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FBR Conference Presentation

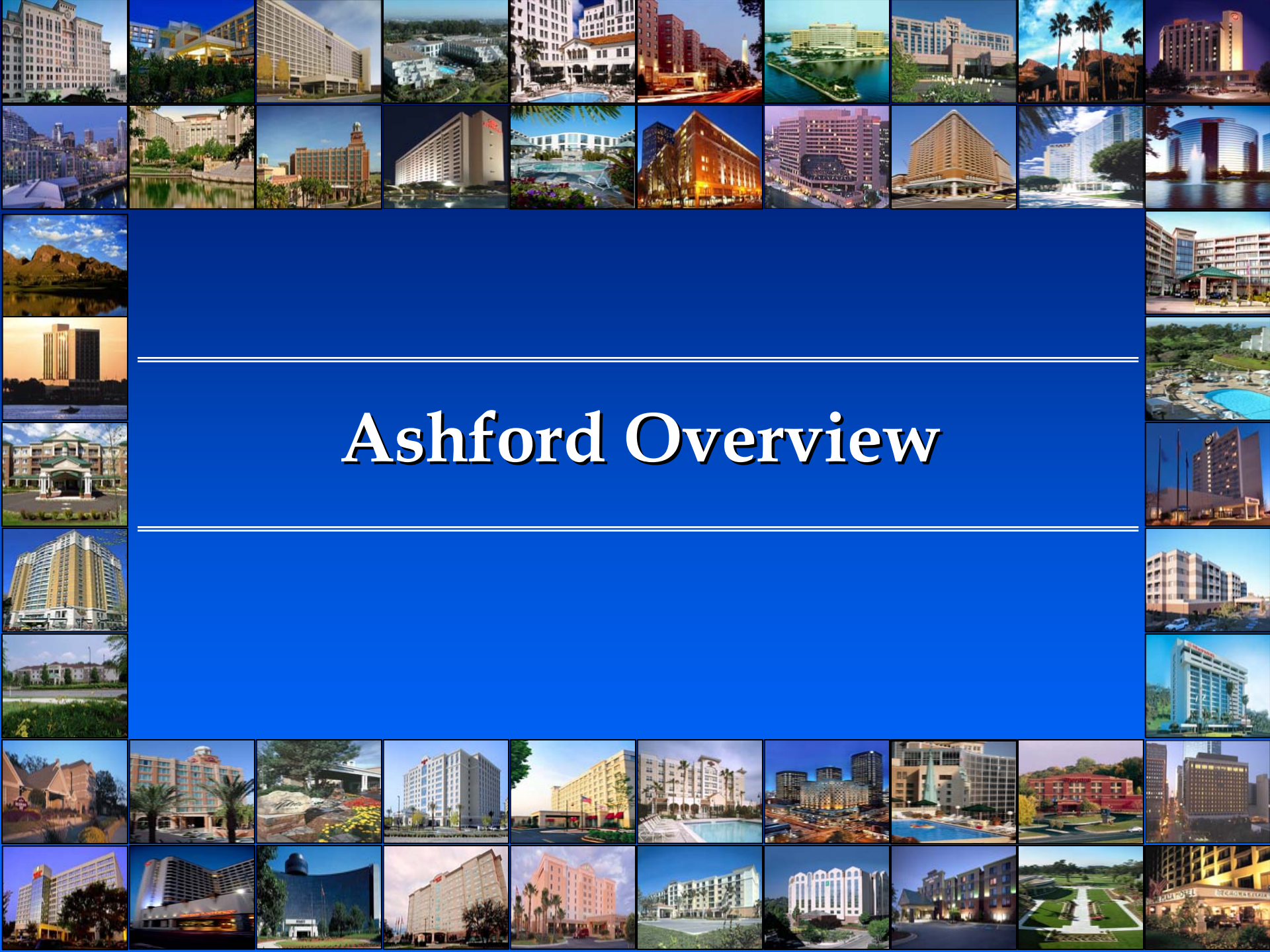
November 2007

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, 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.

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. 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.



Ashford Overview






Ashford Snapshot

Portfolio Statistics	AHT
Total Enterprise Value (1)	$4.1 Bil
Peer Comparison (2)	3rd largest
# of Hotels	114
# of Rooms	26,295
ADR (3)	$134.89
RevPAR (3)	$103.81
RevPAR Growth (3)	8.3%
Financial Statistics	
# Shares Outstanding	143.0 M
Avg. Daily Trading Volume (3 Month)	1.0 M
Net Debt / Gross Assets	62%
% Debt Fixed	~ 80%
Debt Weighted Average Maturity	7.2 years
Debt Weighted Average Cost	6.0%
EBITDA / Interest Expense – 3Q YTD	1.92x
Dividend Yield % (1)	11.2%
AFFO Dividend Coverage – 3Q YTD	1.59x
% Insider Ownership	7.5%

(1) Assumes 11/23/07 share price of $7.47.
(2) Ranked by Total Enterprise Value of pure lodging peers.
(3) All hotels included in continuing operations not under renovation for the 3Q '07.

