exceeds the performance of our peers
- We strategically invest in our assets to drive optimal performance
- The Ashford asset management team can add significant value to any asset acquired by either Trust or Prime

10 Minute Coffee Break
Sign up for 1-on-1s

Growth & Acquisition Strategy

Douglas Kessler

President

Acquisition & Growth Strategy

ASHFORD HOSPITALITY PRIME

ASHFORD

ASHFORD HOSPITALITY TRUST

- Highly quantitative approach focused on long-term accretion for each platform
- Proven track record of value-creating acquisitions
- Disciplined capital allocation
- Multiple ways to grow each platform:
  - Single asset acquisitions
  - Portfolio acquisitions
  - Incubation of new platforms

Differentiated Investment Strategy

- **AHP and AHT have distinct investment strategies. AHP and AHT expect to benefit from the proven successful capabilities of the Ashford management team**

	Ashford Prime	Ashford Trust
Investment Focus	Full-service and select-service hotels anticipated to generate RevPAR at least twice the national average	All segments of the hospitality industry, with RevPAR criteria outside the Ashford Prime investment focus
Investment Type	Direct hotel investments and joint ventures	Direct hotel investments, joint ventures and debt
Geography	Domestic and international gateway markets and select resort locations	National focus, including primary, secondary and tertiary markets
Chain Scale	Upscale, upper-upscale and luxury	Various chain scale segments
Mix of Service	Full-service and select-service in urban markets	Full-service and select-service
Capital Structure/Leverage Policy	Conservative - target < 5.0x net debt and preferred equity to EBITDA	Opportunistic - strategic use of debt designed to maximize returns
Brand Strategy	Premium brands and high quality independent hotels	Premium brands and high quality independent hotels
Management	Ashford Advisor (Ashford Inc)	Ashford Advisor (Ashford Inc)

Highland Investment Update

Acquisition

- Transformational 28-hotel, $1.3 billion acquisition
- Invested in the mezzanine debt in 2008 via joint venture
- Completed foreclosure & restructuring in March 2011 with new $150 million investment from Ashford Trust & $50 million investment from JV partner
- Ashford Trust owns 72%

Current Valuation

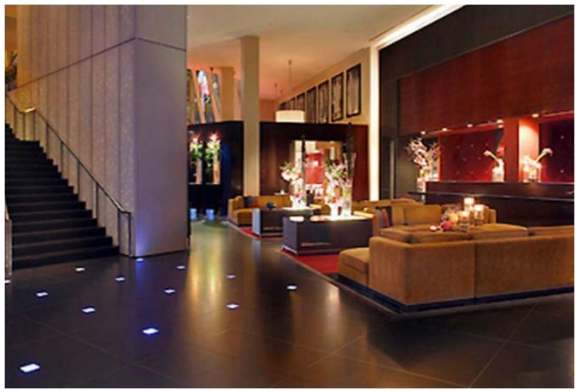
- Over $144 million spent on capex since takeover in 2011
- Significant increase in equity value
- Implied IRR materially above initial underwriting

Further Opportunities

- Continued aggressive asset management to increase revenues and EBITDA
- Potential refinancing and exit from cash trap
- Explore buyout of JV partner

Chicago Sofitel Transaction





Property Information:

- Location: Downtown Chicago (Gold Coast submarket)
- Rooms: 415 (including 32 suites)
- Year Built: 2002
- 10,000 sf of meeting space
- Fee simple; 32 story tower
- Segmentation: 70% transient; 30% group

Acquisition Overview:

