ASHFORD
HOSPITALITY PRIME







Investor & Analyst Day – October 2015

Case Study Compendium

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Remington Revenue Initiatives –Group Retail Pricing Guidelines

In 2014, Ashford-owned Remington-managed assets grew 216 bps of RevPAR index

Group Retail Pricing:

- Remington utilizes a robust group pricing strategy which incorporates anticipated demand analysis, historical and market pricing, current position and forecast
- Group quotation strategy establishes multiple price points (ask, target, and minimum) to provide increased guidance throughout the rate negotiation process
- Rates are currently analyzed monthly with Remington moving to daily review by the end of 2015
- **Override Process:**
  - Rates that are below established targets require approval by Director of Sales and Revenue Management
  - Exceptions are monitored on a monthly basis
  - Year to date group ADR has increased +150 bps more than the competitive set

Remington Revenue Initiatives

Increased Staffing:

- Remington added 3 Senior Vice President and 2 Vice President roles in the corporate office
- Doubled property level coverage in eCommerce and revenue management

Catering Revenues:

- Remington put a higher level of focus on cross-selling high margin banquet and catering revenues to better utilize meeting space

Remington Revenue Initiatives – Big Data Initiative

What is Big Data?

- It is a connected world with increasing amounts of information – petabytes/zettabytes
- Remington is utilizing new methods to link data and improve statistical analysis, creating additional insights to drive pricing strategies

Remington's Revenue Management Analysis System (RMAS) uses internal and external information to calculate expected demand, retail pricing, and optimal hotel mix

- RMAS data inputs reviewed:
  - Historical segmented rooms data by day for hotel and competitive set
  - Transient/group booking pace for the hotel and market
  - Historical denials and out of order rooms
  - Banquet and catering production by meeting room
  - Airline passenger booking lead-time
  - Citywides

Remington Revenue Initiatives – Big Data Initiative (cont.)

- Remington's Revenue Management Analysis System provides a series of dashboards to communicate and track daily strategies



Remington Revenue Initiatives

Aggressive Marketing Goals:

- Goals place a heavy focus on improving online reputation
- Remington marketing goals have augmented initiatives for need periods

Centralized Lead Development:

- Identifying all available business for each hotel and a lead development program to convert that business to our hotels

Remington Revenue Initiatives – eCommerce

eCommerce Initiatives:

- In Q1 2014, Remington restructured its eCommerce efforts and added full time employees dedicated to search engine optimization, email marketing, and social media
  - In 2015 Remington launched 15 new hotel websites to drive additional search engine and mobile traffic
  - Web direct revenue has increased significantly resulting in reduced customer acquisition costs at 72 of 81 hotels
    - 2014: Web direct production increased by17.3% (~$21mm) or +610 bps to the competitive set
    - 2015 year to date: Web direct production has increased by 13.9% (~17.5mm) or +400 bps to the competitive set
    - Since 2014, Remington has increased room night share from hotel websites by 180 bps and generated 370 bps more in occupancy than the competitive set
  - Additional focus on social media has driven increases in engagement metrics
    - Social interactions have increased by 270%
    - Unique visitors have increased by 430%
    - Hotel Facebook page followers has increased by 45%

Remington Revenue Initiatives – eCommerce (cont.)

Online Reputation:

- Remington's increased response rate to negative feedback online has improved the "likely to recommend" score
  - Response rates to negative or neutral reviews increased from 54% in 2013 to 98% in 2014
  - "Likely to recommend" score improved from 85% in 2013 to 91% in 2015

Online Travel Agency Revenue:

- Remington is effectively utilizing online travel agencies to increase occupancy during distressed periods and growth is outpacing the competitive set
  - 2014: Production increased 25.3% (~$9.2mm) or +200 bps to the competitive set
  - 2015 Year to date: Production increased 22.3% (~8.9mm) or +590 bps to competitive set

Online Travel Agency Paid Campaigns:

- Remington has generated $1.3mm in booked revenue (+35%) on increased spend of $28k (+15%) – return on ad spend has increased 17% in 2015 versus 2014

Marriott Seattle Waterfront – Operational Performance



Marriott Seattle Waterfront – Overview

Case Study Overview: Premium Rooms

- Implementation of premium rooms began in 2007 with 107 rooms
  - 36 waterfront, 58 concierge, 13 suites
- In 2009, increased to 200 rooms, representing 56% of the total inventory
  - 44 waterfront, 114 bayview, 29 concierge, 13 suites
- In 2013, created new category—shifted 23 waterfront rooms to corner waterfront, capturing up to $100 more per night.
- Premium strategy allows hotel to fence out special corporate rates during peak times
- In high demand periods, offer premium rooms only, then open regular rooms at higher retail rates due to internal compression

Asset Summary:

- Opened April 2003 and acquired April 11, 2007
- 358 keys and 11,354 s.f. of meeting space
- Located in Seattle, WA on the water along Puget Sound and near Pike Place Market, Pier 9, and Westlake Center
- Managed by Marriott
- TTM RevPAR is $206.23
- TTM EBITDA per key is $40.1k

Marriott Seattle Waterfront – Implemented Strategies

- 2007 to 2009, total of 107 premium rooms
- Recession prevented RevPAR growth
- 2009 to 2013, total of 200 premium rooms
- 2013, converted 23 waterfront rooms to corner premium rooms

	Segment	Jul-Aug 2012	Jul-Aug 2013	Jul-Aug 2014	Jul-Aug 2015
Room Nights	Premium Retail	4,836	6,912	6,788	5,851
	Regular Retail	4,168	3,425	3,542	3,528
	Difference	**668**	**3,487**	**3,246**	**2,323**
ADR	Premium Retail	$ 327.49	$ 354.85	$ 411.14	$ 449.95
	Regular Retail	$ 281.73	$ 309.96	$ 348.03	$ 371.66
	Difference	**$ 45.76**	**$ 44.90**	**$ 63.10**	**$ 78.29**
Total Revenue Impact		**$ -**	**$ 126k**	**$ 174k**	**$ 151k**

Marriott Seattle Waterfront Revenue Optimization

Detailed Performance by Segment vs. Last Year (Oct14 - Sep15)

	Group	Retail	Discount	Negotiated	Qualified	Wholesale	Other	Total
Occupancy								
Subscriber	15.5%	34.5%	16.9%	4.3%	2.5%	0.1%	8.6%	82.4%
Variance	1.9	0.3	(0.3)	(0.2)	(0.5)	(0.0)	0.8	1.9
Comp Set	21.6%	12.3%	22.3%	17.1%	8.0%	0.8%	3.6%	85.6%
Variance	(1.5)	2.1	0.7	0.5	0.4	(0.0)	0.2	2.4
Occupancy Index	72	282	76	25	32	10	235	96
Variance	13	(55)	(4)	(3)	(8)	(1)	11	(1)
ADR								
Subscriber	$215	$314	$202	$233	$219	$154	$131	$246
Growth	4.6%	6.0%	10.6%	14.8%	8.0%	11.4%	6.9%	6.6%
Comp Set	$203	$275	$172	$220	$209	$187	$126	$206
Growth	7.2%	(1.3%)	6.1%	7.7%	7.0%	7.3%	22.0%	6.6%
ADR Index	106	114	117	106	105	82	105	120
Variance	)	8	4	7	1	3	(14)	0
RevPAR								
Subscriber	$3	$108	$34	$10	$6	$0	$11	$203
Growth	19.4%	7.0%	8.6%	8.7%	(9.9%)	(2.5%)	17.5%	9.2%
Comp Set	$44	$34	$38	$38	$17	$1	$5	$176
Growth	0.4%	19.1%	9.7%	11.1%	12.9%	1.6%	27.9%	9.7%
RevPAR Index	76	322	89	27	33	8	246	115
Segment % of Revenue								
Subscriber	16.4%	53.4%	16.8%	5.0%	2.7%	0.1%	5.5%	100.0%
Comp Set	24.9%	19.1%	21.8%	21.3%	9.5%	0.8%	2.6%	100.0%

- Strategically took less group & participated in less Citywide blocks in 2015 to allow for more availability to sell higher rated retail transient, especially during peak season
- Retail transient index of 322%. 53.4% of our mix is via retail transient compared to only 19.1% at the competitive set (largest mix of business via retail transient in Marriott full service division).
- Ashford Prime uses extensive premium rooms (more than 50% of the room types) to yield out lower rated last room available business when necessary
- Bi-weekly pricing & mix reviews with Marriott for Seattle

