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HOSPITALITY TRUST







ALIS Conference

January 2008

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.





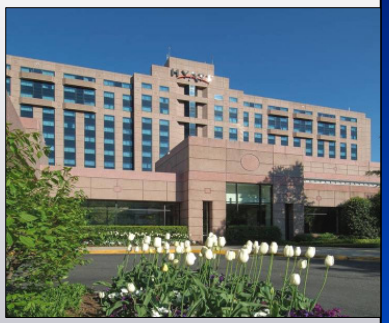




Ashford Advantage

- AHT offers greater opportunities in periods of economic uncertainty
- AHT's risk profile is mitigated by its capital strategies









Ashford Snapshot

Portfolio Statistics	AHT
Total Enterprise Value (1)	$3.8 Bil
Peer Comparison (2)	3rd largest
# of Hotels	110
# of Rooms	25,481
ADR (3)	$134.89
RevPAR (3)	$103.81
RevPAR Growth (3)	8.3%
Financial Statistics	
# Shares Outstanding(4)	143.0 M
Avg. Daily Trading Volume (3 Month)	1.6 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)	14.0%
CAD Dividend Coverage – 3Q YTD	1.24x

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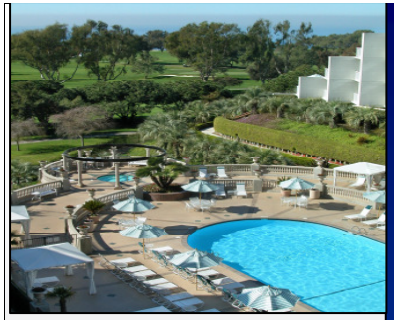
(1) Assumes 1/25/08 share price of $6.02.
(2) Ranked by Total Enterprise Value of pure lodging peers.
(3) All hotels included in continuing operations not under renovation for the 3Q '07.
(4) As of 3Q '07.






Current Lodging Environment

- Recessionary talk is increasing
  - RMZ[1] : -14.2%
  - Lodging REIT peers[1,2]: -34.3%
  - Hotel C-Corps[1,3]: -30.5%
  - AHT[1]: -48.9%
- Securing debt financing has become increasingly difficult
- Hotel transaction pace has slowed
- There is a disconnect between public and private market valuations

(1) Change in stock price from 7/23/07 to 1/25/08.
(2) Includes BEE, DRH, FCH, HPT, HST, HT, LHO, and SHO.
(3) Includes MAR, HOT, OEH, GET, WYN, and CHH.

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AHT Opportunity

- **Despite economic uncertainty, AHT provides attractive risk adjusted returns:**
  - **Diversified hotel portfolio yields less volatile income stream**
  - **Flexible capital recycling provides opportunities throughout the entire hotel cycle**
  - **Attractive dividend yield and coverage**
  - **Long-term, low rate capital structure**



