

ASHFORD
HOSPITALITY TRUST

The premier capital provider to the hospitality industry™

June 2005

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. EBITDA is defined as net income before interest, taxes, depreciation and amortization. EBIDTA yield is defined as trailing twelve month EBITDA divided by the purchase price.

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, and the degree and nature of our competition. These and other risk factors are more fully discussed in the Company's filings with the Securities and Exchange Commission.

DISCUSSION TOPICS

- Asset Allocation Strategy
- Growth Strategy
- Long-Term Total Return Potential







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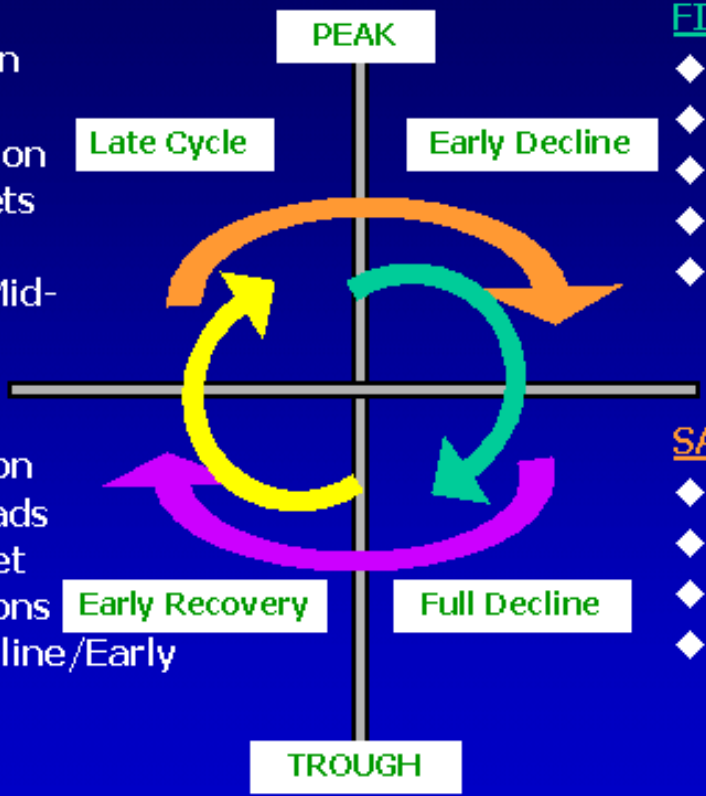
ASSET ALLOCATION STRATEGY

HOTEL OWNERSHIP

- 60-90% allocation
- Current yield
- Capital appreciation
- Undervalued assets
- Reposition
- Timing: Trough/Mid-Stage Recovery

MEZZANINE

- 10-40% allocation
- Wide index spreads
- Inefficient market
- Foreclosure options
- Timing: Late Decline/Early Recovery



FIRST MORTGAGE

- 0-10% allocation
- Stable returns
- High volume
- Counter cyclical
- Timing: Peak/Early Decline

SALE-LEASEBACK

- 0-10% allocation
- Stable returns
- Participation
- Timing: Late Recovery/Mid-Stage Decline