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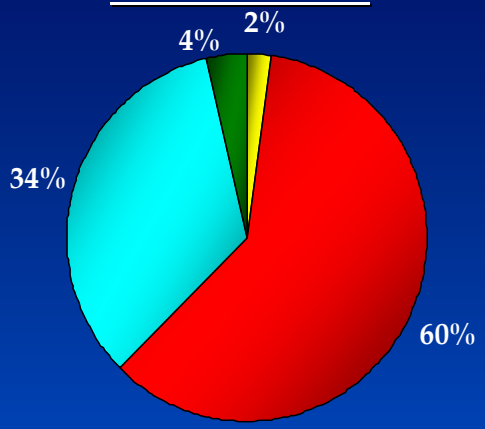
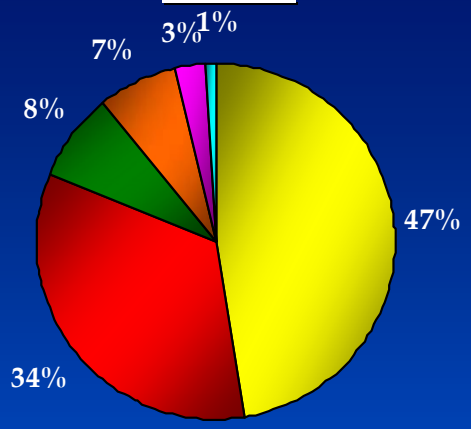
Portfolio Mix

Chain Scale



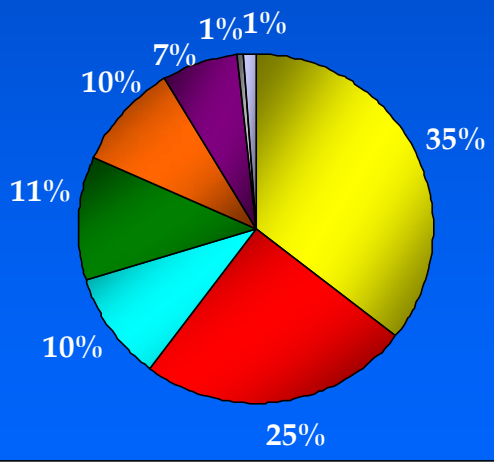
Luxury | Upper-Upscale | Upscale | Midscale w/o F&B

Brand



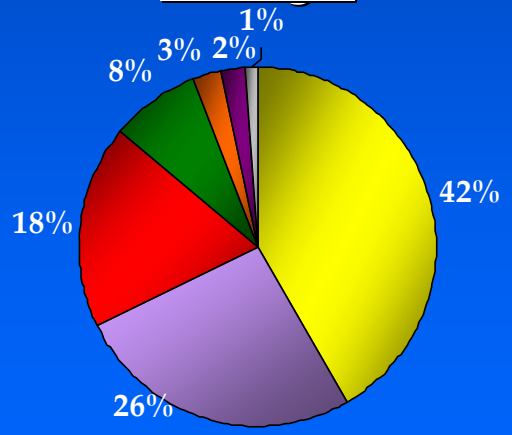
Marriott | Hilton | Hyatt | Starwood | IHG | Other

Geography



S. Atlantic | Pacific | N. Central | S. Central | Mid Atlantic | Mountain | N. England | Canada

Manager



Marriott | Remington | Hilton | Hyatt | Starwood | Interstate | Hotel Equities

Note: Proforma based on TTM 9/30/07 owned EBITDA for 114 hotels in continuing operations.

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High Quality Assets



Hyatt Anaheim


Hilton La Jolla Torrey Pines


Hyatt Regency Coral Gables


Courtyard SF Downtown


Renaissance Tampa


JW Marriott San Francisco


Hyatt Montreal


Marriott Legacy Center


Hilton El Conquistador



Courtyard Irvine


Residence Inn Sea World


Hilton Costa Mesa


Marriott Seattle Waterfront


Westin O'Hare


Capital Hilton


Marriott Gateway

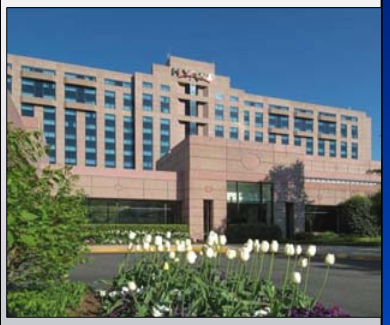


Courtyard Seattle Downtown


Residence Inn San Diego


Embassy Suites Portland


Courtyard Philadelphia



Capital Strategy

Spring 2007 – Post CHR Transaction

Sources of Capital	Uses of Capital
• Cash flow above dividend	• Stock buybacks
• Asset sales	• Mezzanine lending
• Common equity	• Debt pay down
• Preferred equity	• Normalized capex
• Mortgage debt	• ROI capex
• Corporate debt	• Asset purchases