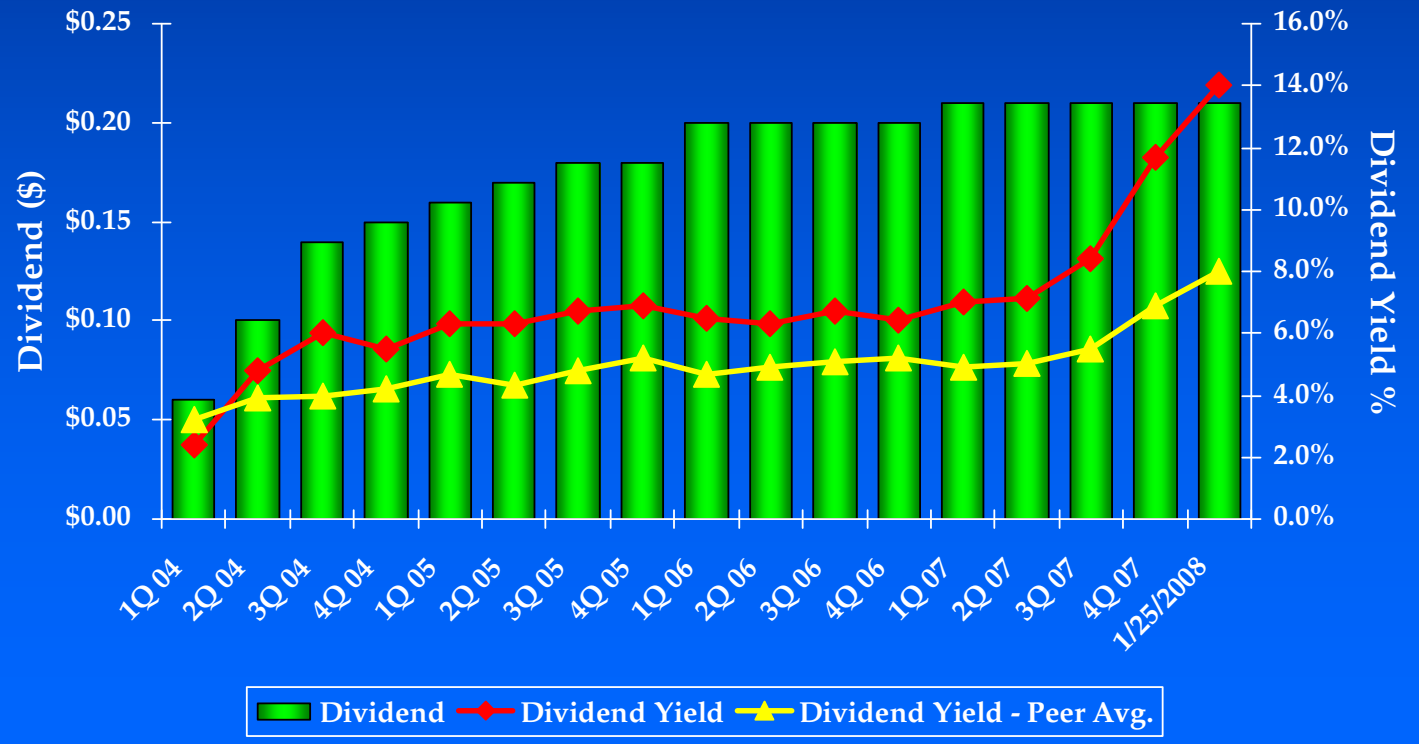






Attractive Dividend

- Dividend growth: 250% since 1Q 2004
- Strong dividend CAD/AFFO coverage:
  - 3Q YTD – 1.24x CAD coverage
  - 3Q YTD – 1.59x AFFO coverage
  - Consistently paid one of the highest covered dividends of lodging REIT peers
- Highest in peer group with dividend yield of 14.0% (1)



(1) Assumes 1/25/08 stock price of $6.02.
Note: Peers include BEE, DRH, FCH, HPT, HST, HT, LHO, and SHO.

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Capital Strategy

- Because of AHT's flexible capital recycling platform, several accretive opportunities exist in the near-term

2008 Capital Strategy

Sources of Capital	Uses of Capital
• Cash flow above dividend	• Debt pay down
• Asset sales	• Mezzanine lending
	• Capex
	• Share buybacks









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Potential Asset Sales

- Since its IPO, AHT has sold 41 assets, including 2 office buildings, for $522 million
  - Weighted average cap on TTM NOI of 6.7%
- AHT is actively marketing a broad representation of its portfolio to capitalize on buyer demand
  - Estimated value of assets is over $1 billion
  - AHT will sell provided pricing is attractive
- Ability to sell enhanced by existing debt terms
  - 80% of the assets have assumable debt (either in part or with the entire pool, by contractual right or subject to lender approval)
  - Average LTV of ~65%
  - Weighted average cost of fixed rate debt of 5.9%
  - Weighted average cost of floating rate debt of L + 181









Mezzanine Opportunities

- AHT has a proven track-record of issuing mezzanine loans at the most advantageous times in the debt cycle

		2003 – 2005	2006 – Early 2007	Late 2007 - Present
Market Spreads	Float	L + 800 – 1,200	L + 275 – 500	L + 600 – 900
	Fixed	N/A	N/A	12.0% - 14.0%
Covenants		Tight	Loose	Tight
AHT Loans	Float	12	3	1
	Fixed	2	0	1
$ Value of Loans	Float	$130.9m	$37.3m	$7.1m
	Fixed	$12.0m	N/A	$21.5m
AHT Wt. Avg. Rate	Float	L + 957	L + 536	L + 900
	Fixed	14.0%	N/A	14.0%

