











# ASHFORD

## HOSPITALITY TRUST

January 2013

# 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.

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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.

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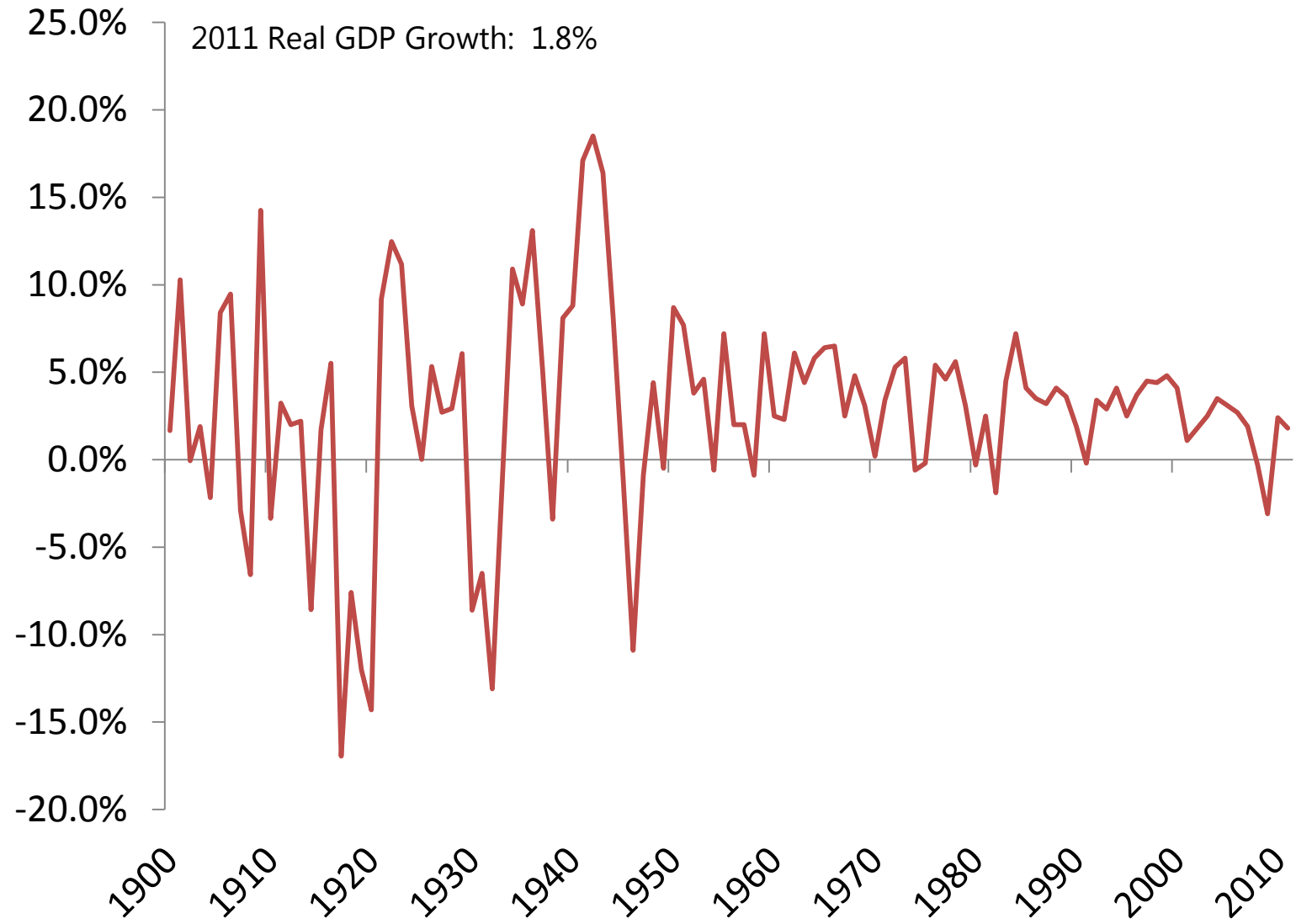
# Economic & Industry Overview