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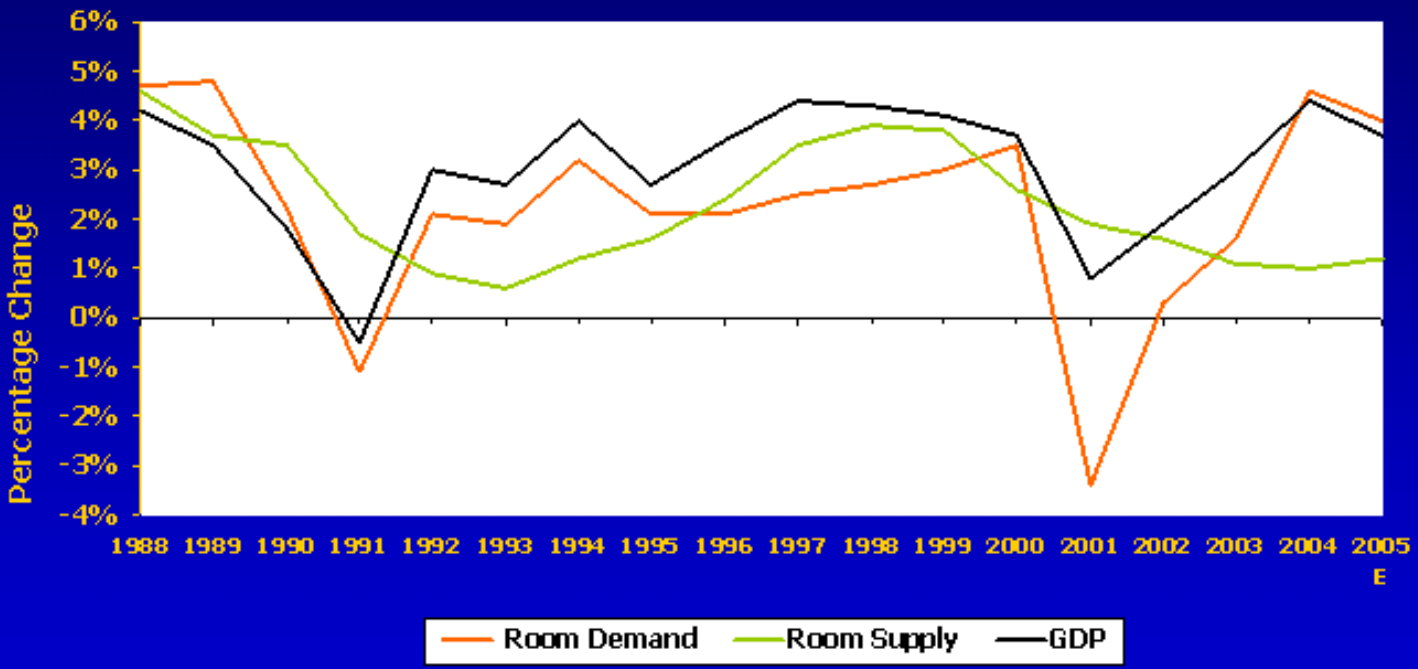
LODGING MARKET / ECONOMIC RECOVERY

TTM through April 2005, Room Demand up 3.7%; Room Supply up 0.6%

Yearly % Change in U.S. Hotel Room Demand Growth, Room Supply Growth, & U.S. GDP Growth



Source: Smith Travel Research, PricewaterhouseCoopers

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GROWTH STRATEGY

- **Capital Recycling:** Dispose of assets where value has been maximized and redeploy capital into assets with higher total return potential
- **Margin Growth:** Align with brand leaders to drive RevPAR and work with third-party managers to control costs and expand margins
- **Renovation/Repositioning:** Selectively execute value-added re-branding or capital investment initiatives
- **Balance Sheet:** Amplify and extend core growth through effective management of the capital structure

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CAPITAL RECYCLING STRATEGY

- Focus on "off-market or pre-emptive" accretive hotel acquisition and lending opportunities
- Pursue repositioning or re-branding opportunities that maximize total return potential
- Optimize portfolio balance to maximize total return







