

ASHFORD
HOSPITALITY TRUST

November 2006

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.

Agenda

- **Ashford Overview**
- **Portfolio Management and Internal Growth Strategies**
- **Lodging Overview**



Ashford Overview

Portfolio Overview



Hilton – Ft. Worth, TX



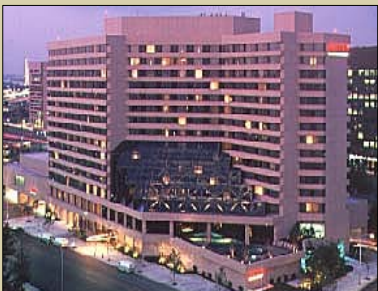
Marriott RTP – Durham, NC



JW Marriott – San Francisco, CA



Sheraton – San Diego, CA



Marriott – Arlington, VA



Hyatt Dulles – Herndon, VA



Hilton Nassau Bay – Houston, TX



Hilton – Santa Fe, NM



Hyatt – Anaheim, CA



Residence Inn – Orlando, FL



Westin O'Hare – Chicago, IL



Hilton – St. Petersburg, FL



Crowne Plaza – Beverly Hills, CA



Courtyard – Ft. Lauderdale, FL



Embassy Suites – Dallas, TX



Sea Turtle Inn – Jacksonville, FL

Overview

Market Stats ⁽¹⁾

Enterprise Value	\$2.0 billion
Market Cap	\$1.2 billion
Net Debt / TEV	32%
Avg. Trading Volume (3m) ⁽²⁾	270,000
Mgmt / Insider Ownership	10.5%

Lodging Investments ⁽³⁾

% Primary	93%
% Secondary	7%
Number of Hotels	81
Rooms	15,492

Dividend

\$ per share Annualized	\$0.80
% Yield Annualized	6.4%
% CAD Payout ⁽⁴⁾	78.9%

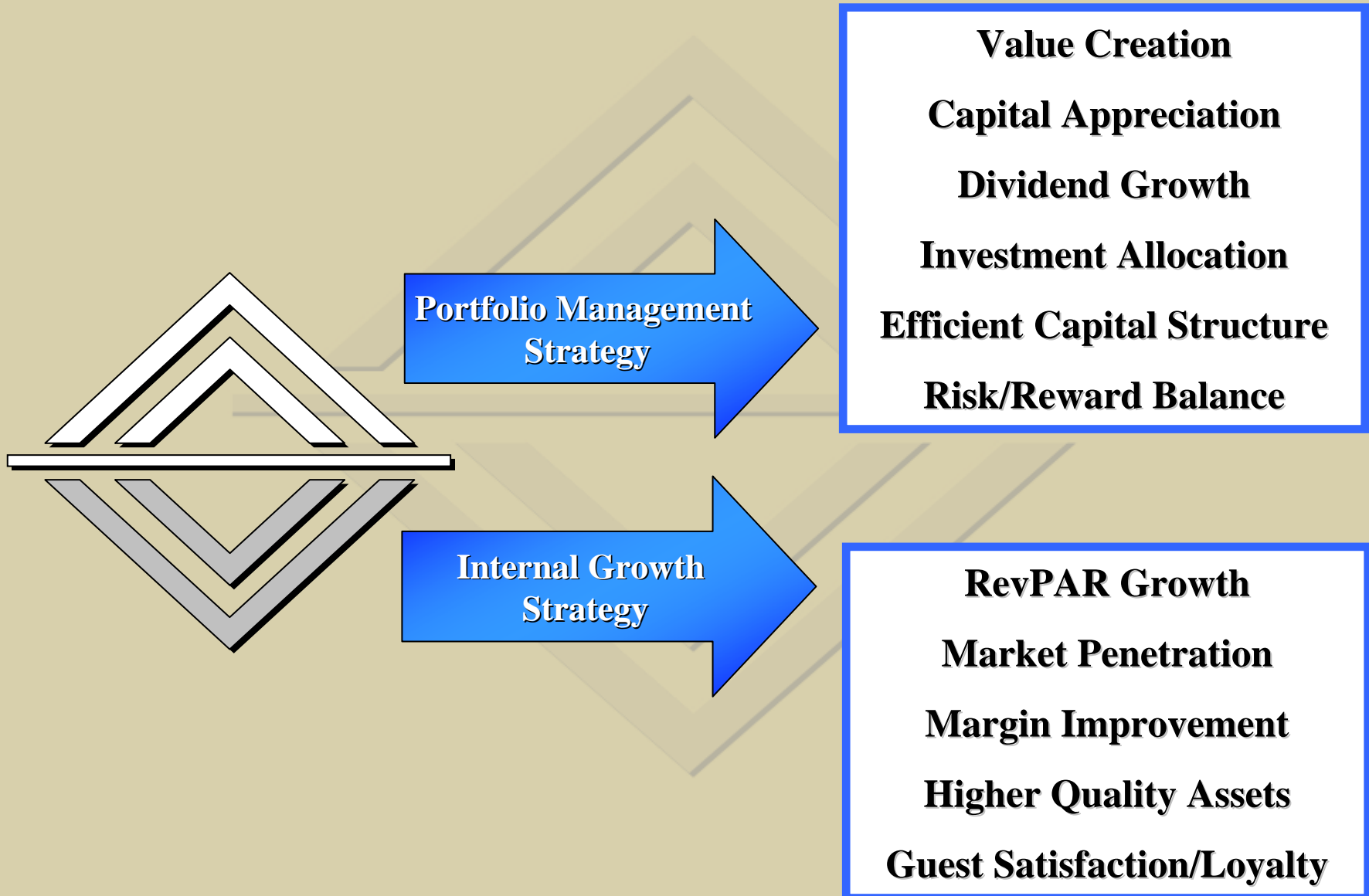
(1) Enterprise Value, Net Debt/TEV and Dividend Yield as of the November 17, 2006 closing price, Net Debt as reported quarter ending September 30, 2006