# Real GDP Growth %











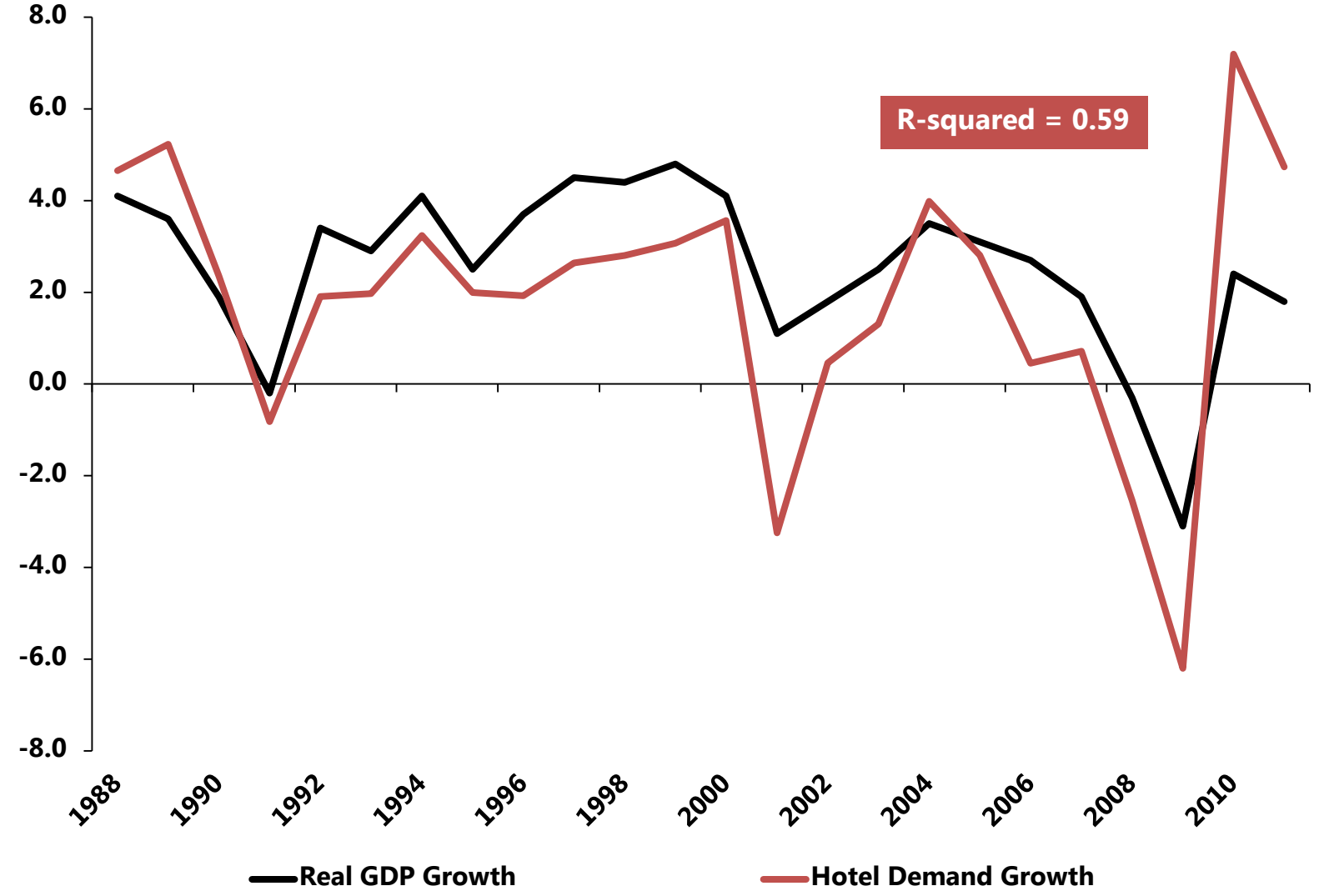







Source: U.S. Dept. of Commerce: BEA & Historical Statistics of the United States: - Cambridge

# Hotel Demand Driven by Economy













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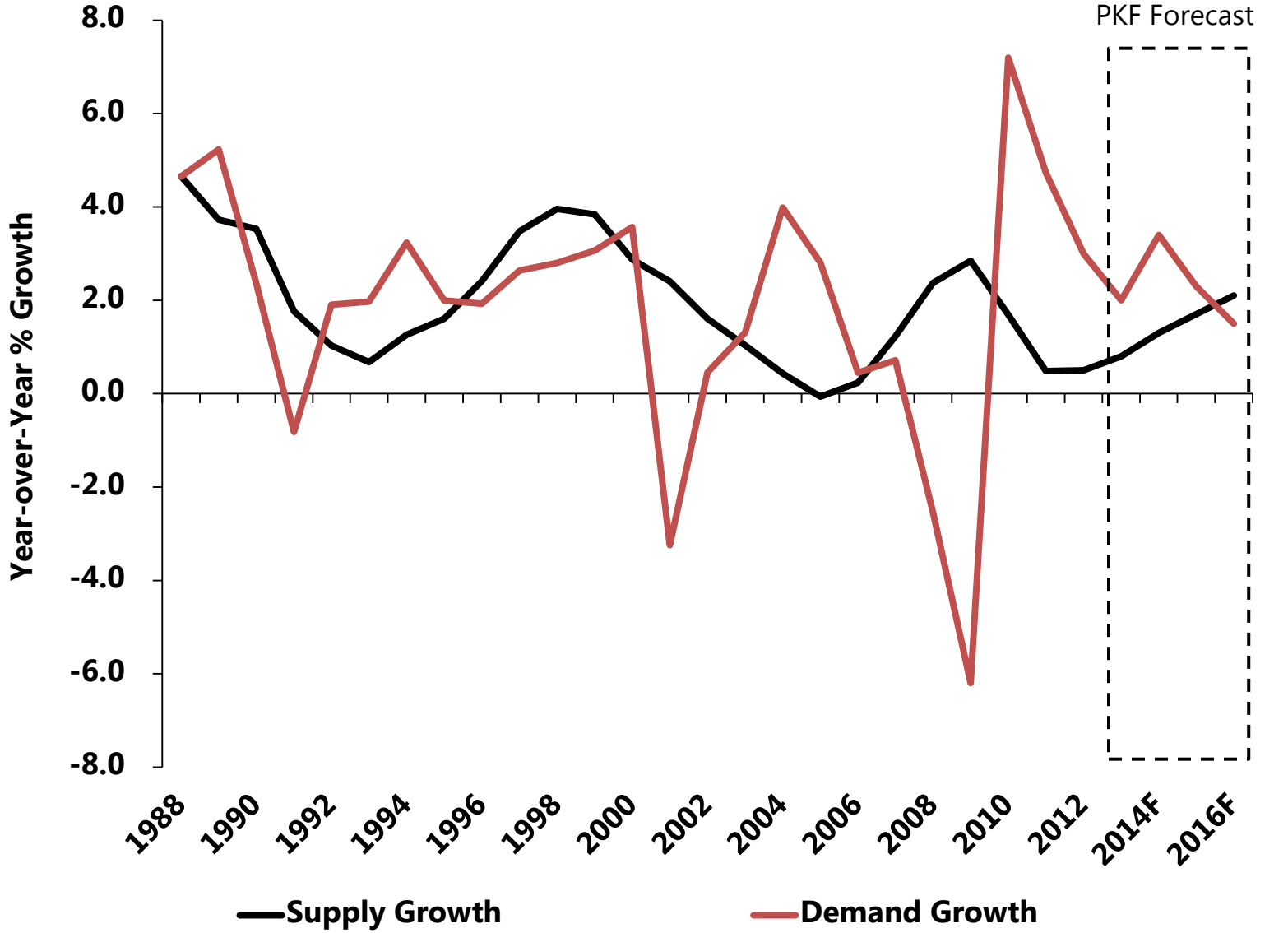
Source: Smith Travel Research & U.S. Dept. of Commerce: BEA