- AHT is actively pursuing expansion of its mezzanine platform as attractive returns are again available in the marketplace

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PREI Joint Venture

- AHT has partnered with Prudential Real Estate Investors (PREI) to form a hotel lending joint venture

- $400 million equity
- 75% PREI / 25% AHT
- AHT promote equal to 1.3x venture yield
- Additional promote potential
- No add'l AHT G&A

- Management fees to AHT
- Reimbursement of expenses to AHT

PREI® Prudential Investment Management

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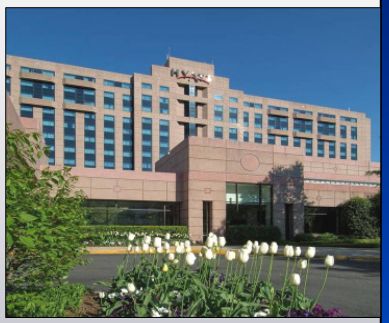
- Sourcing fees to AHT
- PREI's equity will be senior to AHT's
- JV will have ROFR on all AHT's mezz opportunities
- Seeded with recent $21.5m Westin portfolio loan

- Advantage of JV structure
  - Provides opportunity to achieve outsized yields at same or less risky LTVs
  - Creates access to a greater number of deals, which increases diversity, reduces risk and smoothes income streams
  - Enhances structuring capabilities





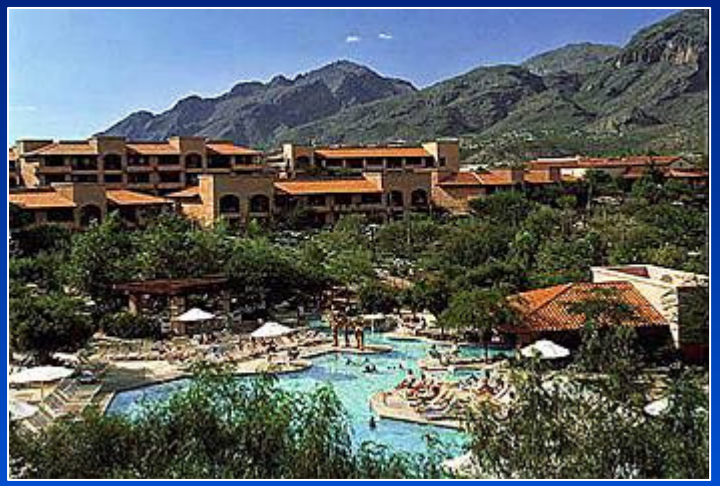




Case Study – Westin Resort Mezz

- $21.5m mezzanine loan at LTV of 69% to 76% based on purchase price
- Attractively priced at 14% fixed with a 10 year term
- 50 bps origination fee
- AHT's last dollar of debt is at $257,000 / key
- Borrower is required to invest another $10m in capex
- DSCR of 1.07x
- $3.0m cash collateral account released to borrower at 1.25x DSCR

Westin La Paloma Resort & Spa
Tucson, AZ (487 rooms)



Westin Hilton Head Resort
Hilton Head, SC (412 rooms)



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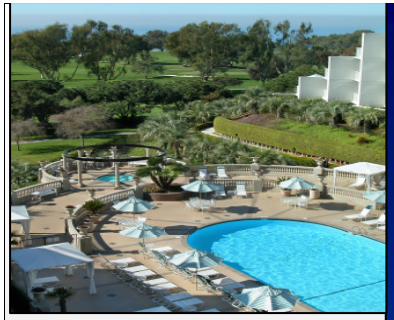







2007 - 2008 Capex Plan

- $280m of capital expenditures was previously targeted for 2007 and 2008
  - $77m spent through 3Q 2007
  - Remaining $203m to be spread over 4Q 2007 and 2008
  - Up to $50m of additional ROI opportunities have been identified
- AHT is contractually obligated to complete $57.2m of renovations in 2008 and has the flexibility to defer other projects to 2009 – 2010
- Several capital-intensive assets are candidates for outright sale or JV, which could reduce 2008 capex needs by up to $54.6m
- Should lodging fundamentals soften in the near-term, AHT will be prudent in its capital allocation and use discretion in determining the timing and magnitude of projects

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Share Buybacks

- $50m share repurchase program approved by the Board in December 2007
- Accretive use of capital given AHT's current stock price and 14.0% dividend yield(1)
- AHT will be opportunistic with the share buyback program, recognizing that other alternative uses of capital exist

(1) Assumes 1/25/08 stock price of $6.02.