Marriott Seattle Waterfront – Detailed T12 Segmentation

- Currently negotiating crew contract for 2016 but received 7% rate lift YoY from prior negotiation
- Worked with Marriott leadership to yield out lower rated transient segments. i.e. special corporate, AAA & other discounts.
- Increased premium retail by 5.5% while selling it 3.0% more often to aid in transient ADR growth of 8.0%

Report ID: DAT1

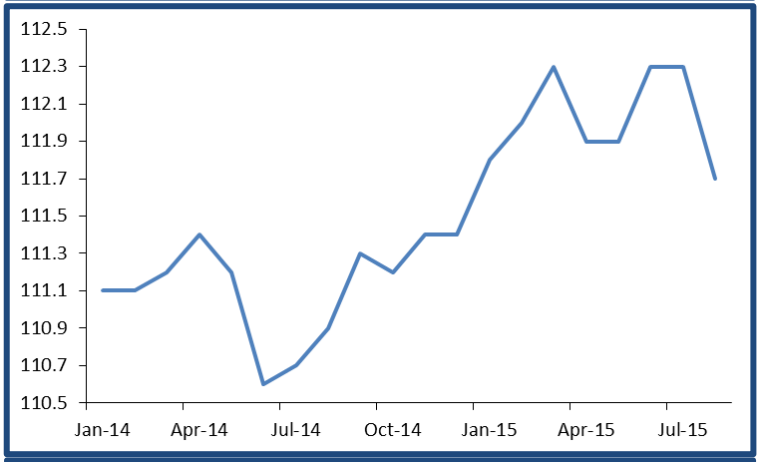
Marriott Reservations Data Warehouse
Demand Analysis Tool
Selected Property: SEAWF - SEATTLE WATERFRONT
Timeframe: TF1: 2014-10-01 - 2015-09-30 , SameDateLY
Weekly Cut: Full Week **Currency**: Local **Room Category**: All

	Room Nights			Mix RNs (% of Category)			ADR (Net)			Rev (Net)		
	TF1	TF2	% Chg	TF1	TF2	% Pt Chg	TF1	TF2	% Chg	TF1	TF2	% Chg
TRANSIENT												
Premium Retail	22,929	22,255	3.0%	30.4%	29.2%	1.3	354	335	5.5%	8,108,754	7,460,700	8.7%
Standard Retail	21,815	22,170	-1.6%	29.0%	29.1%	-0.1	273	257	6.0%	5,949,491	5,701,425	4.4%
eChannel Retail	8,758	8,824	-0.7%	11.6%	11.6%	0.1	288	265	8.7%	2,519,141	2,334,158	7.9%
Special Corp	5,695	6,019	-5.4%	7.6%	7.9%	-0.3	233	203	14.7%	1,328,254	1,223,455	8.6%
Wholesaler	105	120	-12.5%	0.1%	0.2%	0.0	152	138	10.3%	15,918	16,500	-3.5%
Govt/Military	1,584	1,825	-13.2%	2.1%	2.4%	-0.3	163	152	7.6%	258,965	277,263	-6.6%
Weekend Retail/SFB	220	213	3.3%	0.3%	0.3%	0.0	264	216	22.2%	58,010	45,957	26.2%
AAA	1,763	2,152	-18.1%	2.3%	2.8%	-0.5	268	245	9.2%	472,662	528,310	-10.5%
Packages	501	448	11.8%	0.7%	0.6%	0.1	231	215	7.6%	115,867	96,282	20.3%
Adv Purchase	581	966	-39.9%	0.8%	1.3%	-0.5	219	149	46.7%	127,062	144,047	-11.8%
Associate Leisure	1,000	1,062	-5.8%	1.3%	1.4%	-0.1	56	58	-4.1%	56,058	62,063	-9.7%
Rewards Redemption	8,912	8,574	3.9%	11.8%	11.2%	0.6	151	133	13.2%	1,344,958	1,143,231	17.6%
Other Discount	1,473	1,662	-11.4%	2.0%	2.2%	-0.2	173	173	-0.1%	254,668	287,658	-11.5%
TRANSIENT	**75,336**	**76,290**	**-1.3%**	**100.0%**	**100.0%**	**0.0**	**274**	**253**	**8.0%**	**20,609,806**	**19,321,048**	**6.7%**
GROUP												
Group Association	2,326	2,511	-7.4%	11.5%	14.2%	-2.7	185	175	5.7%	[illegible]044	440,380	-2.1%
Group Corporate	12,752	10,841	17.6%	62.8%	61.1%	1.7	228	214	6.5%	2,905,132	[illegible]319,433	25.3%
Group Other	5,231	4,190	24.8%	25.8%	23.6%	2.1	197	197	-0.2%	1,029,677	826,[illegible]	24.6%
Group Tour Series/Wholesale	0	203	-100.0%	0.0%	1.1%	-1.1	0	303	-100.0%	0	61,470	-100.[illegible]%
GROUP	**20,309**	**17,745**	**14.4%**	**100.0%**	**100.0%**	**0.0**	**215**	**206**	**4.6%**	**4,365,853**	**3,647,666**	**19.7%**
CONTRACT												
Group Contract	11,179	10,176	9.9%	100.0%	100.0%	0.0	131	123	6.9%	1,469,820	1,251,491	17.4%
CONTRACT	**11,179**	**10,176**	**9.9%**	**100.0%**	**100.0%**	**0.0**	**131**	**123**	**6.9%**	**1,469,820**	**1,251,491**	**17.4%**
COMPLIMENTARY												
Group Comp	763	859	-11.2%	100.0%	100.0%	0.0	2	2	-3.0%	1,483	1,722	-13.9%
COMPLIMENTARY	**763**	**859**	**-11.2%**	**100.0%**	**100.0%**	**0.0**	**2**	**2**	**-3.0%**	**1,483**	**1,722**	**-13.9%**
Summary	**107,587**	**105,070**	**2.4%**	**100.0%**	**100.0%**	**0.0**	**246**	**231**	**6.6%**	**26,446,963**	**24,221,927**	**9.2%**

Marriott Seattle Waterfront – Implemented Strategies (cont.)

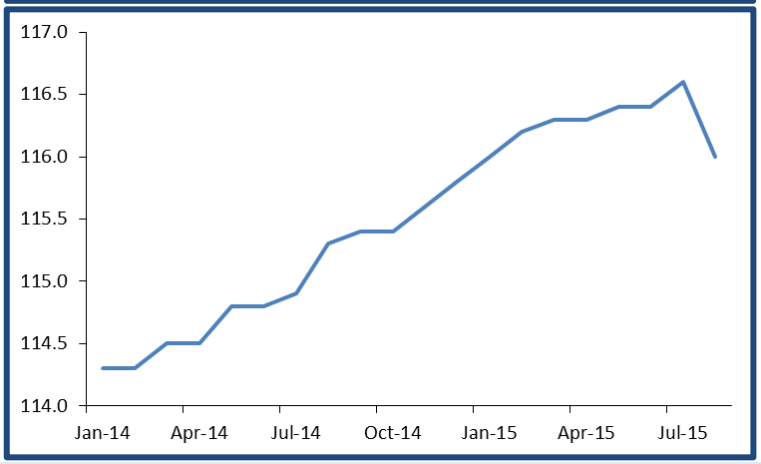
300 bps RevPAR index gain since 2011

RevPAR Index:

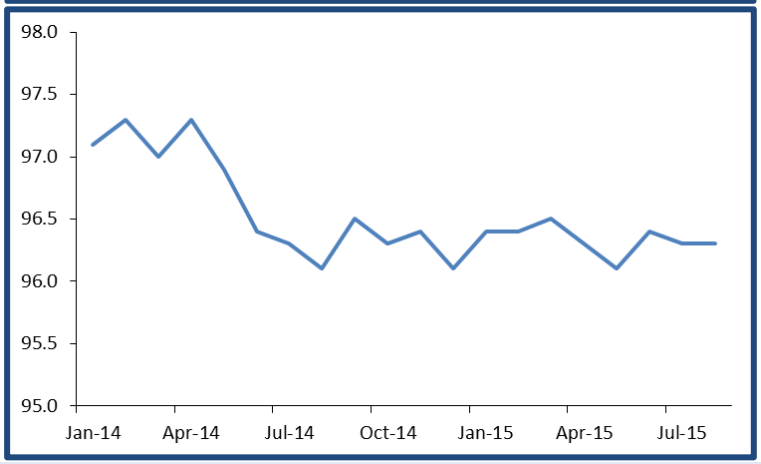


- ADR index has grown 170 bps since the beginning of 2014
- Coupled with the flat occupancy index since mid 2014, RevPAR index has grown 60 bps over the past year-and-a-half