# U.S. Demand Will Outpace Supply







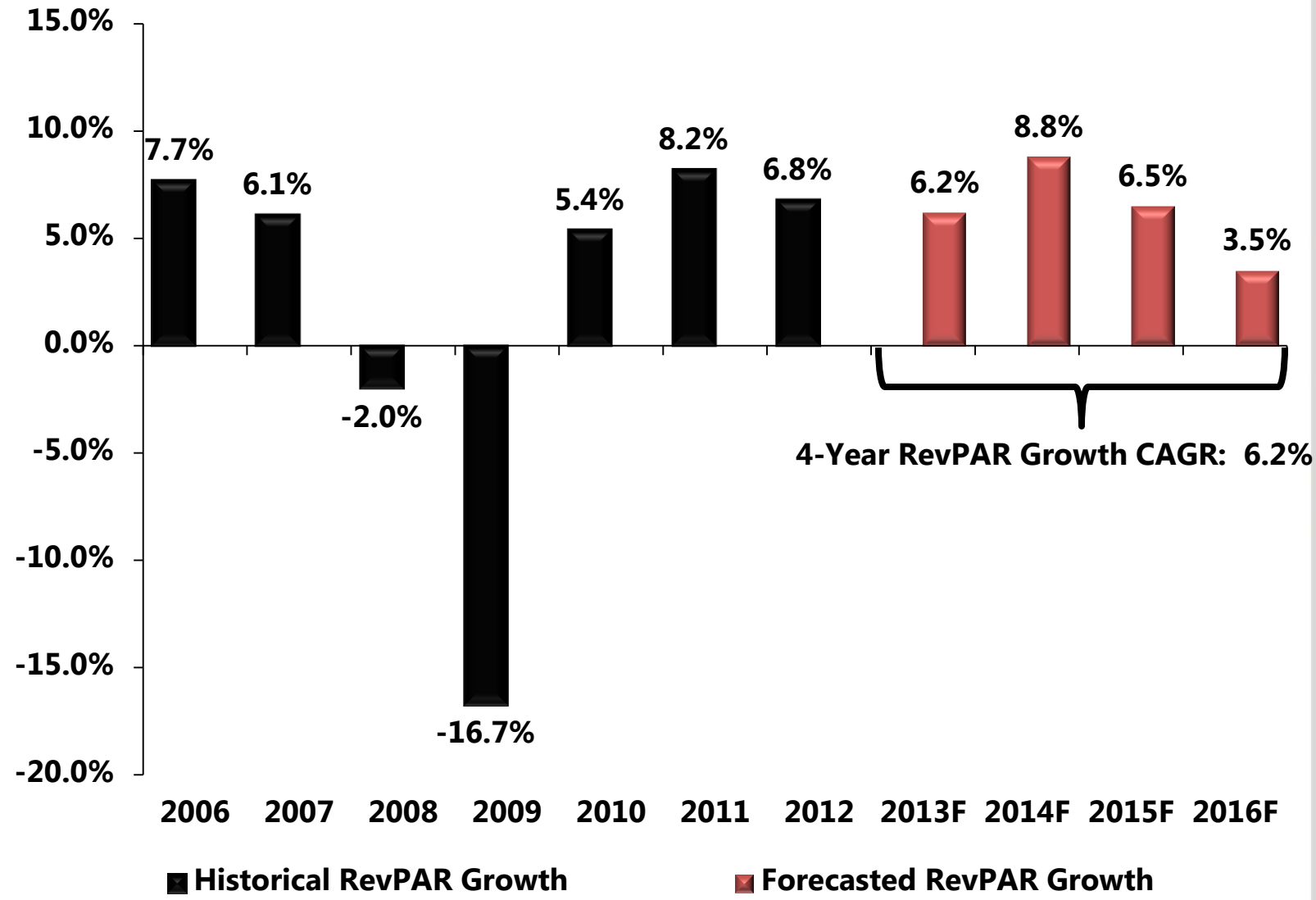






Source: Smith Travel Research & PKF

# RevPAR Forecast - PKF













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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 2-year cumulative EBITDA growth of about 26%*








**CUMULATIVE 2-YEAR EBITDA GROWTH**

| 2-YEAR EBITDA FLOW % | COMPOUNDED 2-YEAR REVPAR GROWTH RATE | | | | |
|---|---|---|---|---|---|
| | **5.0%** | **5.5%** | **6.0%** | **6.5%** | **7.0%** |
| **20.0%** | 8.2% | 9.0% | 9.9% | 10.7% | 11.6% |
| **25.0%** | 10.3% | 11.3% | 12.4% | 13.4% | 14.5% |
| **30.0%** | 12.3% | 13.6% | 14.8% | 16.1% | 17.4% |
| **35.0%** | 14.4% | 15.8% | 17.3% | 18.8% | 20.3% |
| **40.0%** | **16.4%** | **18.1%** | **19.8%** | **21.5%** | **23.2%** |
| **45.0%** | **18.5%** | **20.3%** | **22.2%** | **24.2%** | **26.1%** |
| **50.0%** | **20.5%** | **22.6%** | **24.7%** | **26.8%** | **29.0%** |
| **55.0%** | **22.6%** | **24.9%** | **27.2%** | **29.5%** | **31.9%** |
| **60.0%** | 24.6% | 27.1% | 29.7% | 32.2% | 34.8% |
| **65.0%** | 26.7% | 29.4% | 32.1% | 34.9% | 37.7% |
| **70.0%** | 28.7% | 31.6% | 34.6% | 37.6% | 40.6% |



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

# Potential Industry EBITDA Growth Rates

- With strong potential RevPAR gains, those companies with reasonable flow-throughs could experience significant EBITDA growth
- PKF estimates 4-year cumulative EBITDA growth of about 48%*








**CUMULATIVE 4-YEAR EBITDA GROWTH**

| 4-YEAR EBITDA FLOW % | COMPOUNDED 4-YEAR REVPAR GROWTH RATE | | | | |
|---|---|---|---|---|---|
| | **5.0%** | **5.5%** | **6.0%** | **6.5%** | **7.0%** |
| **20.0%** | 17.2% | 19.1% | 21.0% | 22.9% | 24.9% |
| **25.0%** | 21.6% | 23.9% | 26.2% | 28.6% | 31.1% |
| **30.0%** | 25.9% | 28.7% | 31.5% | 34.4% | 37.3% |
| **35.0%** | 30.2% | 33.4% | 36.7% | 40.1% | 43.5% |
| **40.0%** | **34.5%** | **38.2%** | **42.0%** | **45.8%** | **49.7%** |
| **45.0%** | **38.8%** | **43.0%** | **47.2%** | **51.6%** | **55.9%** |
| **50.0%** | **43.1%** | **47.8%** | **52.5%** | **57.3%** | **62.2%** |
| **55.0%** | **47.4%** | **52.5%** | **57.7%** | **63.0%** | **68.4%** |
| **60.0%** | 51.7% | 57.3% | 63.0% | 68.8% | 74.6% |
| **65.0%** | 56.0% | 62.1% | 68.2% | 74.5% | 80.8% |
| **70.0%** | 60.3% | 66.9% | 73.5% | 80.2% | 87.0% |