Fall 2007

Sources of Capital	Uses of Capital
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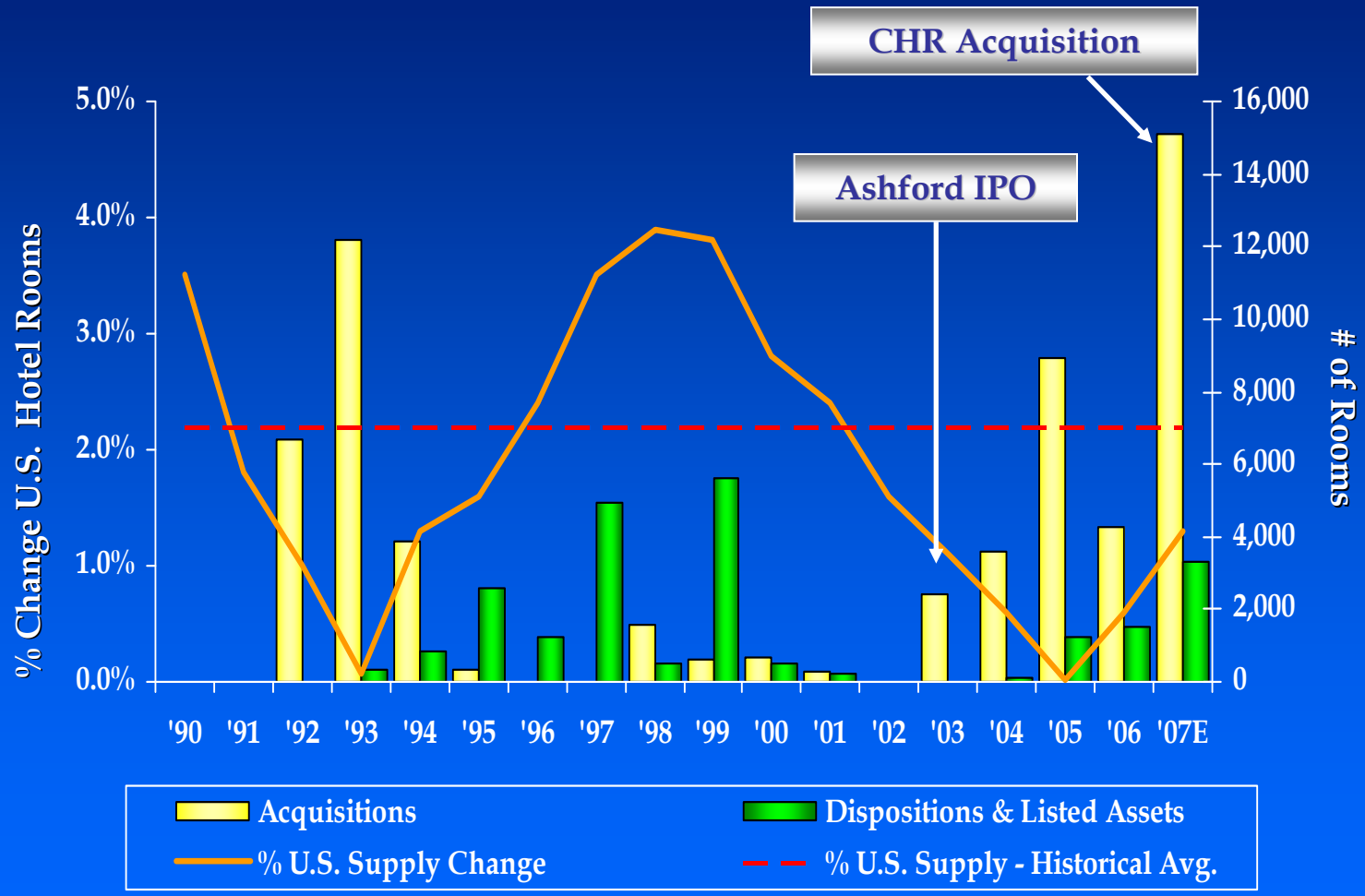
Investment Track Record

- Proven market cycle judgment and investment discipline



Source: Company estimates & Smith Travel Research.









The Ashford Opportunity

- Balance sheet
- Portfolio mix
- Internal growth / capex funding
- Dividend
- Relative value

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Balance Sheet

- Balance sheet strategy:
  - Continue to build upon strong expertise of capital recycling in order to deleverage

Year	# of Rooms	Cumulative Rooms	Sales Proceeds	Cumulative Proceeds
2005	806	- -	$30 M	- -
2006	1,259	2,065	$113 M	$143 M
2007	3,645	5,710	$380 M	$523M

  - Options exist in terms of hotel capital to recycle:
    - Select-service
    - Full-service with high capex requirements
    - Lower growth
    - Joint ventures
  - Assumability of fixed-rate debt and ability to layer in AHT mezzanine financing creates value for potential buyers
  - Nearly $400 million of unrestricted cash and revolver availability at the end of 3Q ’07