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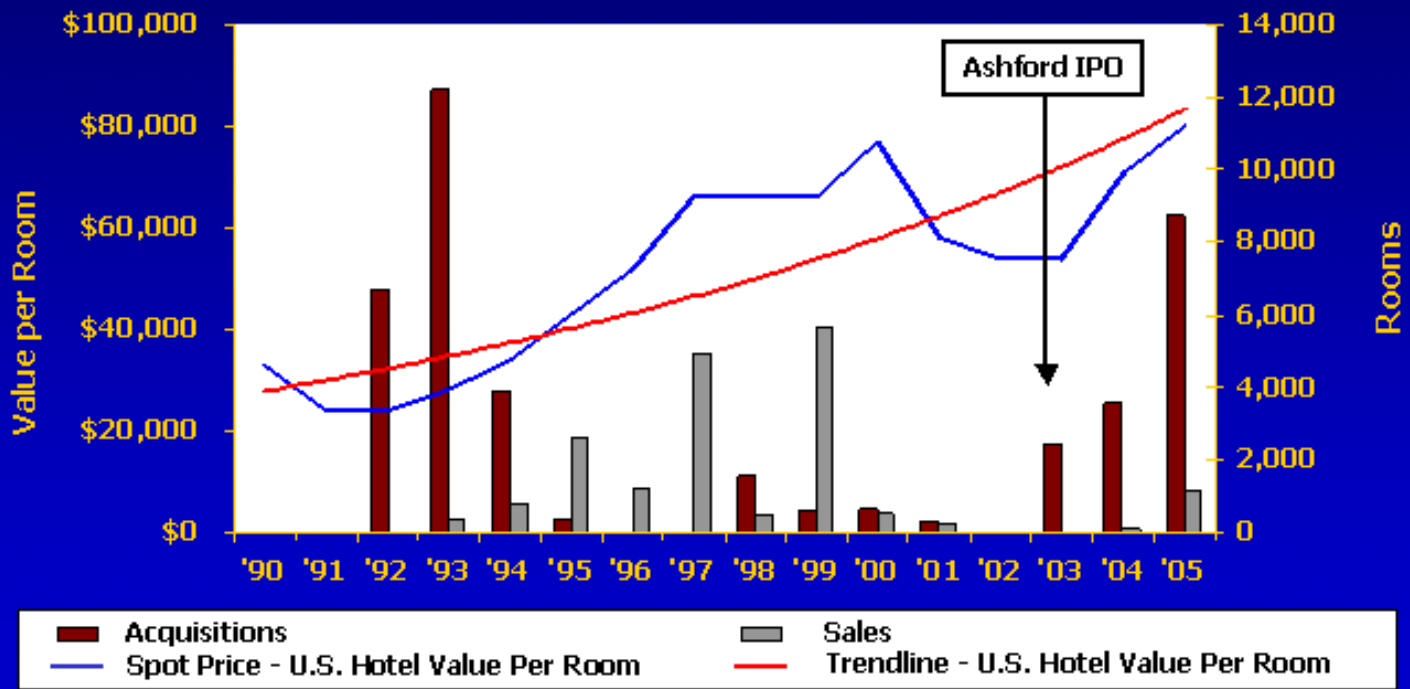
MANAGEMENT TRACK RECORD

Demonstrated expertise in creating value throughout cycles

Yearly Change in U.S. Per Room Value vs. Management Purchases/Sales



Source: HVS International, Ashford Hospitality Trust, AHT 2005 hotel value per room estimate

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ACHIEVING TARGETED YIELDS

Direct Hotel Investments (TTM EBITDA pre capex at acquisition)			
Sheraton Bucks County	13.2%		
Hilton/Marriott Select Service Portfolio	12.6%		
Embassy Suites/Doubletree Portfolio	11.4%		
FGSB Hotel Portfolio	11.2%		
Hilton/Marriott Select Service Portfolio	10.6%		
Hilton/Marriott Select Service Portfolio	10.5%		
Residence Inn - LBV	10.3%		
Sea Turtle Inn	9.9%		
CNL Hotel Portfolio	9.7%		
SpringHill Suites BWI Airport	9.7%		
Hilton Santa Fe	8.1%		
Hyatt Orange County	8.0%		
Loan Yields at Origination			
Northland Inn & Conference Center			15.0%
Westin Westminster			14.0%
Hyatt Penn's Landing			14.0%
Hotel Teatro			13.7%
Embassy Suites Anaheim			12.8%
Embassy Suites Logan Airport			12.0%
Viceroy Hotel			11.7%
Mixed Portfolio			11.2%
Hilton Times Square			11.0%
Adam's Mark Denver			10.1%
Weighted Average Yield	10.3%		12.1%
Total Portfolio Weighted Average Yield		10.5%	

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SALE OF NON-CORE ASSETS

Demonstrated ability to sell assets at an attractive multiple and reinvest the proceeds into higher yielding assets

	Rooms	TTM NOI	TTM EBITDA	Sales Price	Cap Rate
Best Western	70	$ (428,258)	$ (405,561)	$ 1,350,000	NA
Ramada Hyannis	196	$ 52,090	$ 159,897	$ 4,750,000	1.1%
Ramada Warner Robbins	164	$ (223,811)	$ (179,625)	$ 1,525,000	NA
Holiday Inn Coral Gables	168	$ 664,017	$ 841,361	$11,000,000	6.0%
Falmouth	72	$ 88,680	$ 144,595	$ 4,450,000	2.0%
Yarmouth	136	$ (66,878)	$ (21,382)	$ 3,400,000	NA
Howard Johnson Westbury	110	$ 153,328	$ 214,397	$ 5,500,000	2.8%
Howard Johnson Commack	80	$ 179,580	$ 240,703	$ 5,500,000	3.3%
Total	996	$ 418,748	$ 994,385	$37,475,000	1.1%