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

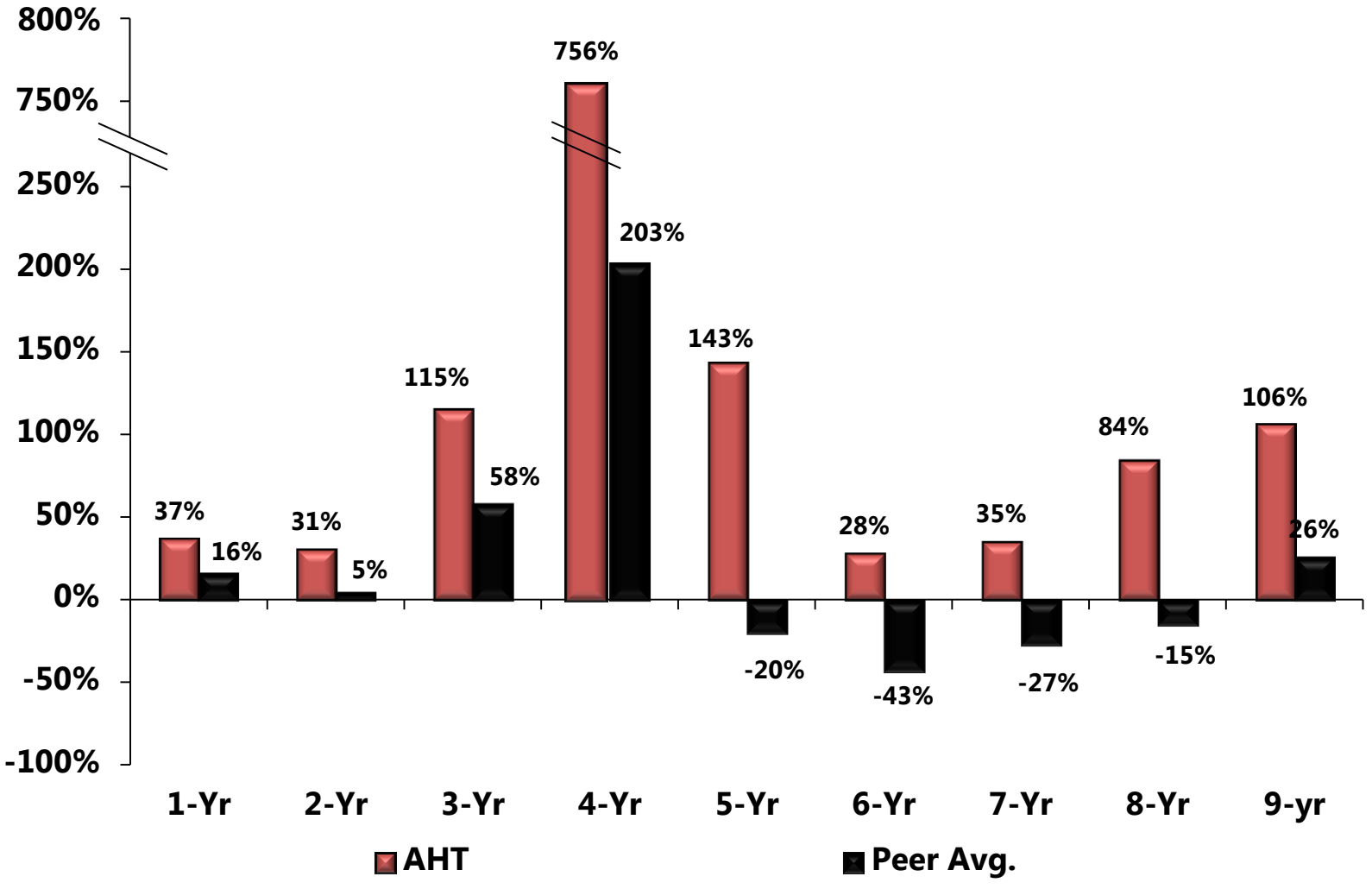
# Company Highlights








# Total Shareholder Return













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Peer average includes: BEE, CHSP, CLDT, DRH, FCH, HST, HT, INN, LHO, PEB, RLJ, SHO
Trailing Total Shareholder Returns as of 1/24/13
Source: Bloomberg

# Company Snapshots

| Portfolio Statistics* | |
|---|---|
| Total Enterprise Value | $4.2 B |
| Total Gross Assets | $4.9 B |
| Peer Comparison | 2nd Largest |
| # of Hotels | 123 |
| # of Owned Rooms | 25,767 |
| # of Property Managers | 5 |
| $ ADR | $135.74 |
| $ RevPAR | $101.51 |
| RevPAR Growth % | 5.1% |

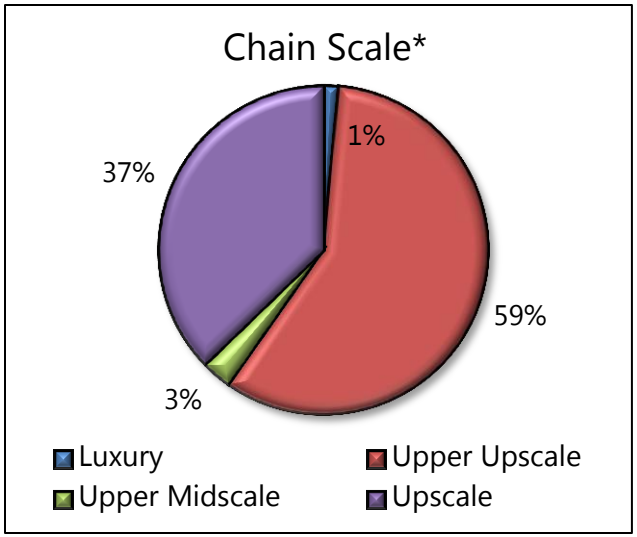
| Financial Statistics* | |
|---|---|
| Recent Share Price | $11.71 (1/24/13) |
| # Fully Diluted Shares | 85.8 M |
| Leverage Ratio | 57.9% |
| Debt Wtd. Avg. Maturity | 3.6 Years |
| Debt Wtd. Avg. Cost | 4.9% |
| Quarterly Dividend | $0.11 |
| Dividend Yield | 3.8% (1/24/13) |
| TTM AFFO per Share | $1.53 |
| TTM Dividend Coverage | 3.6x |