ADR Index:



Occupancy Index:



Marriott Seattle Waterfront – Financial Summary

Financial Summary:

- Since 2011, RevPAR has increased 45.3%, outperforming the hotel's competitive set by 300 bps
- Over this time period, EBITDA has increased by over 50% as well

300 bps RevPAR index gain since 2011

	2011	2012	2013	2014	TTM Aug 2015	Cum. Var. (%, BPs)
RevPAR	$141.92	$155.64	$170.45	$191.66	$206.23	45.3%
RPI	108.7	109.9	111.8	111.4	111.7	+300
Total Revenue*	$25,239	$27,195	$29,635	$32,502	$35,292	39.8%
EBITDA*	$9,518	$10,662	$11,966	$13,186	$14,367	50.9%
EBITDA Flow		58.5%	53.4%	42.6%		48.2%

**$ in Thousands*

Capital Hilton – Operational Performance



Capital Hilton - Overview

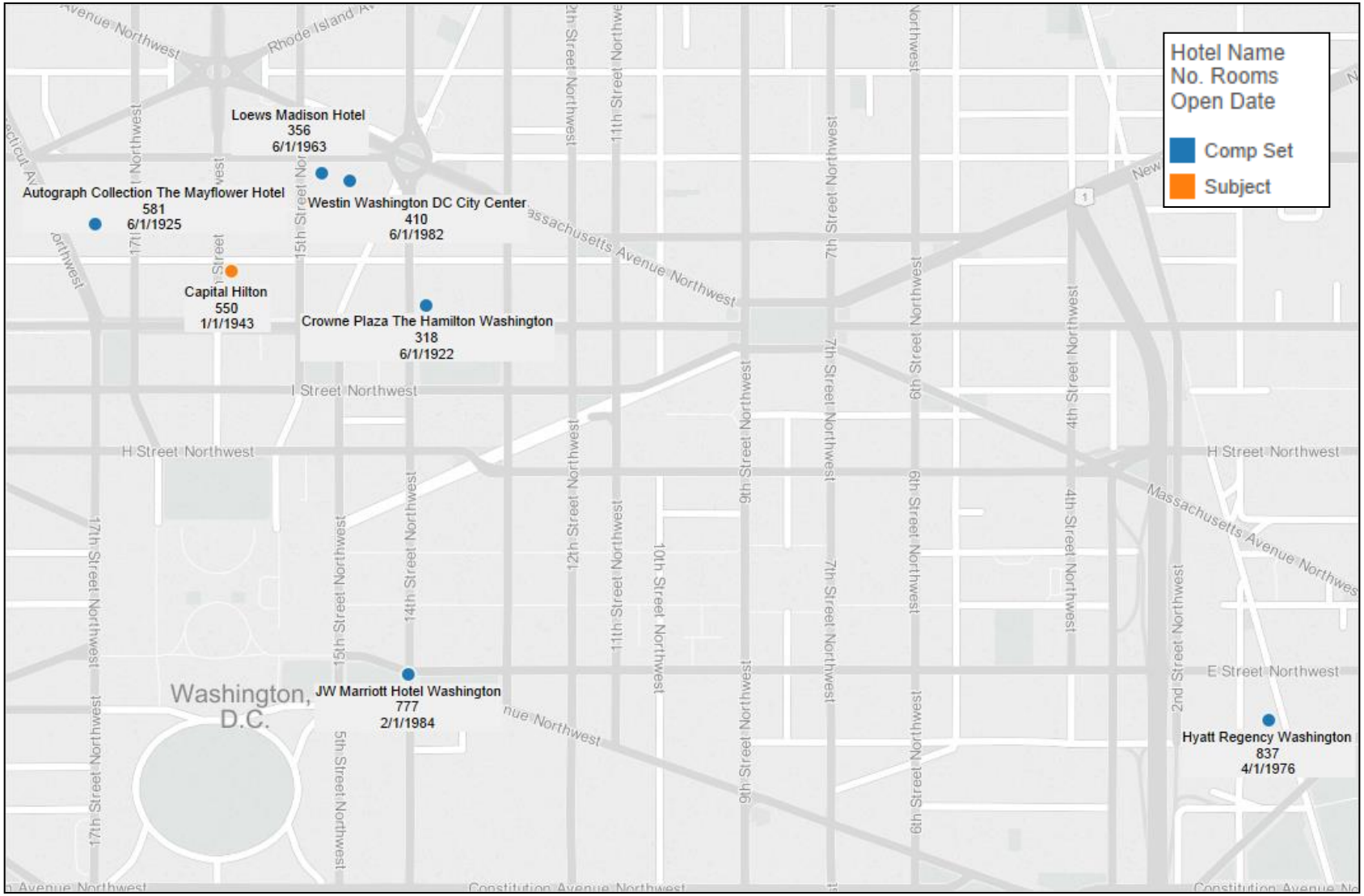
Case Study Overview:

- Since December 2013 the hotel has gained 370 bps in TTM RPI
- Ashford and Hilton have installed Upsell program, driving $250k of incremental revenue
- Implemented daily focus on pricing in order to drive retail transient penetration to historical high; retail RPI up 19% TTM
- Ashford Revenue Optimization team conducts weekly reviews of group position, leading to 5% TTM group RPI growth
- Upgraded Director of Revenue Management in Q1 2015

Asset Summary:

- 550 keys and 30,000 s.f. of meeting space
- Located in downtown Washington DC and just 3 blocks north of the White House
- Managed by Hilton
- TTM August 2015 RevPAR of $191.58
- TTM August 2015 EBITDA per key of $30k

Capital Hilton – Competitive Set



Capital Hilton - Revenue Optimization

Market Segment Performance vs. Comp Set (Oct14 - Sep15)

Segment	Subscriber Occupancy	Comp Set Occupancy	Occupancy Index	Subscriber ADR	Comp Set ADR	ADR Index	Subscriber RevPAR	Comp Set RevPAR	RevPAR Index
Group	30.6%	29.6%	103	$224	$239	94	$69	$71	97
Retail	16.0%	9.2%	174	$256	$309	83	$41	$28	144
Discount	18.8%	20.5%	92	$193	$167	116	$36	$34	107
Negotiated	8.0%	7.0%	115	$265	$259	102	$21	$18	117
Qualified	9.3%	8.6%	108	$201	$206	97	$19	$18	106
Wholesale	4.3%	2.8%	154	$172	$149	115	$7	$4	177
Other	0.5%	0.5%	114	$1	$139	1	$0	$1	1
Total	**87.5%**	**78.0%**	**112**	**$221**	**$223**	**99**	**$193**	**$174**	**111**

Channel	Subscriber Occupancy	Comp Set Occupancy	Occupancy Index	Subscriber ADR	Comp Set ADR	ADR Index	Subscriber RevPAR	Comp Set RevPAR	RevPAR Index
Brand.com	22.2%	15.2%	146	$221	$220	100	$49	$33	147

- Rational pricing strategy increased retail mix fueling transient ADR growth.
  - Retail growth through rational pricing allowing for a shift away from discount channels. Q1 – Q2 BAR (Best Available Rate/Retail) revenue increase of 14.4%/consortia growth of 28.1% vs. prior year. Discount production decline -8.9% with discount rate growth 25.2% YOY.
- Reduction of lower rated discount business over high demand dates.
  - Tactic to move away from opaque room night contribution (decline of -91.1% January – June 2015 vs. prior year) shifting set business into OTA room only production at a premium to opaque ADR (+$139.37 delta in OTA actualized rate vs. opaque).
  - Review of day of week production for all segments to ensure proper restrictions utilized mid-week. Accomplished by moving all rate plans into yieldable rate levels allowing for adjustments by length of stay and day of week based on demand and availability.

