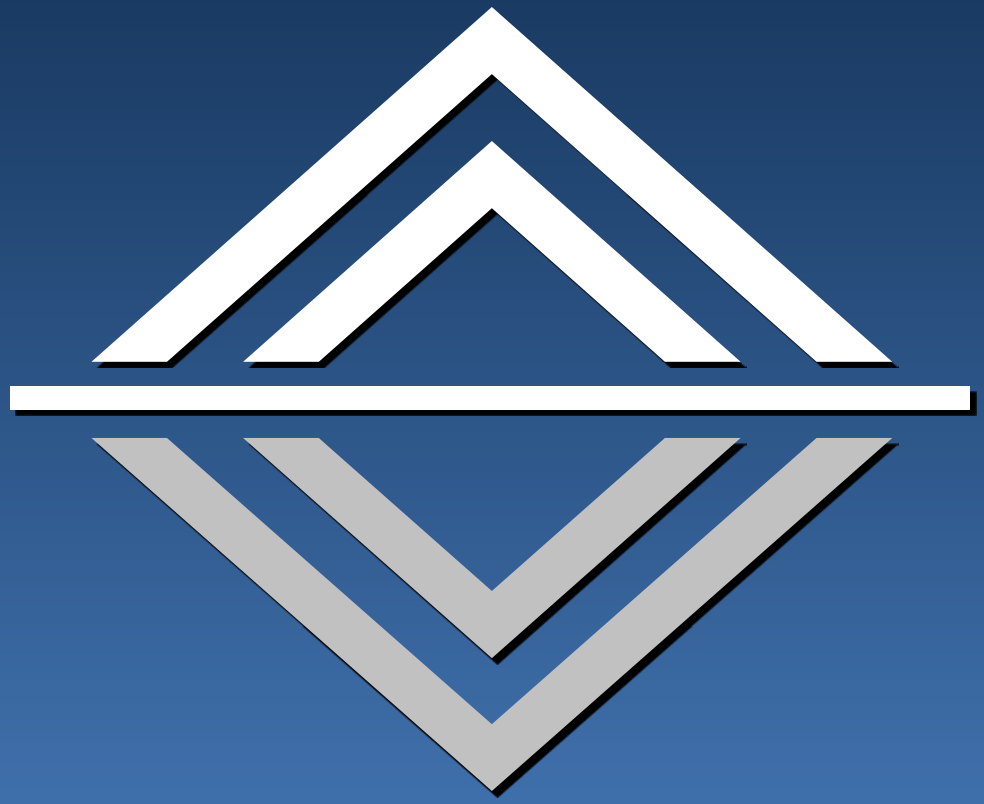


Analyst / Investor Day

May 2012

Introduction

Rob Hays

Senior Vice President – Corporate Finance & Strategy

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.

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. and may not be relied upon in connection with the purchase or sale of any such security.

Management Team Attending















Timeline

9:05 to 9:50am
Economy, Industry & Company Overview
Monty Bennett, Chief Executive Officer

9:50 to 10:05am
Capital Structure & Balance Sheet
David Kimichik, Chief Financial Officer

10:05 to 10:15am
Coffee Break & Sign-ups for 1-on-1 meetings

10:15 to 10:35am
Perspective on Leverage
Douglas Kessler, President

Timeline

10:35 to 10:50am
Highland Hospitality Update
Monty Bennett, Chief Executive Officer

10:50 to 11:00am
Next Steps for Ashford
Monty Bennett, Chief Executive Officer

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

11:30am to 12:30pm
Optional Lunch with Management

Ashford Hospitality Trust

Monty Bennett

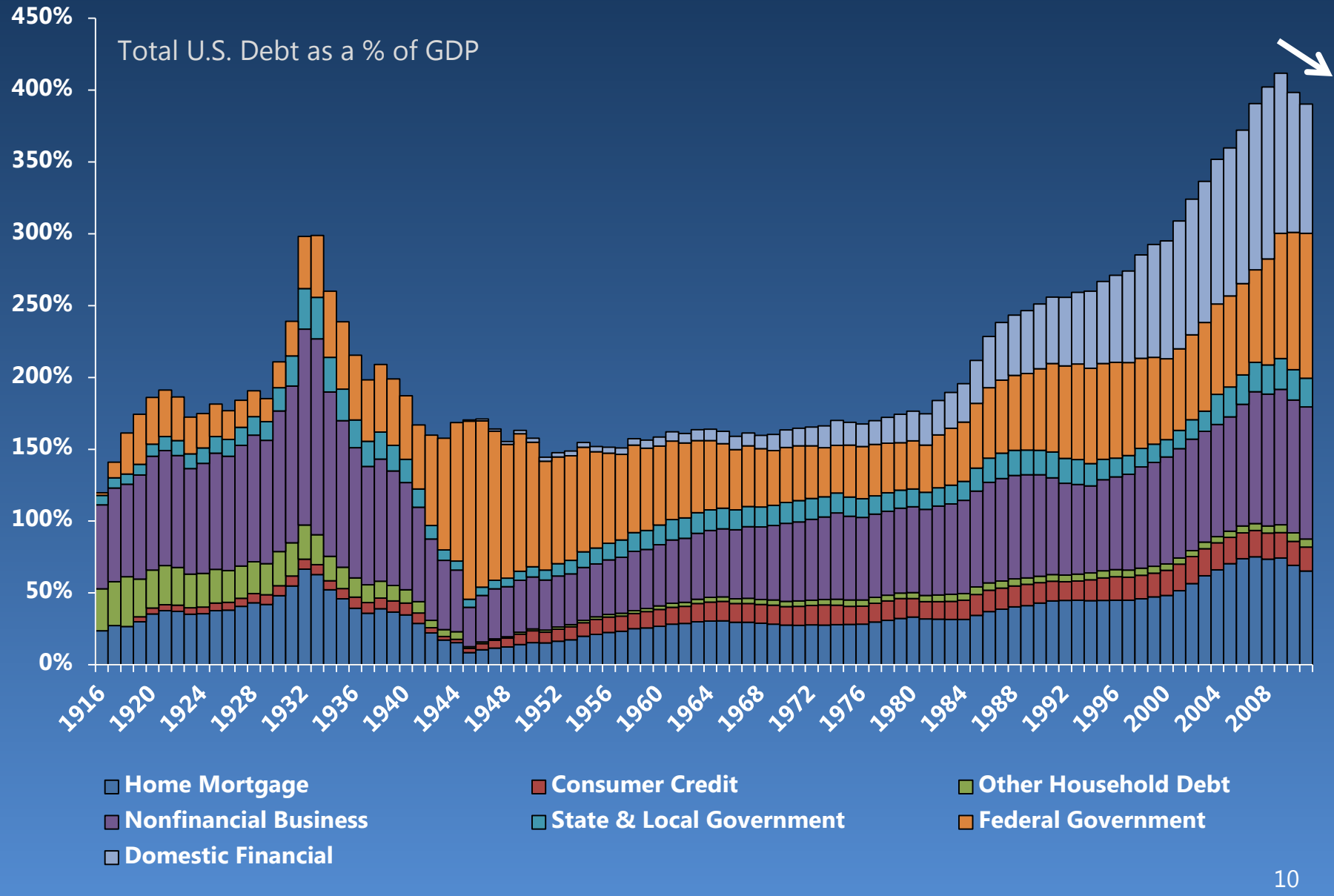
Chief Executive Officer

Presentation Overview

- There is still significant upside remaining in this lodging cycle
- Ashford has a strong, covered dividend and invests in high quality, hard assets with inflation protection
- Ashford has the right capital structure for this part of the cycle
- Ashford continues to have superior stock performance results with the industry's best acquisition and asset management team

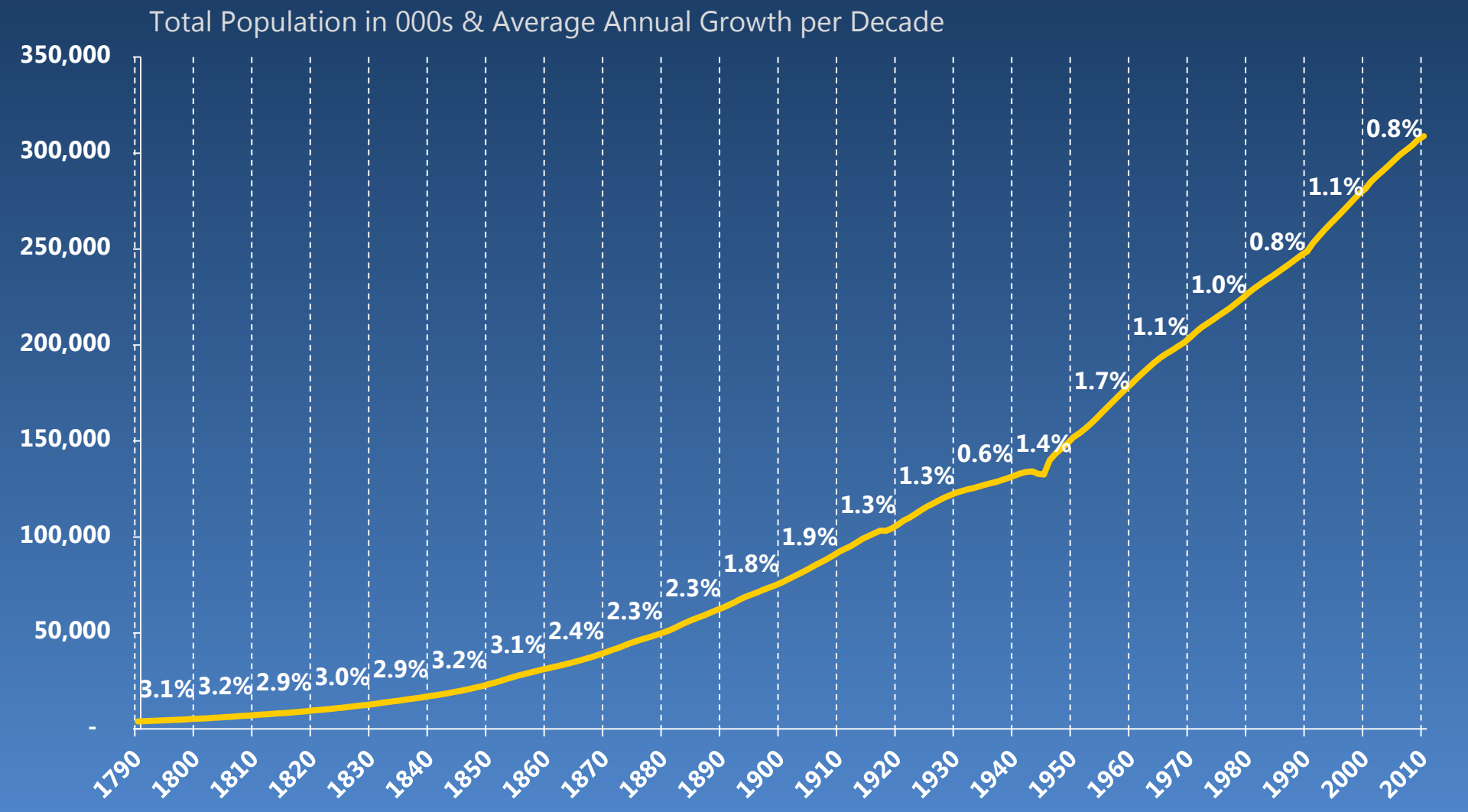
Economy, Industry, & Company Overview

U.S. Starting to Deleverage



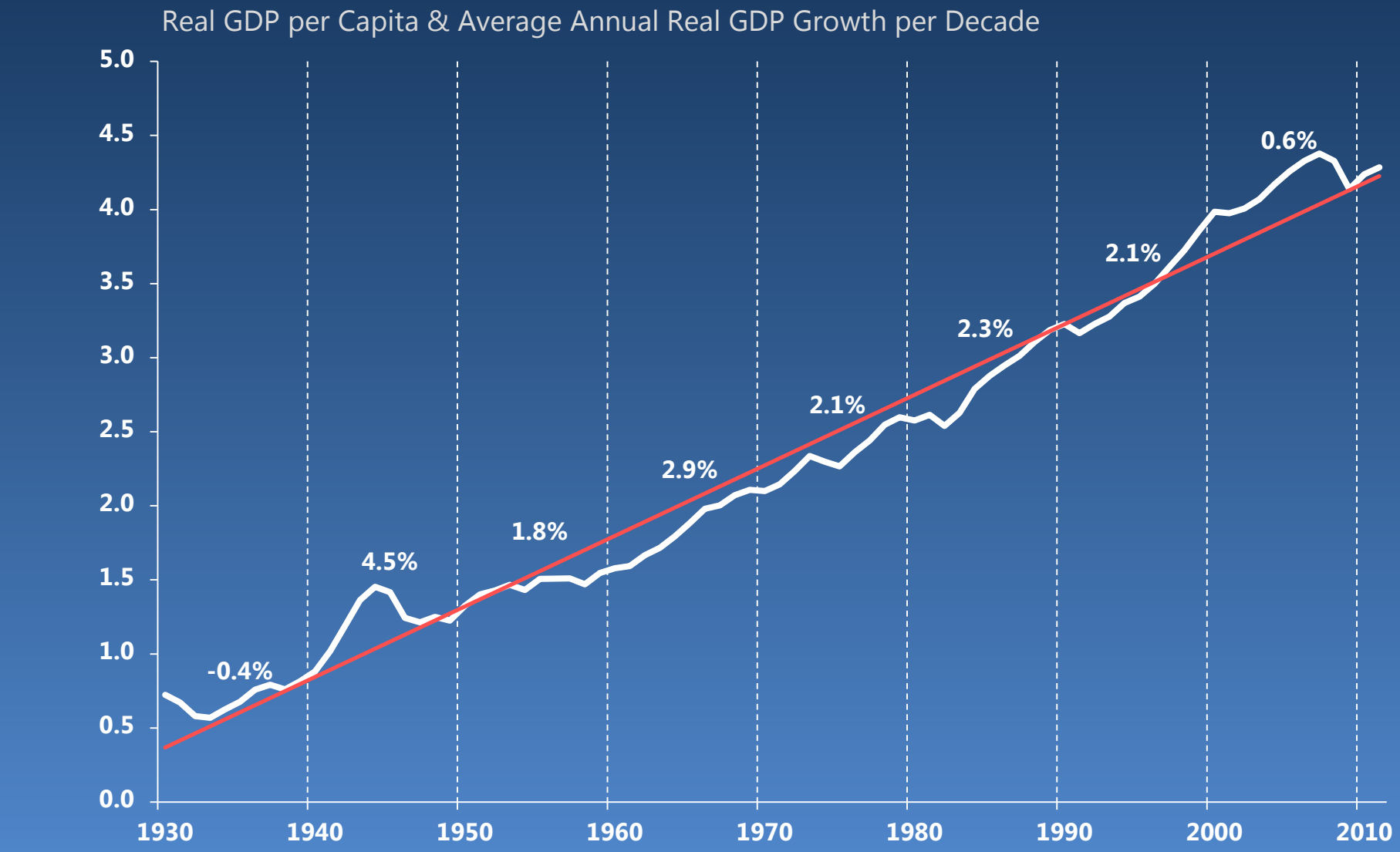
Source: U.S. Federal Reserve & Historical Statistics of the United States: - Cambridge

U.S. Population Growth



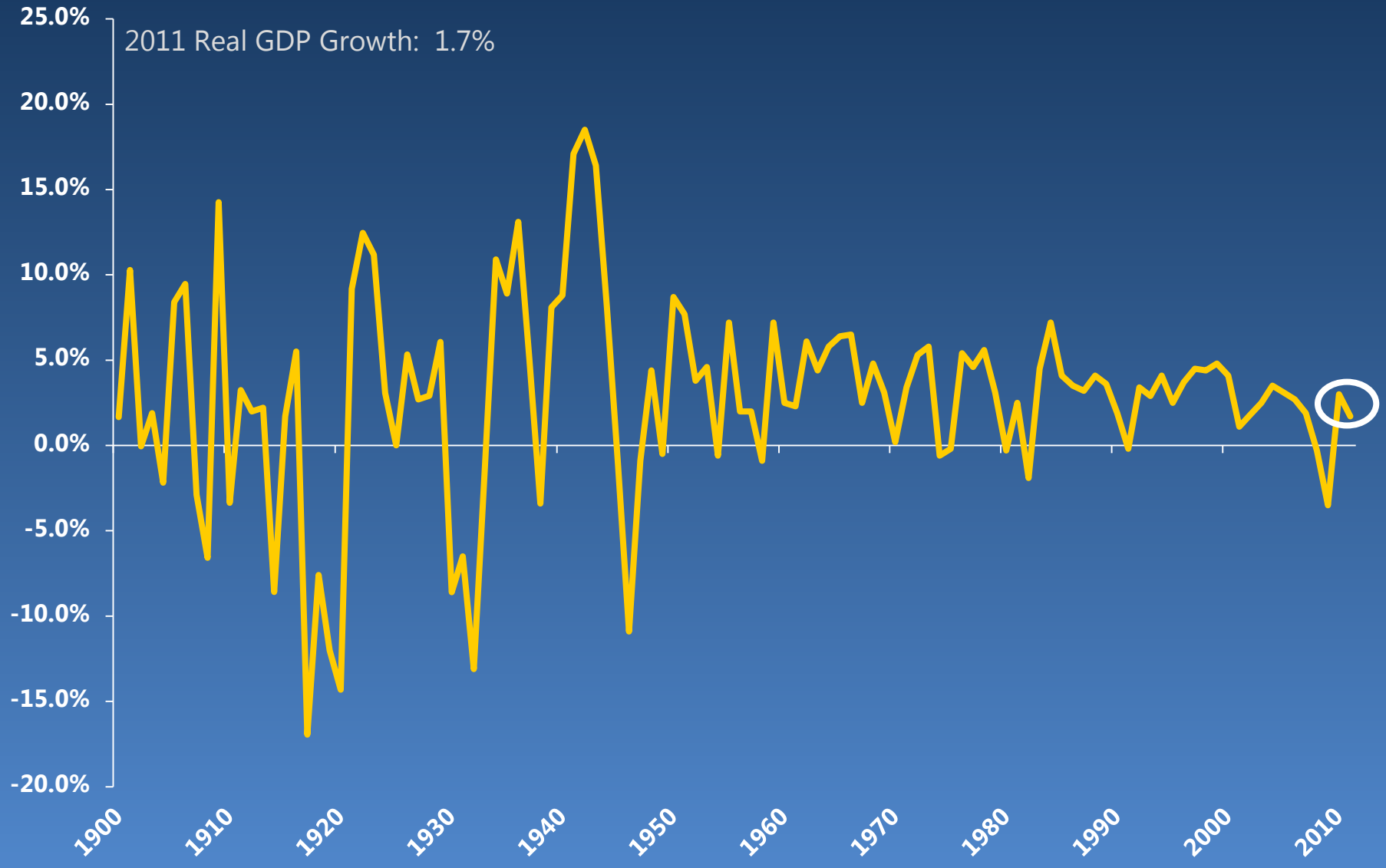
Source: U.S. Census Bureau & Historical Statistics of the United States: - Cambridge