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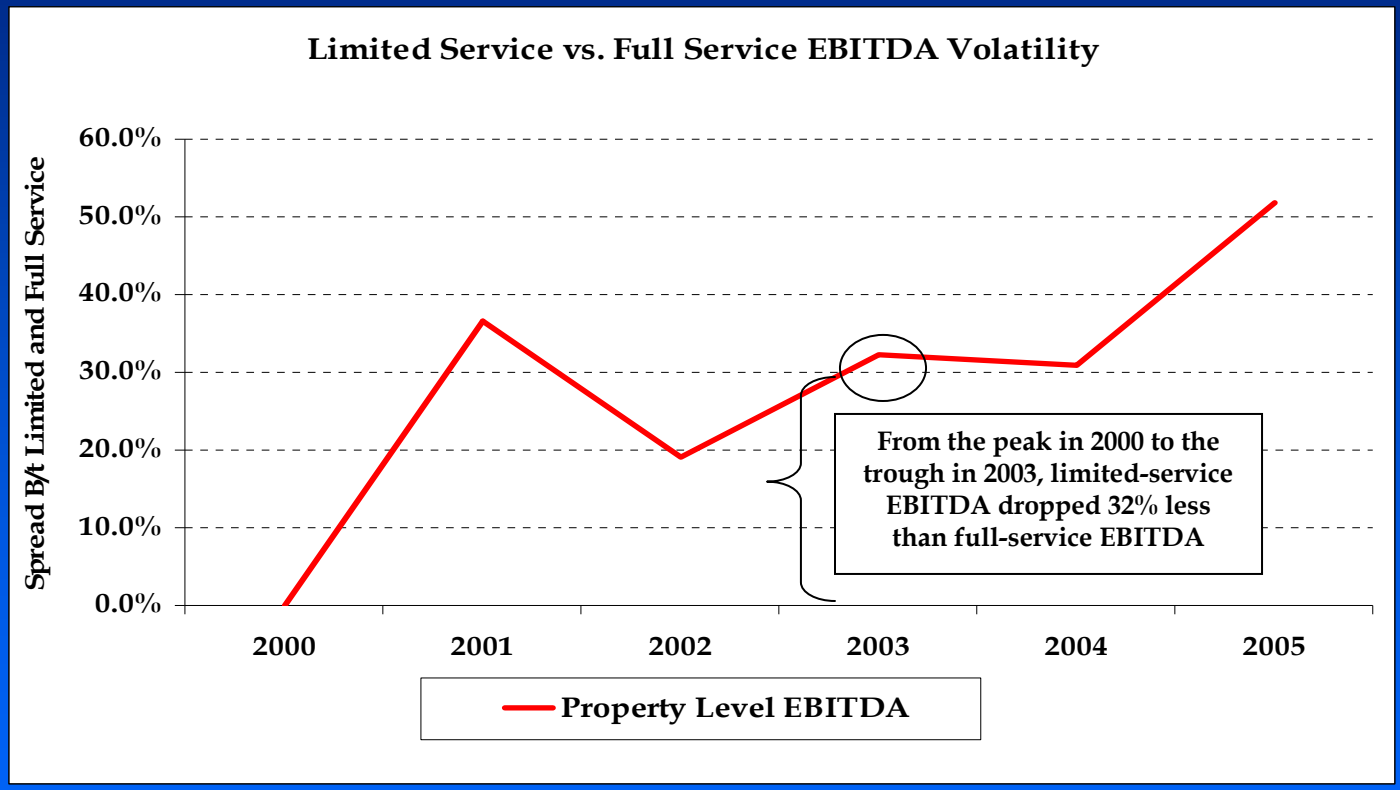
Cycle Resilient Portfolio Mix

- Diversity to enhance risk/rewards balance
- Limited service assets have greater resiliency to economic downturns than full service assets



- Mezzanine investments offer high yields and NOI cushion

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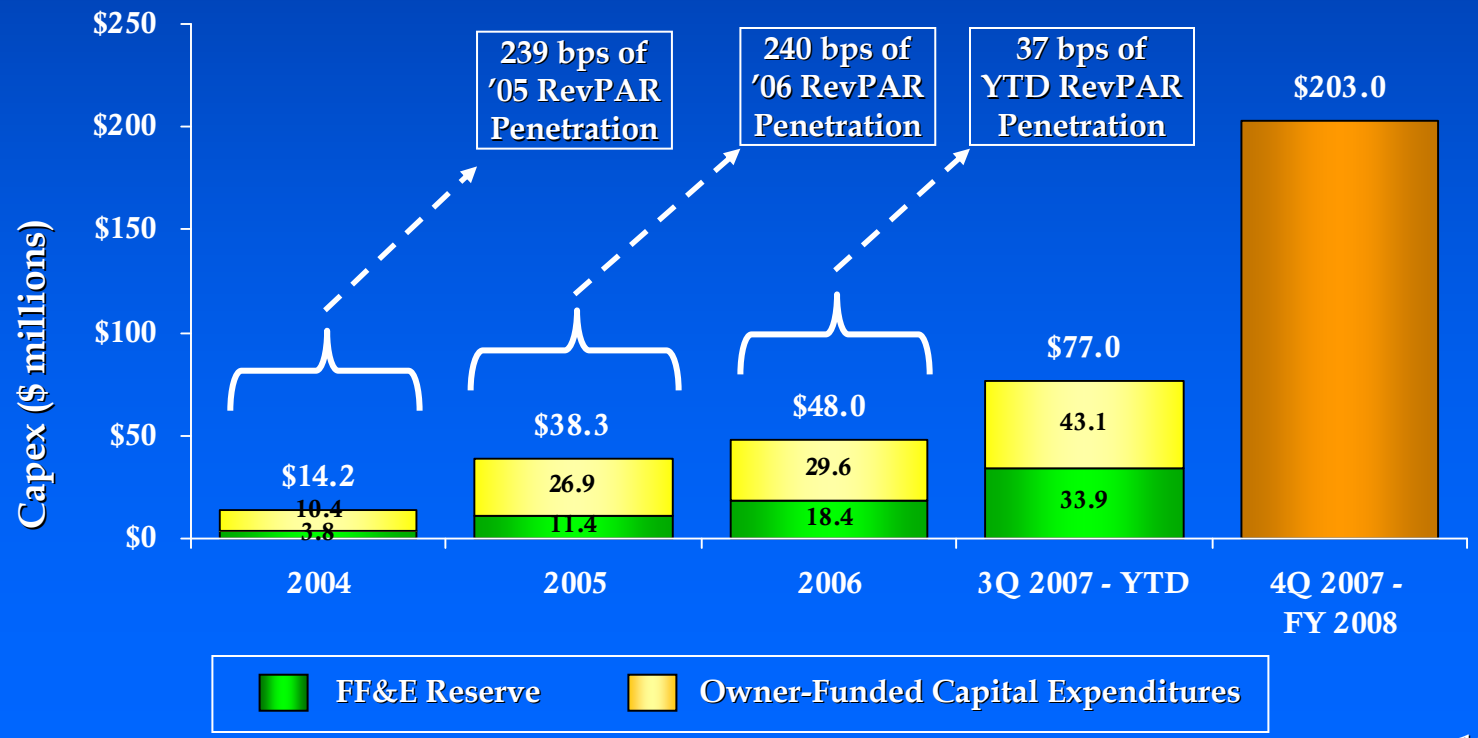
Source: PKF






Internal Growth / Capex Funding

- Focus on value-added capex grows RevPAR and captures market share through higher RevPAR penetration
- Management will be prudent regarding the timing of future expenditures and the magnitude of ROI projects
- Capital projects generally less intrusive
- History of on-budget and on-time delivery



Source: Company estimates.