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CNL PORTFOLIO ACQUISITION

- 30-Hotel portfolio with 4,328 rooms acquired for $465 million
- Attractive TTM NOI cap rate of 8.5%
- Portfolio consists of select service Marriott branded and managed hotels in 27 markets across 16 states
- Increases brand and geographic diversification
- Favorable 10-yr debt financing at a fixed rate of 5.32%
- Pre-emptive bid







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HOTEL ACQUISITION - CASE STUDY

FGSB Portfolio - $250 million acquisition



- 21-Hotel portfolio with 4,094 rooms acquired for $250 million at attractive yields
- Core Portfolio consists of 13 upper-upscale and upscale full-service hotels in major markets

	Core Portfolio
TTM Cap Rate	11%
TTM EBITDA Yield	13%
Price Per Key	$68,601



- 8 non-core hotels either sold or under contract for sale
- Significant OP units taken by affiliates of Fisher Brothers, Gordon Getty Trust, George Soros, and Ashford Management

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DEBT INVESTMENT - CASE STUDY

Hotel Teatro - $5 million mezzanine loan

- 111-room luxury, boutique hotel in downtown Denver
- Originated $10 million mortgage and $5 million mezzanine loan at a blended spread of 565 bps over LIBOR



- Sold first mortgage and retained mezzanine loan at a spread of 1,135 bps over LIBOR
- Creative structuring resulted in attractive pricing for the 50-74% tranche of the capital structure

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COST SAVING IMPLEMENTATION

Sea Turtle Inn – Jacksonville, FL



- 193 room hotel acquired for $23.4 million
- Pre-Acquisition TTM Operating statistics:

	TTM Pre-Acquisition	Current TTM
Occupancy %	75.20%	85.30%
ADR	$101.67	$118.32
RevPAR	$84.12	$86.09
Room Revenue	$5.82m	$6.06m
NOI	$1.93m	$2.68m





- TTM room revenue increased $240,680 since the acquisition while TTM NOI increased $756,043
- Ashford has cut costs by $565,363 since the acquisition

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STRONG BRAND REPRESENTATION

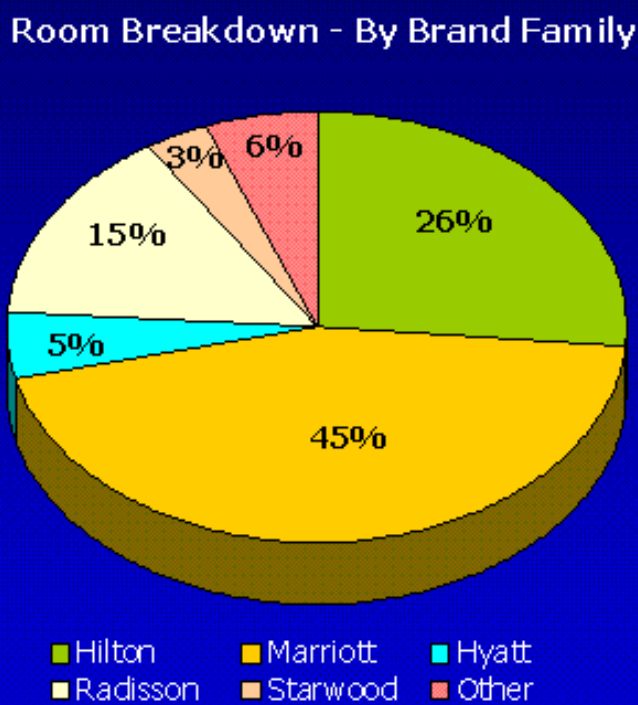
79% of rooms are Hilton, Marriott, Starwood and Hyatt brands

Hilton Brands

Embassy Suites Hotels
Hilton
Homewood Suites by Hilton
DoubleTree
Hilton Garden Inn
Hampton Inn

Other Brands & Independents

Sea Turtle Inn – On The Ocean – Jacksonville
Radisson



Marriott Brands

SpringHill Suites by Marriott
Residence Inn by Marriott
Fairfield Inn by Marriott
Courtyard by Marriott