Capital Hilton – Segmentation Analysis

- Detailed segmentation shows 14.4% increase in retail business and 25.2% ADR growth for discount segment

14.4% YOY Increase in Retail Revenue

Mix Of Sales Report
The Capital Hilton
Actual Data (1/1/2015-6/30/2015) vs. Actual Data (1/1/2014-6/30/2014)
Data includes all days of week

Type Of Business	Actuals (1/1/15-6/30/15)			% Mix		Actuals (1/1/14-6/30/14)			% Mix		Variances					
	Rooms	ADR	Revenue	Rooms	Revenue	Rooms	ADR	Revenue	Rooms	Revenue	Rooms	%	ADR	%	Revenue	%
Transient																
Best Available Rate	15,338	$277.79	$4,260,816	29.5%	34.4%	13,407	$277.71	$3,723,229	26.6%	33.2%	1,931	14.4%	$0.09	-	$537,587	14.4%
Consortia	3,840	$302.93	$1,163,233	7.4%	9.4%	2,949	$307.91	$908,031	5.8%	8.1%	891	30.2%	($4.99)	(1.6%)	$255,202	28.1%
Corporate Negotiated	3,006	$247.35	$743,542	5.8%	6.0%	3,060	$258.82	$791,982	6.1%	7.1%	(54)	(1.8%)	($11.47)	(4.4%)	($48,440)	(6.1%)
Local Negotiated	847	$269.54	$228,301	1.6%	1.8%	1,299	$258.12	$335,304	2.6%	3.0%	(452)	(34.8%)	$11.42	4.4%	($107,003)	(31.9%)
Government	6,229	$217.40	$1,354,156	12.0%	10.9%	7,736	$215.65	$1,668,238	15.3%	14.9%	(1,507)	(19.5%)	$1.75	0.8%	($314,083)	(18.8%)
Corporate Marketing Programs	2,683	$266.29	$714,468	5.2%	5.8%	1,165	$262.05	$305,293	2.3%	2.7%	1,518	130.3%	$4.24	1.6%	$409,175	134.0%
Other Discounts	15,966	$200.08	$3,194,541	30.7%	25.8%	17,525	$159.76	$2,799,825	34.7%	25.0%	(1,559)	(8.9%)	$40.32	25.2%	$394,715	14.1%
Individual Tour / Wholesale	4,074	$182.25	$742,501	7.8%	6.0%	3,326	$202.76	$674,367	6.6%	6.0%	748	22.5%	($20.50)	(10.1%)	$68,134	10.1%
Transient	51,983	$238.57	$12,401,557	100.0%	100.0%	50,467	$222.05	$11,206,269	100.0%	100.0%	1,516	3.0%	$16.52	7.4%	$1,195,288	10.7%
Transient Allowances			$129,505					$119,628							$9,877	8.3%
Total Transient (net)	51,983	$236.08	$12,272,052			50,467	$219.68	$11,086,641			1,516	3.0%	$16.40	7.5%	$1,185,411	10.7%
Group																
Group Tour	2,437	$168.45	$410,512	7.5%	5.2%	2,101	$145.90	$306,534	6.5%	3.9%	336	16.0%	$22.55	15.5%	$103,978	33.9%
Individual Tour / Wholesale (OLD)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Company Meetings / Incentives	7,078	$245.72	$1,739,175	21.7%	21.9%	9,108	$241.43	$2,198,924	28.2%	27.9%	(2,030)	(22.3%)	$4.29	1.8%	($459,749)	(20.9%)
Convention / Association	20,400	$259.13	$5,286,244	62.5%	66.6%	19,198	$261.23	$5,015,153	59.4%	63.6%	1,202	6.3%	($2.10)	(0.8%)	$271,091	5.4%
SMERF	2,741	$181.18	$496,616	8.4%	6.3%	1,923	$192.69	$370,544	5.9%	4.7%	818	42.5%	($11.51)	(6.0%)	$126,072	34.0%
Group	32,656	$242.91	$7,932,546	100.0%	100.0%	32,330	$244.08	$7,891,154	100.0%	100.0%	326	1.0%	($1.17)	(0.5%)	$41,392	0.5%
Group Allowances			$82,852					$72,187							$10,665	14.8%
Total Group (net)	32,656	$240.38	$7,849,694			32,330	$241.85	$7,818,967			326	1.0%	($1.47)	(0.6%)	$30,727	0.4%

25.2% YOY Increase in Other Discount ADR Growth

Capital Hilton – Transient Occupancy Premium

Strong Focus on Future Demand Expectations (Proactive vs. Reactionary):

- Utilization of cutting edge industry reporting to predict areas of weakness/softness for future dates – TravelClick Demand 360 and Hilton demand reporting with specific attention on the following: Congressional activity, Citywide definite groups, Citywide host hotel location etc.
- Ability to track demand was key in recognizing Q1 2015 softness for the Convention outlook, in which case the Capital Hilton took preventive measures to shift production into transient while mitigating group losses more effectively than the competitive set
- Maintained competitive group mix vs. competitive set through increased attention to minimum acceptable rates during need dates specifically over weekend patterns

Year To Date	Transient			Group			Contract			Total		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%)												
Sunday	44.7	32.4	32.3	31.8	31.6	26.9	0.0	1.0	2.7	76.5	65.0	61.9
Monday	52.9	40.2	43.2	36.3	37.2	33.1	0.0	1.0	2.7	89.2	78.4	79.1
Tuesday	55.2	44.9	48.3	39.0	37.0	35.3	0.0	1.0	2.7	94.2	82.8	86.3
Wednesday	57.3	45.9	48.4	36.6	37.2	35.5	0.0	1.0	2.6	93.9	84.1	86.5
Thursday	55.9	41.5	40.5	32.8	31.4	31.9	0.0	0.9	2.7	88.7	73.8	75.1
Weekday	53.2	40.9	42.5	35.3	34.9	32.5	0.0	1.0	2.7	88.5	76.7	77.7
Friday	49.0	40.1	39.8	26.5	26.2	28.4	0.0	1.0	2.6	75.5	67.9	70.9
Saturday	52.1	44.9	44.0	27.7	26.6	28.2	0.0	1.0	2.6	79.8	72.5	74.8
Weekend	50.5	42.8	41.9	27.1	26.4	28.3	0.0	1.0	2.6	77.6	70.2	72.8
Total	52.4	41.5	42.4	32.9	32.4	31.3	0.0	1.0	2.6	85.4	74.9	76.3

Capital Hilton – Financial Summary

Financial Summary:

- Since 2013, the hotel has experienced 370 bps in RPI growth and 8.8% in cumulative total revenue growth

	2013	2014	TTM 2015	Cum. Increase (%, BPs)	YOY Increase (%, BPs)
RevPAR	$181.03	$184.91	$191.58	5.8%	3.6%
RPI	105.9	107.4	109.6	+370	+220
Total Revenue*	$50,790	$52,127	$55,276	8.8%	6.0%
EBITDA*	$15,612	$15,183	$16,526	5.9%	8.8%

**$ in Thousands*

Marriott Plano Legacy – Operational Performance



Marriott Plano Legacy - Overview

Case Study Overview:

- Hotel has continued to experience significant RPI growth despite the opening of the 299-room Hilton Granite Park only 1.2 miles away
- Following the renovation of the meeting space in Jan 2014, Ashford's Revenue Optimization team has conducted monthly reviews with the area and group sales offices resulting in substantial growth in group RPI
- Ashford and Marriott identified opportunities to push rate increases for key special corporate accounts resulting in TTM ADR growth of 6.9%

Asset Summary:

- 356 keys and 35,000 sq. ft. of meeting space
- Located in the Legacy Towne Center mixed-use development and close proximity to numerous corporate headquarters
- Managed by Marriott
- TTM August 2015 RevPAR of $132.79
- TTM August 2015 EBITDA per key of $31k

Marriott Plano Legacy - Revenue Optimization

- Daily focus on increasing retail transient contribution midweek, which has grown to a competitive index of 278
  - Utilizing retail price optimization to optimize the daily retail rates. Standard retail room night growth of 18.1% YOY.
  - Yielding the hotel more aggressive via room pools and limiting AAA, Gov't, etc. midweek. i.e. Gov't down 63% YOY and AAA down 20.7% YOY.
- Detailed account review of special corporate for 2015 in Q3 2014 resulted in 6.9% ADR lift in special corporate. Hotel has maintained #1 special corporate account penetration in face of new competition with $20 special corporate rate premium. i.e. HP, Toyota, Pepsi, etc.