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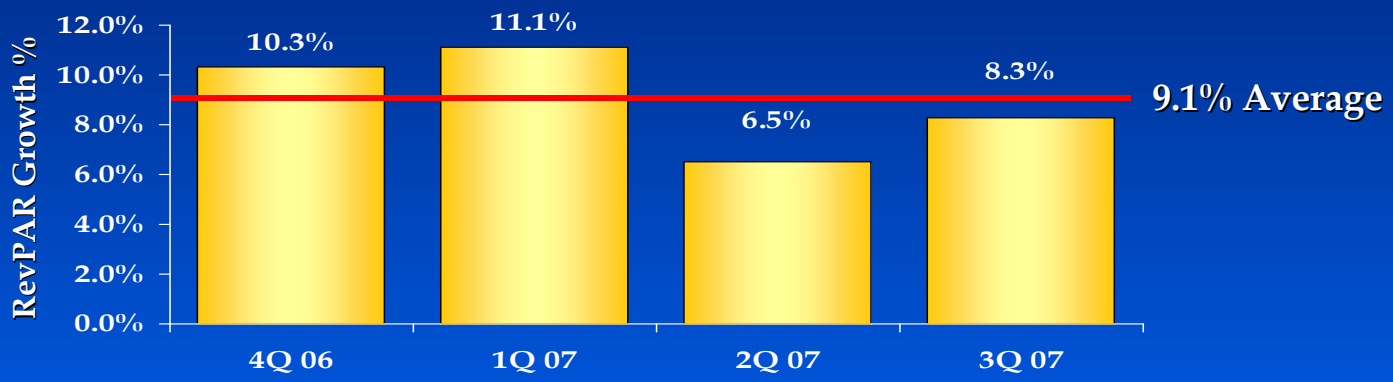
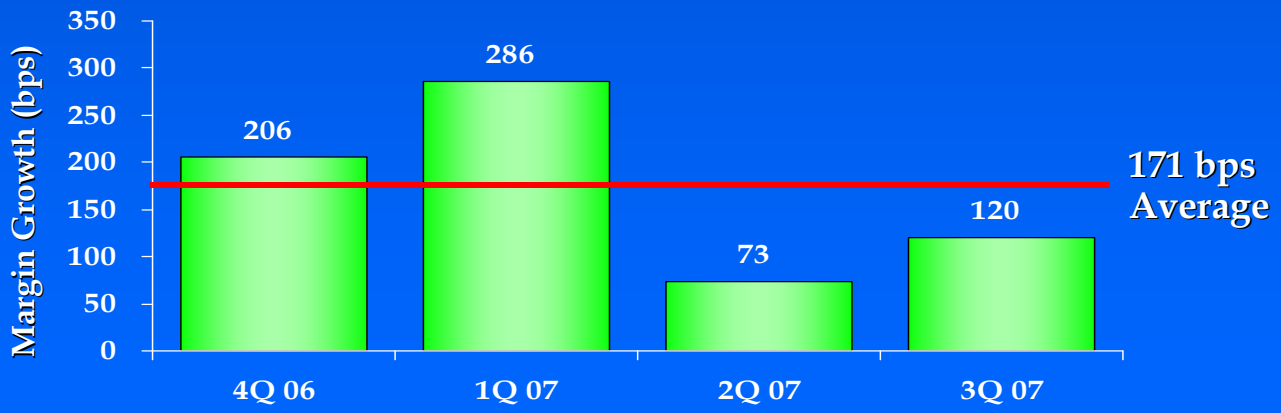
Operating Performance

- Aggressively refocusing asset management with the recent completion of CHR integration process
- Consistent focus on both top line & bottom line growth
  - RevPAR has averaged 9.1% over the past four quarters and 10.7% over the past three years



  - Property-level EBITDA margins have improved by an average of 171 bps over the past four quarters



Note: AHT RevPAR & margin growth numbers are for those hotels not under renovation.



