



# ASHFORD HOSPITALITY TRUST



## Investor Presentation

*November 2010*

# 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

- Company Snapshot
- Broad Geographic Footprint
- Focus On Liquidity & Capital
- Proactive With Maturities & Covenants
- Well-Timed Interest Rate Hedges
- Capital Markets Expertise
- Proven Strategy Success
- High Insider Ownership



# Company Snapshot



## Portfolio Statistics

Total Gross Assets <sup>(1)</sup>

Peer Comparison <sup>(2)</sup>

# of Hotels

# of Rooms

ADR <sup>(3)</sup>

RevPAR <sup>(3)</sup>

Q3 '10 AFFO Per Share

YTD '10 AFFO Per Share

## Financial Statistics

# Shares Outstanding<sup>(4)</sup>

Leverage Ratio<sup>(5)</sup>

Debt Weighted Average Maturity

Debt Weighted Average Cost<sup>(6)</sup>

Price per Key

AHT

\$4.4 B

2<sup>nd</sup> largest

100

21,392

\$126.24

\$89.92

\$0.33

\$1.09

73.0 M

54.9%

4.8 years

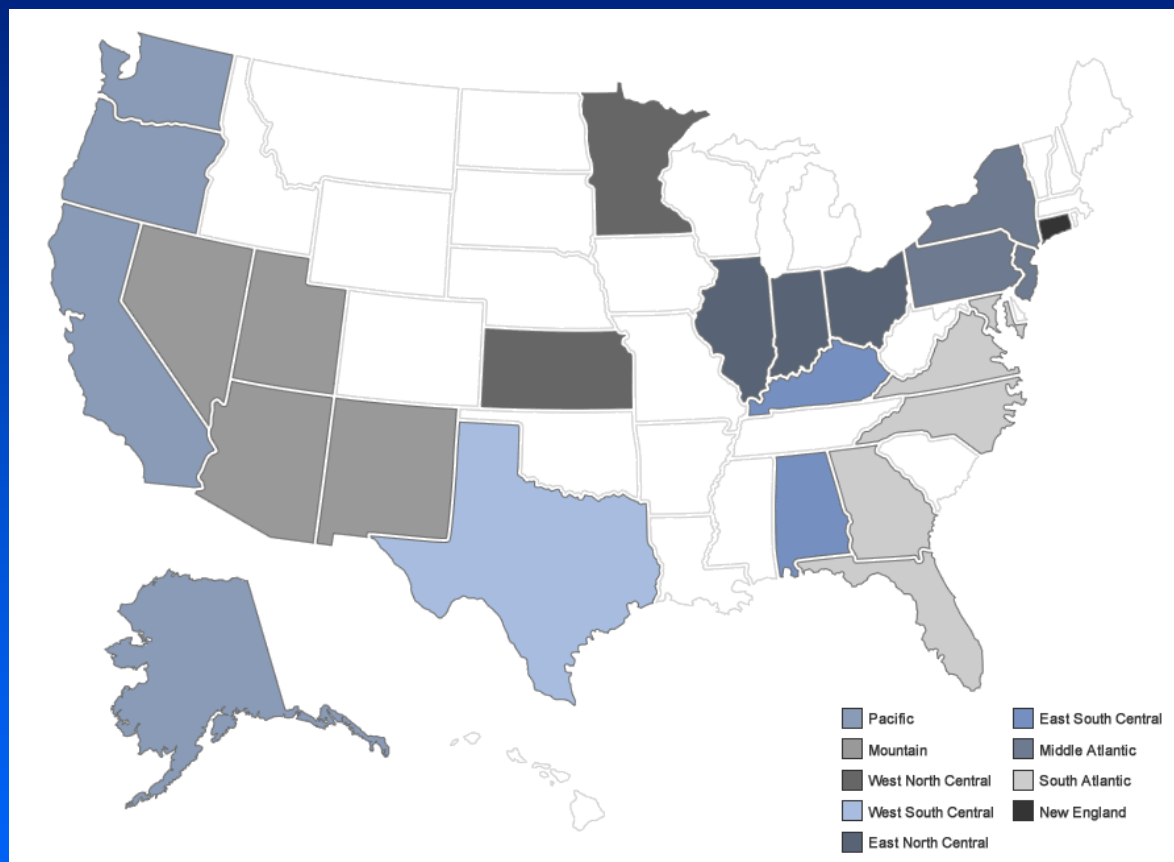
3.08%

\$153,000

- (1) Undepreciated book value as of 9/30/10  
 (2) Ranked by total gross assets of pure lodging peers  
 (3) All 100 hotels for the nine months ending 9/30/10  
 (4) Diluted shares as of 9/30/10  
 (5) As defined by corporate credit facility, as of 9/30/10  
 (6) Includes the effect of interest rate derivatives