Segment Performance Summary vs. Comp Set (Oct14 - Sep15)

	Group	Retail	Discount	Negotiated	Qualified	Wholesale	Other	Total
Occupancy								
Subscriber	31.7%	12.7%	7.9%	17.3%	2.0%	0.1%		**71.6%**
Comp Set	24.9%	6.1%	9.6%	18.3%	3.7%	0.1%	1.9%	**64.5%**
Occupancy Difference	6.8%	6.6%	(1.6%)	(1.0%)	(1.7%)	0.0%		**7.1%**
ADR								
Subscriber	$171	$266	$112	$199	$155	$163		**$187**
Comp Set	$152	$200	$119	$179	$145	$137	$71	**$156**
ADR Difference	$19	$67	($7)	$20	$10	$26		**$31**
RevPAR								
Subscriber	$54	$34	$9	$34	$3	$0		**$134**
Comp Set	$38	$12	$11	$33	$5	$0	$1	**$101**
RevPAR Index	143	278	78	105	57	132		**133**

Marriott Plano Legacy – Segmentation Analysis

- Detailed TTM segmentation highlights how retail & group volume strategies combined with special corporate rate increases have resulted in a 9.9% RevPAR gain.

	Room Nights			Mix RNs (% of Category)			ADR (Net)			Rev (Net)		
	TF1	TF2	% Chg	TF1	TF2	% Pt Chg	TF1	TF2	% Chg	TF1	TF2	% Chg
TRANSIENT												
Premium Retail	4,360	5,395	-19.2%	7.6%	8.9%	-1.3	342	333	2.6%	1,490,784	1,798,690	-17.1%
Standard Retail	7,204	6,101	18.1%	12.5%	10.1%	2.4	306	305	0.2%	2,202,687	1,861,392	18.3%
eChannel Retail	1,352	1,541	-12.3%	2.3%	2.5%	-0.2	200	156	28.5%	270,624	240,103	12.7%
Special Corp	25,727	25,383	1.4%	44.6%	41.9%	2.7	197	185	6.9%	5,079,537	4,688,105	8.3%
Wholesaler	166	144	15.3%	0.3%	0.2%	0.1	165	141	16.7%	27,383	20,361	34.5%
Govt/Military	517	1,424	-63.7%	0.9%	2.4%	-1.5	121	105	15.8%	62,804	149,441	-58.0%
Weekend Retail/SFB	6,645	9,154	-27.4%	11.5%	15.1%	-3.6	178	155	15.1%	1,183,249	1,415,668	-16.4%
AAA	1,631	2,058	-20.7%	2.8%	3.4%	-0.6	154	131	17.6%	250,774	269,058	-6.8%
Packages	406	355	14.4%	0.7%	0.6%	0.1	175	209	-16.0%	71,152	74,078	-4.0%
Adv Purchase	184	64	187.5%	0.3%	0.1%	0.2	149	166	-10.4%	27,429	10,647	157.6%
Senior Discount	731	849	-13.9%	1.3%	1.4%	-0.1	180	153	18.0%	131,842	129,758	1.6%
Associate Leisure	1,505	1,318	14.2%	2.6%	2.2%	0.4	55	57	-2.2%	83,430	74,727	11.6%
Rewards Redemption	2,929	3,449	-15.1%	5.1%	5.7%	-0.6	65	59	8.6%	189,002	204,939	-7.8%
Other Discount	4,283	3,295	30.0%	7.4%	5.4%	2.0	142	143	-0.8%	609,518	472,712	28.9%
TRANSIENT	**57,640**	**60,530**	**-4.8%**	**100.0%**	**100.0%**	**0.0**	**203**	**188**	**7.5%**	**11,680,215**	**11,409,680**	**2.4%**
GROUP												
Group Association	546	77	609.1%	1.2%	0.2%	1.0	175	170	2.9%	95,692	13,111	629.9%
Group Corporate	36,321	30,975	17.3%	77.0%	75.9%	1.2	182	171	6.3%	6,601,229	5,293,812	24.7%
Group Government	0	23	-100.0%	0.0%	0.1%	-0.1	0	108	-100.0%	0	2,479	-100.0%
Group Other	2,429	3,063	-20.7%	5.2%	7.5%	-2.3	149	136	9.7%	362,364	416,496	-13.0%
Group Social	6,546	5,716	14.5%	13.9%	14.0%	-0.1	123	122	0.9%	803,797	695,441	15.6%
Group Sports	1,261	471	167.7%	2.7%	1.2%	1.5	128	111	15.3%	160,950	52,127	208.8%
Group Tour Series/Wholesale	39	503	-92.2%	0.1%	1.2%	-1.1	329	127	158.6%	12,831	64,002	-80.0%
GROUP	**47,142**	**40,828**	**15.5%**	**100.0%**	**100.0%**	**0.0**	**170**	**160**	**6.5%**	**8,036,862**	**6,537,468**	**22.9%**
COMPLIMENTARY												
Group Comp	704	1,347	-47.7%	100.0%	100.0%	0.0	1	0	396.9%	491	189	159.7%
COMPLIMENTARY	**704**	**1,347**	**-47.7%**	**100.0%**	**100.0%**	**0.0**	**1**	**0**	**396.9%**	**491**	**189**	**159.7%**
Summary	**105,486**	**102,705**	**2.7%**	**100.0%**	**100.0%**	**0.0**	**187**	**175**	**7.0%**	**19,717,569**	**17,947,337**	**9.9%**

- Property has been successful in shrinking lower rated rewards redemptions, AAA discounts, and government room nights

Marriott Plano Legacy – Group Focus, esp. Weekends

	Transient			Group		
	My Prop	Comp Set	Market Scale	My Prop	Comp Set	Market Scale
Occupancy (%						
Sunday	-7.3	-13.8	-0.3	-6.0	-12.4	-6.4
Monday	5.3	-10.7	0.7	-5.4	-1.1	0.9
Tuesday	-0.4	-9.8	-1.6	3.2	8.3	4.4
Wednesday	-3.5	-6.0	1.3	16.4	0.9	6.9
Thursday	-7.8	-10.7	-0.1	22.5	-5.3	2.9
Weekday	-1.9	-9.5	0.1	8.0	-0.5	2.6
Friday	-8.4	-9.6	2.6	29.8	-12.7	-5.5
Saturday	-13.9	-9.9	5.3	46.9	-20.6	-8.0
Weekend	-11.3	-9.7	4.0	37.2	-16.6	-6.7
Total	-4.4	-9.5	1.2	14.9	-5.4	0.3
ADR						
Sunday	8.2	5.8	5.1	6.1	5.0	1.2
Monday	2.6	6.0	6.4	9.7	2.9	2.5
Tuesday	4.0	6.9	7.2	11.6	1.9	3.7
Wednesday	5.6	6.5	7.2	8.6	4.3	3.7
Thursday	6.6	4.2	4.8	9.1	2.1	4.2
Weekday	5.1	6.2	6.4	9.4	3.3	3.3
Friday	8.1	-0.1	3.1	3.2	-0.7	1.3
Saturday	9.2	1.3	3.3	4.1	-0.8	0.1
Weekend	8.7	0.7	3.2	3.5	-0.7	0.7
Total	6.5	4.9	5.4	6.8	3.0	2.8
RevPAR						
Sunday	8.3	-8.8	4.8	-0.2	-8.0	-5.3
Monday	8.0	-5.4	7.1	3.8	1.8	3.4
Tuesday	3.5	-3.6	5.4	15.2	10.3	8.3
Wednesday	2.0	0.	8.6	26.4	5.2	10.8
Thursday	-1.7	-7.0	4.7	33.7	-3.3	7.3
Weekday	3.1	-3.9	5.	18.1	2.7	6.0
Friday	-1.0	-9.7	5.8	34.0	-13.3	-4.3
Saturday	-6.0	-8.6	8.8	53.0	-21.2	-7.9
Weekend	-3.6	-9.1	7.3	42.0	-17.1	-6.0

Bi-Weekly Sale Funnel Reviews of Group:

- Weekly review of group corporate opportunities, group price optimization (GPO) & conversion rate. Group corporate revenue growth of 24.7%.
- Increased group lead generation advertising against group association, social & sports to improve weekend occupancy index. Group sports revenue has increased 208% YOY, group social has increased 15.6% YOY and group association up 629% YOY.
- Stealing group weekend share from the competitive set & market scale both

Marriott Plano Legacy – Financial Summary

Financial Summary:

- Since 2012, the hotel has experienced 1,260 bps in RPI growth, almost 25% in cumulative total revenue growth and 30% in EBITDA growth