U.S. Long-Term Productivity



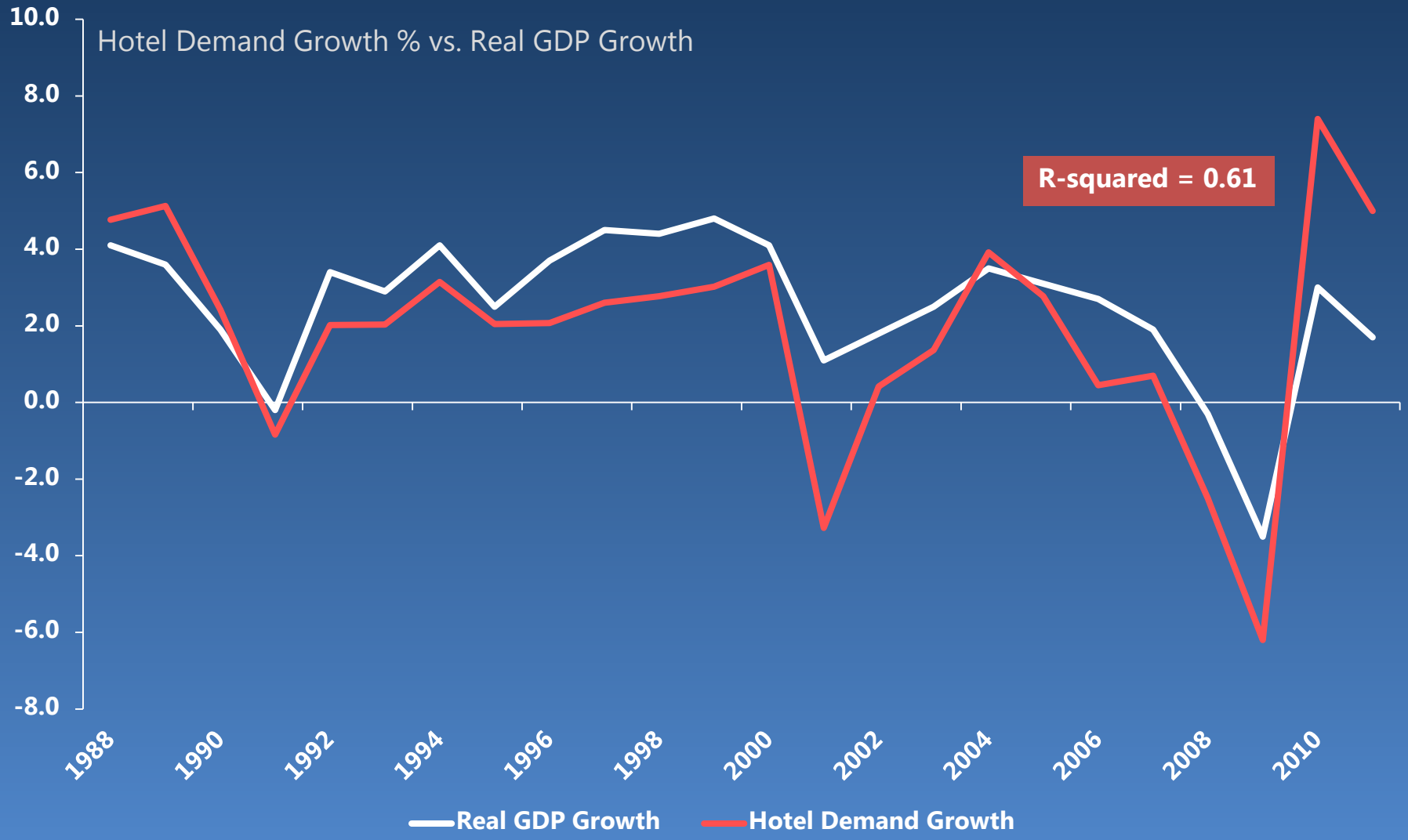
Source: U.S. Dept. of Commerce: BEA, U.S. Census Bureau & Historical Statistics of the United States: - Cambridge

Real GDP Growth %



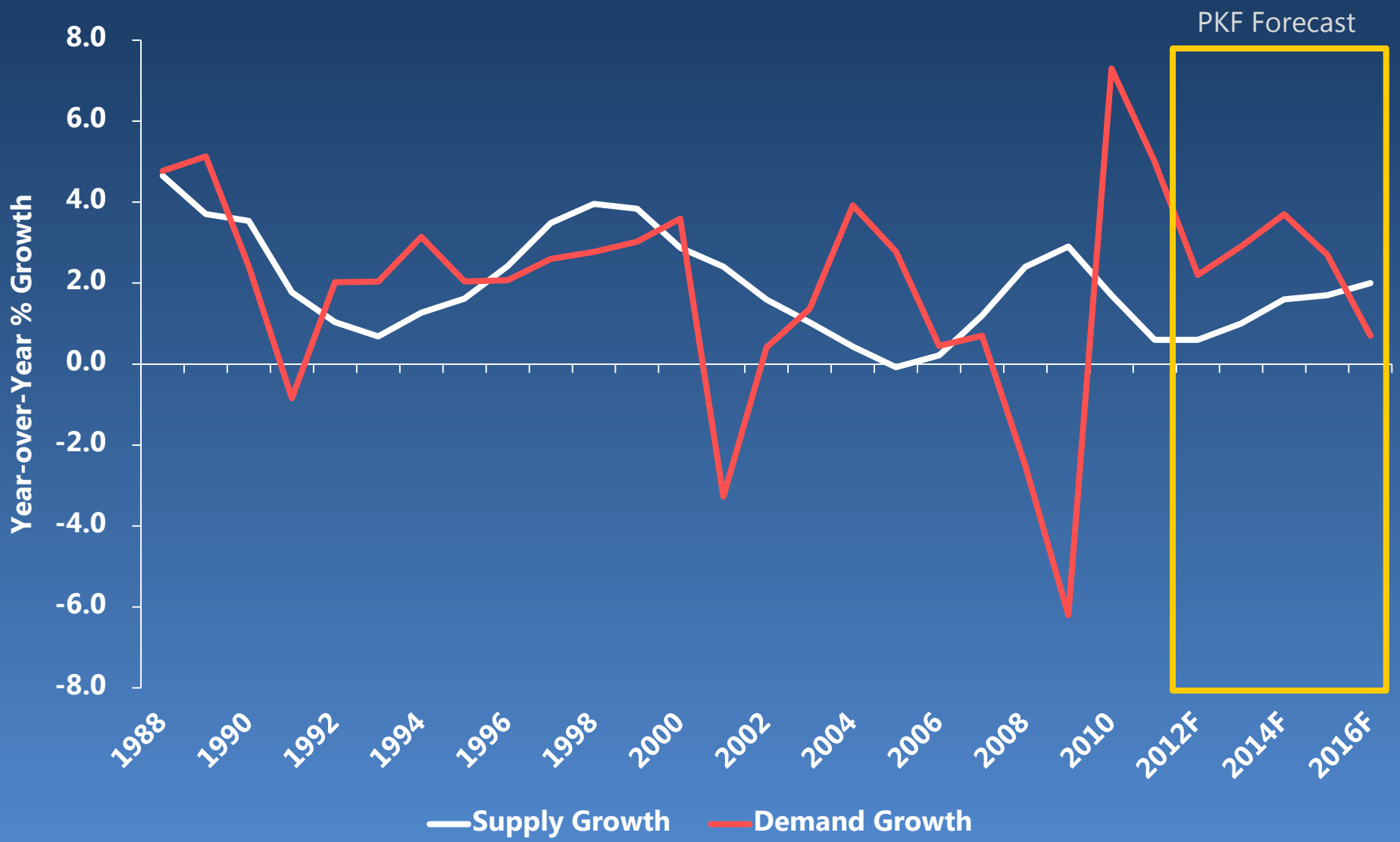
Source: U.S. Dept. of Commerce: BEA & Historical Statistics of the United States: - Cambridge

Hotel Demand Driven by Economy



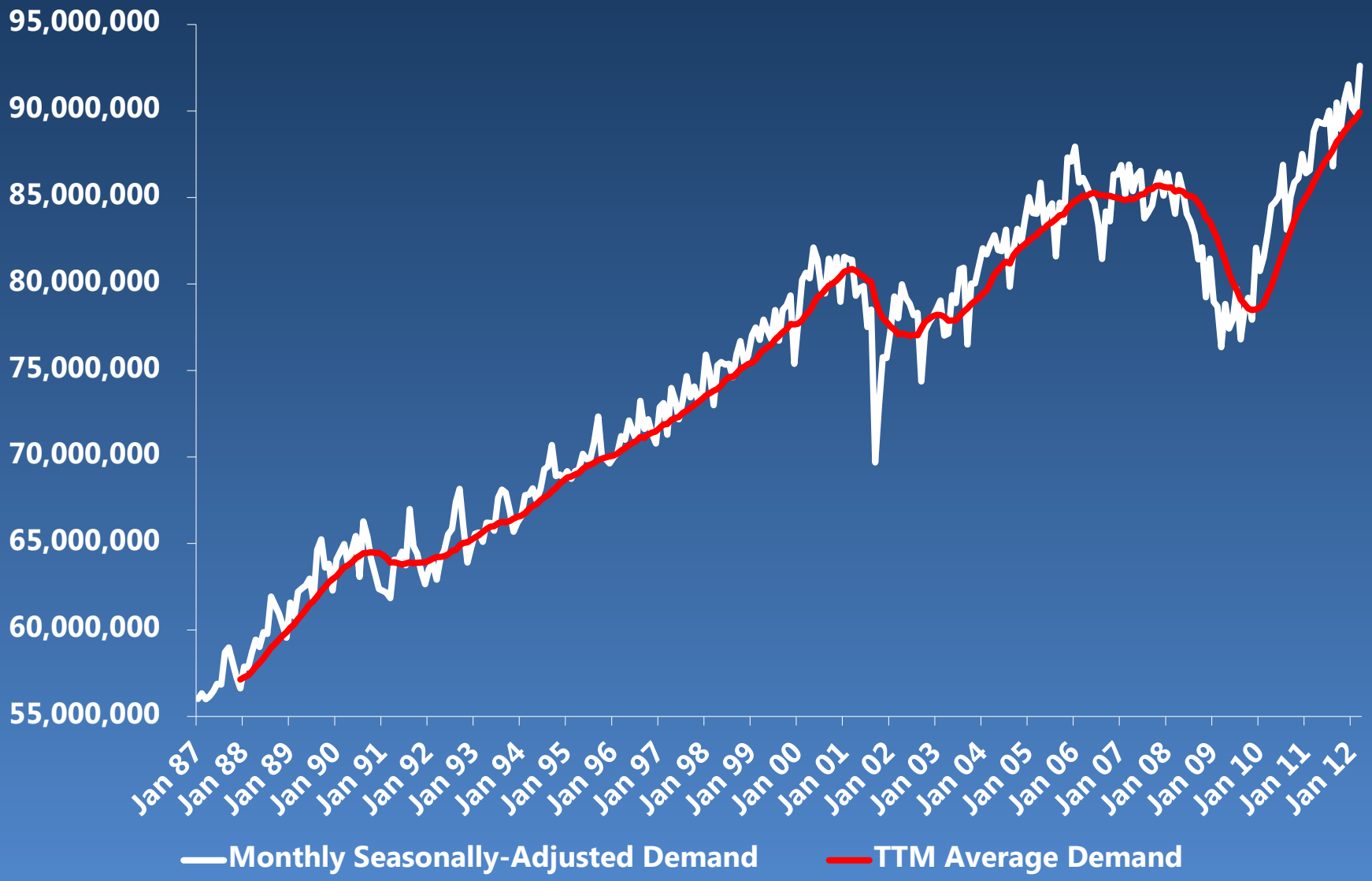
Source: Smith Travel Research & U.S. Dept. of Commerce: BEA

U.S. Demand Will Outpace Supply



Source: Smith Travel Research & PKF

Total U.S. Demand

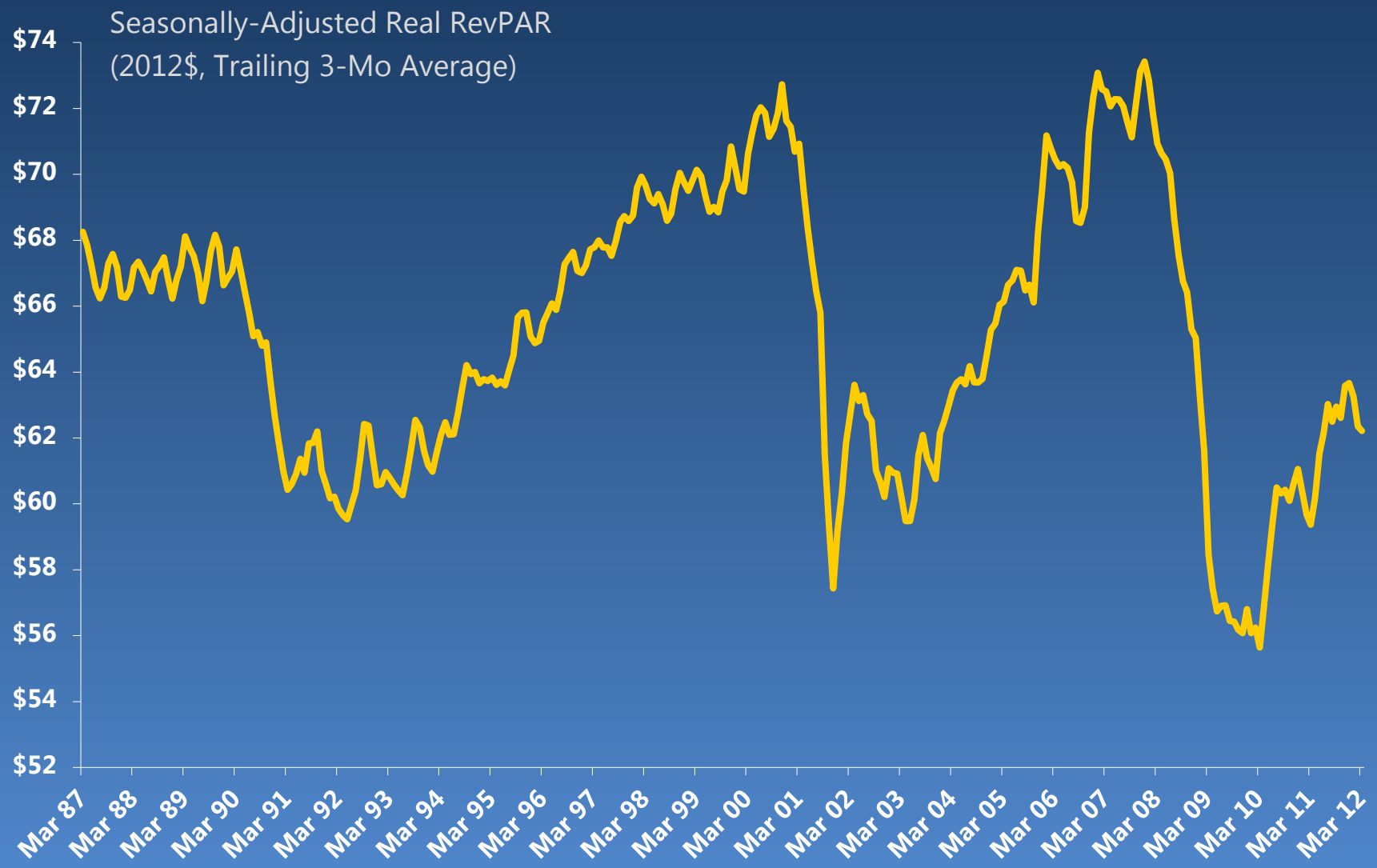


Source: Smith Travel Research

Economic & Industry Summary

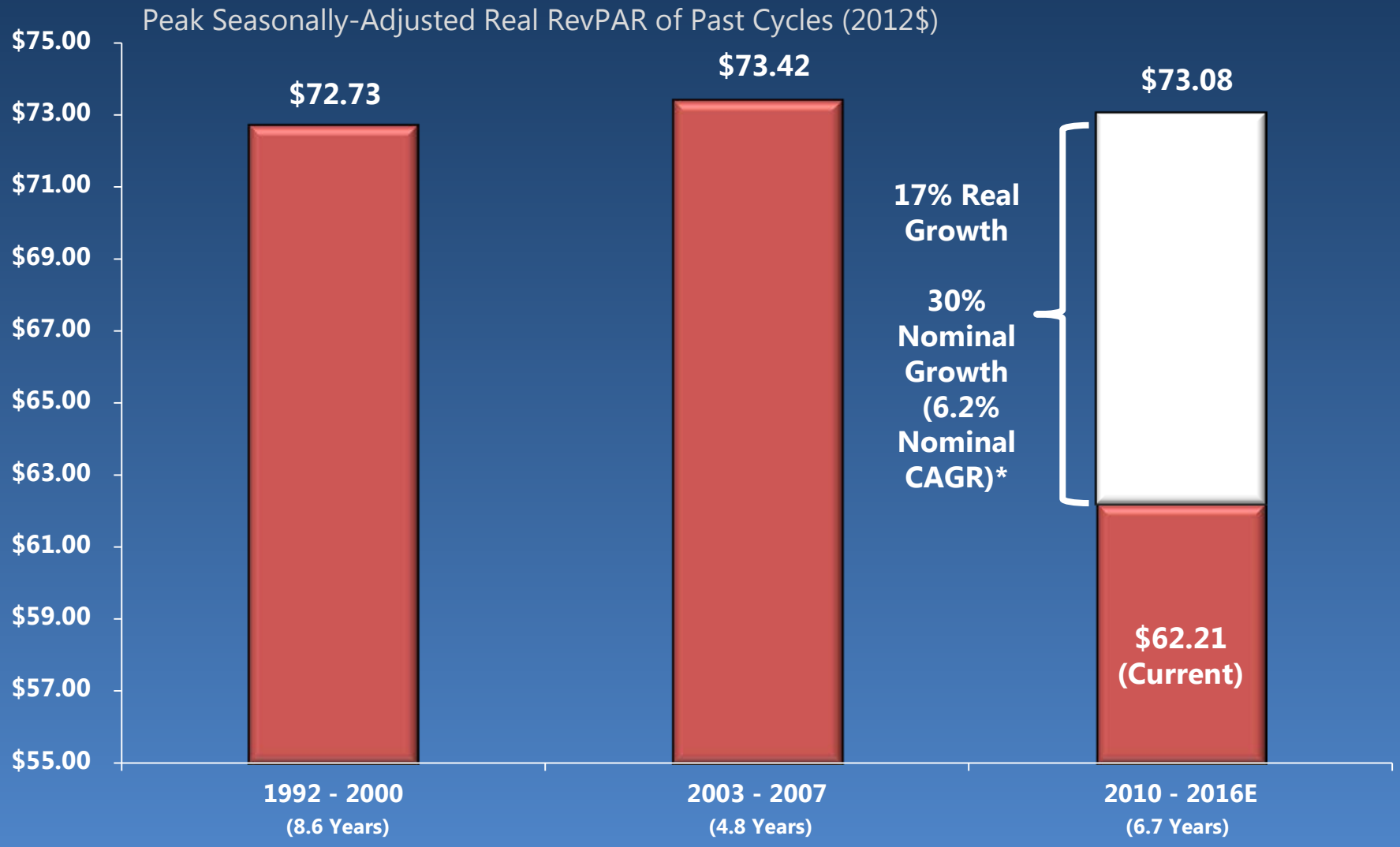
- Deleveraging & low, steady demand growth
- Low interest rates for the foreseeable future
- Fed unlikely to raise interest rates – unlikely that a “normal” recession will occur due to high interest rates
- Only mild threat is economic shock: war, euro crisis, sovereign debt & China hard landing, etc.
- Low hotel supply along with steady real demand will lead to positive real RevPAR growth for several years to come