(2) Source: Yahoo Finance

(3) Primary and Secondary values as a percentage of year to date EBITDA ending September 30, 2006, pro forma for recent acquisitions and current loan portfolio

(4) Year to date as of the quarter ending September 30, 2006

Ashford's Strategies





Portfolio Management Strategy

Portfolio Management Strategy

Ashford uses a portfolio management approach to maximize returns and reduce performance risk

➤ **Investment Strategy**

- **Primary: Direct Hotel Ownership**
- **Secondary: Mezzanine Loans, 1st Mortgages, Sale Leasebacks**

➤ **Asset Mix Strategy**

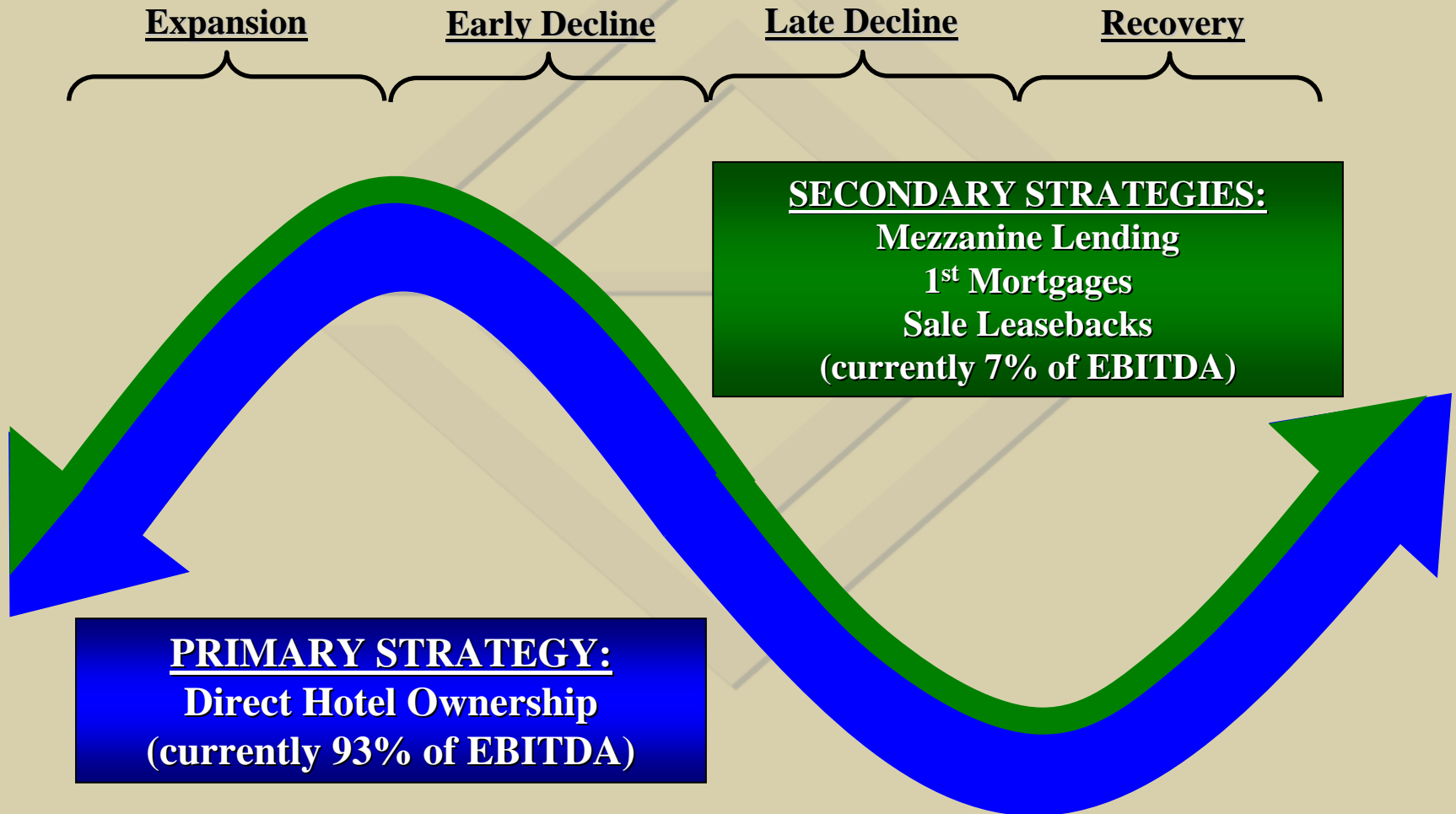
- **Segment**
- **Brand**
- **Manager**
- **Geography**