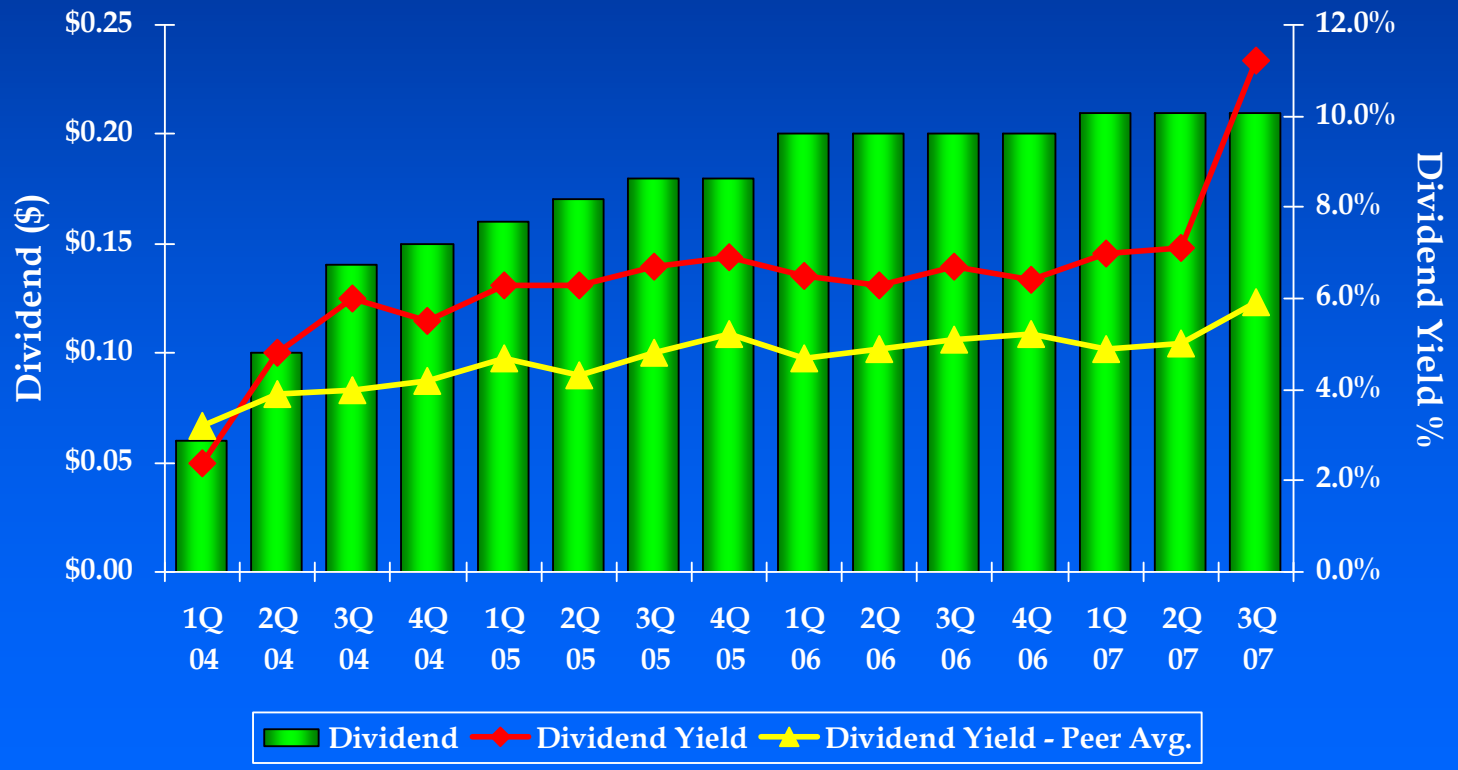






High Dividend

- Dividend growth: 250% since 1Q 2004
- Strong dividend CAD/AFFO coverage:
  - 2007 YTD – 1.24x CAD coverage
  - 2007 YTD – 1.59x AFFO coverage
- Highest in peer group with dividend yield of 11.2% (1)



(1) Assumes 11/23/07 stock price of $7.47.

Note: Peers include BEE, DRH, FCH, HPT, HST, HT, LHO, SHO.

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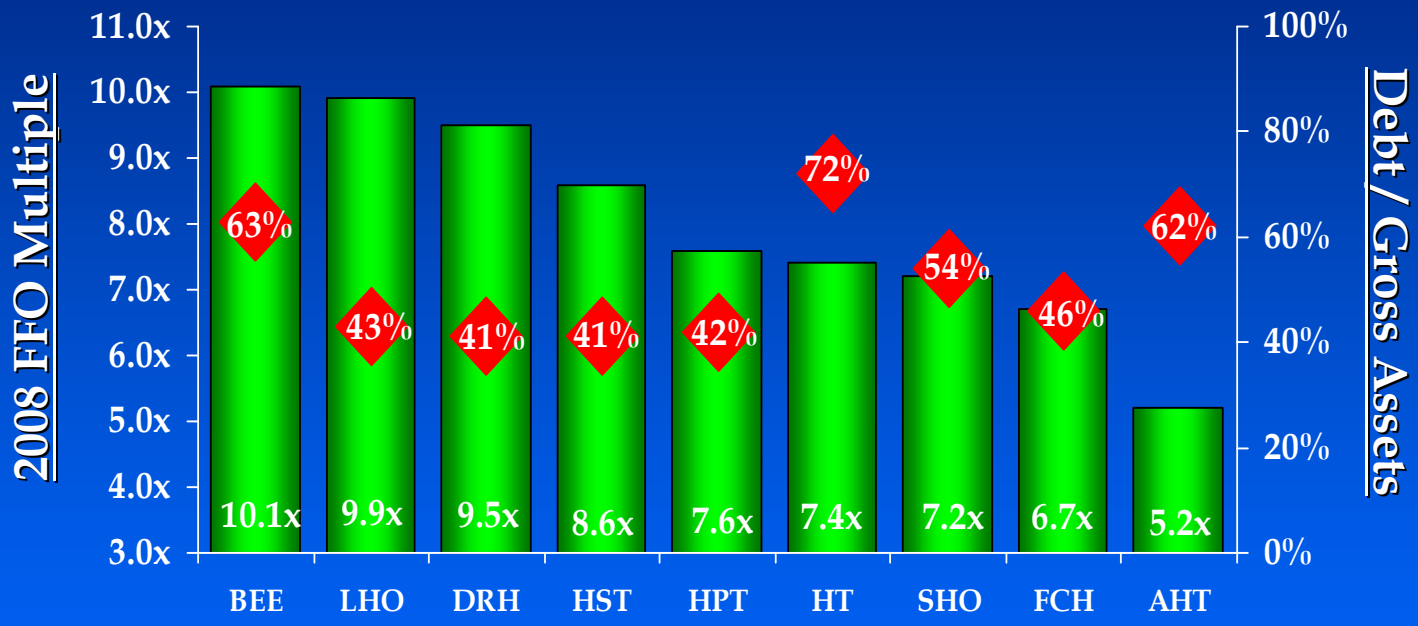
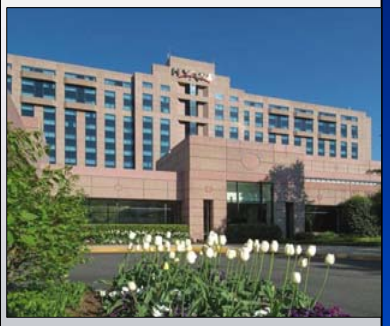
Relative Valuation