Real RevPAR is Cyclical



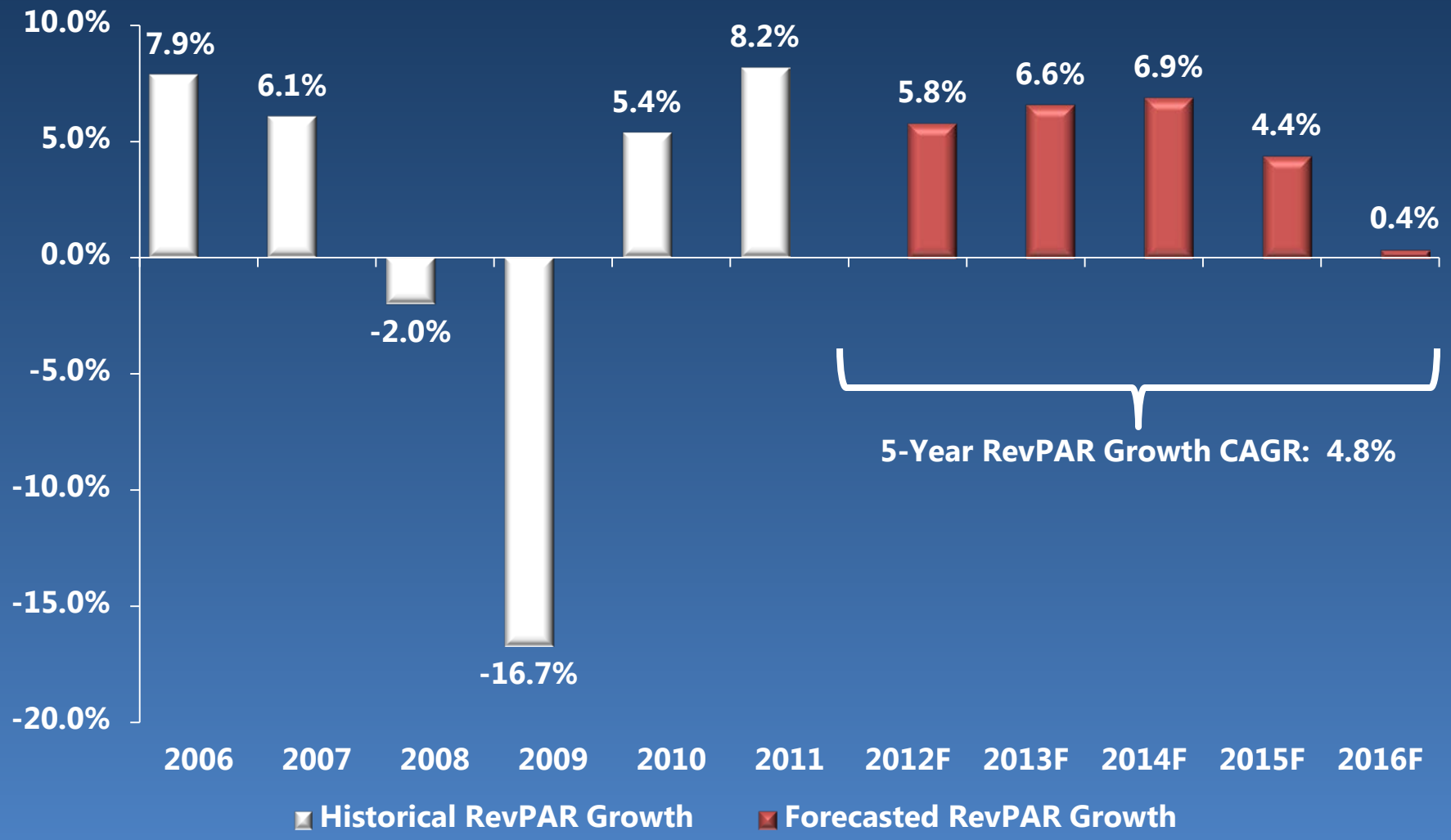
Source: Smith Travel Research & U.S. Dept. of Labor: BLS

Real RevPAR is Cyclical



* Assumes 2.5% CPI growth.
Source: Smith Travel Research & U.S. Dept. of Labor: BLS

RevPAR Forecast - PKF



Source: Smith Travel Research & PKF

Potential Industry EBITDA Growth Rates

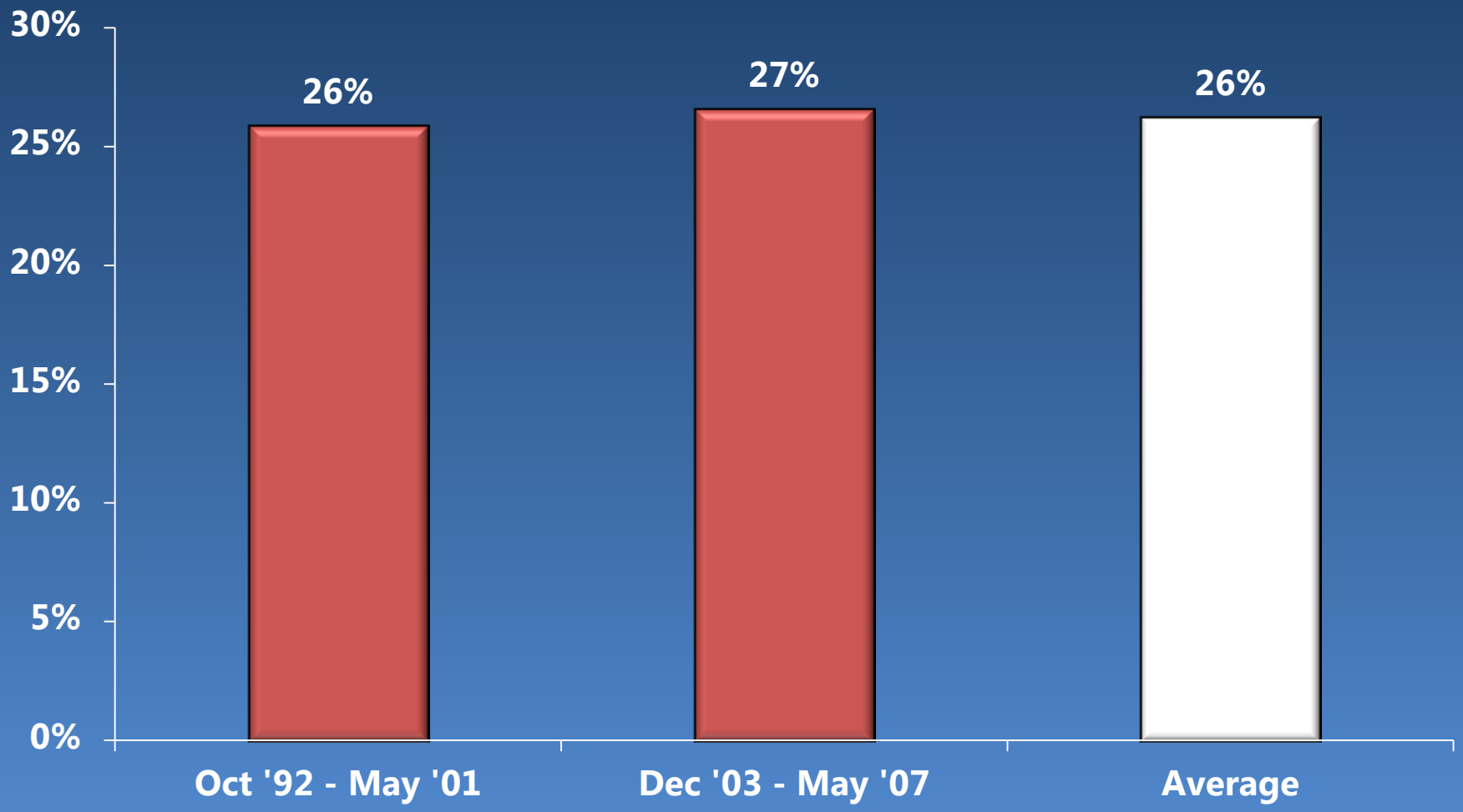
- With strong potential RevPAR gains, those companies with reasonable flow-throughs could experience significant EBITDA growth
- PKF estimates 5-year cumulative EBITDA growth of about 40%*

	COMPOUNDED 5-YEAR REVPAR GROWTH RATE				
	4.5%	**5.0%**	**5.5%**	**6.0%**	**6.5%**
20.0%	19.7%	22.1%	24.6%	27.1%	29.6%
25.0%	24.6%	27.6%	30.7%	33.8%	37.0%
30.0%	29.5%	33.2%	36.8%	40.6%	44.4%
35.0%	34.5%	38.7%	43.0%	47.4%	51.8%
40.0%	**39.4%**	**44.2%**	**49.1%**	**54.1%**	**59.2%**
45.0%	**44.3%**	**49.7%**	**55.3%**	**60.9%**	**66.6%**
50.0%	**49.2%**	**55.3%**	**61.4%**	**67.6%**	**74.0%**
55.0%	**54.2%**	**60.8%**	**67.5%**	**74.4%**	**81.4%**
60.0%	59.1%	66.3%	73.7%	81.2%	88.8%
65.0%	64.0%	71.8%	79.8%	87.9%	96.2%
70.0%	68.9%	77.4%	85.9%	94.7%	103.6%

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

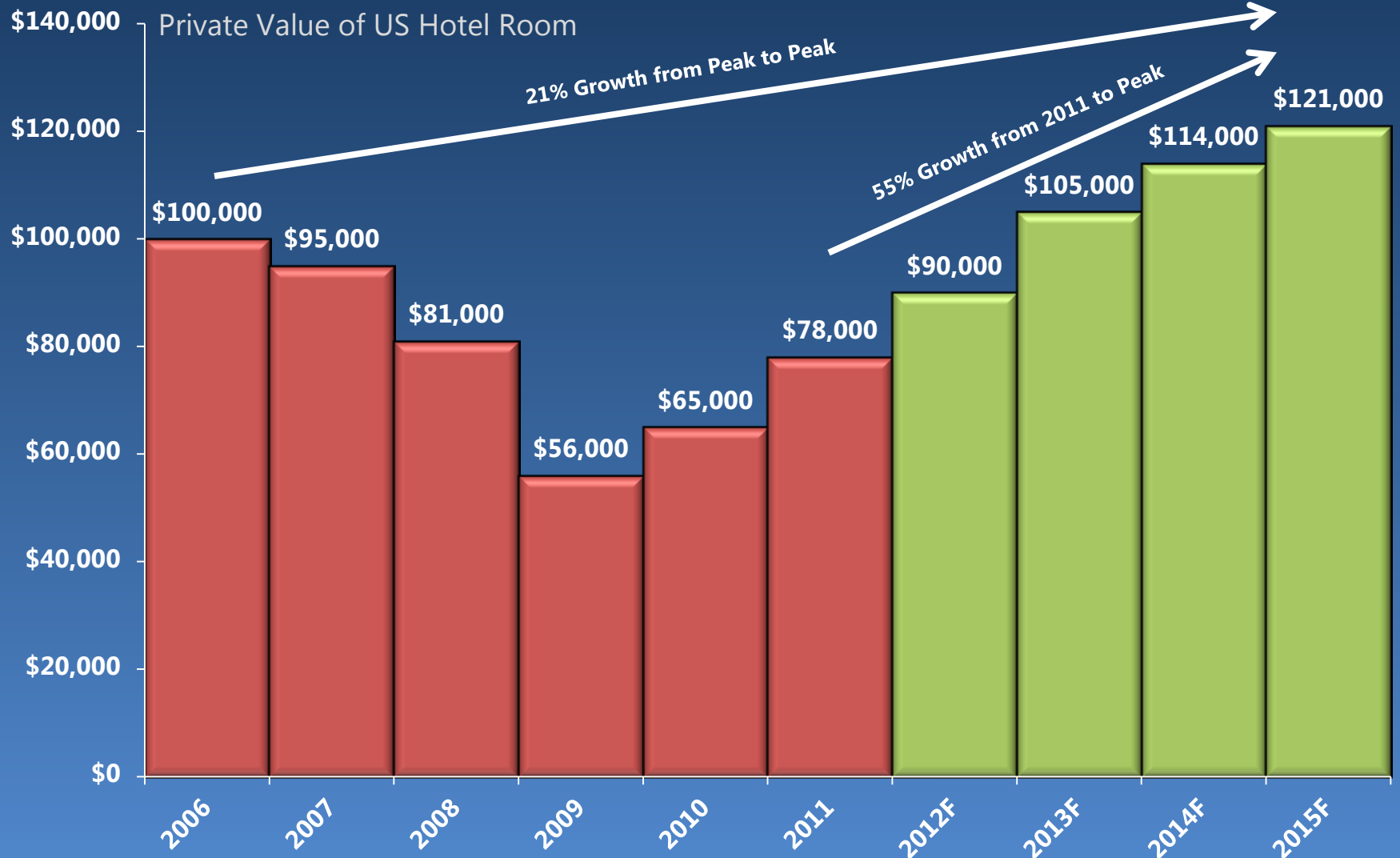
Attractive Shareholder Returns

- From current real RevPAR levels to cycle peak stock prices, previous cycles averaged 26% total return CAGRs



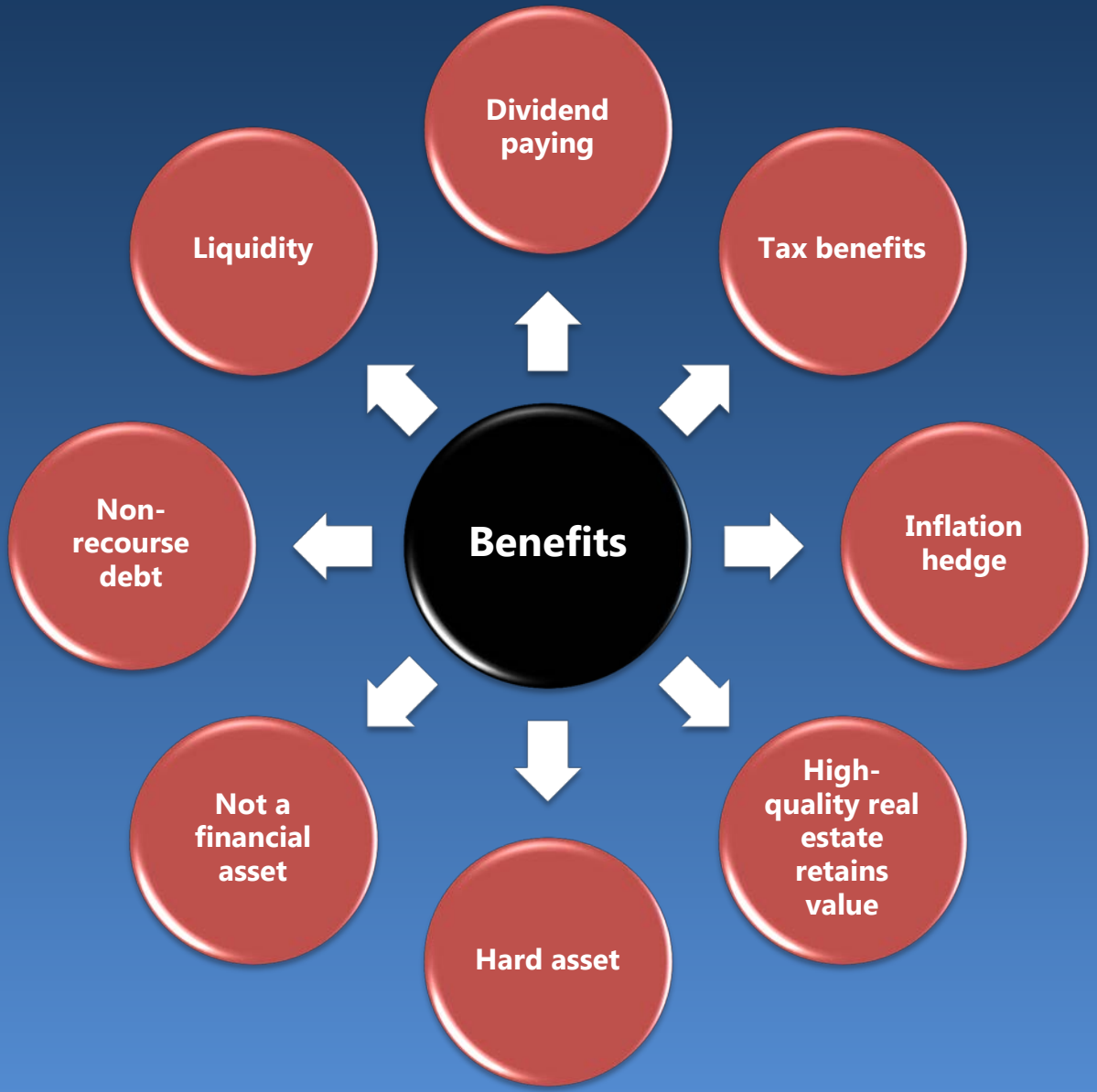
Source: Smith Travel Research, Bloomberg & U.S. Dept. of Labor: BLS
Equal-weighted total return index includes: AHT, BEE, DRH, FCH, HST, HT, LHO, SHO, MAR, HOT & HLT

Projected Hotel Room Value Growth



Source: HVS

Advantages of Lodging REITs



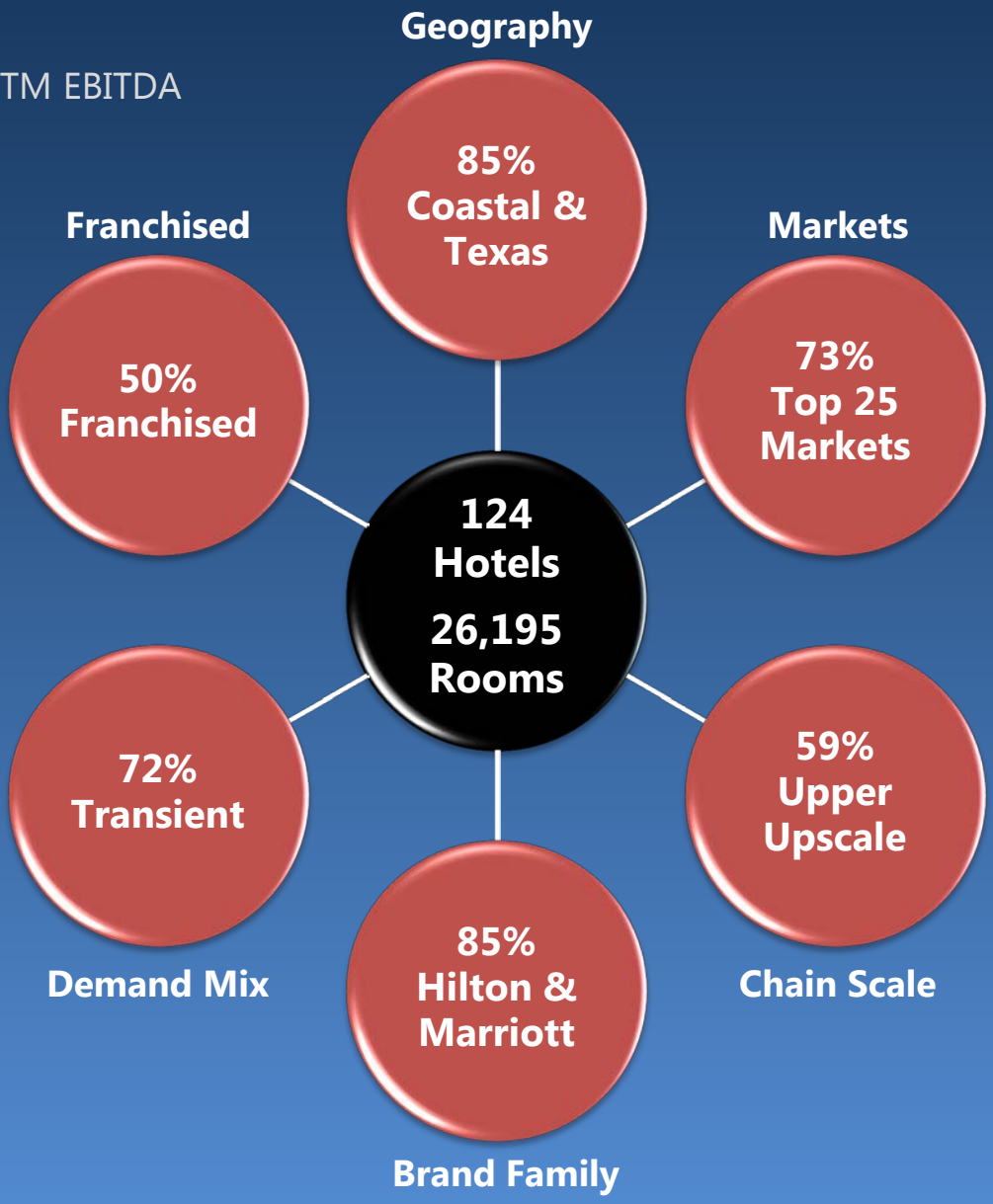
Industry Summary

- Real U.S. RevPAR is cyclical and perhaps only 1/3 of the way to the next peak
- Nominal U.S. RevPAR is forecasted to grow at 5-6% CAGRs over the next 5 years
- The industry could experience between 40% and 80% EBITDA growth over the next five years
- Investing at this point in the cycle historically has led to shareholder returns equivalent to 26% CAGRs
- Hotel room values are forecasted to grow by greater than 50% by 2015 according to HVS
- There are numerous advantages to lodging REITs that make them the ideal way to take advantage of the lodging upcycle

Company Update

Asset Overview

As a % of 1Q 2012 TTM EBITDA



High Quality Portfolio


Capital Hilton


Renaissance Palm Springs


Hyatt Regency Coral Gables



Marriott DFW Airport


Renaissance Tampa



Marriott Plaza San Antonio


Embassy Suites Las Vegas



Hilton Tampa Westshore


Embassy Suites Portland


Marriott Bridgewater


Courtyard Seattle Downtown



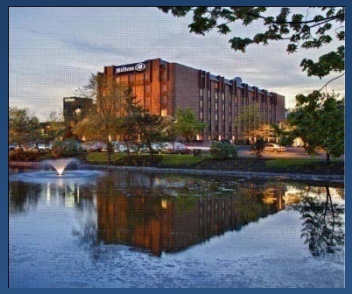
Ritz-Carlton Atlanta


Marriott Seattle Waterfront


Renaissance Portsmouth


Embassy Suites Silicon Valley

High Quality Portfolio



Hilton Parsippany



Hilton La Jolla Torrey Pines



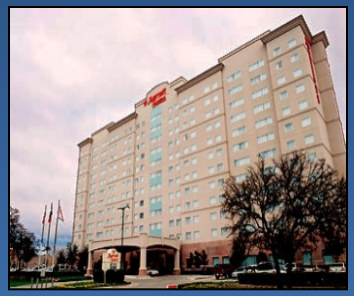
The Melrose – D.C.