Starwood Brands

Sheraton Hotels & Resorts

Hyatt Brands

Hyatt Regency

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PRIMARY MARKET PORTFOLIO

Majority of Ashford's EBITDA is within primary markets with high RevPAR growth

Market	% of TTM EBITDA	MKT RevPAR Growth(1)
Washington DC	13.8%	12.4%
Orlando	7.7%	14.4%
Miami	7.7%	19.7%
Anaheim	5.8%	5.1%
Dallas/Ft. Worth	5.3%	5.0%
Jacksonville	4.5%	26.3%
Atlanta	4.1%	6.5%
Indianapolis	3.6%	6.7%
Los Angeles	3.3%	9.5%
Las Vegas	2.9%	-9.6%
Houston	2.9%	-8.7%
San Diego	2.4%	4.9%
Tampa	2.1%	16.9%
Minneapolis	1.8%	7.9%
Salt Lake City	1.4%	6.8%
Phoenix	1.3%	10.0%
Philadelphia	1.1%	10.6%
Major Market Total	71.5%	8.5%
Other	28.5%	5.4%
TOTAL	100.0%	7.2%

(1) Source: Smith Travel Research YTD March 2005

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PORTFOLIO GROWTH

Owned hotel portfolio is well positioned for RevPAR growth

Segment	Compound Annual RevPAR Growth Rate[1]	% of AHT's EBITDA
Luxury	10.5%	
Upper Upscale	7.8%	31.6%
Upscale	6.4%	61.3%
Midscale without F&B	9.9%	7.2%
Midscale with F&B	5.1%	
Economy	4.4%	
Total U.S. - All Segments	6.9%	

[1] Reflects the PWC forecasted compound annual growth rate in RevPAR for 2005 - 2006

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ASSET MANAGEMENT HIGHLIGHTS

- Maximizing the value of investments through aggressive asset management
- Recently hired a Sr. VP of Asset Management from Host Marriott
- Utilizing the best manager for any given property; currently use 7 different management companies
- Acquired properties at attractive trailing yields on initial capital and invest additional capital in properties where there is value-added return on equity

MARGIN GROWTH

Capital improvement drives RevPAR and EBITDA Margin growth

	1Q 2004 Proforma	1Q 2005	Difference
Not Under Renovation			
35 hotels - 6,738 rooms			
Hotel EBITDA Margin	25.4%	28.1%	270 bps
RevPAR Penetration	101.2%	108.0%	680 bps
RevPAR Growth			12.5%
Under Renovation			
12 hotels - 1,608 rooms			
Hotel EBITDA Margin	24.7%	18.7%	(600) bps
RevPAR Penetration	121.7%	107.5%	(1420) bps
RevPAR Growth			(13.2)%
Total			
47 hotels - 8,346 rooms			
Hotel EBITDA Margin	25.3%	27.0%	170 bps
RevPAR Penetration	103.5%	108.0%	450 bps
RevPAR Growth			8.9%

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CAPITAL EXPENDITURES

- **Ashford has allocated significant funds in properties where there is value-added return on equity opportunity**
- **63% of allocated capital has yet to be spent**

Committed	Amount Spent	Remaining to be Spent
$82,261,600	$30,502,459	$51,759,141

Embassy Suites Phoenix
before renovation



Embassy Suites Phoenix
after renovation



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DEBT FINANCING INITIATIVES

- Constantly mining the market for improved financing terms
- Approximately 94% of debt is hedged, capped, or fixed
- Weighted average cost of debt is 5.5%
- Weighted average debt maturity is 6.9 years

Year	Amount[1] ($ in millions)	% of Total
2005	-	0.0%
2006	6.3	0.8%
2007	-	0.0%
2008	111.7	14.1%
2009	262.2	33.0%
2010	31.4	4.0%
2011	11.8	1.5%
Thereafter	370.0	46.6%
Total	793.3	100.0%