- Ashford's FFO multiple is 38% lower than the peer average, while its leverage level is 23% greater than the peer average



Sources: First Call estimates, FBR Property Week 11/12/07 and company financials.



Relative Valuation

- Ashford's relative value is compelling when compared with what hotel REITS have traded for in the market
- Current valuation is well below replacement cost

Transaction Metrics – $ Price Per Key		
Ann. Date	Target	$ / Key
April 2007	Highland Hospitality	$ 230,000
April 2007	Eagle Hospitality	$ 190,000
February 2006	MeriStar Hospitality	$ 182,000
January 2007	CHR 51-Hotel Portfolio	$ 177,000
April 2007	Innkeepers USA	$ 155,000
June 2007	Equity Inns	$145,000
Current AHT Value per Key (1)		$ 156,000

1) Assumes 11/9/07 stock price of $7.87 and mezzanine platform valuation at book value.

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Current Lodging Cycle



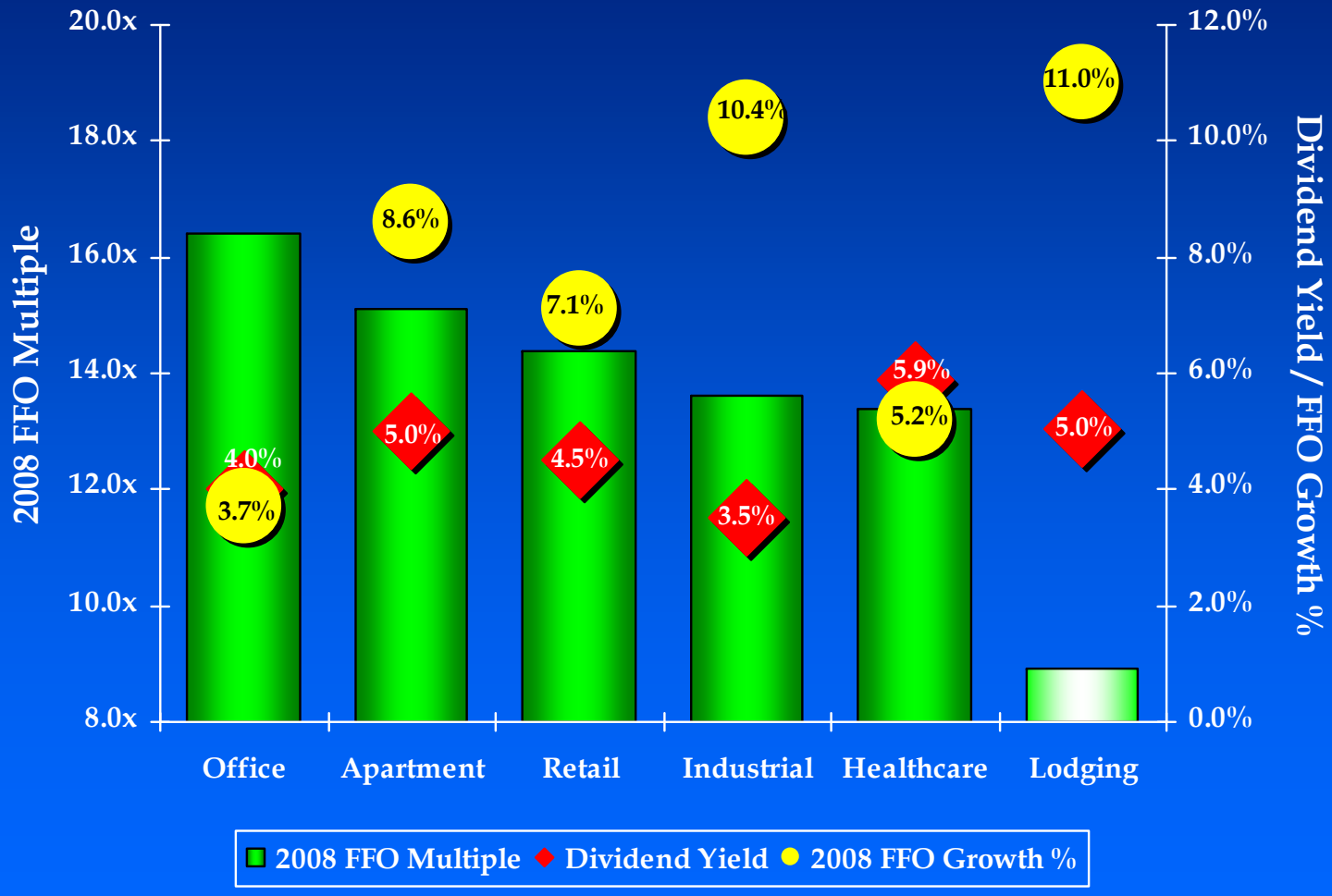






Lodging REITs vs. Other REITs

- Lodging REITs lag other multiples despite having one of the highest dividend yields and the highest projected 2008 FFO growth



Source: FBR Property Week – 11/12/07.