Courtyard SF Downtown



Hyatt Regency Wind Watch



Marriott Suites Dallas



Boston Back Bay Hilton



Marriott Legacy Center



Renaissance Nashville



Marriott Sugar Land



Hyatt Regency Savannah



Hilton Costa Mesa



Westin Princeton

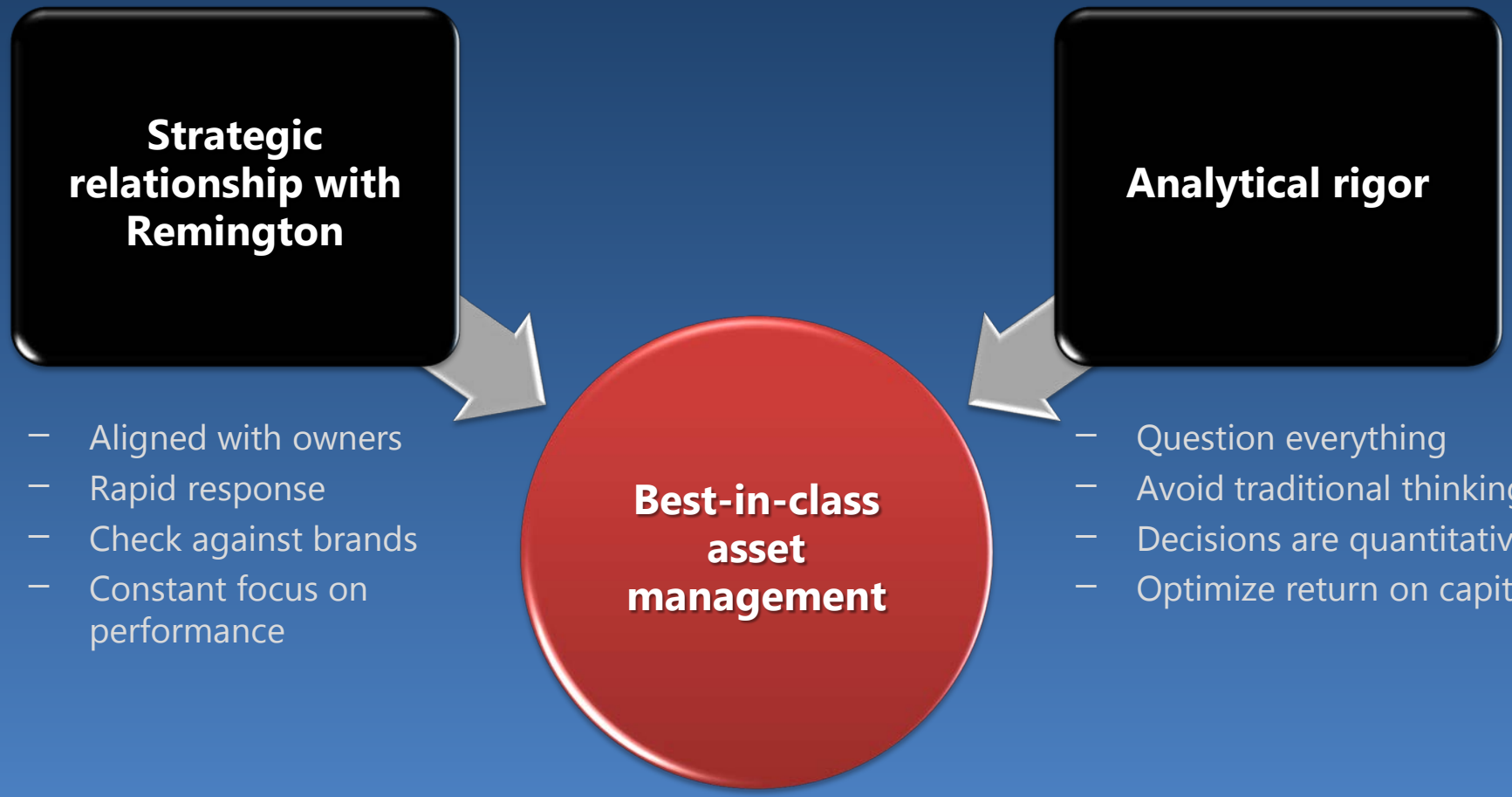


Courtyard Philadelphia

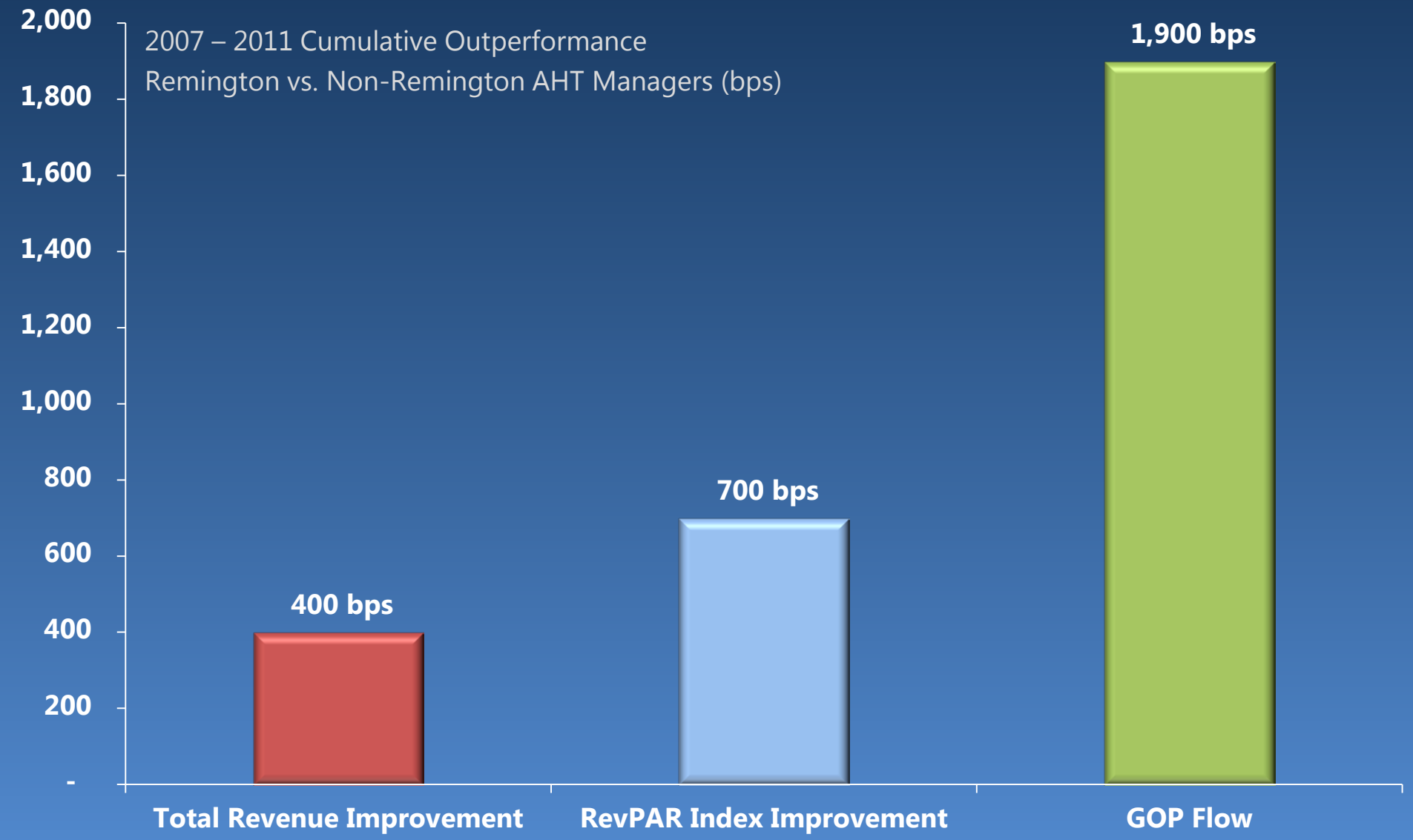


The Silversmith - Chicago

Best-in-Class Asset Management

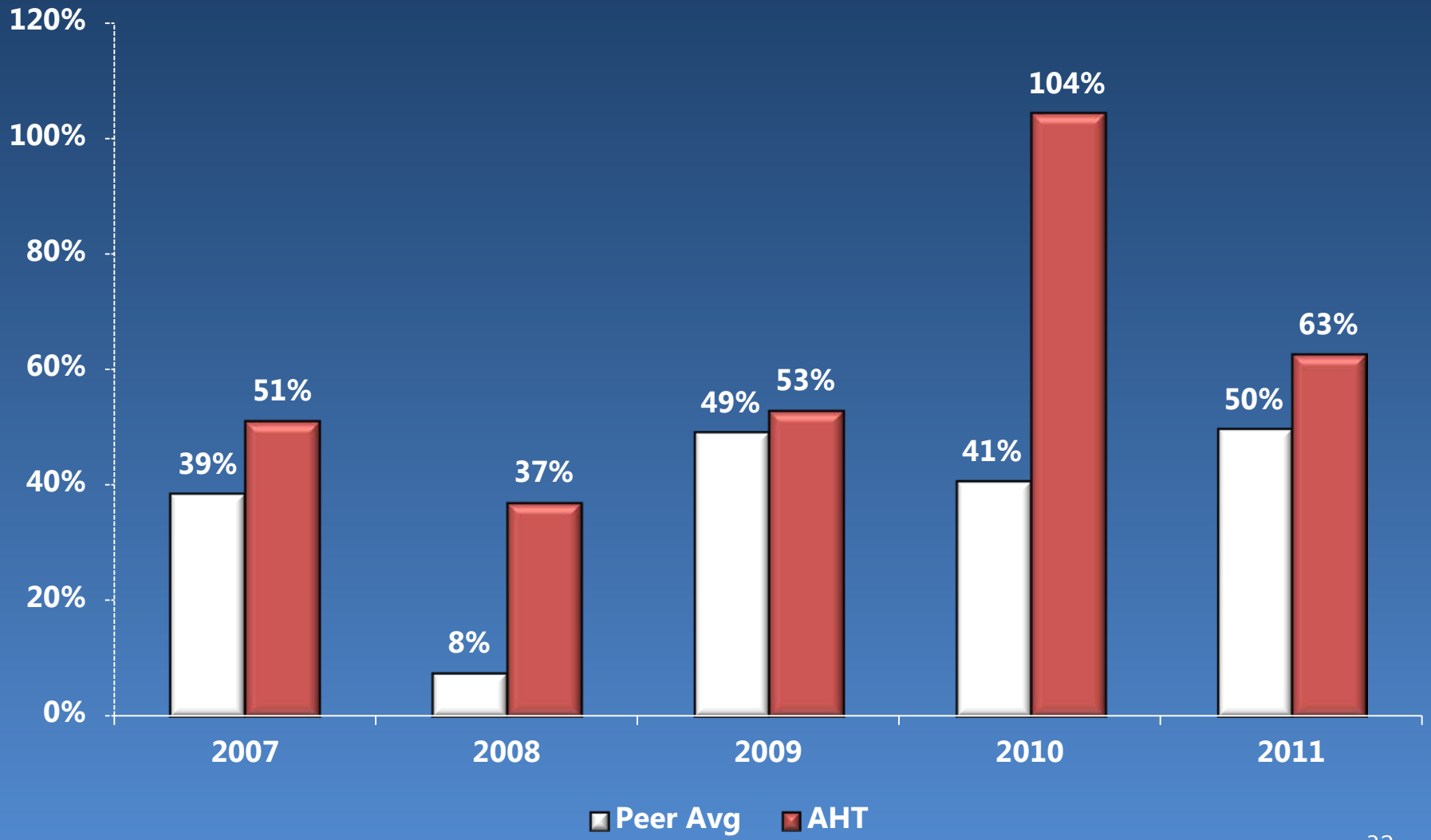


Remington Outperformance



Best-in-Class Asset Management

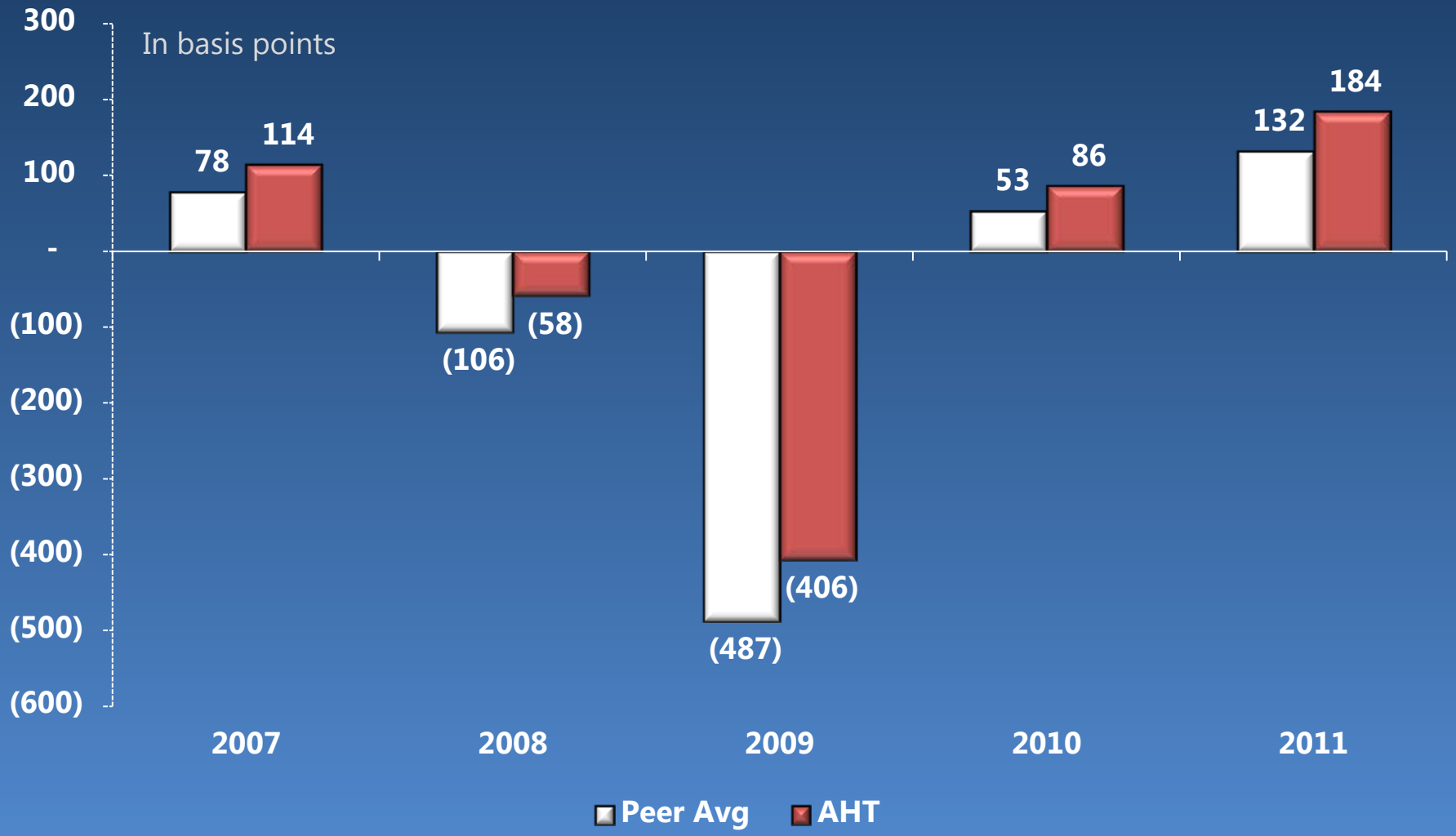
- Ashford consistently beats peers in hotel EBITDA flow throughs



Peers include: BEE, CHSP, DRH, FCH, HST, HT, LHO, PEB, SHO
Source: Company Filings