# Broad Geographic Footprint

- Ashford's broad geographic footprint encompasses 24 states and the District of Columbia<sup>(1)</sup>



- Ashford's portfolio is comprised of the strongest brands
  - 89% of rooms are Hilton / Marriott<sup>(1)</sup>
  - 97% of rooms are Hilton / Marriott / Starwood / Hyatt<sup>(1)</sup>

(1) As of 9/30/10



# Focus On Liquidity & Capital

## Available Liquidity

- \$35 million remaining credit facility balance, \$215 million available borrowing capacity

## Strong Operating Performance

- RevPAR increased 5.1% in Q3 '10 for all hotels, or 6.1% for hotels not under renovation
- Hotel EBITDA margin increased 173 bps in Q3 '10 for all hotels, or 192 bps for hotels not under renovation vs peer average of 78 bps
- Q3 '10 AFFO per share of \$0.33 is the highest Q3 AFFO per share since inception, and is 83% higher than Q3 '09

## Prudent Capital Expenditures

- \$69 million of capex was spent in 2009
- \$66 million expected to be spent during 2010



# Proactive With Maturities & Covenants

- AHT plans to shortly have all maturities addressed until Q4 2011

## Property Refinancings & Extensions

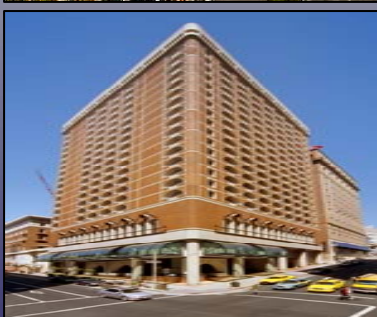
- Recently restructured JW Marriott San Francisco loan, providing full extension of the maturity to 2013 without tests in exchange for \$5.0 million reduction, the loan was set to mature in 2011 with two one-year extension options
- Recently completed \$105 million refinancing of Marriott Gateway loan, providing \$38.7 million of net proceeds, the new 10-year loan replaces \$60.8 million loan set to mature in 2012

## Returned to Lender

- Westin O'Hare transferred to special servicer via consensual deed in lieu of foreclosure