	2012	2013	2014	TTM 2015	Cum. Increase (%, BPs)	YOY Increase (%, BPs)
RevPAR	$107.91	$115.49	$123.57	$132.79	23.1%	7.5%
RPI	112.9	113.3	118.4	125.5	+1,260	+710
Total Revenue*	$25,330	$25,914	$29,473	$31,592	24.7%	7.2%
EBITDA*	$8,548	$8,869	$9,963	$11,075	29.6%	11.2%

**$ in Thousands*

Pier House Resort – Ownership Value Add



Case Study – Pier House - Overview

Case Study Overview:

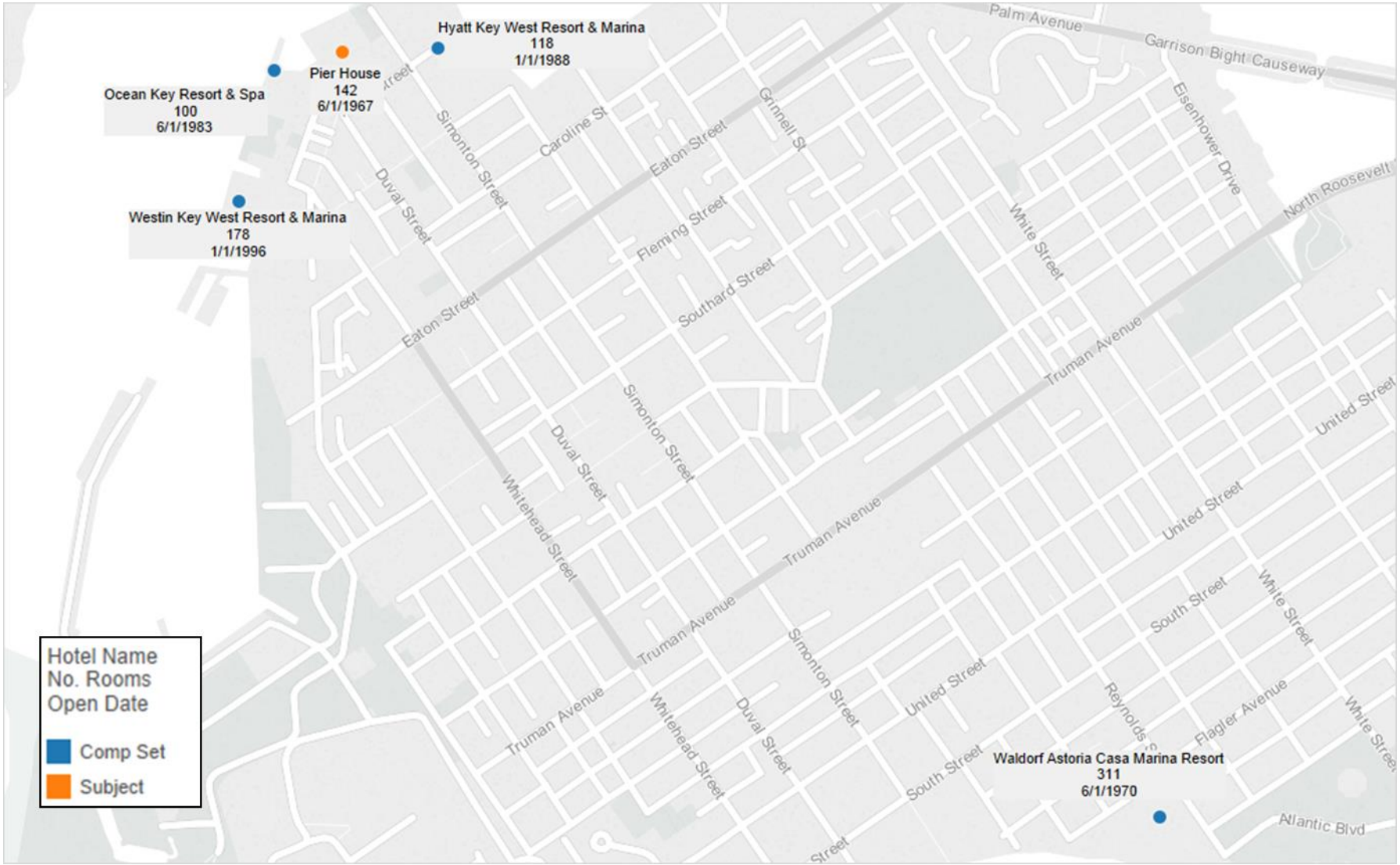
- During the 12 months following its acquisition, RevPAR increased 14.0% year-over-year
- During the same timeframe, EBITDA flowed at 109.2%
- Asset management performance significantly exceeded underwriting
- Eliminated $1.5mm in expenses through cost cutting initiatives

Asset Summary:

- Acquired May 14, 2013*, for $90.9mm ($640k per key)
- 142 keys and 2,600 s.f. of meeting space
- Located in Key West, FL on the edge of Old Town within blocks of Mallory Square and Sloppy Joe's
- Managed by Remington
- TTM RevPAR is $346.88
- TTM EBITDA per key is $65.9k

*Acquired by Ashford Prime in March 2014

Case Study – Pier House – Competitive Set



Case Study – Pier House – Implemented Strategies

- Acquired and converted to Remington-managed in May 2013*
- On a TTM basis, RevPAR and EBITDA grew by 14.0% and 37.8%, repectively

	Pre-Takeover	Post-Takeover	Increase (%)
RevPAR	$283.94	$323.66	**14.0%**
Revenue*	$19,196	$21,284	**10.9%**
EBITDA*	$6,031	$8,312	**37.8%**
EBITDA Flow		**109.2%**	

**$ in Thousands*

- Results continue to be phenomenal
- The chart below compares TTM August 2015 to TTM May 2013

	Pre-Takeover	Aug 2015 TTM	Cumulative Increase (%, BPs)
RevPAR	$283.94	$346.88	**22.2%**
Revenue*	$19,196	$22,614	**17.8%**
EBITDA*	$6,031	$9,352	**55.1%**
RPI	97.7	102.6	**+502**

**$ in Thousands*

Case Study – Pier House – Cost Controls

- Right-sized staffing level, reduced health insurance costs, reduced employee meal costs, and saved insurance expense despite Ashford coverage levels that were superior to the prior program

Cost Controls	Pre- vs. Post-Takeover Variance*
Administrative Salaries	($602)
F&B Salaries	($66)
Other Salaries	($84)
Health Insurance	($420)
Employee Meal	($143)
Property Insurance	($294)
General Liability Insurance	($91)

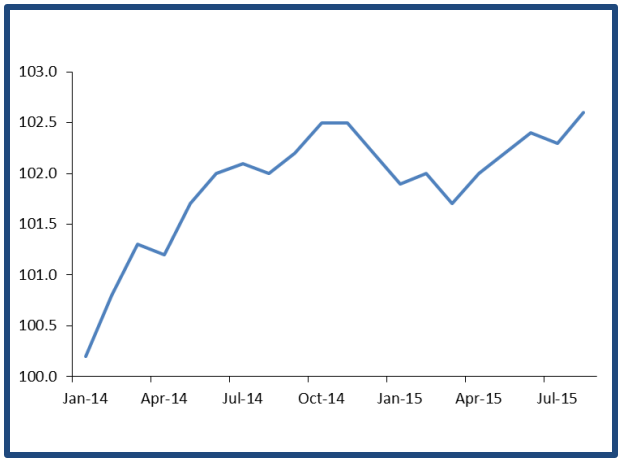
**$ in Thousands*

Case Study – Pier House – Revenue Enhancements

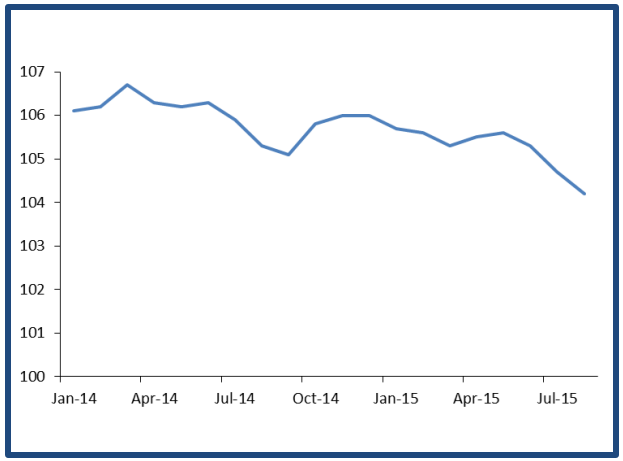
- Implemented charges for parking and increased rate aggressively in high occupancy Key West market
- Increased room rates aggressively as well