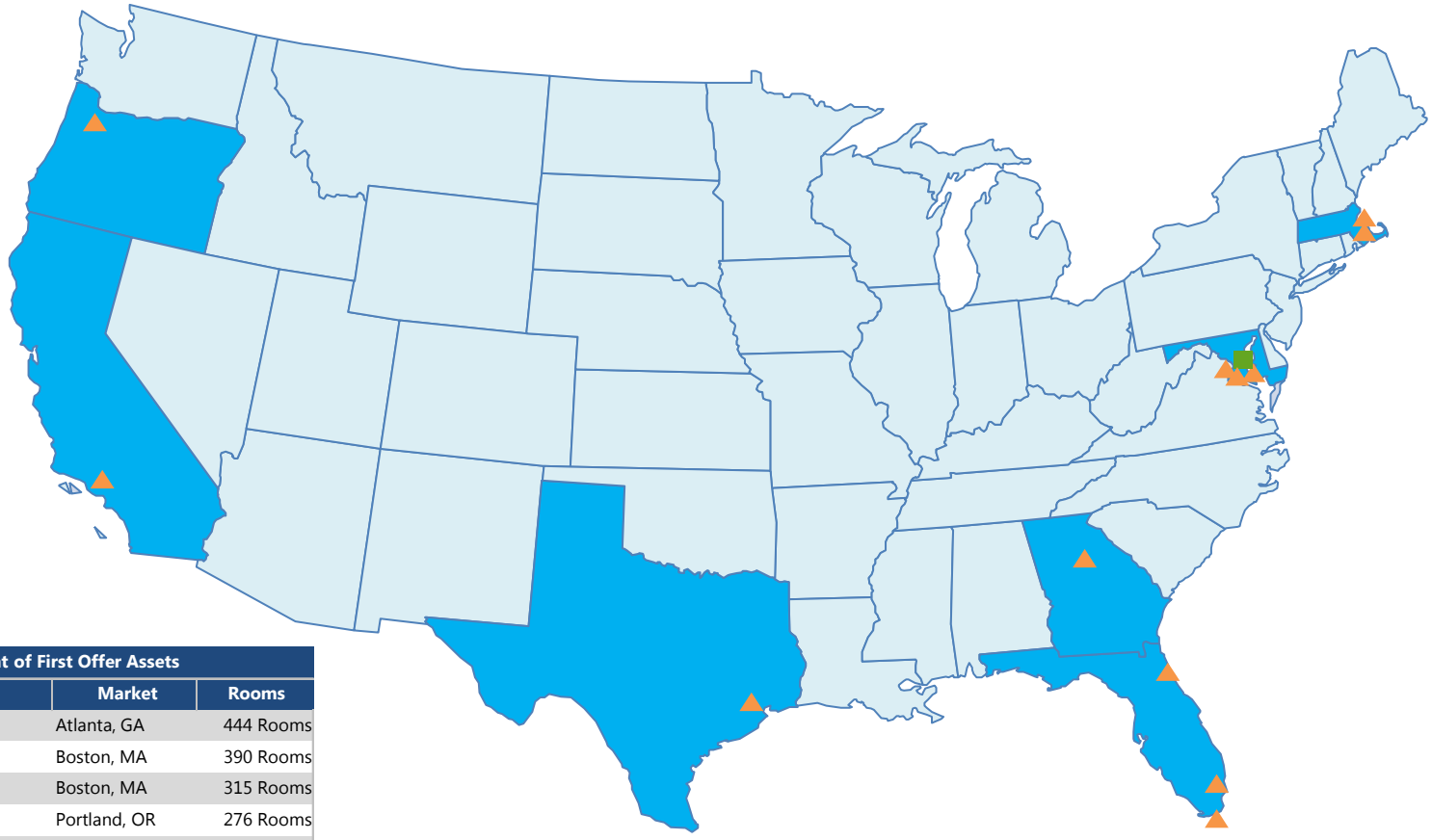
- Purchase Price: $153 million
- Purchase Price/Key: $369,000
- RevPAR of $178* vs. AHP Portfolio RevPAR of $159*

Strengths/Opportunities:

- Excellent Gold Coast location in a key U.S. gateway market
- High quality asset with attractive contemporary design and minimal capex needs
- Discount to replacement cost
- Diversifies portfolio by market, brand, and manager
- Potential to re-concept restaurants and implement tiered pricing to drive additional revenue
- Improved cash flow through Ashford asset management and best practices
- Strong appeal to international travelers with longer stay patterns

*TTM through 3/31/14

Marriott Gateway & ROFO Hotels



Right of First Offer Assets		
Hotel	**Market**	**Rooms**
Ritz-Carlton	Atlanta, GA	444 Rooms
Hilton Back Bay	Boston, MA	390 Rooms
Courtyard Downtown	Boston, MA	315 Rooms
Embassy Suites	Portland, OR	276 Rooms
Embassy Suites Crystal City	Washington, D.C.	267 Rooms
Crowne Plaza Beverly Hills	Los Angeles, CA	258 Rooms
Hyatt Regency Coral Gables	Miami, FL	250 Rooms
Melrose	Washington, D.C.	240 Rooms
One Ocean	Jacksonville, FL	193 Rooms
Churchill	Washington, D.C.	173 Rooms
Crowne Plaza Key West	Key West, FL	160 Rooms
Embassy Suites	Houston, TX	150 Rooms

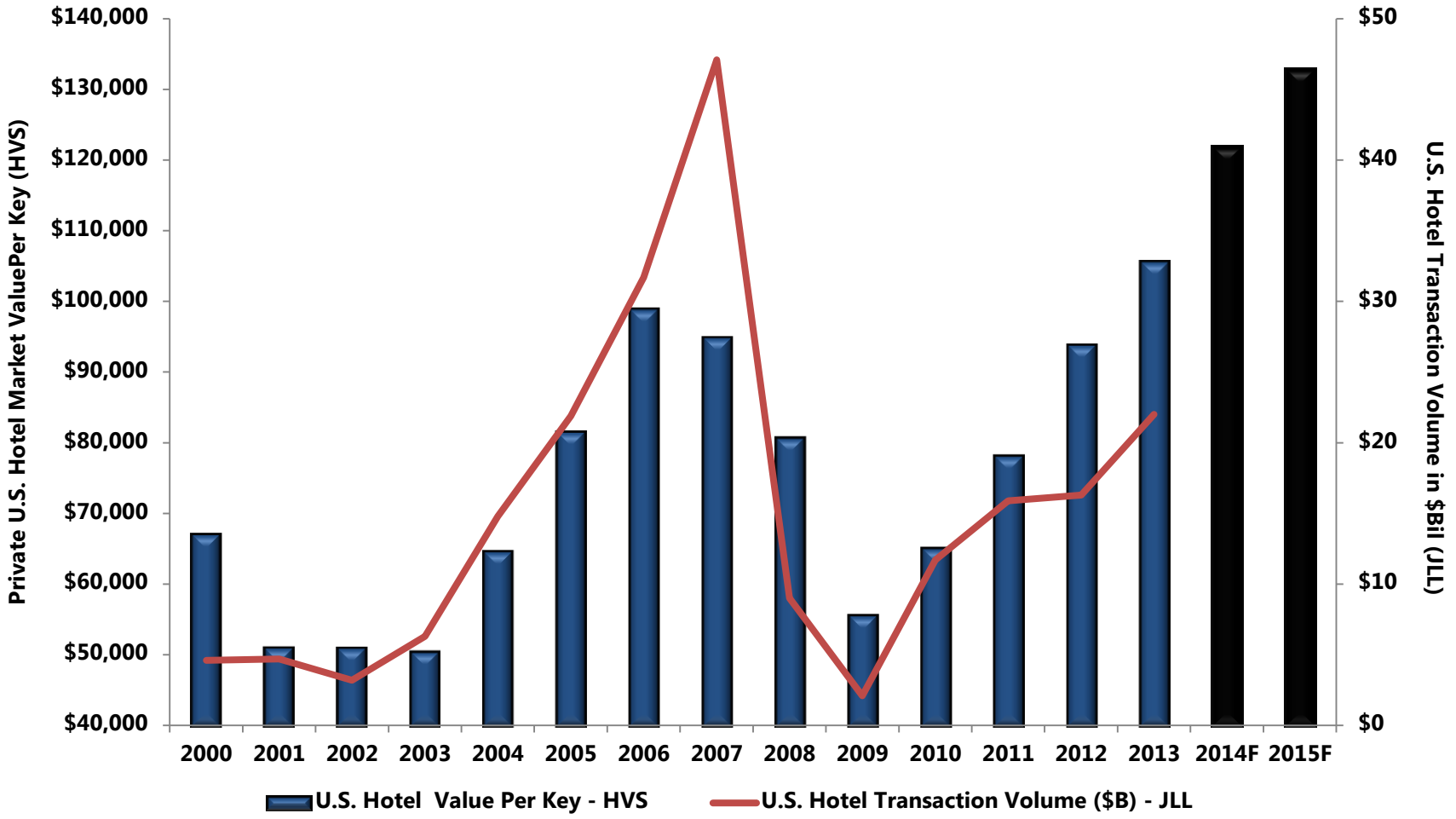
Right of First Offer Assets

Option Asset

Option Asset		
Hotel	**Market**	**Rooms**
Marriott Crystal Gateway	Washington, D.C.	697 Rooms

Projected Hotel Room Value Growth

- **U.S. hotel transaction volume is likely to increase over the next several years as private U.S. hotel market values rise**



Well Positioned For Growth

ASHFORD
HOSPITALITY PRIME

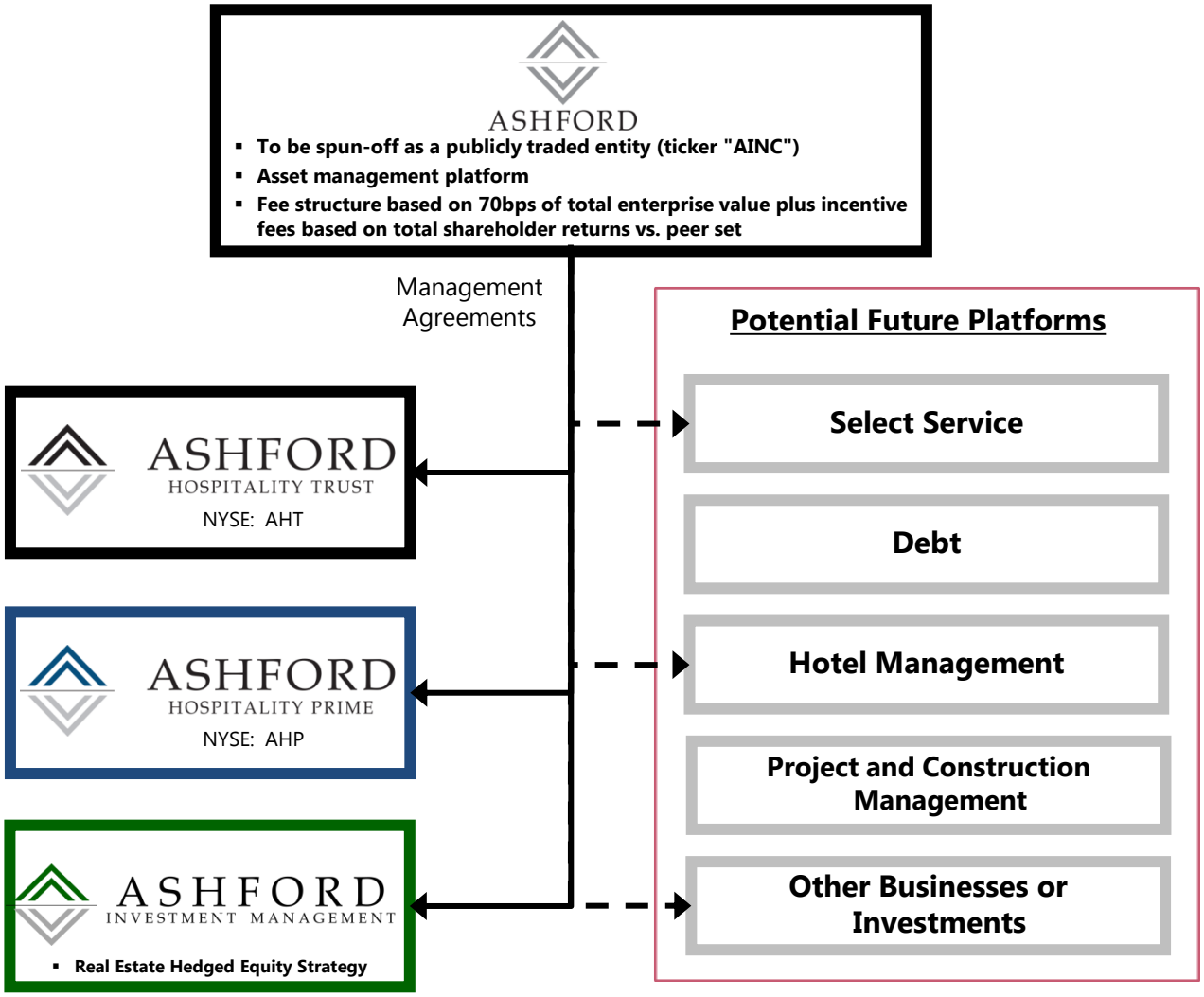
- Unique built in pipeline of option hotels and right of first offer hotels
- Targeted acquisitions consistent with investment guidelines
- Internal growth from asset performance