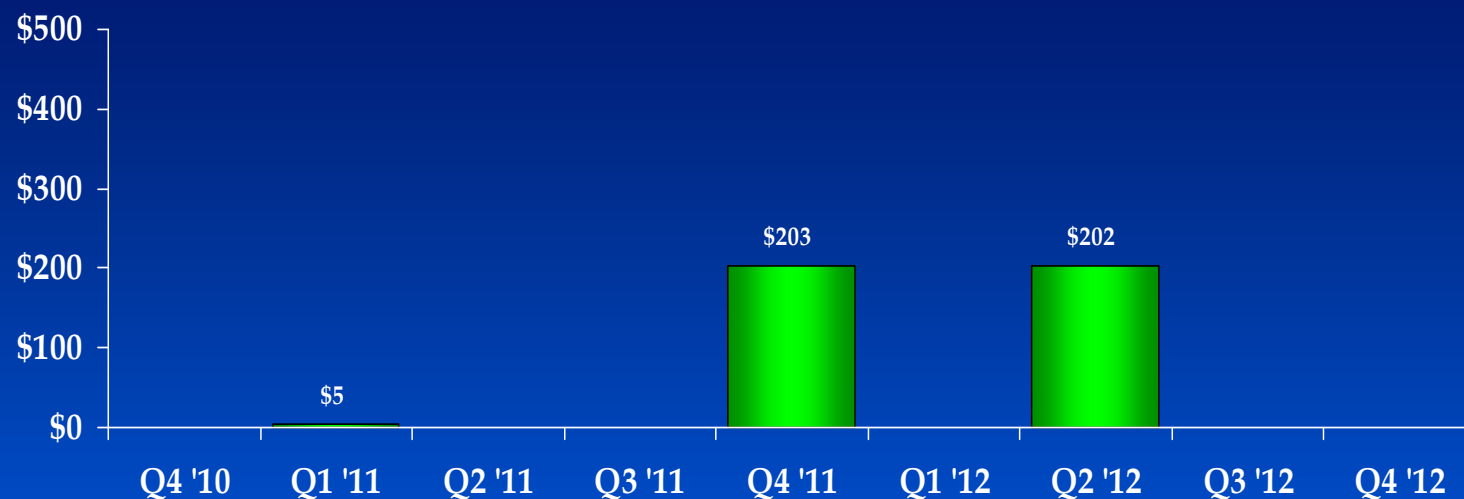
## Asset Sales

- Recently sold Hilton Suites Auburn Hills for \$5.1 million
- Currently marketing JW Marriott San Francisco, Hilton Rye Town, Hilton El Conquistador and several limited service assets for sale



# Proactive With Maturities & Covenants

Debt Maturities Through 2012 (\$m)



- Weighted average debt maturity of 4.8 years (fully extended)
- Cushion in current financial covenants

**Credit Facility Covenant Tests (as of 9/30/10)**

	<u>Test</u>	<u>Actual</u>
Maximum leverage ratio	65.0%	54.9%
Minimum fixed charge coverage ratio (TTM)	1.25x	1.83x

Note: maturity dates without extensions

- 2010: \$203m - extendable to 2011
- 2011: \$5m - no extensions; \$35m - extendable to 2012; \$167m - extendable to 2012

Note: Debt maturity schedule assumes extendable loans are extended and excludes JV debt. Initial maturity on the revolver is 2010, but is extendable for two additional years assuming covenants are met.

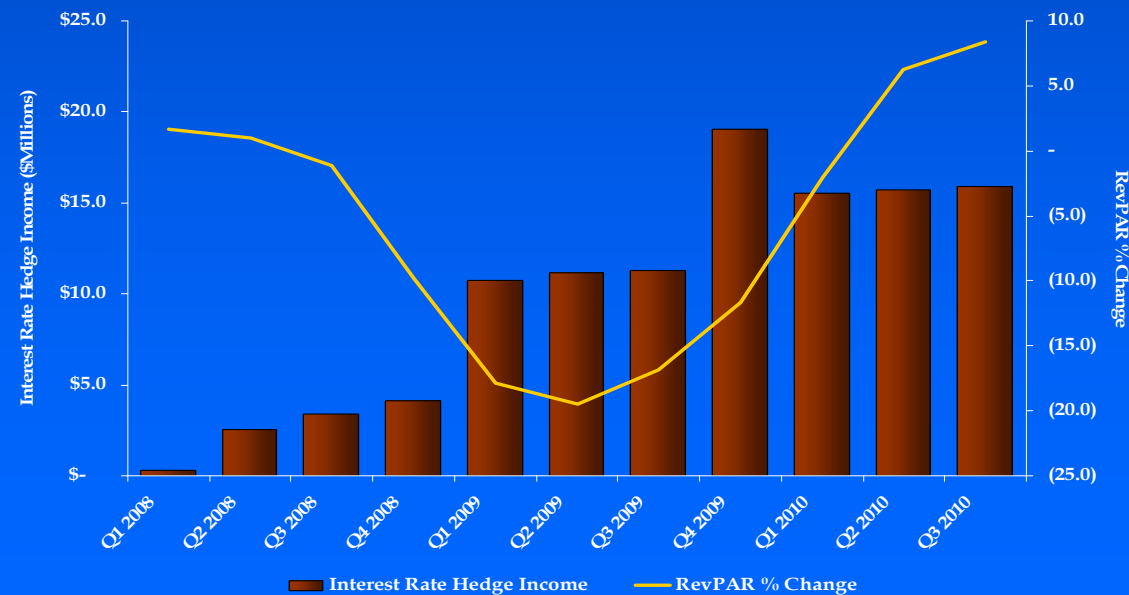


# Well-Timed Interest Rate Hedges

## AHT's Floating-Rate Debt Advantage

- LIBOR and hotel RevPAR are highly correlated
- Ashford swapped \$1.8 billion of fixed rate debt to floating rate just prior to negative RevPAR growth, in order to hedge against declining RevPAR
- Ashford recently converted the swap to fixed rate, locking in approximately \$32 million of annual interest expense savings through the remaining term of the swap (March 2013)
- Current weighted average interest rate after interest rate hedges of 3.08%
- Significant interest rate hedge income will continue to be realized, even while RevPAR continues to increase