	Pre-Takeover	Aug 2015 TTM	Variance (BPs)
Occ Index	94.1	98.4	+430
Parking Rev	$0	$329k	$329k
ADR	$348	$392	$44

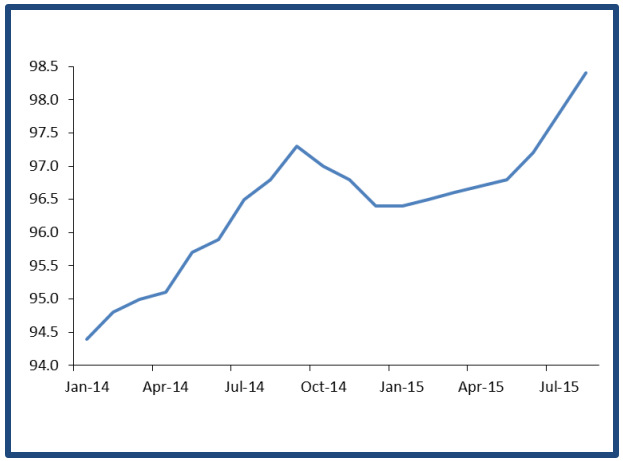
RevPAR Index:



ADR Index:



Occupancy Index:



Case Study – Pier House – Segmentation

Pier House - Key West

Available Rooms	32944	34506	34506
ADRs	**2013**	**2014 (aug)**	**2015 (aug)**
Transient			
Retail	379.30	454.02	473.91
Consortia	328.73		378.90
Corporate	247.76		0.00
Advance Purch		373.83	362.33
Government/Mil	186.65	213.63	209.74
Disc 1 - AAA/AARP	322.79	421.95	433.49
Disc 2 - Qual Disc	276.69	372.05	374.70
Disc 3 - OTA	261.68	342.96	344.97
Disc 4 - Opaque			
Preferred Accounts		617.23	
Packages	325.64	443.29	
Other			
Extended Stay			
Transient Total	**326.84**	**403.17**	**408.28**
Group			
Citywide			0.00
Association	265.62	294.23	297.42
Corporate	252.99	365.59	384.36
Tour & Travel	269.00	315.00	0.00
SMERF	252.98	311.13	422.90
Gov/Military	354.28		
Other	411.74		
National Sales			
Group Total	**268.99**	**351.67**	**378.68**
Contract			
Airline			
Corporate			
Wholesale	235.81	309.75	
Other			
National Sales			
Contract Total	**235.81**	**309.75**	**#DIV/0!**
Total ADR	**321.40**	**397.94**	**406.38**
Discount Combined	296.67	388.07	387.81

Rooms Sold

Available Rooms	32944	34506	34506
Business Mix	**2013**	**2014 (aug)**	**2015 (aug)**
Transient			
Retail	34.1%	22.6%	23.6%
Consortia	0.1%	0.0%	0.2%
Corporate	0.1%	0.0%	0.0%
Advance Purch	0.0%	1.9%	3.7%
Government/Mil	0.6%	0.7%	0.1%
Disc 1 - AAA/AARP	29.8%	33.7%	27.2%
Disc 2 - Qual Disc	10.1%	10.0%	13.8%
Disc 3 - OTA	16.5%	21.7%	24.8%
Disc 4 - Opaque	0.0%	0.0%	0.0%
Preferred Accounts	0.0%	0.0%	0.0%
Packages	0.3%	0.4%	0.0%
Other	0.0%	0.0%	0.0%
Extended Stay	0.0%	0.0%	0.0%
Transient Total	**91.5%**	**90.9%**	**93.6%**
Group			
Citywide	0.0%	0.0%	0.0%
Association	1.1%	0.8%	0.5%
Corporate	4.3%	6.0%	5.7%
Tour & Travel	0.3%	0.1%	0.0%
SMERF	0.5%	0.8%	0.2%
Gov/Military	0.8%	0.0%	0.0%
Other	0.1%	0.0%	0.0%
National Sales	0.0%	0.0%	0.0%
Group Total	**7.0%**	**7.7%**	**6.4%**
Contract			
Airline	0.0%	0.0%	0.0%
Corporate	0.0%	0.0%	0.0%
Wholesale	1.5%	1.3%	0.0%
Other	0.0%	0.0%	0.0%
National Sales	0.0%	0.0%	0.0%
Contract Total	**1.5%**	**1.3%**	**0.0%**
Business Mix	100%	100%	100%
Discount Combined	56.4%	65.4%	65.9%

- Since acquisition, transient mix has improved to almost 94% with transient ADR improving over 25% (to $408)
- Retail ADR has improved $95 to $474 and Discount ADR has improved 31%
- Group contribution, strategically down 60 bps as a percentage of rooms sold, has seen an ADR improvement of 41%

Case Study – Pier House – Financial Summary

Financial Summary:

- Since 2012, RevPAR index has increased by 500 bps
- EBITDA flows over this period have been nearly 100%

	2012	2013	2014	Aug 2015 TTM	Cumulative Increase (%, BPs)
RevPAR	$275.50	$302.76	$333.66	$346.88	25.9%
RPI	97.6	99.6	102.2	102.6	+500
Total Revenue*	$18,656	$20,211	$21,929	$22,614	21.2%
EBITDA*	$5,531	$7,565	$8,640	$9,352	69.1%
EBITDA Flow	29.6%	130.9%	62.5%		96.6%

**$ in Thousands*

Marriott Seattle Waterfront – Ownership Value Add



Marriott Seattle Waterfront – Room Addition

Renovation Scope – 3 New Rooms

- Relocation of the executive lounge to 1st floor
- Conversion of the existing executive lounge space to accommodate three new guestrooms (estimated value of adding 3 keys is ~$1.5mm)
- Renovation Start: Nov 2016
- Anticipated Completion: Feb 2017
- Space planning is still in development
- Budget: ~$900K (~$600k Executive Lounge, ~$300k rooms)

Financial Analysis of Total Investment

15 lounge upsells/day at $30:	$164k
3 rooms at 50% OCC and $254 ADR:	$139k
Less Expenses, Fees, FF&E Reserve:	($139k)
Incremental Annual Profit:	$164k
Implied Value at 6.5% Cap Rate:	$2.5mm
Construction Costs:	($900k)
Investment Multiple:	**2.8x**

Executive Lounge analysis assumes breakeven operations, however Ashford expects additional profitability due to cash bar.
Executive Lounge revenue assumed flow at 50%, rooms revenue flow at 80%, management fees 7.5% GOP, FF&E Reserve 5% Revenue.

Capital Hilton – Ownership Value Add



Capital Hilton – Room Addition

Renovation Scope:

- Room Addition Phase 1
  - Conversion of the parlor area in the Hilton Baron guest suite
  - Relocation of Concierge Lounge to the 1st Floor
  - Renovation completed in June 2014
  - Resulted in 3 additional keys
  - Total Budget: $1.3mm

- Room Addition Phase 2
  - Ambassador Suite Room conversion into new guestrooms
  - Newly constructed guestrooms are consistent with finish and design of existing rooms
  - Renovation completed in April 2015
  - Resulted in 3 additional keys
  - Total Budget: $600k

- Six additional keys added. Total Investment: $1.9mm

Capital Hilton – Room Addition

Financial Analysis Method	
Additional executive room upsell revenue:	$585k
6 rooms at 50% OCC and $223 ADR:	$244k
Less Expenses, Fees, FF&E Reserve:	($389k)
Incremental Annual Profit:	$440k
Implied Value at 5.75% Cap Rate:	$7.7mm
Construction Costs:	($1.9mm)
Investment Multiple:	**4.0x**