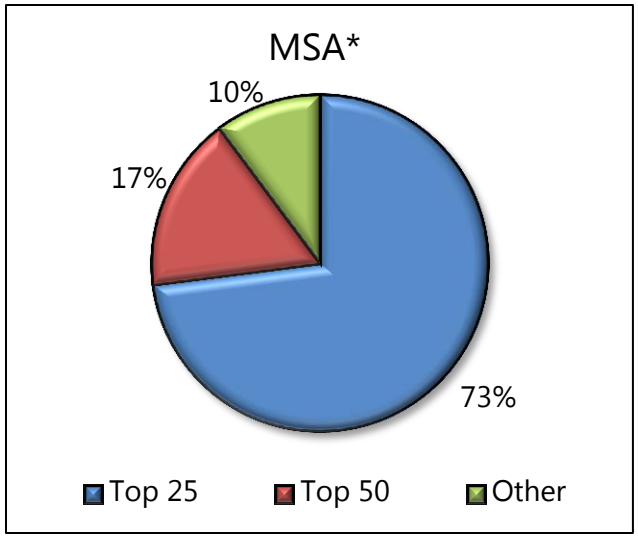


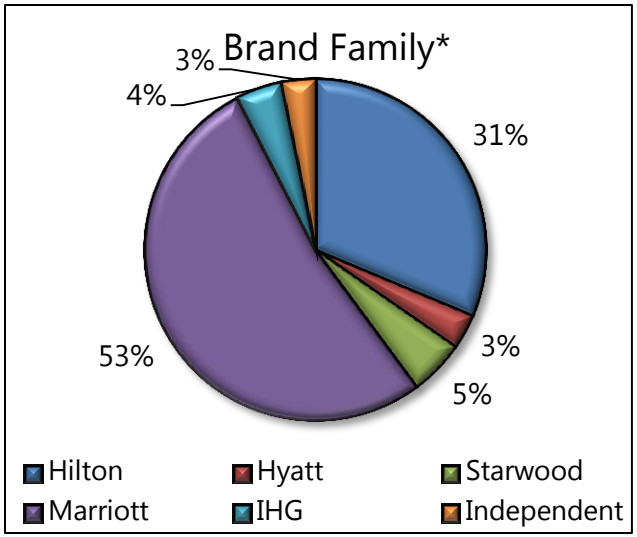


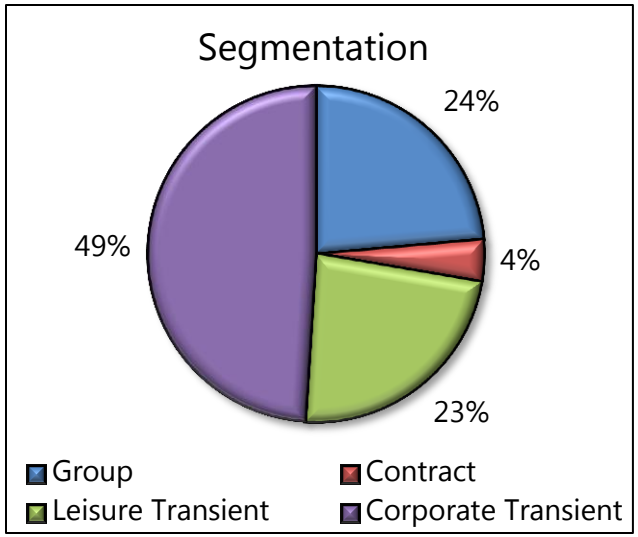



# Portfolio Overview
















# Capital Hilton – Washington D.C.






















# Crystal Gateway Marriott





















# Seattle Marriott Waterfront





















# Courtyard Philadelphia Downtown























# Hilton Boston Back Bay

















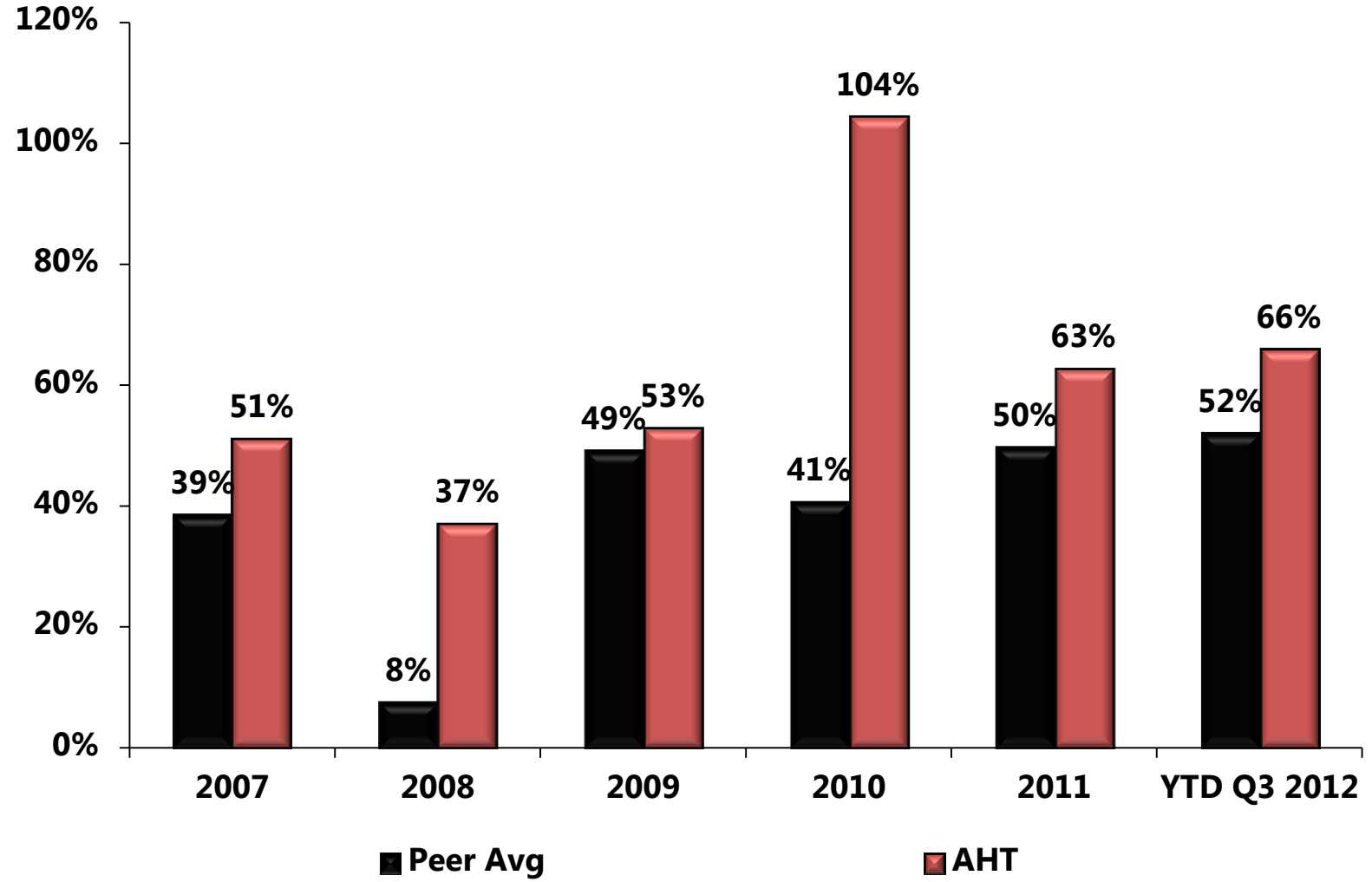







# Asset Management Outperformance

- Ashford consistently beats peers in hotel EBITDA flow throughs