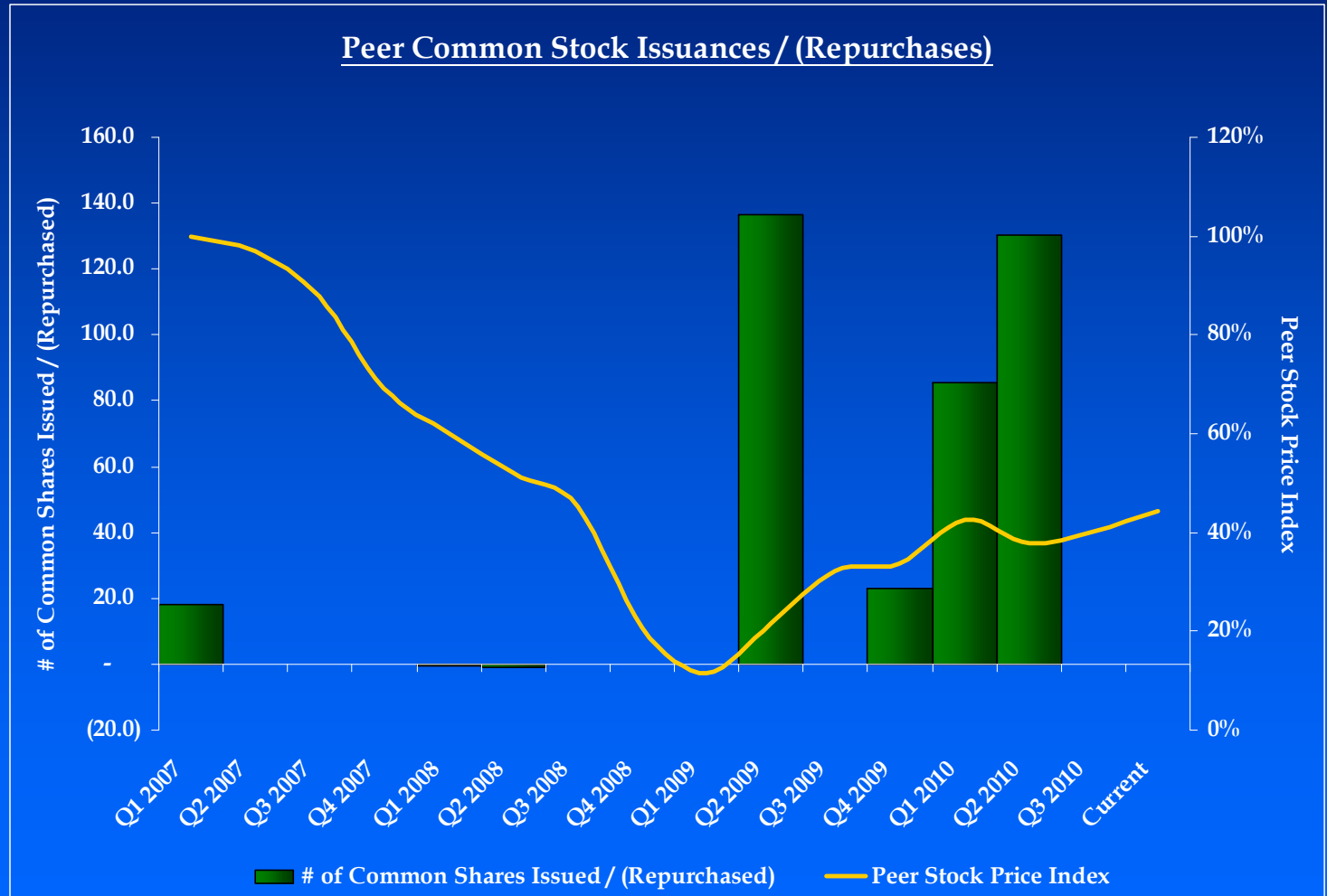
RevPAR Growth vs. Interest Rate Hedge Income