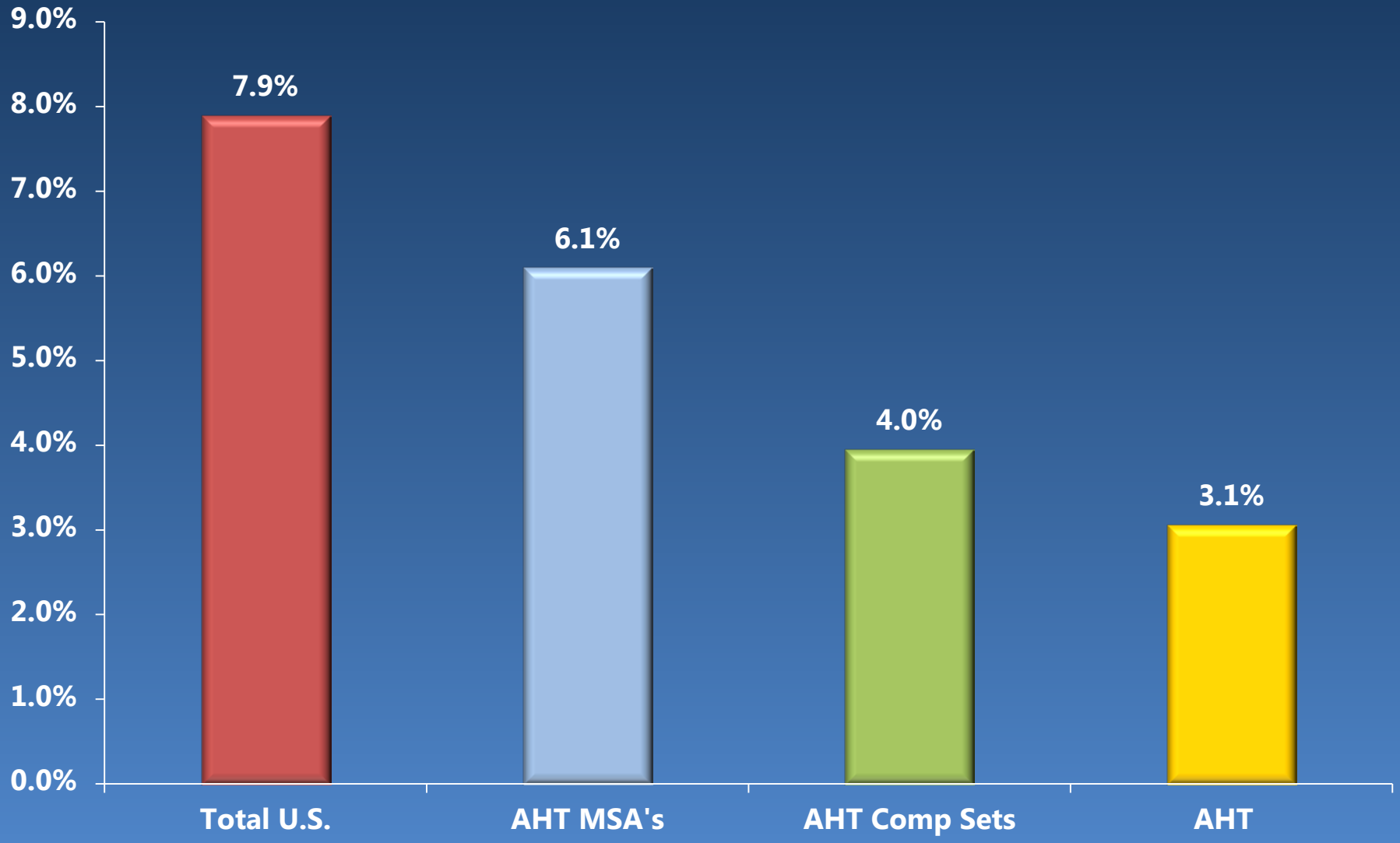
Best-in-Class Asset Management

- Ashford consistently beats peers in hotel EBITDA margin change



Peers include: BEE, CHSP, CLDT, DRH, FCH, HST, HT, LHO, PEB, SHO
Source: Company Filings

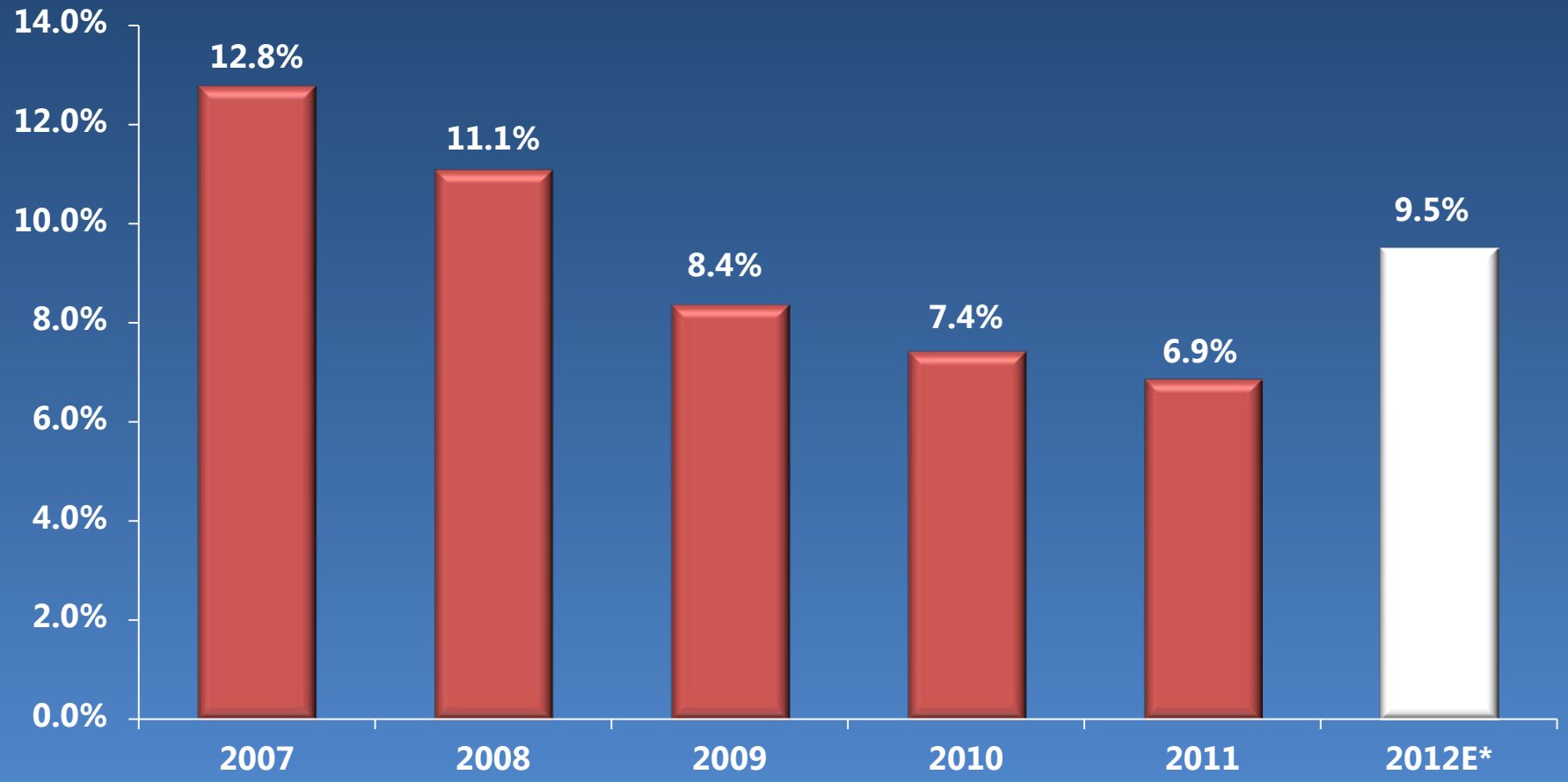
1Q 2012 AHT RevPAR Update



Source: Smith Travel Research

Capex Spend History

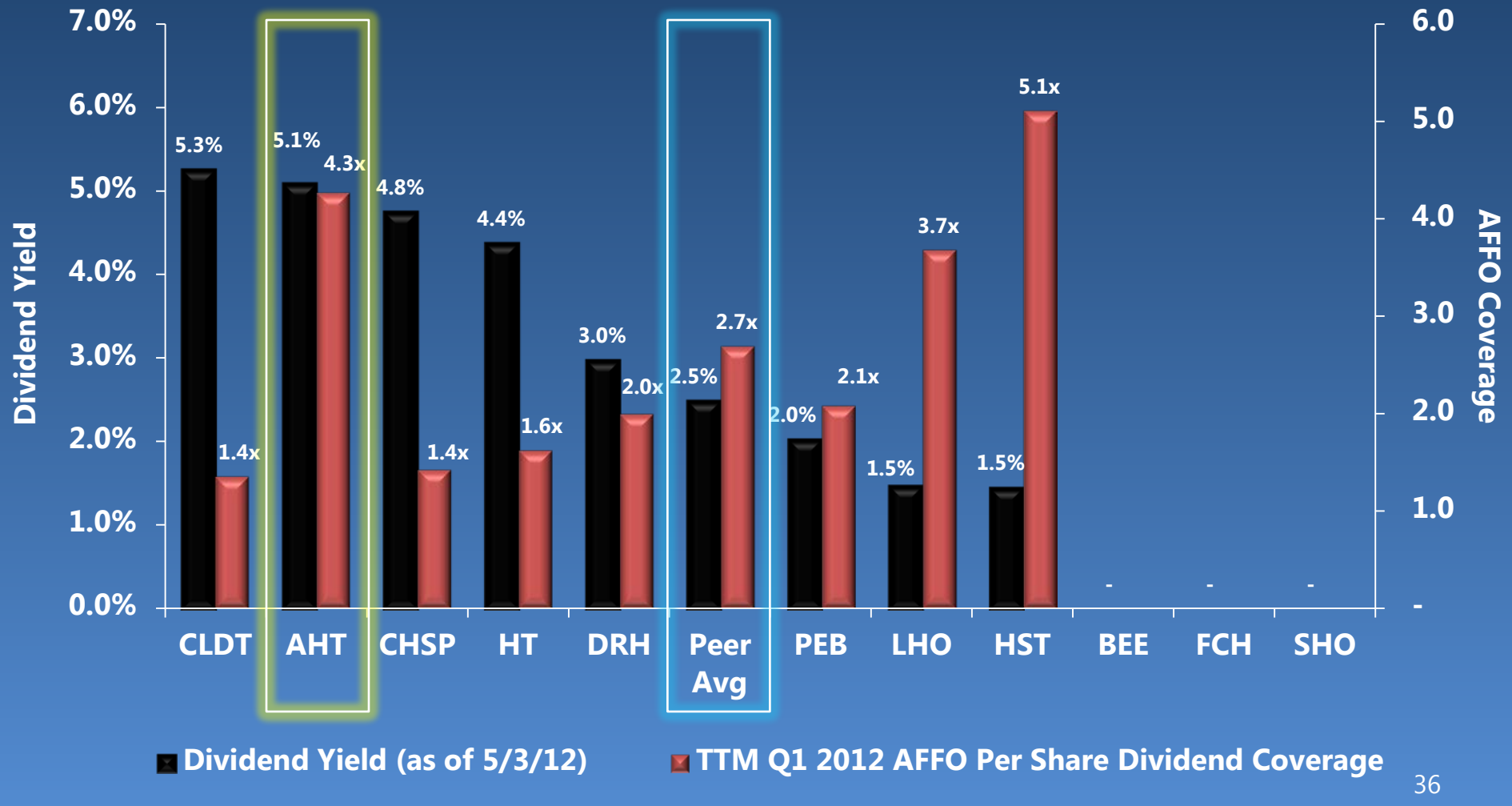
- Ashford consistently spends capital to keep the properties in great shape, but refrains from spending optional dollars which do not meet return hurdles



Based on our estimated capex spend and assuming 2012 PKF RevPAR growth of 5.8%

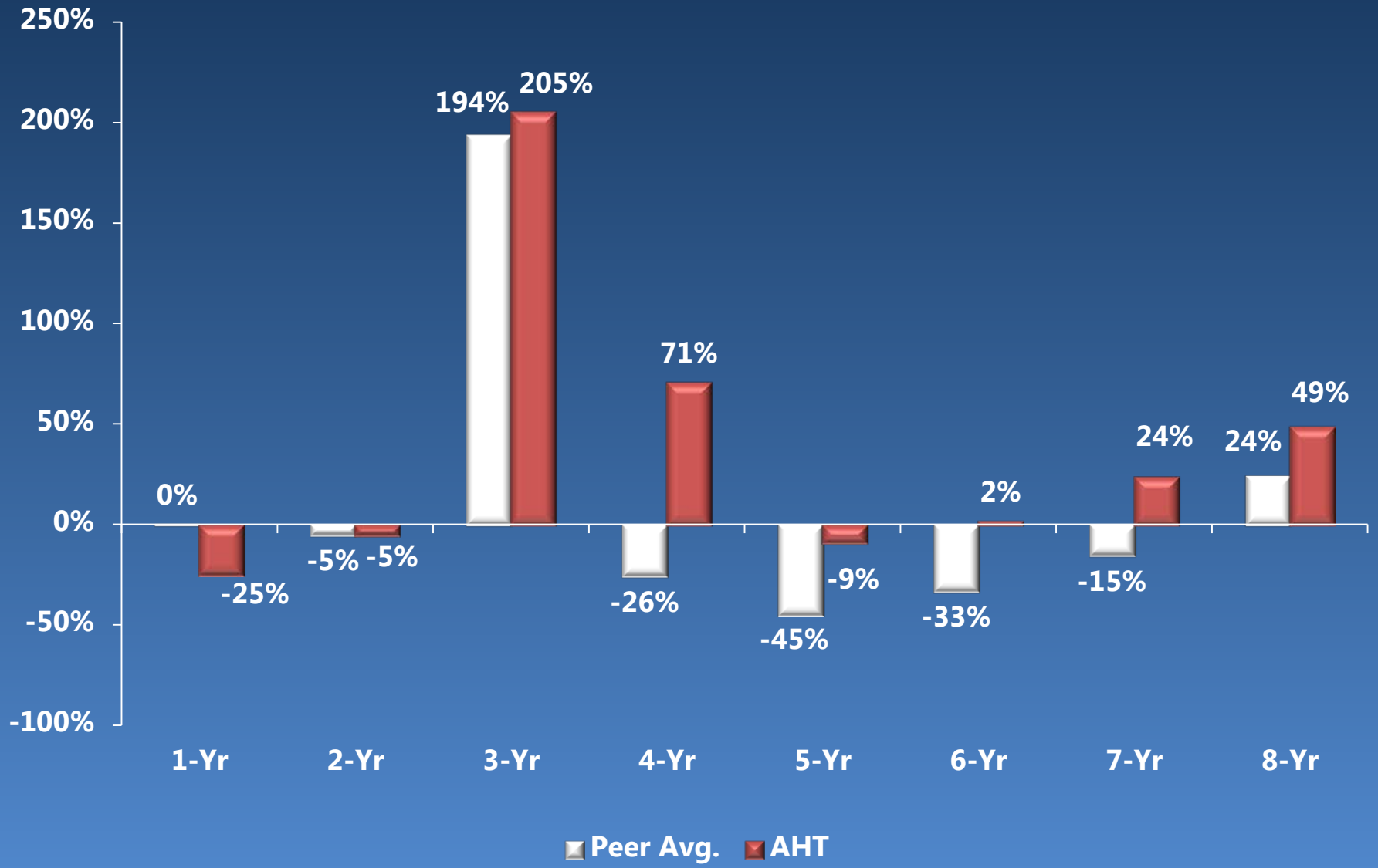
Attractive Dividend Yield & Coverage

- Ashford is the only lodging REIT to have both its dividend yield and AFFO dividend coverage above the peer average



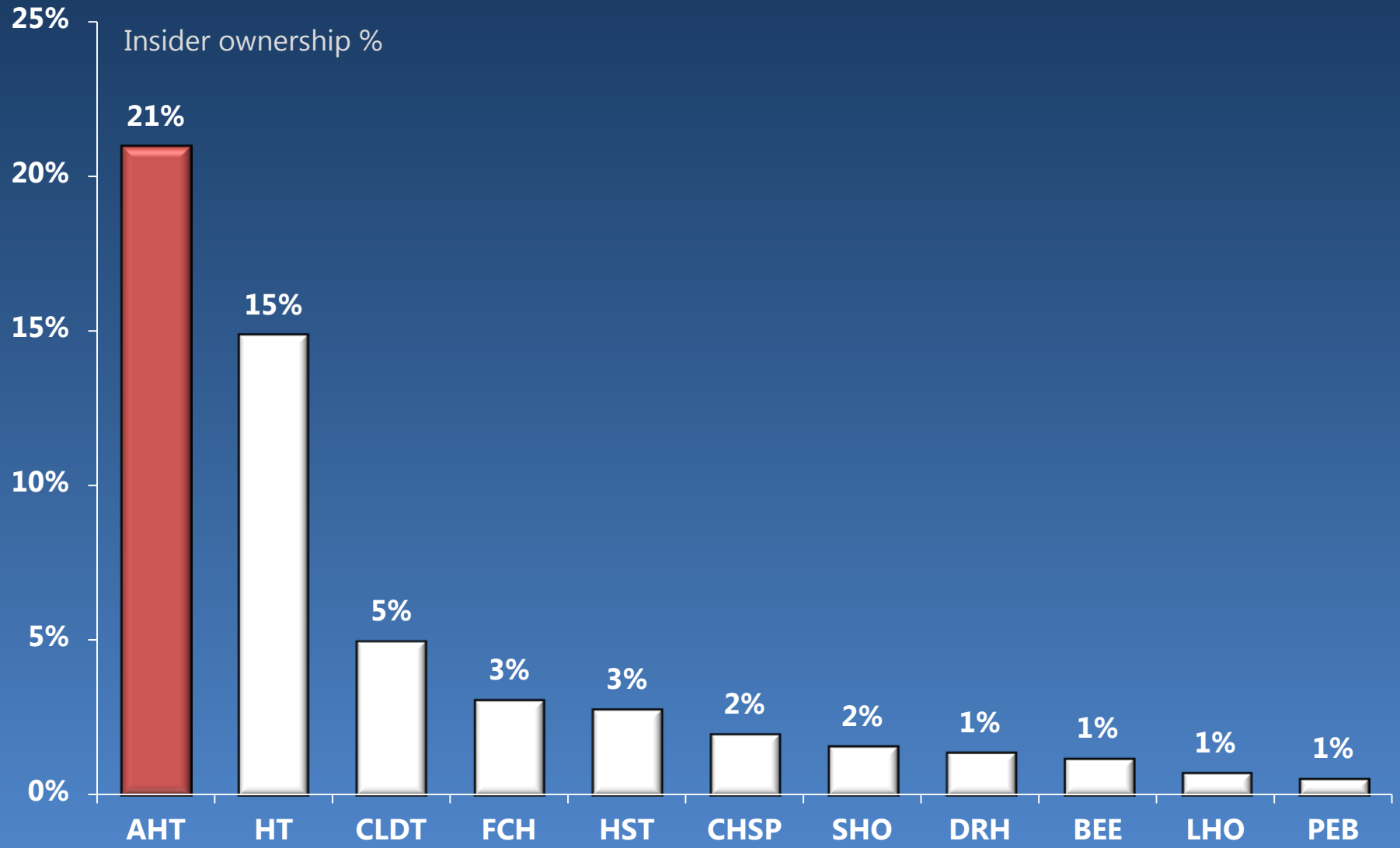
Source: Company filings, Bloomberg & First Call (Q1 2012 consensus AFFO used for CLDT)

Total Shareholder Return



Peer average includes: BEE, CHSP, CLDT, DRH, FCH, HST, HT, LHO, PEB, SHO
Trailing Total Shareholder Returns as of 5/3/12
Source: Bloomberg

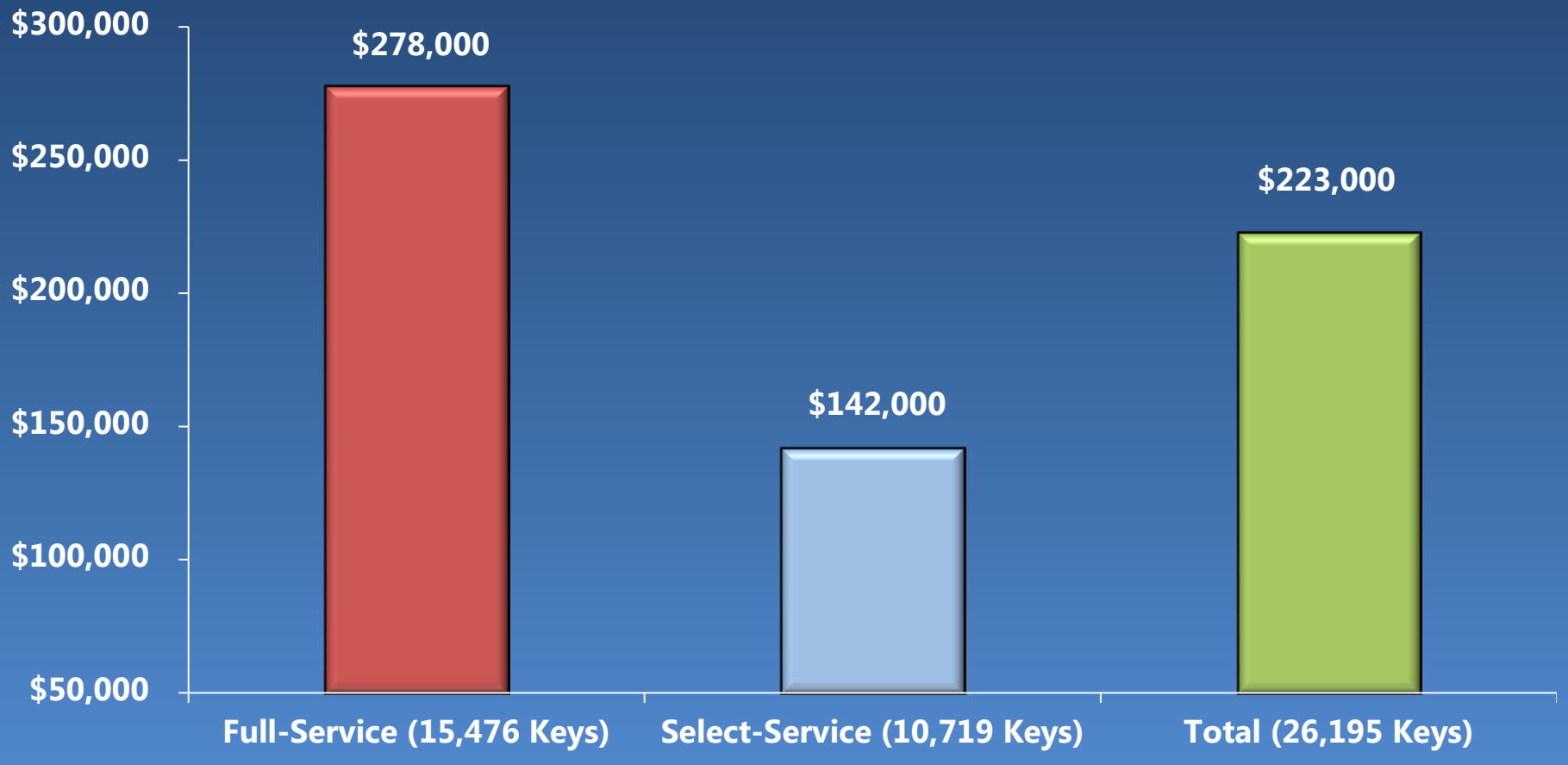
Most Highly-Aligned Management



Source: Company Filings

Replacement Cost per Key

- At current stock prices AHT trades for approximately $153k per key, a 31% discount to replacement cost



Estimate based on JP Morgan research report.