ASHFORD
HOSPITALITY TRUST

- Opportunistic, value add transactions
- Internal growth from asset performance
- Excess cash from potential refinancings
- Highland portfolio opportunities
- Partial ownership of Ashford Prime

Ashford Inc. Growth Opportunities

Ashford Inc. Pro Forma Structure

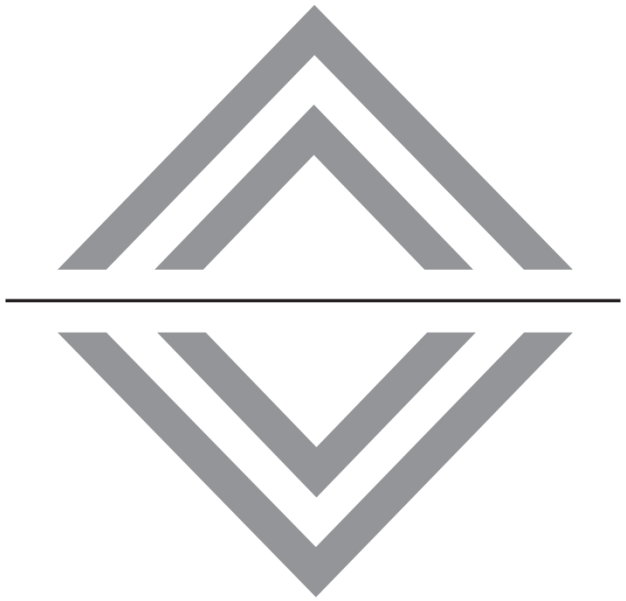


Presentation Overview

- Ashford has delivered superior shareholder returns
- Multiple ways to invest with this highly-experienced management team
- There is still significant upside remaining in this lodging cycle
- Proven asset management expertise
- Attractive growth opportunities across all Ashford platforms

Q & A

Lunch with Management



ASHFORD

Investor & Analyst Day – May 2014



ASHFORD
HOSPITALITY PRIME



ASHFORD
HOSPITALITY TRUST



ASHFORD
INVESTMENT MANAGEMENT