# Capital Markets Expertise

- Hotel REIT peers diluted shareholders by raising large amounts of equity at historically low prices

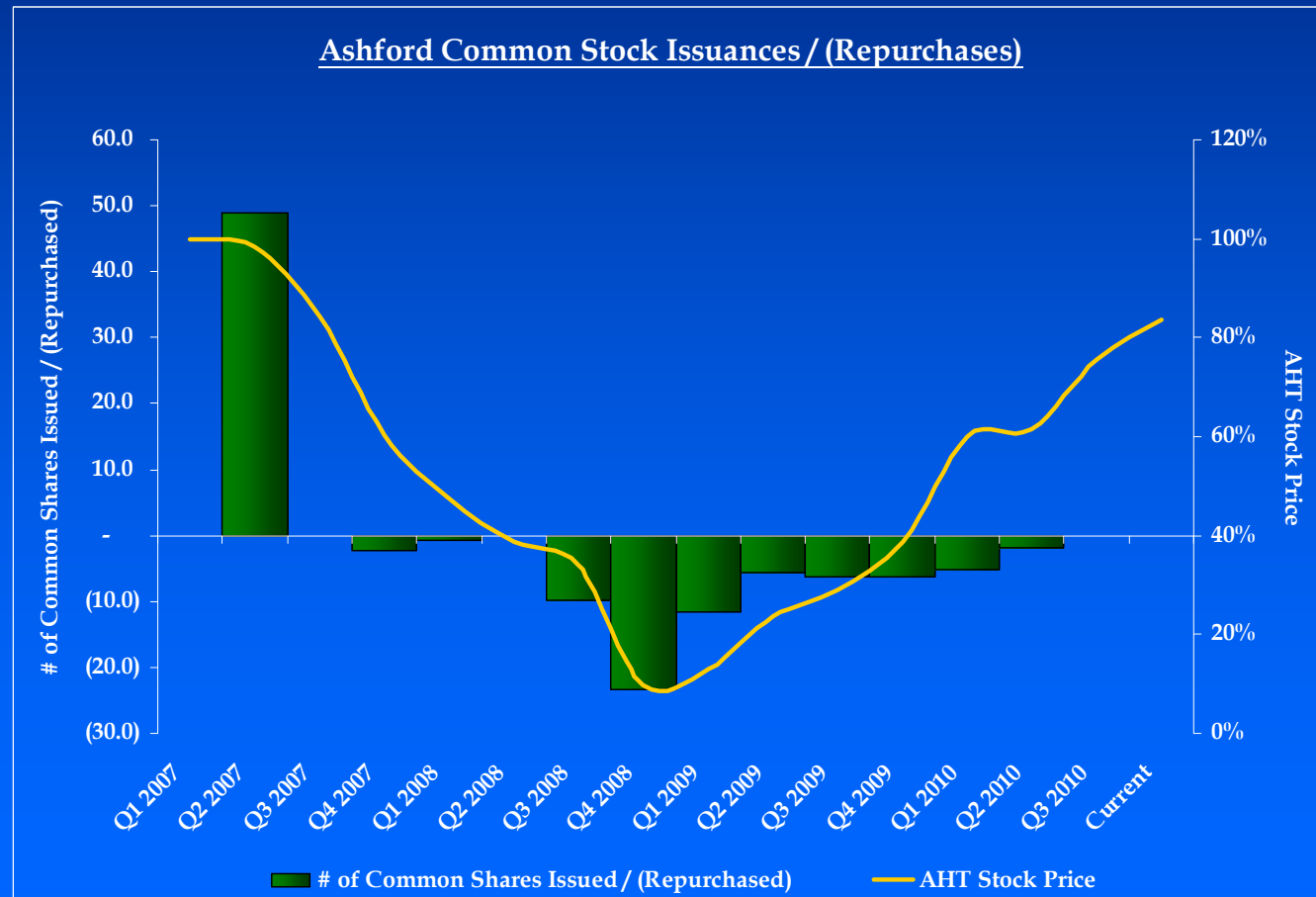
Peer Common Stock Issuances / (Repurchases)