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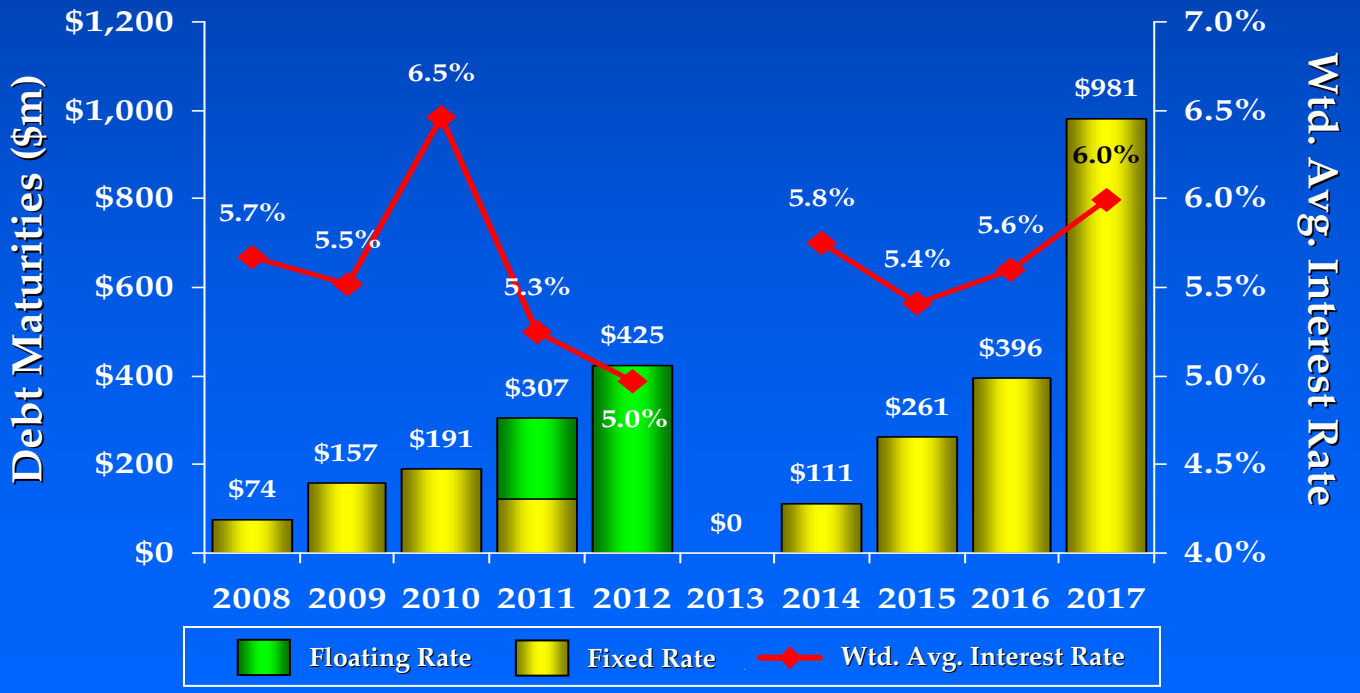
Debt Maturity Schedule

- AHT's debt is favorably priced and has a diversified maturity schedule
  - Actual 3Q TTM fixed charge coverage of 2.07x
- AHT's mix of 21% floating rate debt provides favorable exposure in a declining LIBOR environment relative to its peers
- The TTM cap rate on AHT's last dollar of debt as of 3Q 2007 is 12.1% ($101,000 per key)



Note: Company estimates as of 3Q '07. Assumes extendable loans are extended and LIBOR of 3.28%. Excludes $8m loan maturing in 2018 and $8m loan maturing in 2023.