Company Summary

- Franchised, full-service preferred
- Best-in-class asset management
- Remington advantage
- Strong dividend yield & coverage
- Highly-aligned management team
- Attractive price per key

Capital Structure & Balance Sheet

David Kimichik

Chief Financial Officer

Capital Structure Overview

- Ashford has a capital structure built for this part of the cycle

Higher leverage than peers

No recourse debt outstanding

Well-laddered maturities

Available liquidity

Current Capital Structure

As of 1Q 2012 ($ Millions)

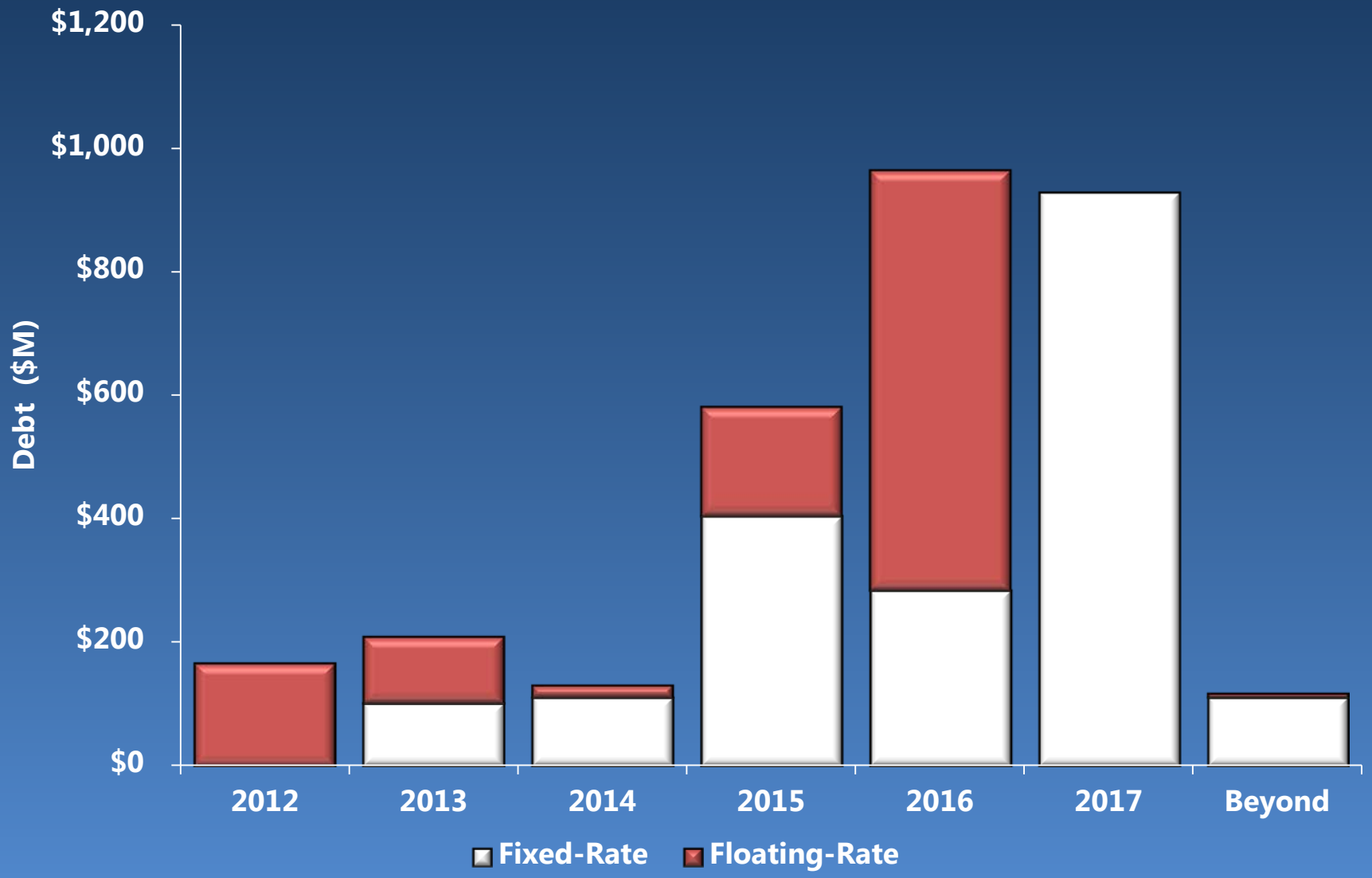
Cash & Cash Equivalents	**$150.5**
Total Debt (AHT Share)	**$3,102.8**

Assets	
Hotel Gross Assets	**$4,454.8**
Interest Rate Hedges	**$30.0**
Mezz Book Value	**$4.0**
Other	**$417.9**
Total Gross Assets	**$4,906.8**

Equity (# of shares)	
Common	**68.2**
OP Units	**17.6**
Total Diluted Shares	**85.8**
Preferred Series A,D & E (par value)	**$386.4**

Source: Company Filings

Debt Maturity Schedule



Source: Company Filings

Refinancing in Process

- $167 million Wachovia floater refinancing due in May

$23 million of restricted cash available for paydown	One hotel to be unencumbered
No material amount of unrestricted cash needed	Only loan due in 2012

Upcoming Maturities & Debt Yields

- Upcoming maturities through 2014 include:

Prudential Torrey Pines / Capital Hilton
$144.7M
Matures Aug 2013
13.2% TTM Debt Yield

Highland Cigna Loans
$101.9M
Matures Jan-Apr 2013
16.1% TTM Debt Yield

UBS Pool 1
$106.3M
Matures Dec 2014
10.2% TTM Debt Yield

GEMSA Manchester Courtyard
$5.4M
Matures May 2014
9.0% TTM Debt Yield

MetLife Hilton El Conquistador
$19.7M
Matures Dec 2014
N/A TTM Debt Yield

- TTM March 2012 weighted average debt yields on these maturities are 13.1% (excluding Hilton El Conquistador, which has negative NOI)

Debt Maturities

Portfolio A

- $1.4B of debt
- Refinanceable today with a blended debt yield of 11%

Portfolio B

- $1.7B of debt
- Highland and most of CNL
- Blended debt yield of 8%
- Blended cost of debt of 5.7%
- Excess cash flow of 2.3% on debt balance
- Blended maturity of 4.4 years with strong EBITDA growth

Available Liquidity



Capital Structure Summary

- Higher leverage than peers
- No recourse debt outstanding
- Well-laddered maturities
- Available liquidity
- Debt through 2016 is refinanceable today

10 Minute Break

Perspective on Leverage

Douglas Kessler
President

Leverage Perspective Overview

Leverage Level	• 50% to 60% net debt to cost • Produces better long-term shareholder returns without adding material risk to platform
How to proactively manage higher leverage	• Maximize non-recourse debt • Preference for longer duration • Have proper mix of fixed vs. floating • Ladder the maturities

Leverage & Equity Returns

- At this point in the lodging cycle higher leverage can provide significantly higher equity returns

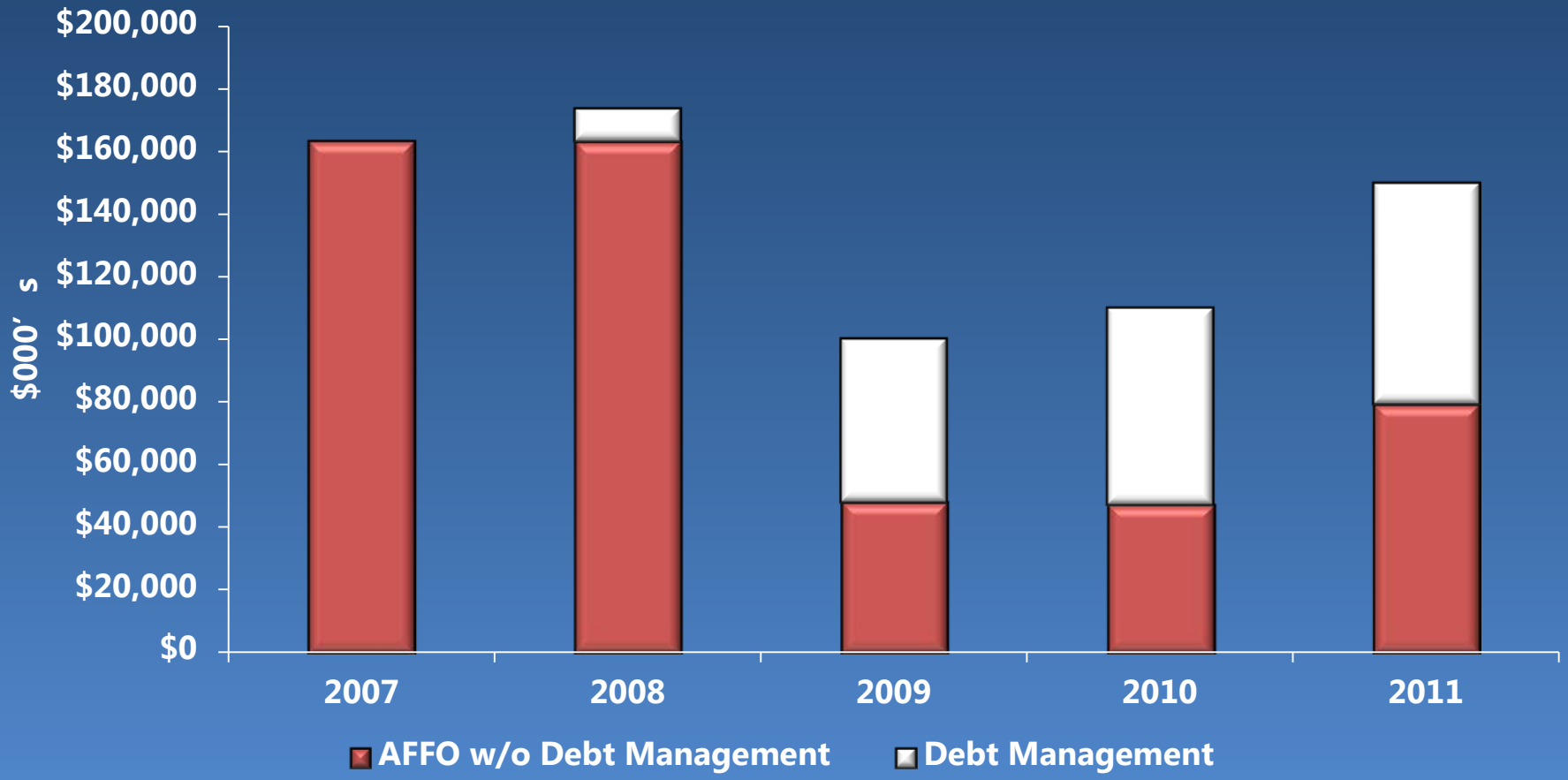
	($Millions) Company A	Company B	10% EBITDA Growth Company A	10% EBITDA Growth Company B
EBITDA	$ 100.0	$ 100.0	$ 110.0	$ 110.0
EBITDA Multiple	12.0x	12.0x	12.0x	12.0x
TEV	$ 1,200.0	$ 1,200.0	$ 1,320.0	$ 1,320.0
Debt	(600.0)	(900.0)	(600.0)	(900.0)
Equity Value	$ 600.0	$ 300.0	$ 720.0	$ 420.0
Debt to EBITDA	*6.0x*	*9.0x*	*5.5x*	*8.2x*
			Equity Return	**Equity Return**
			20.0%	**40.0%**

Leverage Misconceptions



Leverage & Earnings Volatility

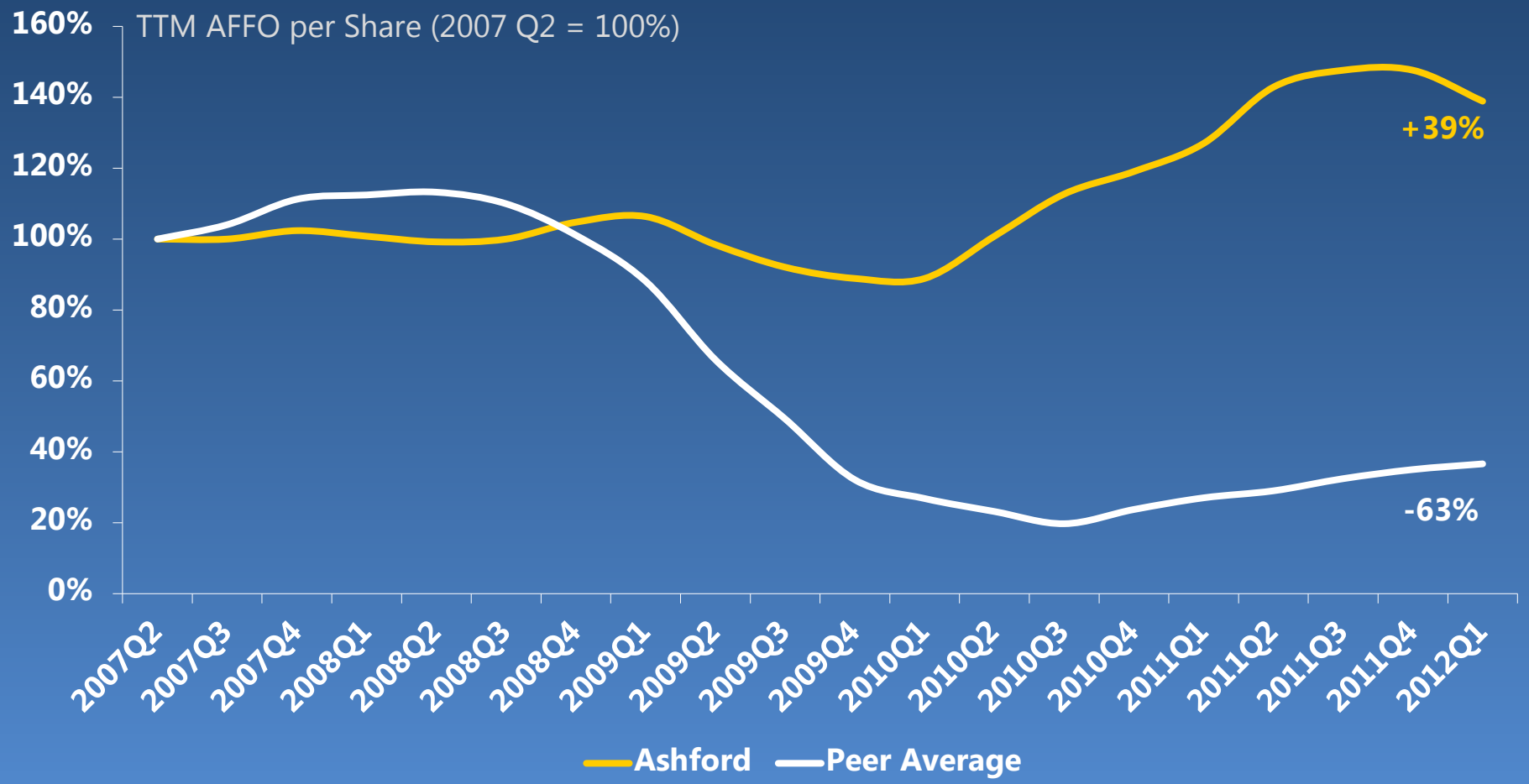
- Ashford demonstrated that the earnings impact of a severe recession can be mitigated through proactive debt management, floating-rate interest expense & hedging