[1] Assumes extension options are exercised

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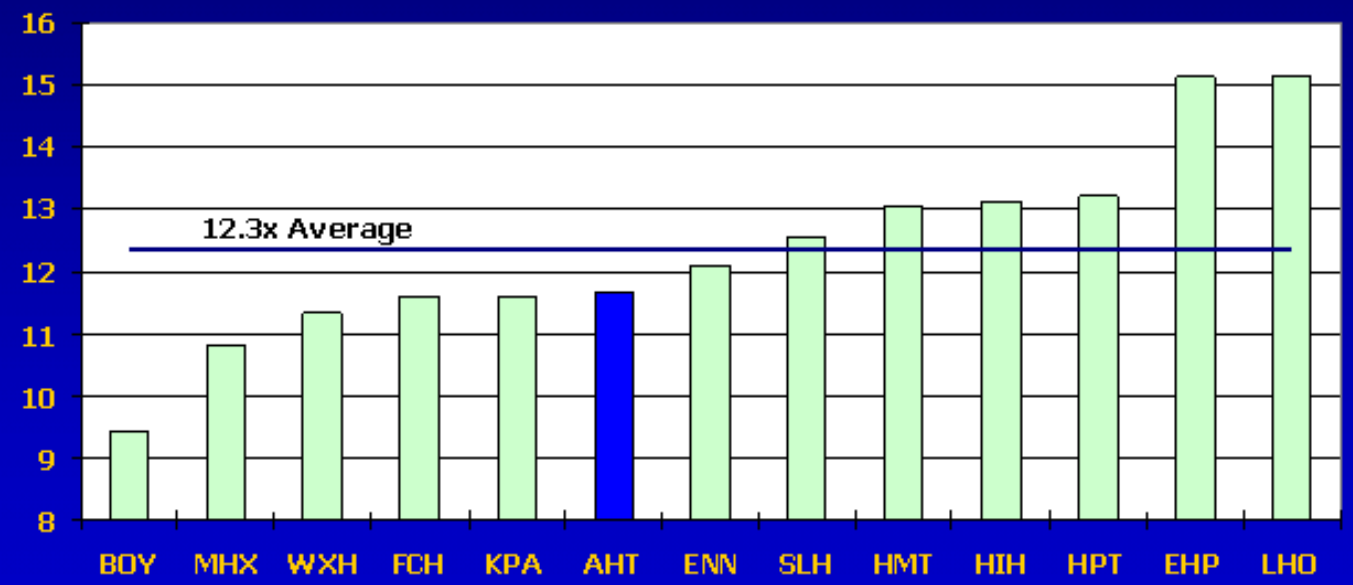
ASHFORD VALUE TO PEERS - EBITDA MULTIPLE

- **Ashford's TTM 1Q 05 Enterprise Value / EBITDA Multiple of 11.5x is below the 12.3x forward 2005E peer group average**



Source: Wachovia, First Call, Bloomberg, SNL REIT Securities, Wachovia Capital Markets, LLC Estimates

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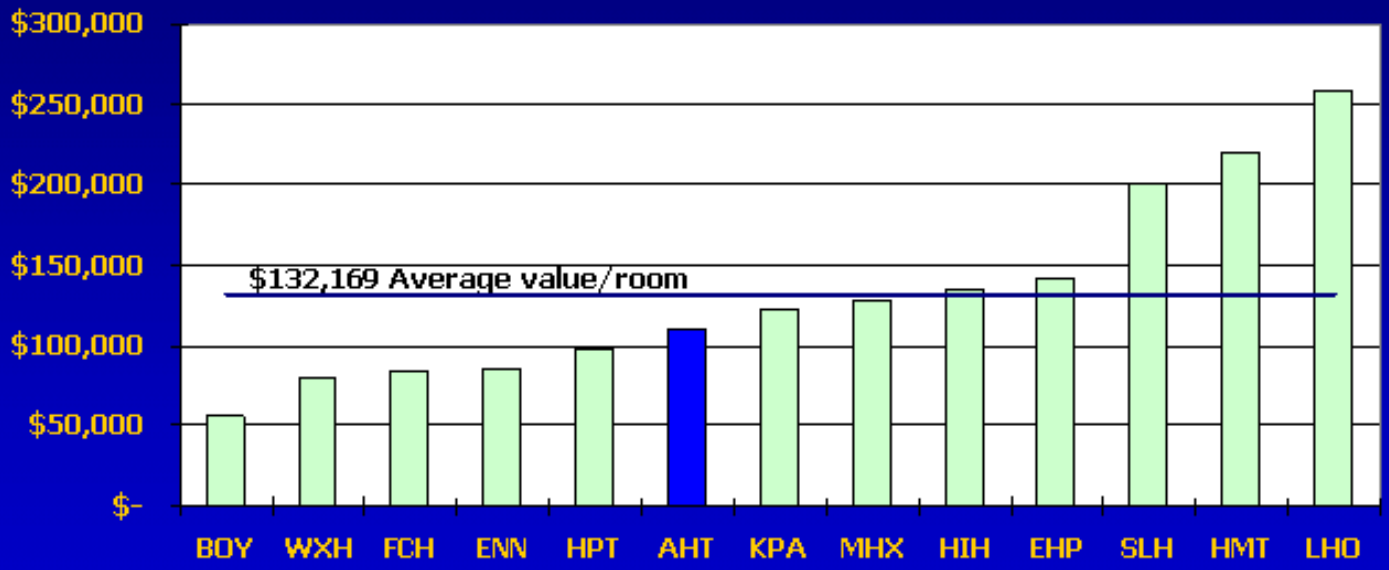
ASHFORD VALUE TO PEERS – VALUE PER ROOM