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Diversified Portfolio

- Ashford has the broadest diversification of hotel assets
- Advantages:
  - Diversifies exposure across economic markets
  - High quality limited service assets provide stability
  - High concentration of EBITDA in top 25 markets
  - Less concentrated risk to new supply
  - Mezzanine lending provides attractive yields and is lower in risk than owning hotel properties









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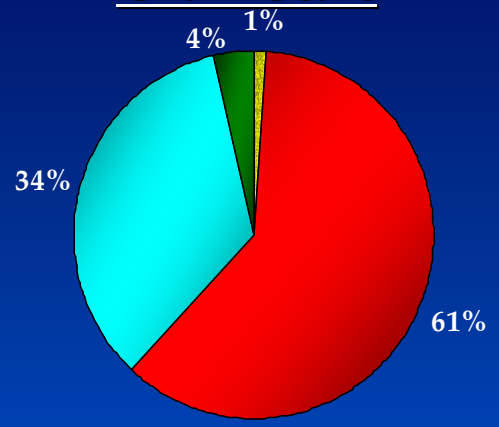
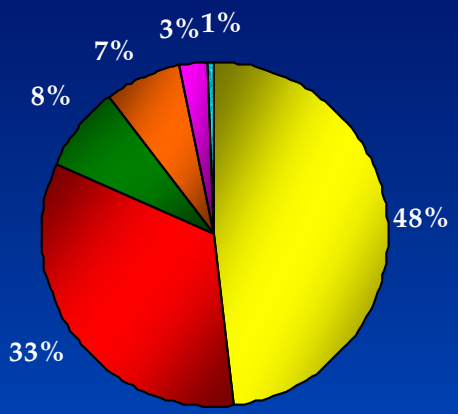
Broad Portfolio Mix

Chain Scale



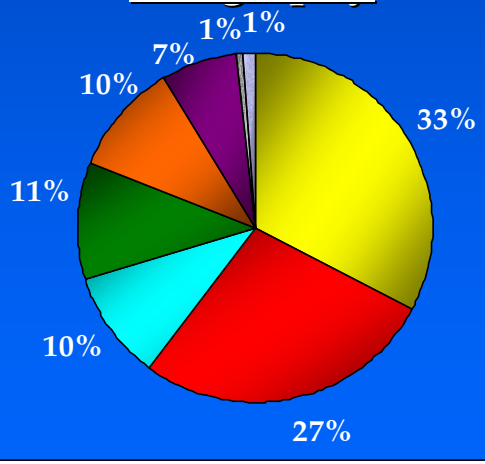
Luxury | Upper-Upscale | Upscale | Midscale w/o F&B

Brand



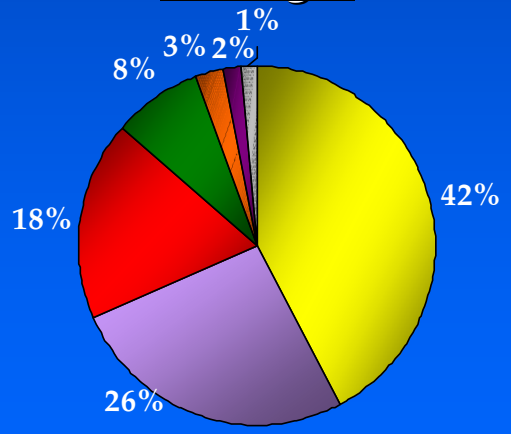
Marriott | Hilton | Hyatt | Starwood | IHG | Other

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 the 110 hotels in continuing operations.









Supply Summary

- **Nearly 75% of AHT's property-level EBITDA comes from top 25 markets, which had 2007 supply growth of less than 1%**



Note: % of AHT EBITDA based on TTM 9/30/07 owned EBITDA for the 110 hotels in continuing operations.