Source: Company Filings

Earnings Volatility vs. Peers

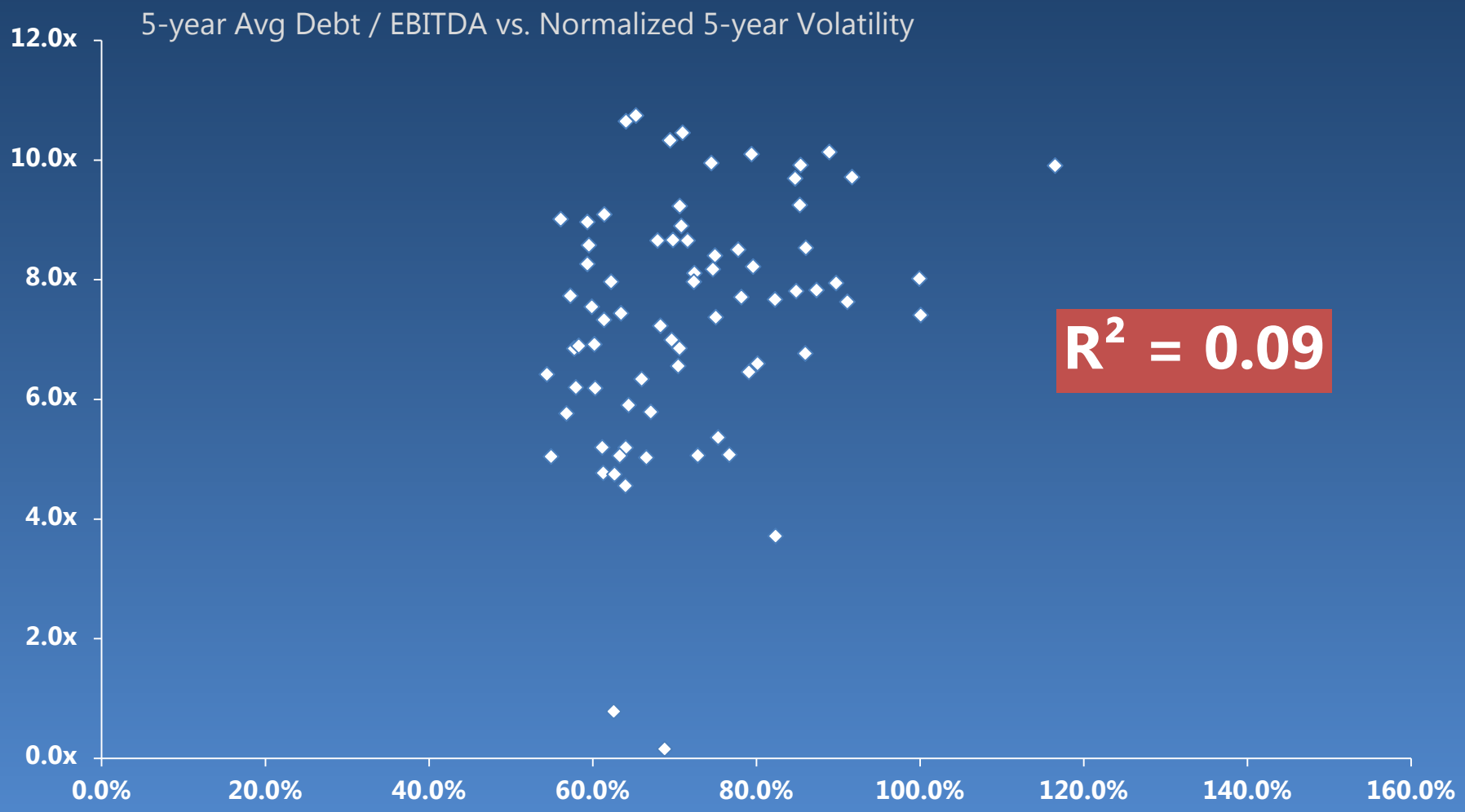
- The earnings of Ashford have been materially less volatile than its peers despite its higher leverage



Source: SNL & Company Filings
Peers include: BEE, DRH, FCH, HST, HT, LHO & SHO

Leverage & Stock Volatility

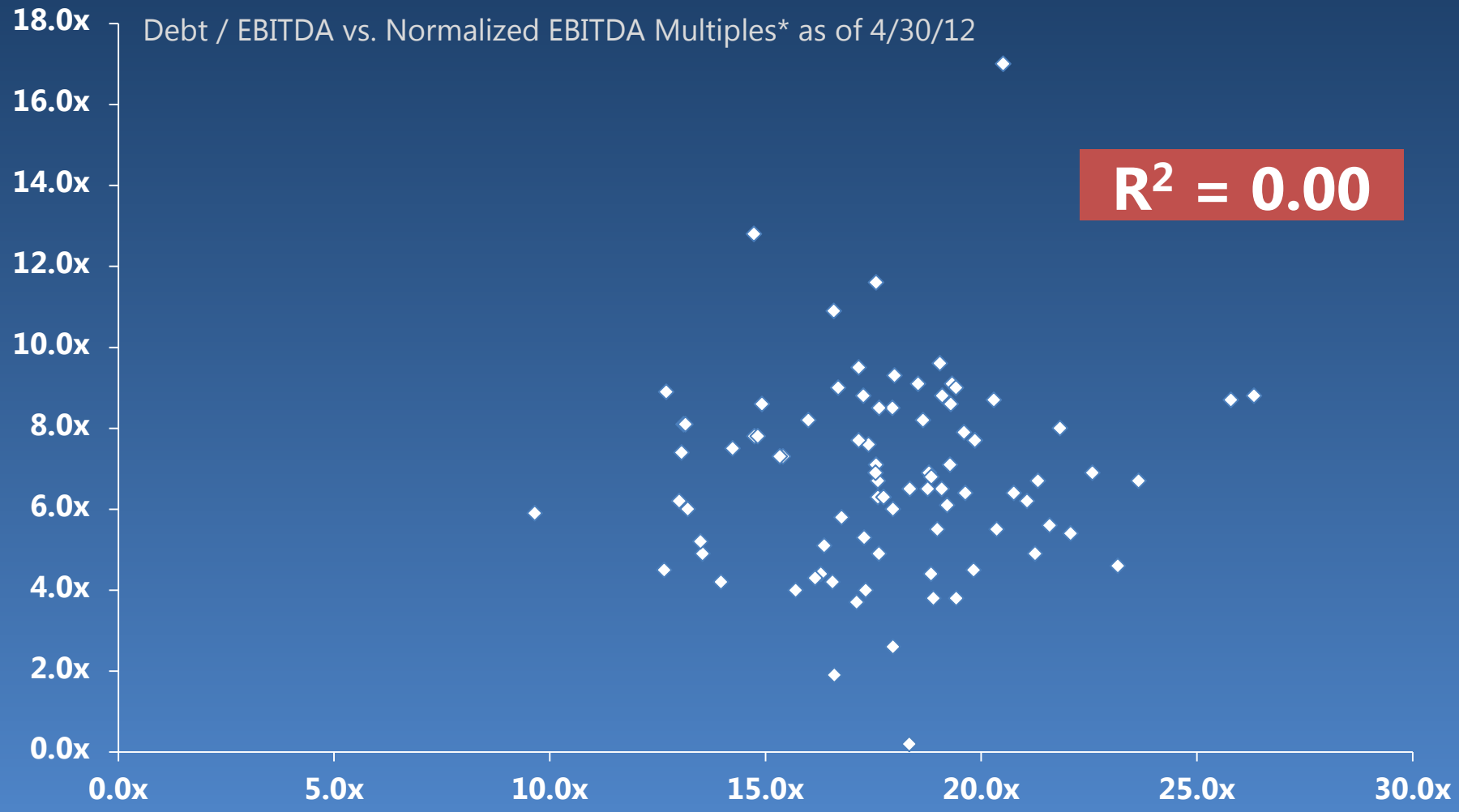
- Leverage may impact the volatility of a stock in the short-term, but not necessarily over the long-term



Includes all REITs with their multiples normalized across property types
Source: Bloomberg

Leverage & EBITDA Multiples

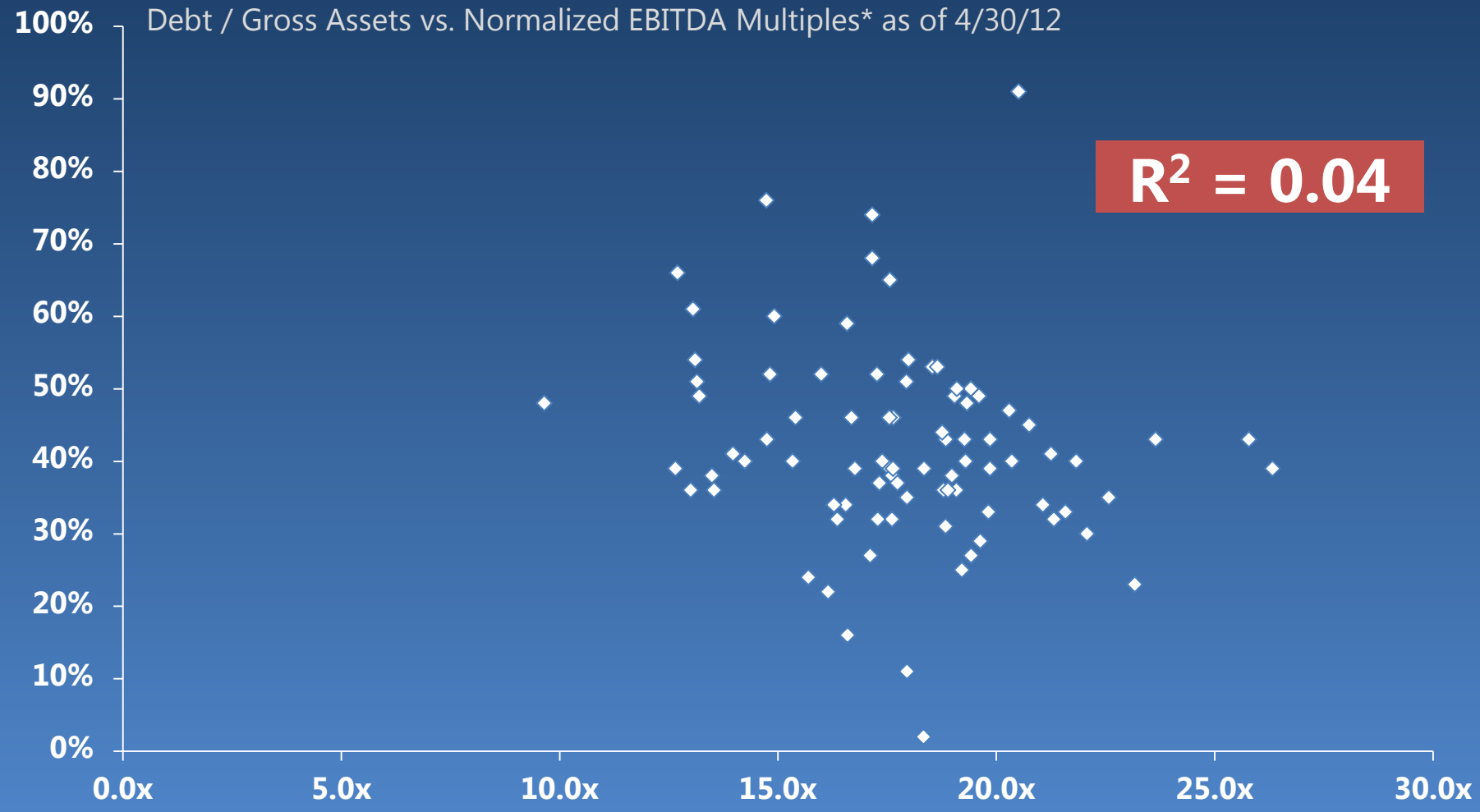
- Leverage has NO impact on EBITDA multiples



Includes all REITs with their multiples normalized across property types
Source: Citigroup research – 4/30/12

Leverage & EBITDA Multiples

- Leverage has NO impact on EBITDA multiples



Includes all REITs with their multiples normalized across property types
Source: Citigroup research – 4/30/12

Leverage & Company Risk

Paying too much

- Most companies get in trouble not for leverage, but for paying too much for assets
- It is difficult to experience financial stress at 50% to 60% debt to cost if you are buying right
- Ashford has an expertise in capital allocation

Having the right kind of leverage

- Not all debt is created equal
- Pair assets & liabilities
- Non-recourse is essential
- Constant focus on pushing out maturities

Safety & Optionality

Portfolio A: Safety

- ~90% of current equity value
- $1.4 billion of debt
- Positive cash flow
- Weighted average maturity of 3.2 years
- All debt non-recourse

Portfolio B: Optionality & Upside

- ~10% of current equity value
- Highland and most of CNL acquisition
- $1.7 billion of debt
- Positive cash flow
- Weighted average maturity of 4.4 years
- All debt non-recourse

Leverage & Lost Opportunity

- Having higher leverage has not prevented Ashford from completing one acquisition or transaction it wanted to

Acquisitions

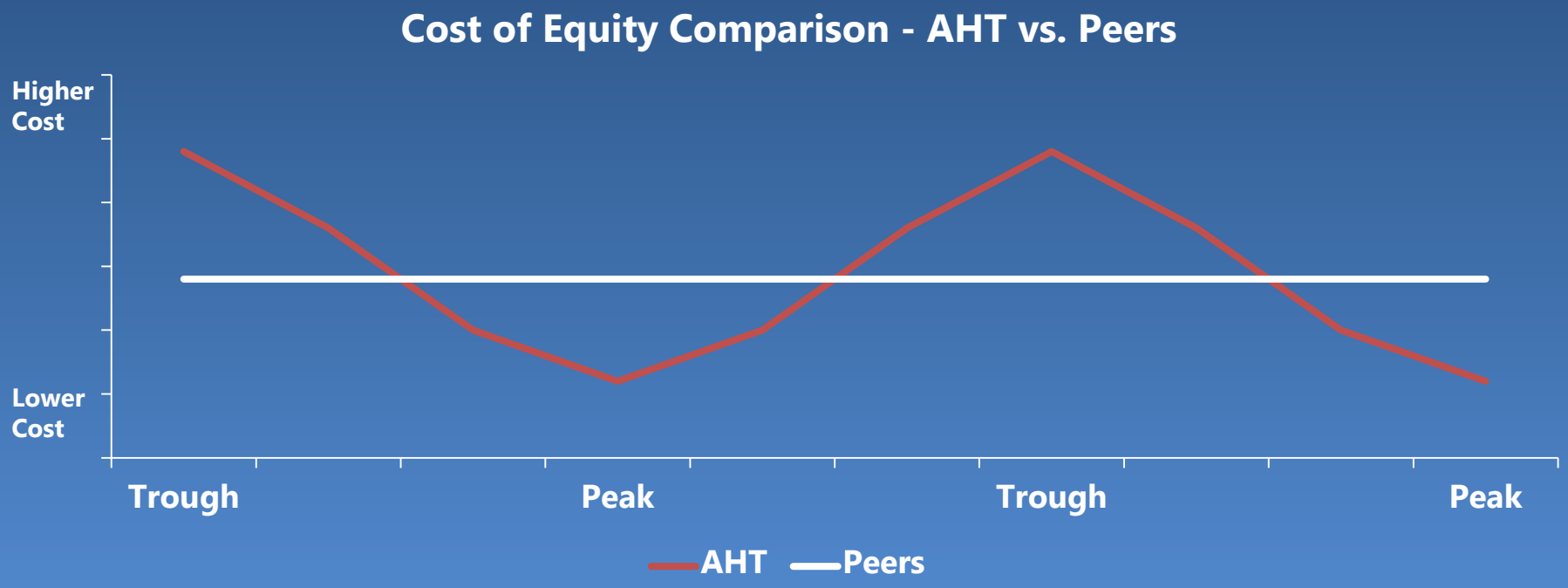
- CNL – 2007
- Highland - 2011

Capital Markets

- Common stock buybacks
- Preferred stock buybacks
- Hedging
- Preferred stock issuance
- Common stock issuance
- Debt refinancings

Unique View on Equity

- Ashford does not subscribe to a static, long-term CAPM version of our cost of equity
- We believe, rather, that the cost of equity can ebb and flow throughout hotel & economic cycles
- We prefer to look at expected equity returns over the next +/- 5 years in order to determine our hurdle rates



Leverage Perspective Summary

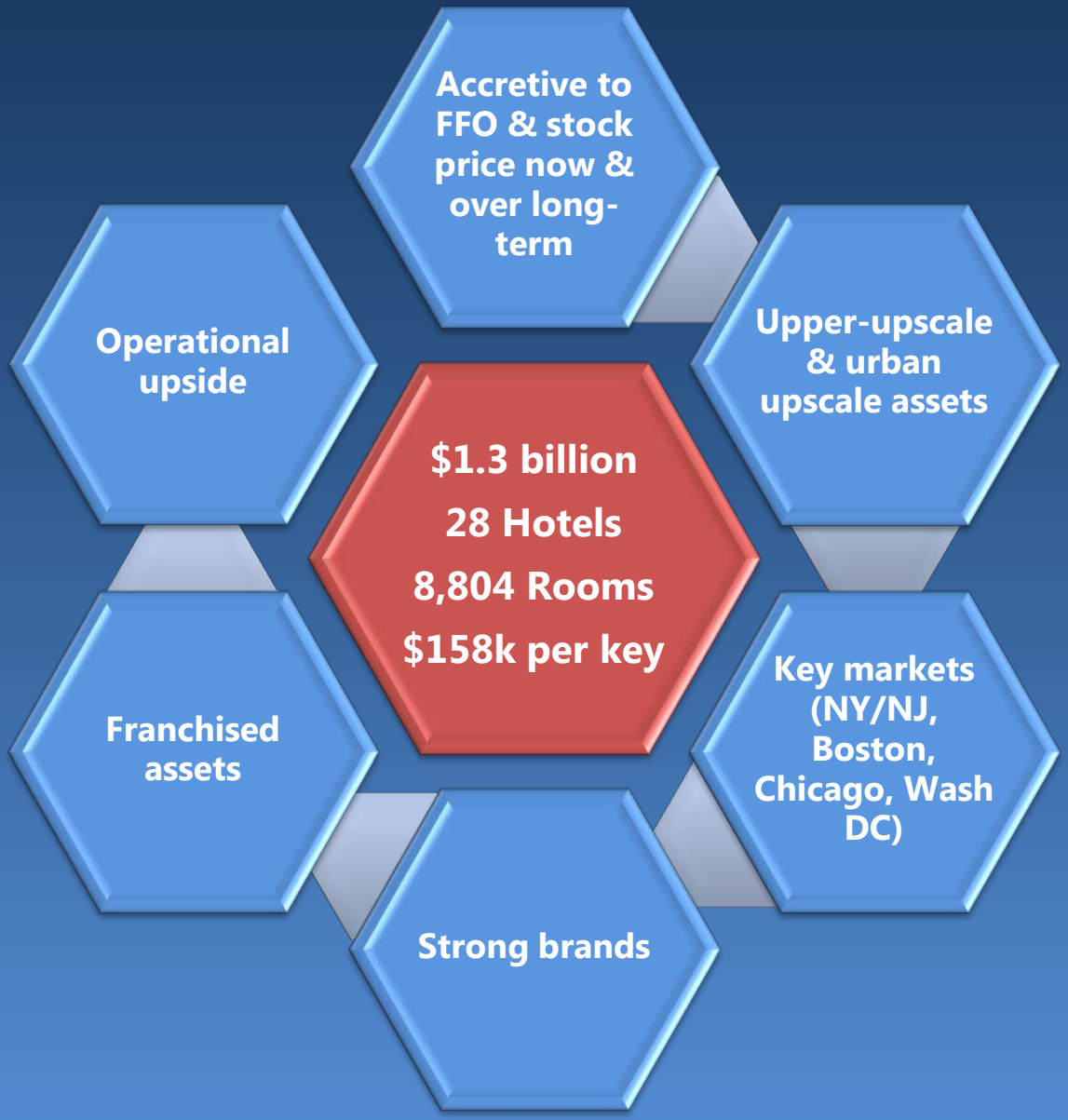
- 50% to 60% net debt to cost plus capital allocation expertise
- Better long-term returns without adding material risk – not all debt is equal
- Proactively manage leverage through non- recourse, longer duration, floating-rate debt with laddered maturities
- Leverage does not necessarily increase earnings & stock volatility
- Leverage does not affect EBITDA multiples
- Leverage does not necessarily add material company risk nor does it lead to missed investment opportunities

Highland Hospitality Update

Monty Bennett

Chief Executive Officer

Highland Transaction Rationale



Highland Opportunities

Franchise properties

- Looking for opportunities to create long-term value and operational efficiency through Remington management
- Hilton Back Bay, Hyatt Windwatch and two more in process