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Supply Overview

- US supply growth is still below historical average of 2.2% and is projected to remain so for at least two years
- Estimates have been revised downward consistently over the past few years due to:
  - High construction costs & land prices
  - Financial market turmoil
  - Expanding development timelines
  - Residential / condo conversions

US Supply Growth - PWC

Date of Report	2007	2008	2009
2Q 2006	2.1%	2.2%	- -
3Q 2006	2.0%	2.4%	- -
4Q 2006	1.6%	2.2%	- -
1Q 2007	1.6%	2.3%	2.3%
2Q 2007	1.3%	2.1%	2.2%

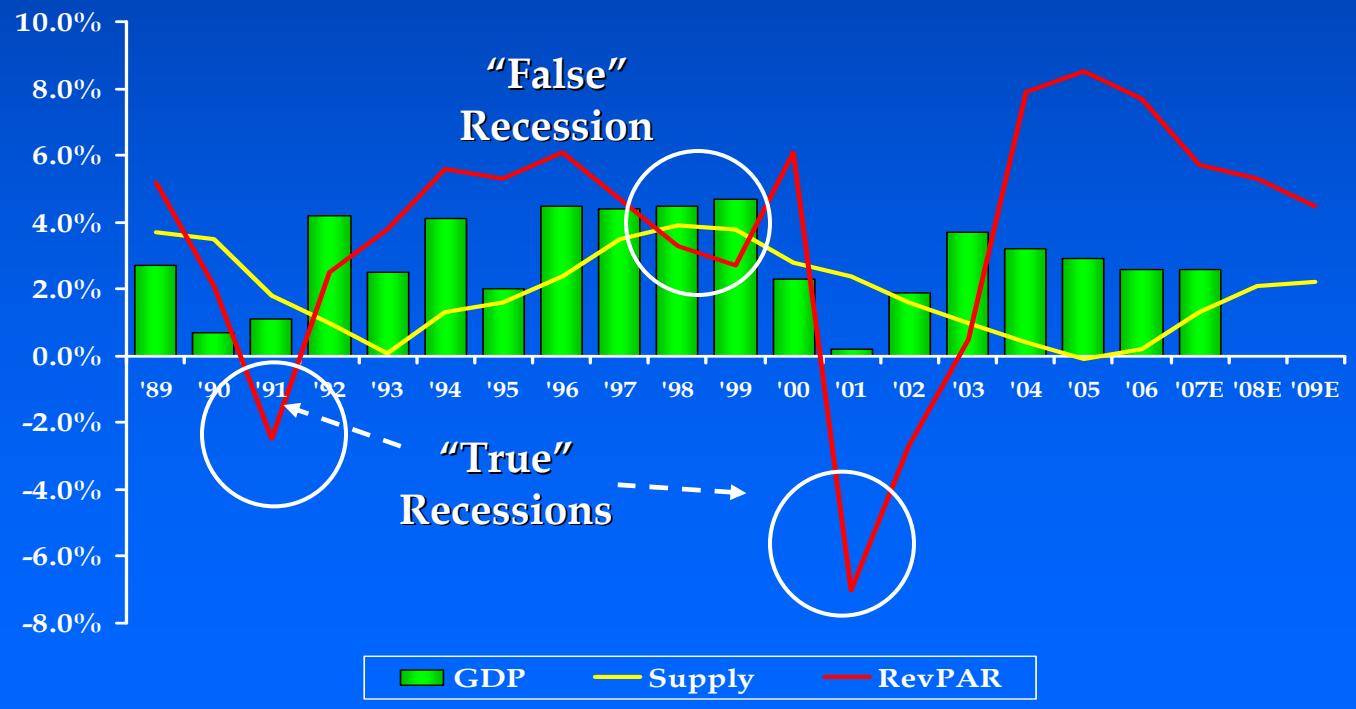
Source: PricewaterhouseCoopers






RevPAR / Supply Spread

- There is still a very favorable spread between new room supply and RevPAR growth, which is projected to remain for at least two more years according to PWC
- New supply growth greatly determines lodging cycles
- Although a recession is not predicted, PKF stated in a recent report that if a recession occurred "then the average U.S. hotel is forecast to achieve annual RevPAR growth of just 2.0 percent through 2010."



Source: PricewaterhouseCoopers and U.S. Bureau of Economic Analysis. 2007 GDP reflects 3Q TTM.

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Conclusion

- Ashford may be using its cash flow and asset sales to fund debt pay downs, mezzanine lending and potentially stock buybacks, along with normalized capex and ROI projects
- The current diversified portfolio mix, with a sizable portion of limited service assets, should exhibit resilience against an industry downturn
- Ashford is currently attractive from a relative valuation and dividend yield standpoint

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