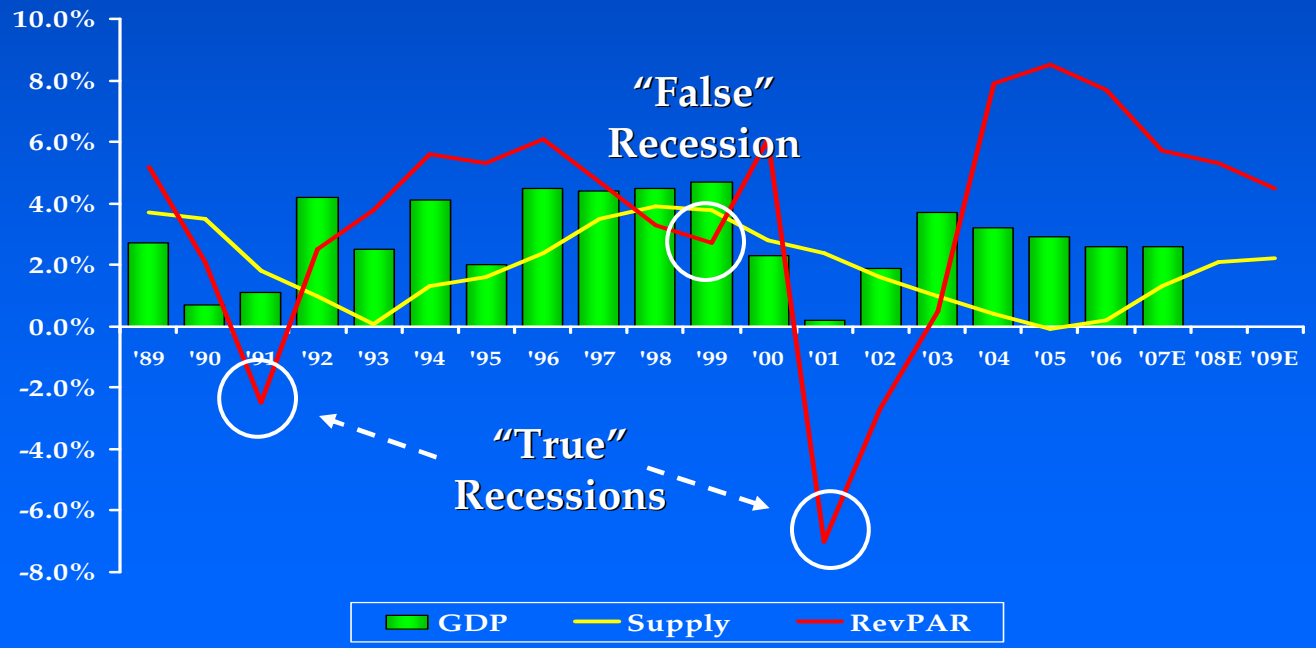






Supply Projections

- There is still a very favorable spread between new room supply and RevPAR growth
- US supply growth is projected to remain near or below its historical average of 2.1% 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



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

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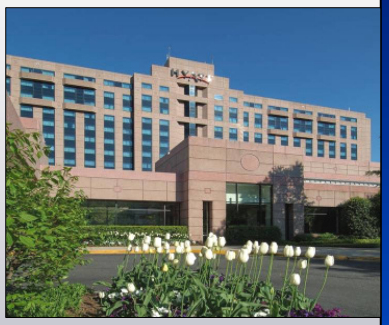



Recession Plan

- In light of uncertainty regarding 2008 economic environment, all property managers have created contingency plans
  - Submit plans based on 2%, 5% or 10% decline in revenues
  - Goal to maintain 50% GOP flow through cost-cutting initiatives
- AHT asset management is proactively monitoring hotel performance
  - No fewer than 3 visits to each property in 2008
  - Booking pace will be randomly checked and cancellations closely monitored
- AHT has 26% of EBITDA operated by affiliate Remington, which enhances ability to more rapidly implement operational changes to preserve margins

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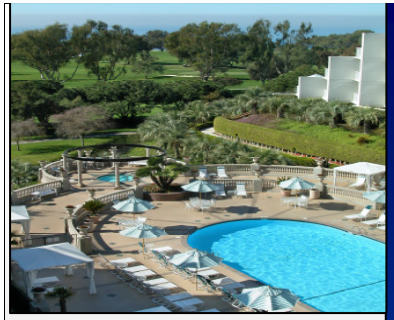







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