# Capital Markets Expertise

- Ashford raised equity at peak prices and repurchased approximately 50% of the company at trough prices
- We believe this strategy will continue to produce AFFO per share and shareholder return outperformance
- \$496 million in value created from repurchasing 73.6 million common shares at an average price of \$3.26 per share (assuming AHT stock price of \$10.00)

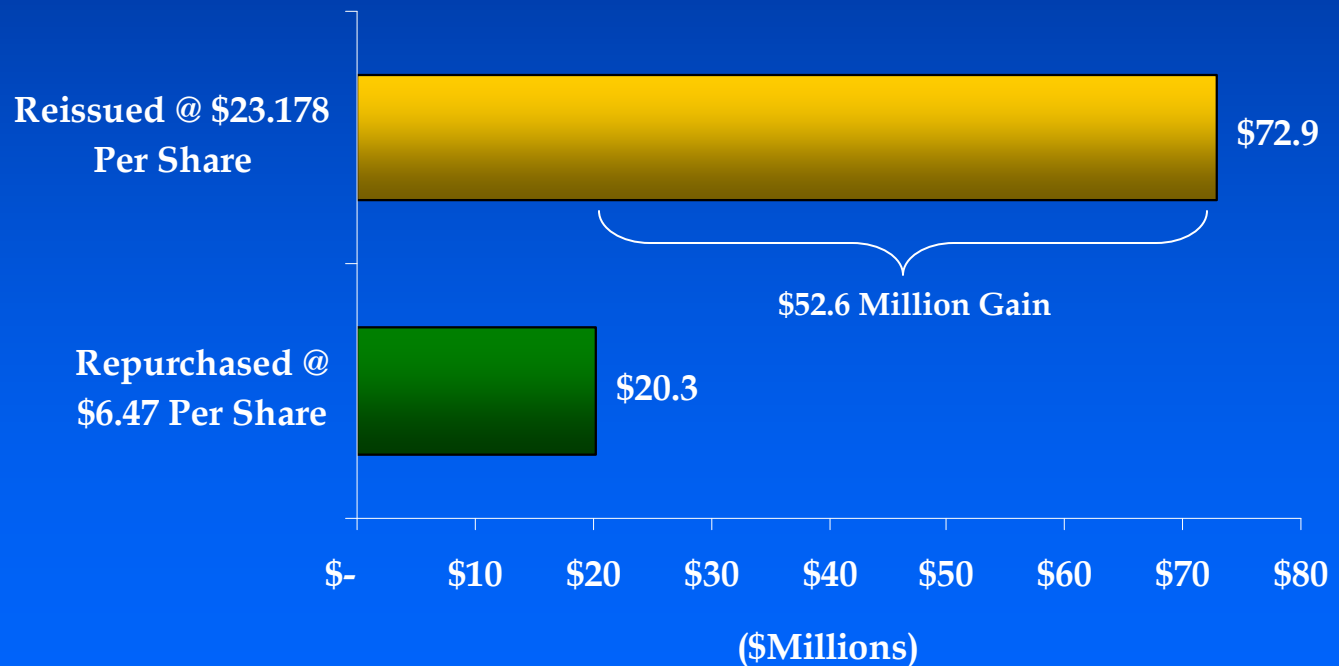
Ashford Common Stock Issuances / (Repurchases)