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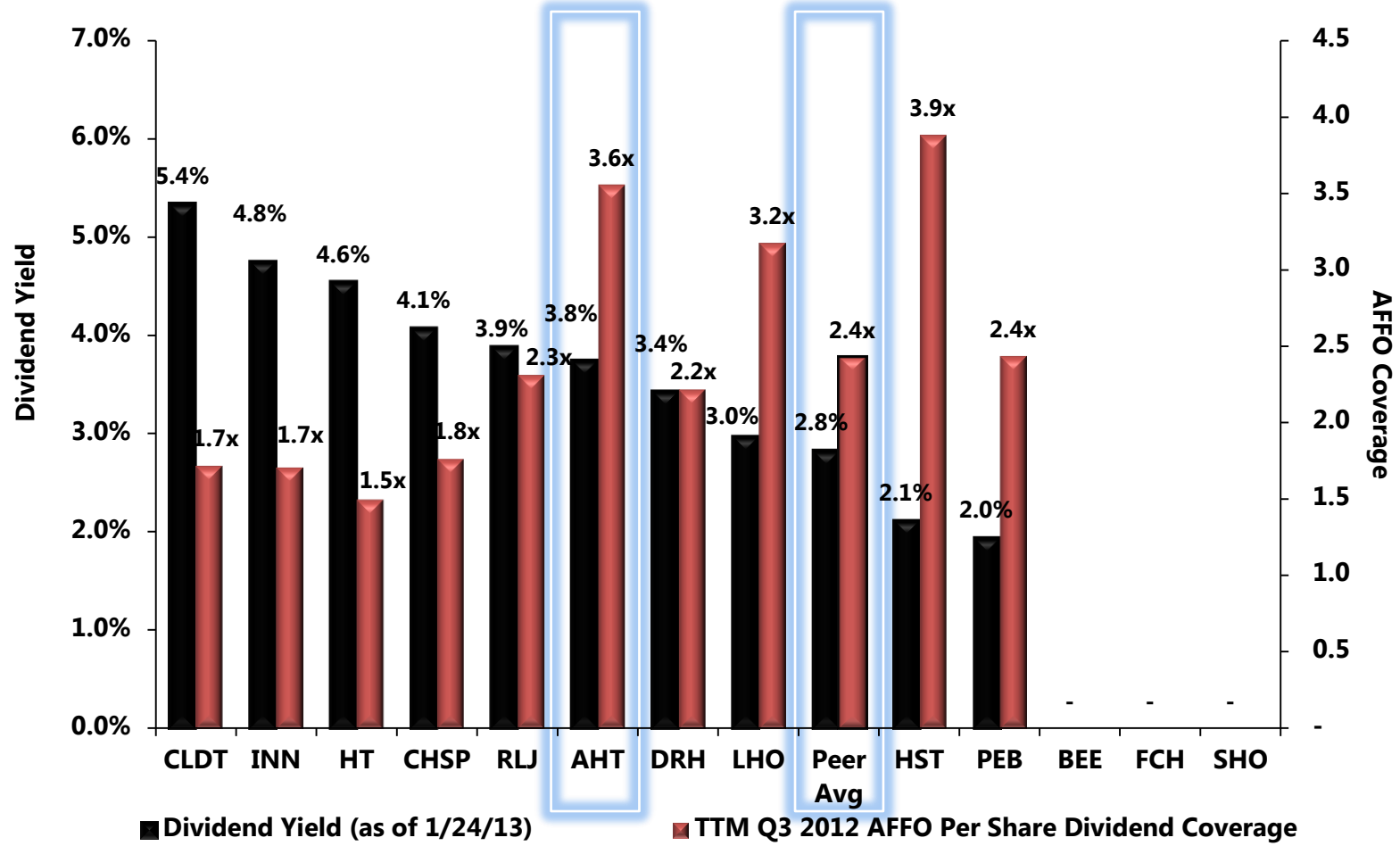
Peers include: BEE, CHSP, DRH, FCH, HST, HT, LHO, PEB, SHO
Source: Company Filings

# Attractive Dividend Yield & Coverage

- Ashford has both a high dividend yield and strong dividend coverage

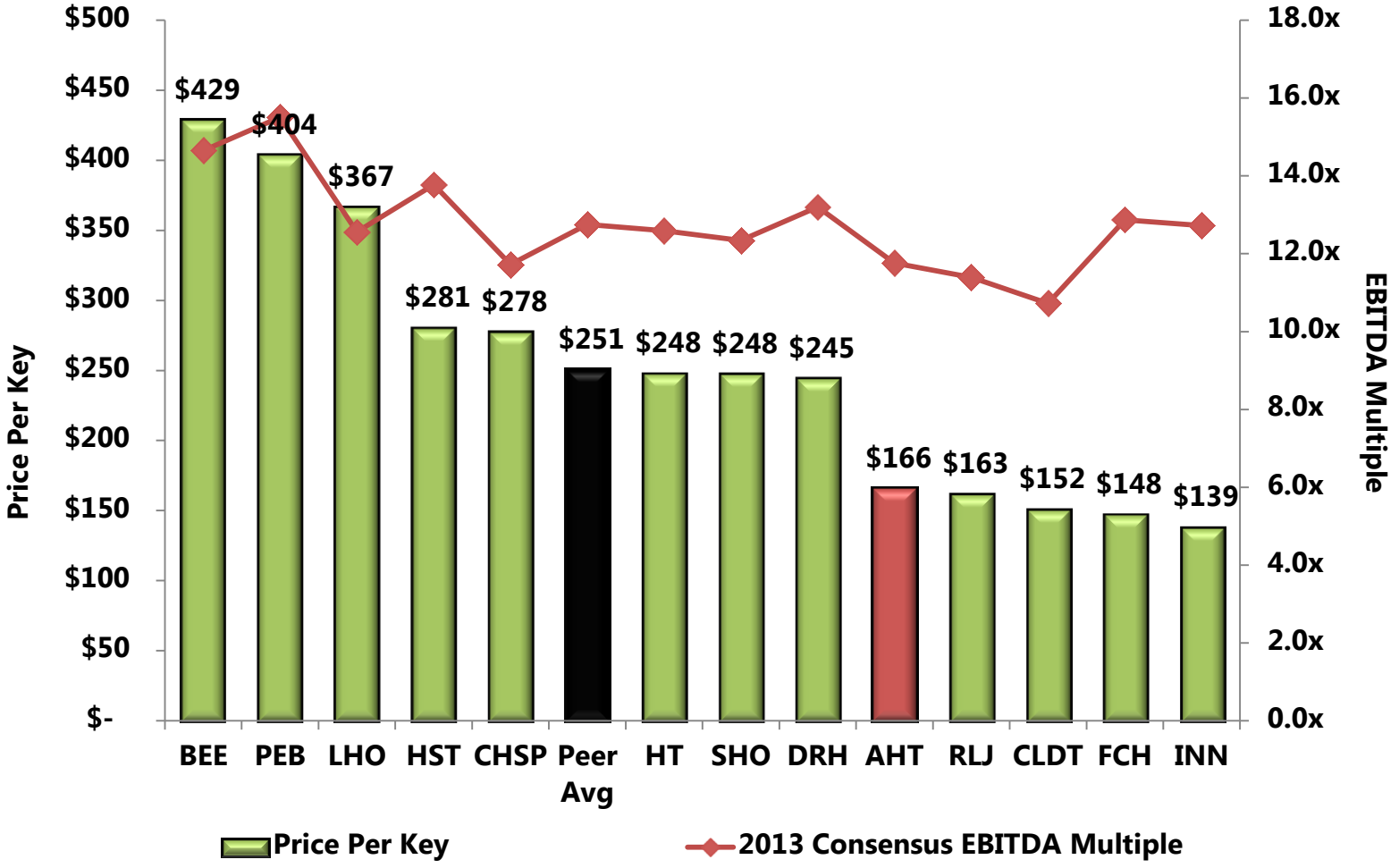





Source: Company filings & Bloomberg

# Compelling Valuation

- Ashford is currently trading below the peer average on an EBITDA multiple and price per key basis