- **Ashford's value per room of $107,340 based on 6/17/05 closing price of $10.57 is below the peer group average of $132,169**



Source: Wachovia, First Call, Bloomberg, SNL REIT Securities, Wachovia Capital Markets, LLC Estimates

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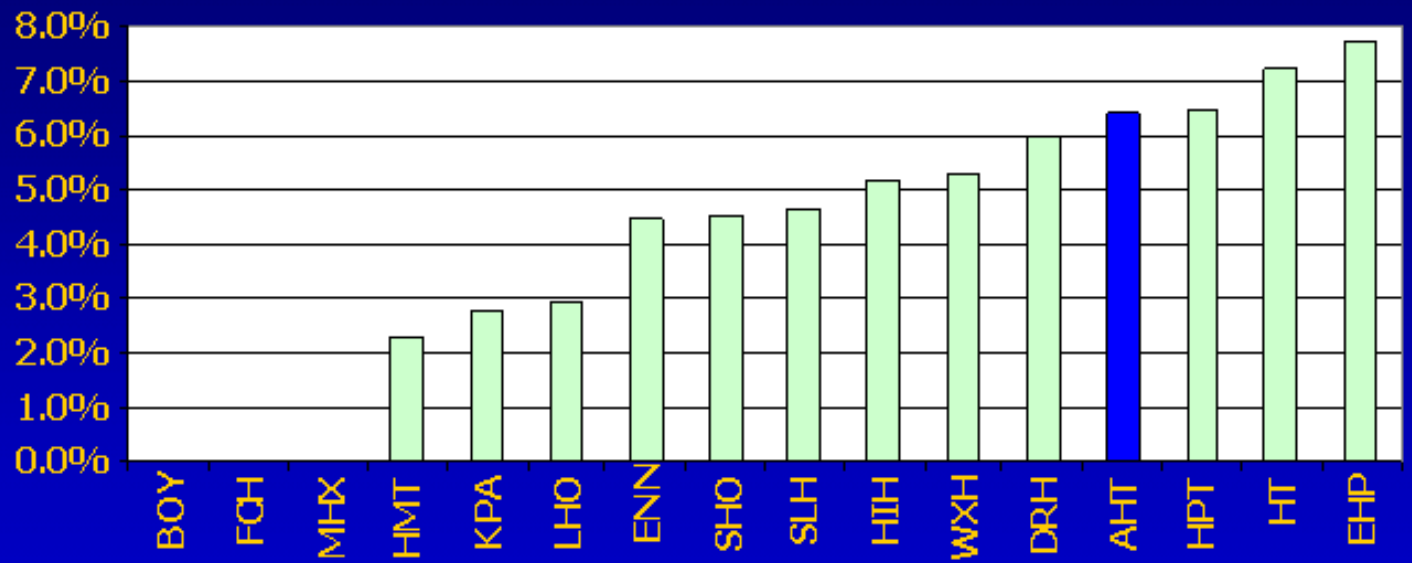
GROWING DIVIDEND

Ashford has increased the dividend every quarter for the past 6 quarters and current quarterly dividend of $0.17 per share is the 4th highest yield among Hotel REITs



Source: Yield Calculated using 6/17/05 closing price

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SUMMARY ASHFORD HIGHLIGHTS

- SIGNIFICANT INTERNAL & EXTERNAL GROWTH POTENTIAL
  - Proven capital recycling ability
  - Proven value-added asset management capability
- DIVERSIFIED INVESTMENT STRATEGY IMPROVES RISK-ADJUSTED RETURNS
  - Diversified earnings stream reduces earnings volatility
  - Larger investment universe increases sustainability of earnings growth
- ALIGNMENT OF INTEREST
  - Management owns 15% of shares
- POSITIONED TO OUTPERFORM
  - Favorable relative valuation to peers
  - Above average dividend yield, improving dividend coverage
  - Strong, flexible balance sheet permits opportunistic capital investment

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