# Capital Markets Expertise

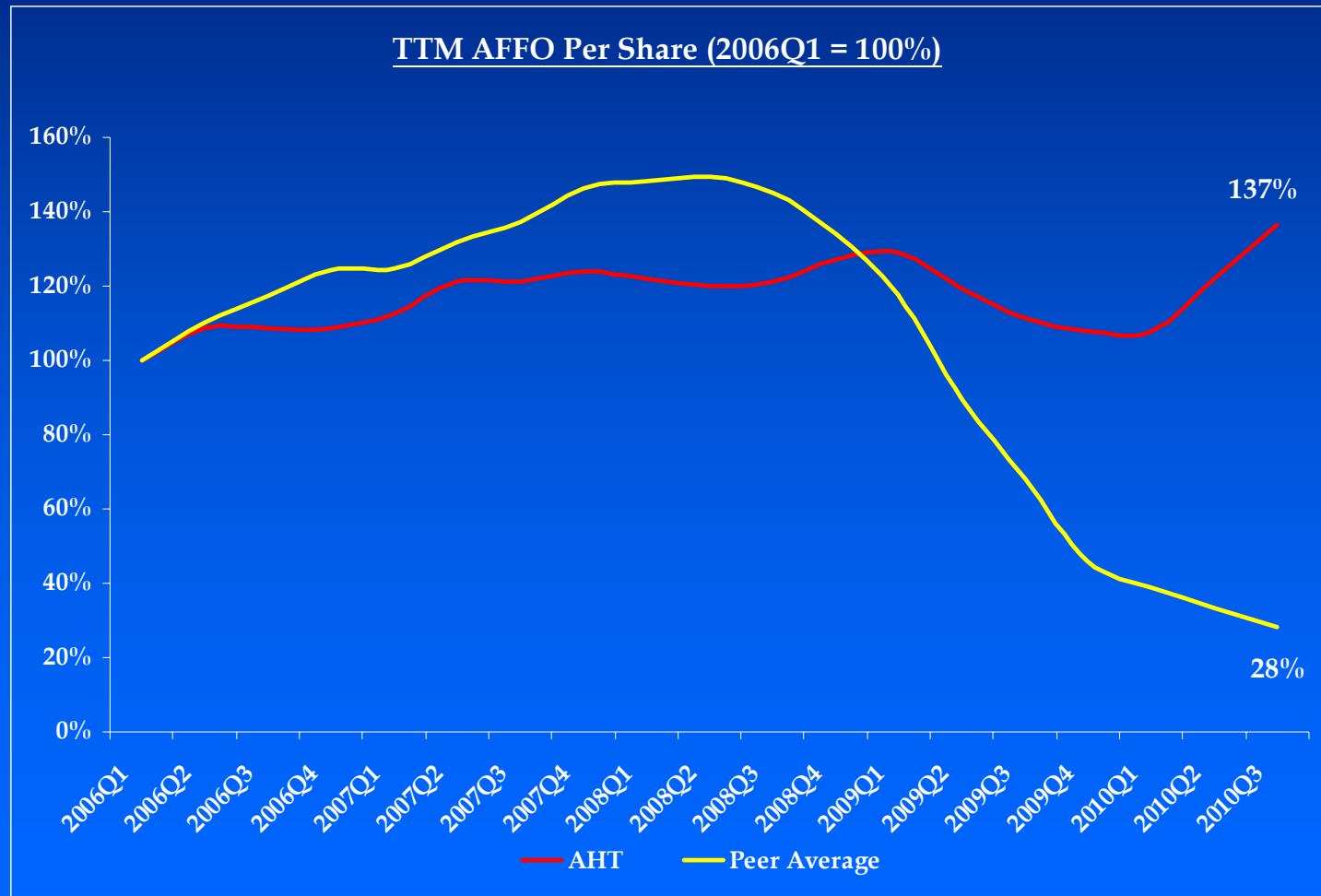
- Ashford recently issued 3.3 million preferred shares at \$23.178 per share
- During the downturn, 3.1 million preferred shares were repurchased at an average price of \$6.47 per share
- \$52.6 million gain from reissuing repurchased shares