Operating flow throughs

- Right-sizing the cost structure
- Bringing best practices to operations

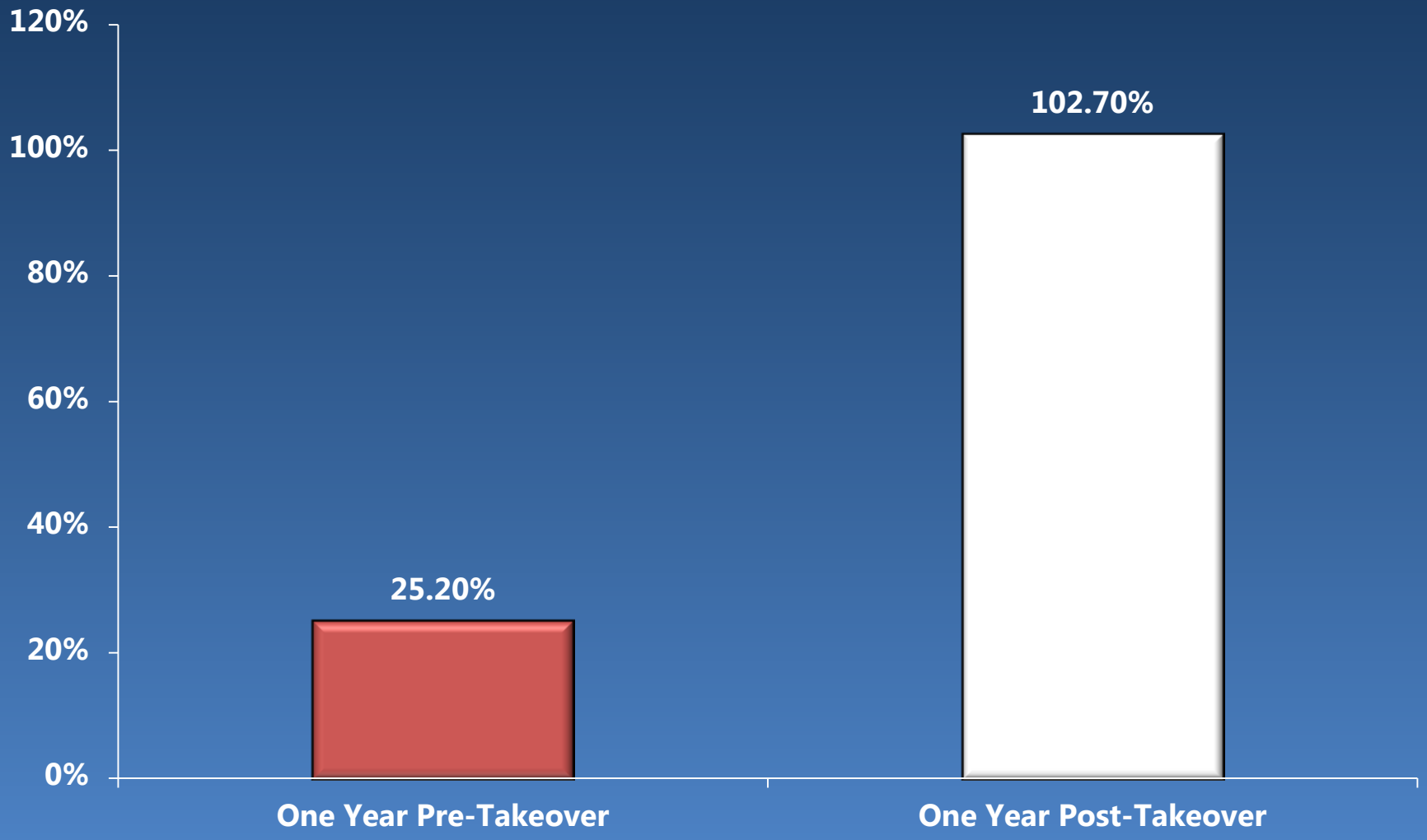
Revenues

- Rebuilding base business on the books
- Stabilizing and growing RevPAR share

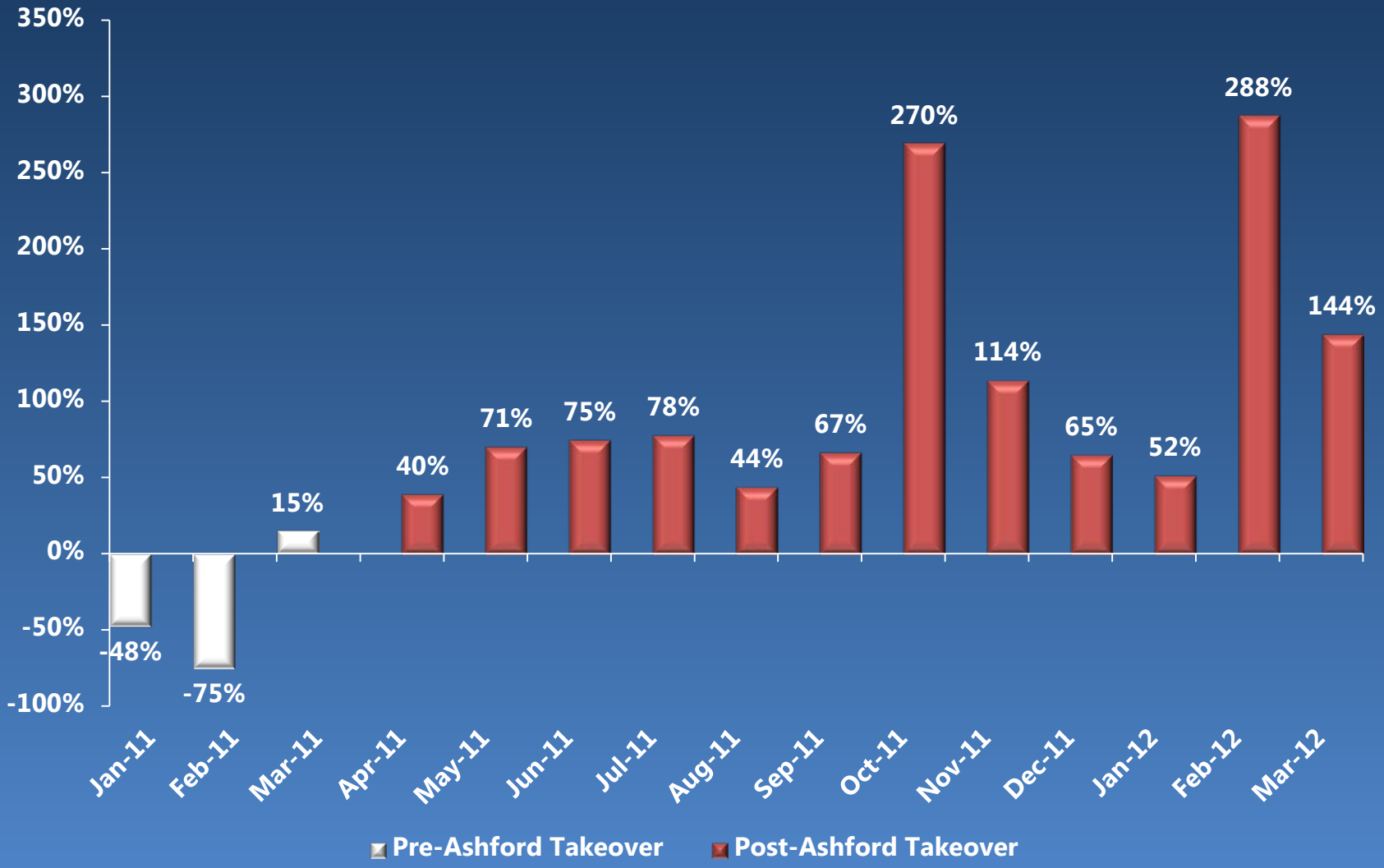
Strategic Capex

- Several of the properties had been neglected from a capital perspective
- Revenues should benefit from capex

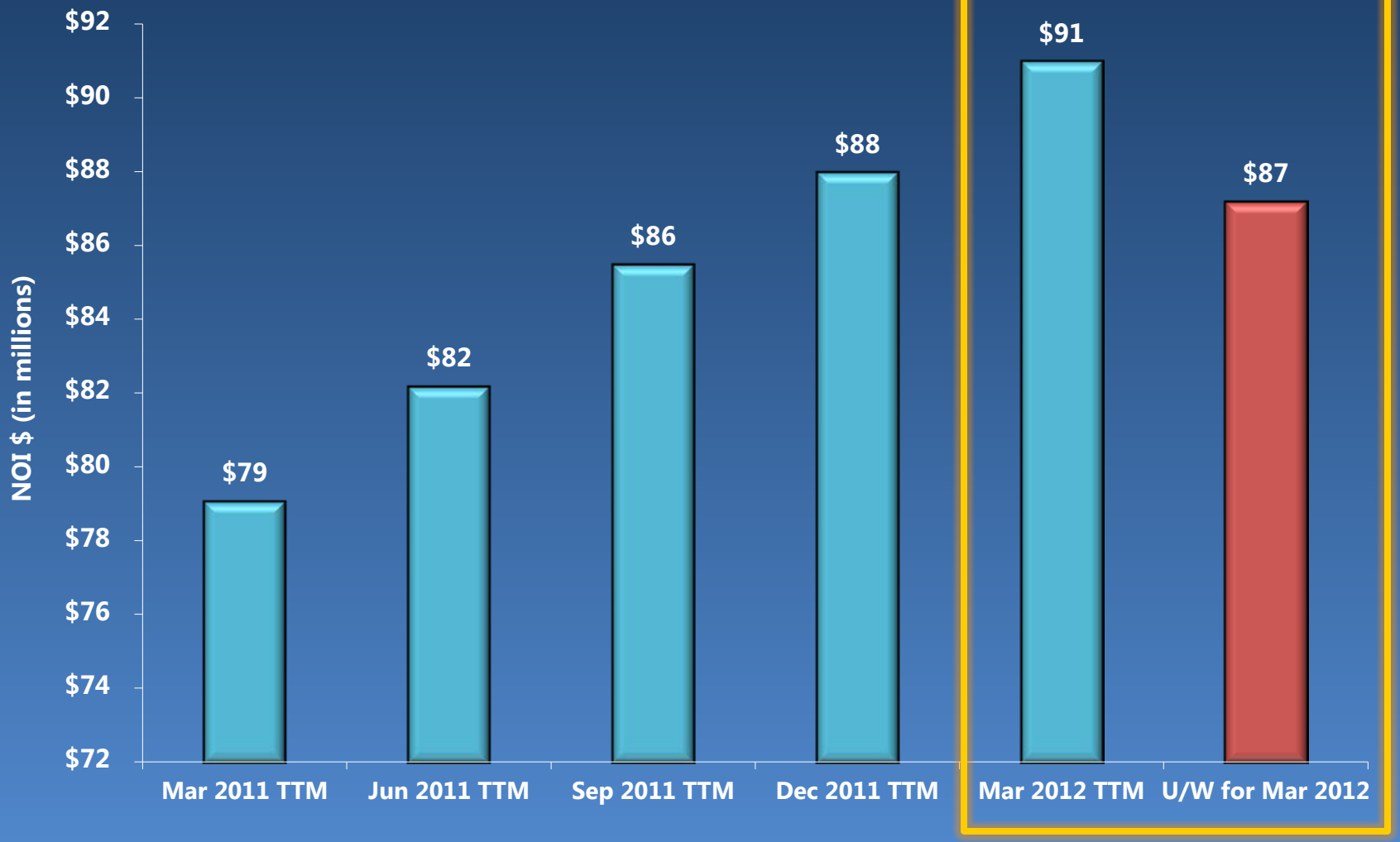
Highland Year One GOP Flows



Highland Brand-Managed GOP Flows

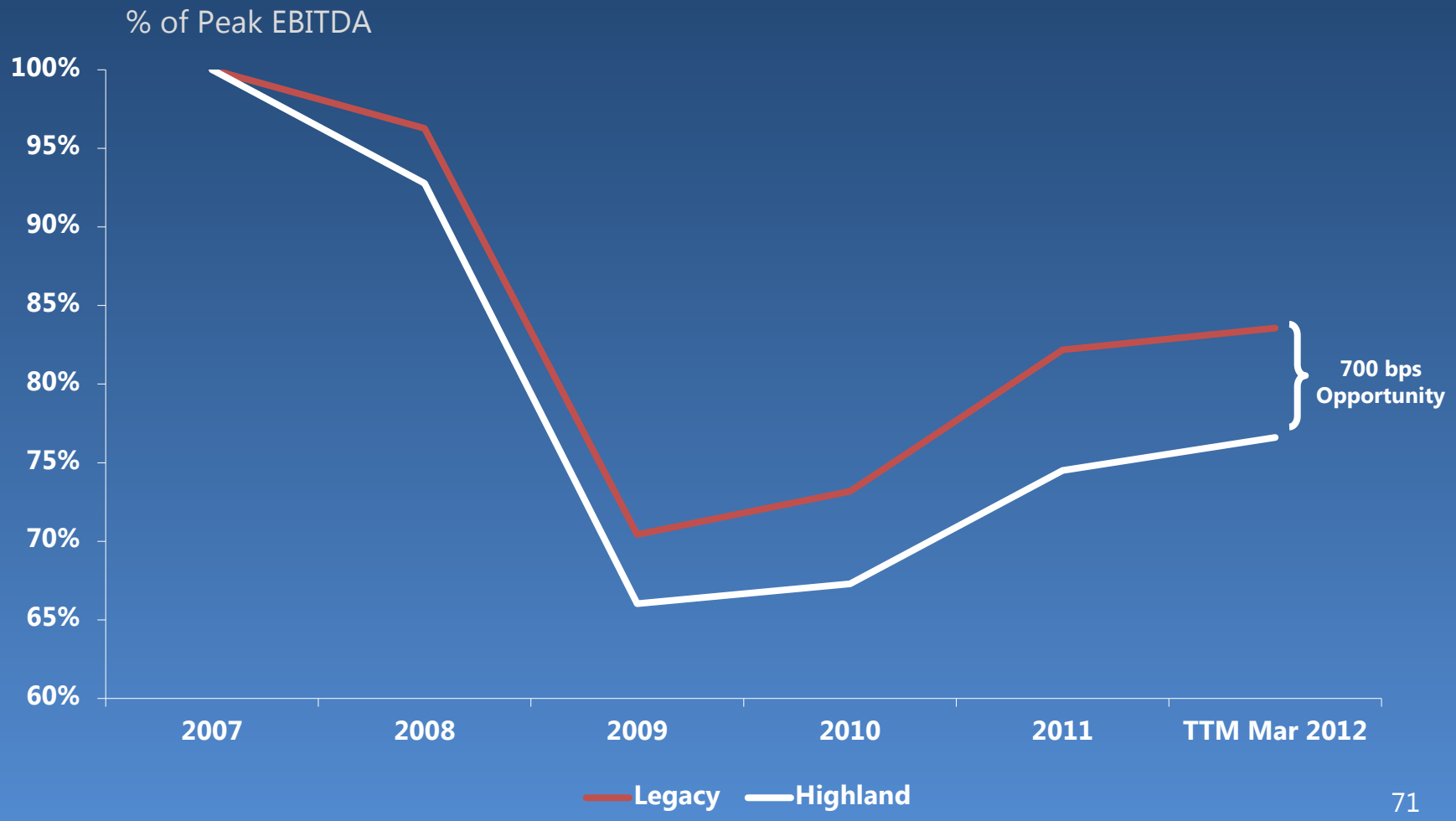


Highland NOI Exceeds Underwriting



Significant Operational Upside

- If Highland EBITDA was same % of peak level as Legacy, its EBITDA would be nearly $10 million higher ($1.40 of equity value at 12x multiple)



Key Highland Capex

Property	Project	Scheduled Start Date	Budget
Courtyard Denver	Lobby Bistro	Complete	$875,000
The Churchill	Lobby & Restaurant	Complete	$871,000
Marriott San Antonio	Guestrooms & Corridors	Complete	$3,815,000
Ritz-Carlton Atlanta	Meeting Space	Complete	$757,000
Courtyard Savannah	Guestrooms	Nearing Completion	$1,600,000
HGI Virginia Beach	Guestrooms & Corridor	Nearing Completion	$2,000,000
Hyatt Windwatch	Exterior Façade	Nearing Completion	$1,400,000
The Melrose	Guestrooms & Public Space	In Progress	$8,050,000
Courtyard Boston Tremont	HVAC	In Progress	$6,000,000
Hilton Boston Back Bay	66 Guestrooms & Meeting Space	Q3 2012	$2,160,000
Marriott Omaha	Lobby & Restaurant	Q3 2012	$1,350,000
Courtyard Savannah	Lobby & Restaurant	Q4 2012	$875,000
The Silversmith	Guestrooms & Public Space	Q4 2012	$7,500,000
Courtyard Boston Tremont	Guestrooms & Lobby	Q4 2012	$8,000,000
Marriott DFW	Restaurant Repositioning	Q4 2012	$750,000

Major projects

Highland Summary

- Achieving flow through goals
- Leaving no stone unturned on improving revenues
- Portfolio is exceeding underwriting expectations
- Strategic capital will help revenues
- Significant upside still exists

Next Steps for Ashford

Monty Bennett

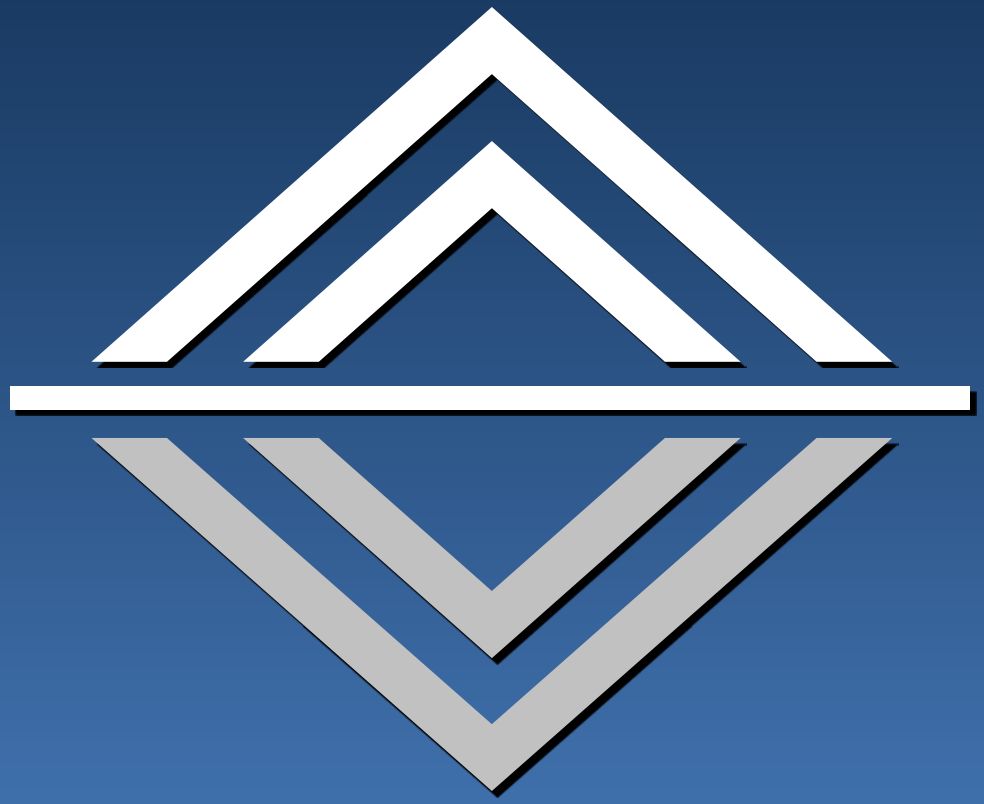
Chief Executive Officer

Next Steps for Ashford

Intense operational focus to grow EBITDA	• Focus on growing Highland revenues • Growing EBITDA is best way to create shareholder value
Grow cash balance	• Build cash balance in preparation for next downturn
Scour market for acquisition opportunities	• Must be long-term accretive to stock price • Franchised, full-service preferred • Domestic & global opportunities
Diligently work the capital markets	• Proactive refinancings • Push out maturities • Selectively access the capital markets
Allow portfolio to naturally delever	• Highland & MIP portfolio cash flow • $30 million+ of annual debt amortization
Thorough research & quantitative analysis	• Investigate & execute risk management strategies • Expertise in capital allocation • Focus on creating long-term shareholder value

Question & Answer Session

Ashford Management Team



Analyst / Investor Day

May 2012