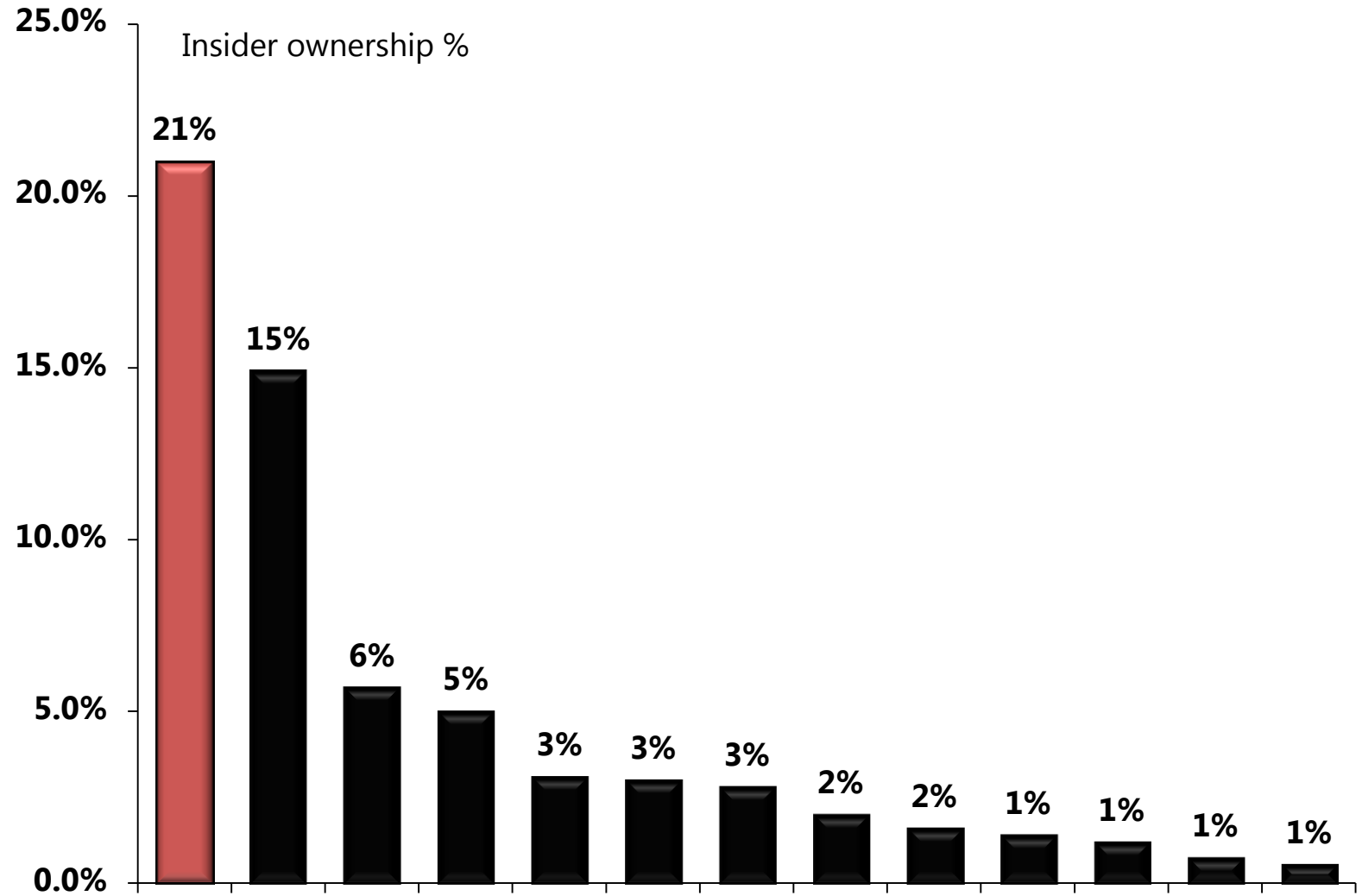






Source: Company filings, SNL, Street research & First Call (as of 1/24/13)

# Most Highly-Aligned Management













Source: Company Filings

# Low Risk on Balance Sheet

## HIGHER LEVERAGE DOES NOT EQUAL HIGHER RISK

**All debt is non-recourse**

**Upcoming maturities have solid debt yields**

- TTM September 2012 weighted average debt yields on maturities through 2014 are 12.6%

**Highest leveraged loans have longest time to maturity**

**Strong liquidity**

- Excess cash flow
- Undrawn $165m credit facility
- $146m of unrestricted cash at end of Q3 2012