## Gain From Preferred Repurchases



# Proven Strategy Success

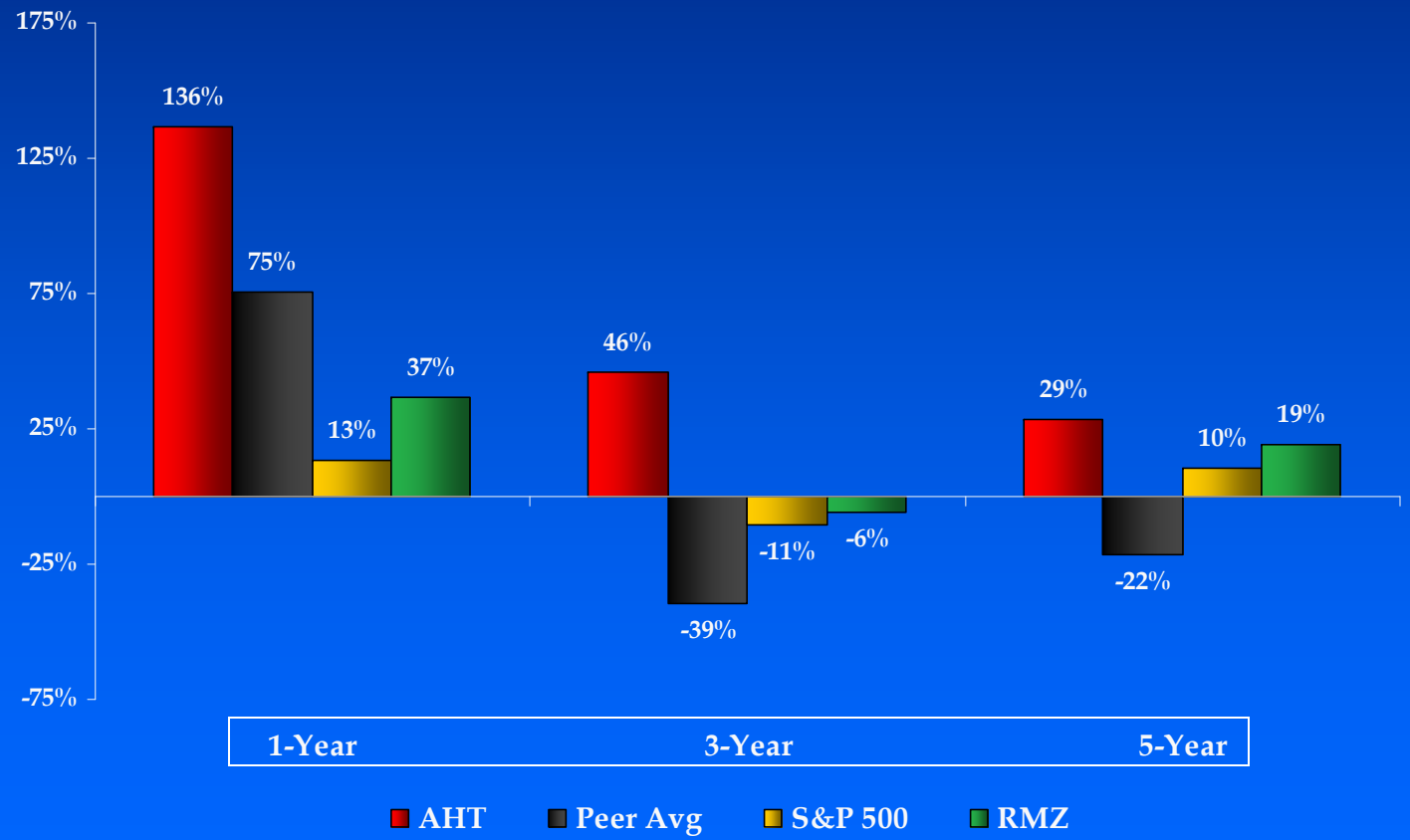
- Ashford has significantly outperformed peers on an AFFO per share basis
- Maintained relatively stable AFFO per share throughout the downturn
- Ashford Q3 '10 TTM AFFO per share is the highest since inception, while it may take peers many years to return to previous peak levels



# Proven Strategy Success

➤ Ashford has significantly outperformed peer average returns

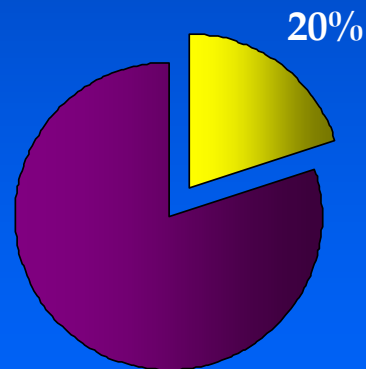
Total Shareholder Returns



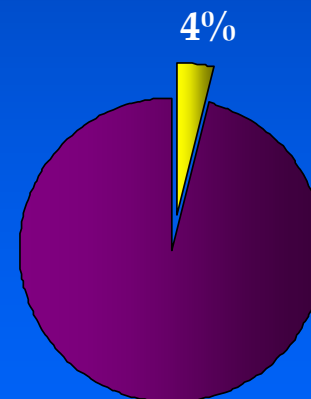
# High Insider Ownership

- Ashford management interests are closely aligned with shareholders, with 20% insider ownership
- 5x higher insider ownership than peer average

Ashford Insider Ownership



Peer Avg Insider Ownership



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