The Capital Hilton – Concierge Lounge

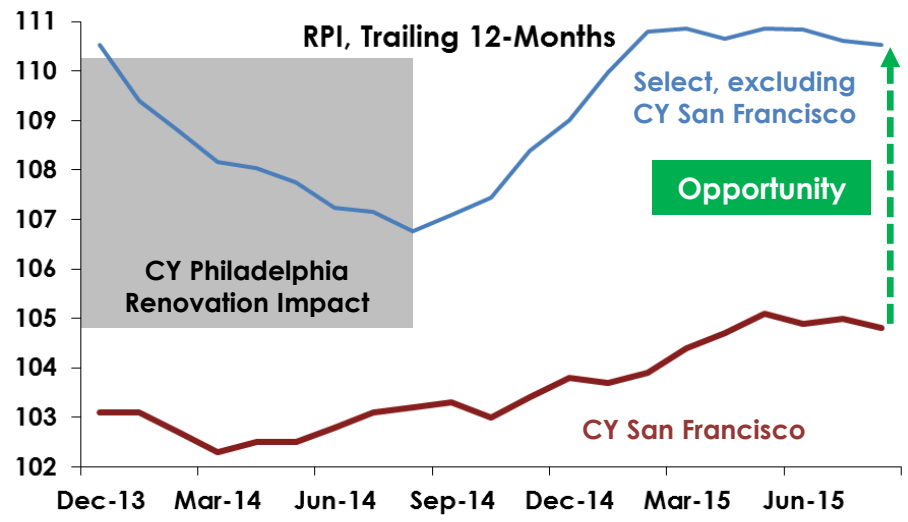

The Capital Hilton – Added Guestroom

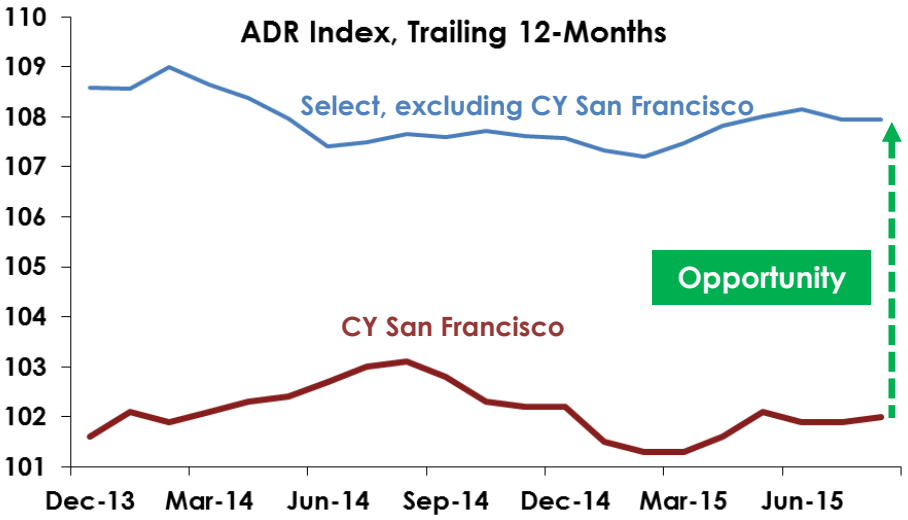
Lounge analysis assumes breakeven operations, however Ashford expects additional profitability due to cash bar.
Executive Lounge revenue assumed to flow at 50%; rooms revenue assumed to flow at 80%, 3% of GOP in management fees, 4% revenue in FF&E reserve.

Courtyard San Francisco – Ownership Value Add



Courtyard San Francisco – Ownership Value Add







Opportunities:

- Courtyard San Francisco has historically underperformed compared to the rest of Ashford's select portfolio in ADR index
- A one point increase in RevPAR index equals $171k in EBITDA
- Repositioning hotel with $14.5mm extensive guestrooms and lobby renovation starting Q4 2016
  - Custom guestrooms renovation (including king showers) will better position hotel to capture higher rated group and transient business

CY San Fran – Significant RevPAR Index Opportunity

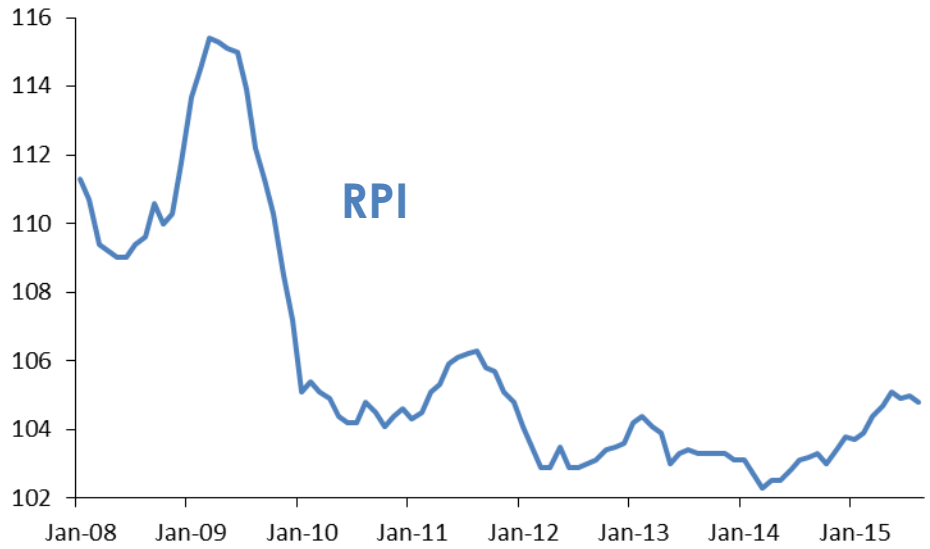
- Hotel has improved over the last 12 months to YE 2011 market penetration but still 630 bps off from watermark high when prior rooms renovation completed
- At the current TTM RevPAR, the 630 bps is equivalent to $2.3mm in

August 2015

Renovation Impact Color Coding System:

Rooms	Lobby	Meeting	Gatehouse	Ro, Lo, Me

	Historical Y/E Index								
Property	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**TTM Aug 2015**	*Growth from 2008*
Courtyard Philadelphia Downtown	108.5	110.2	109.4	105.4	109.7	110.8	108.2	**111.5**	*2.8%*
Courtyard San Francisco Downtown	**111.8**	107.2	104.6	104.8	103.6	103.1	103.8	104.8	***-6.3%***
Ashford Prime Total	**106.6**	**104.8**	**103.4**	**105.3**	**107.1**	**106.8**	**107.6**	**108.2**	*1.5%*



CY San Fran – Significant RevPAR Index Opportunity

- Reposition will position the hotel to return to over 100.0 ADR index in both group & retail transient, like Courtyard Philadelphia Downtown

COURTYARD SAN FRANCISCO DOWNTOWN

Booking data updated as of Oct 13, 2015

View Performance Detail and (

Detailed Performance by Segment vs. Last Year (Oct14 - Sep15)

	Group	Retail	Discount	Negotiated	Qualified	Wholesale
Occupancy						
Subscriber	19.2%	31.4%	20.6%	9.4%	4.9%	0.6%
Variance	(2.5)	2.7	3.4	(0.1)	0.6	(0.0)
Comp Set	21.7%	12.1%	26.1%	10.8%	5.0%	3.0%
Variance	(0.7)	(0.9)	2.2	(0.0)	0.8	(0.2)
Occupancy Index	89	259				
Variance	(8)	39				
ADR						
Subscriber	$254	$317				
Growth	3.3%	1.1%				
Comp Set	$261	$328				
Growth	7.6%	4.2%				
ADR Index	97	97				
Variance	(4)	(3)				
RevPAR						

COURTYARD PHILADELPHIA DOWNTOWN

Booking data updated as of Oct 11, 2015

View Performance Detail and (

Detailed Performance by Segment vs. Last Year (Oct14 - Sep15)

	Group	Retail	Discount	Negotiated	Qualified	Wholesale
Occupancy						
Subscriber	27.4%	16.0%	17.0%	12.3%	6.1%	1.2%
Variance	2.1	0.7	3.2	(0.1)	(0.3)	(0.1)
Comp Set	28.1%	8.2%	16.2%	13.4%	4.8%	2.0%
Variance	2.9	(0.4)	0.2	0.8	(0.4)	0.3
Occupancy Index	97	196	105	92	128	59
Variance	(3)	18	19	(7)	4	(18)
ADR						
Subscriber	$183	$232	$113	$152	$174	$128
Growth	10.8%	8.5%	3.0%	2.1%	4.3%	6.3%
Comp Set	$175	$204	$140	$156	$155	$99
Growth	8.5%	9.3%	6.7%	4.1%	(0.5%)	2.5%
ADR Index	104	114	81	98	112	129

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Investor & Analyst Day – October 2015

Case Study Compendium