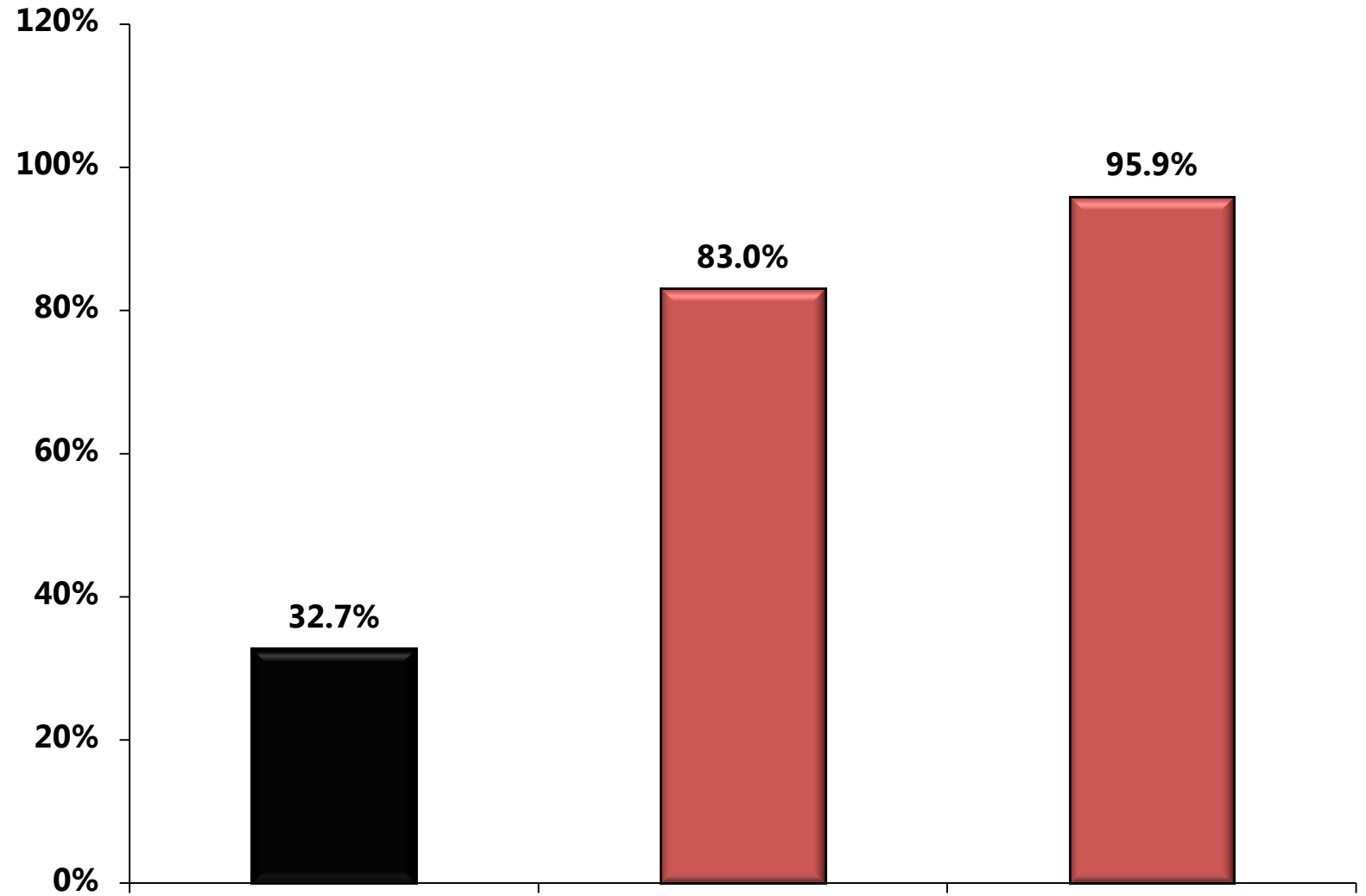

# Highland Hospitality Update





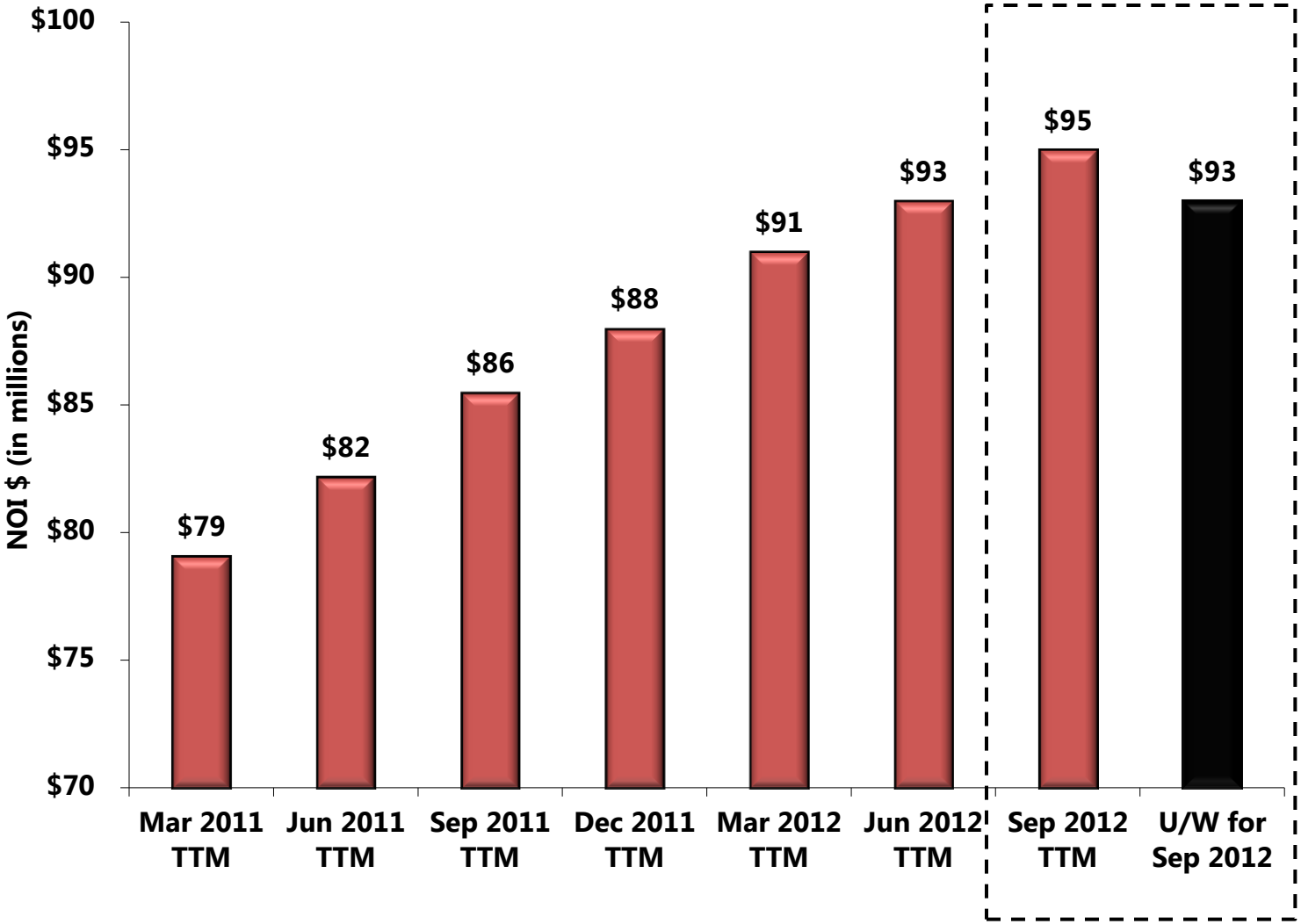



# Highland EBITDA Flows






# Highland NOI Exceeds Underwriting











# The Melrose – Washington D.C.

**BEFORE**





**AFTER**

















# The Churchill – Washington D.C.

**BEFORE**





**AFTER**

















# Next Steps for Ashford








# 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

















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