➤ **Capital Strategy**

- **Minimize Cost of Capital**

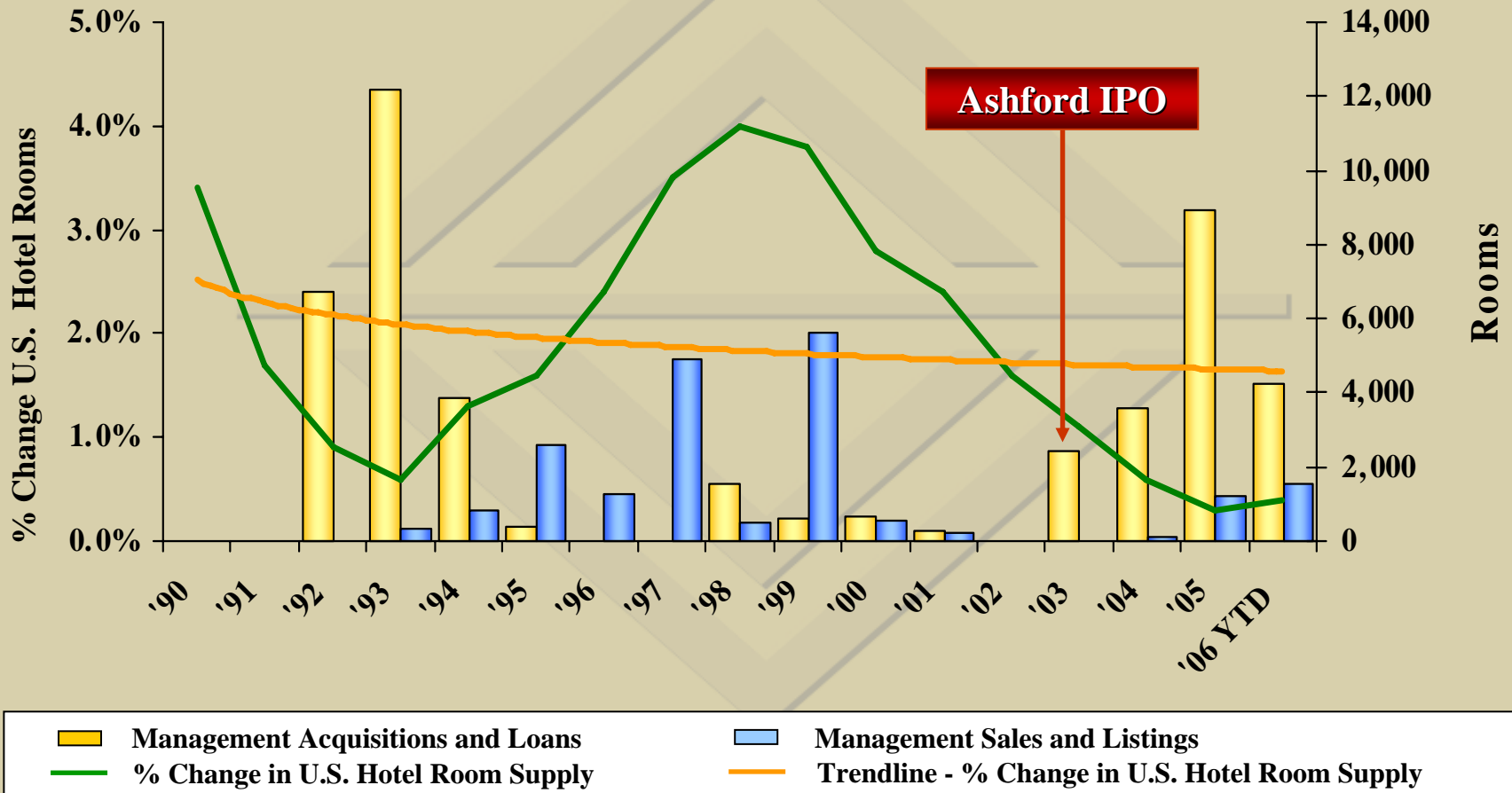
Investment Strategy

Ashford's primary strategy is direct hotel investments, supplemented by secondary strategies throughout cycles to enhance returns



Investment Strategy - Timing

Management has demonstrated market cycle judgment and discipline



Investment Strategy – Primary (Direct Hotel Ownership)

<u>Hotel</u>	<u>Deal Source</u>	<u>Rooms</u>	<u>Per Key</u>	<u>Trailing EBITDA Yield</u>
Sheraton Bucks County	Relationship	187	\$89,305	13.2%
Hilton/ Marriott Select Service Portfolio	Not Marketed	972	\$63,786	12.6%
Marriott Gateway	Not Marketed	697	\$153,515	11.4%
FGS Hotel Portfolio	Not Marketed	4,095	\$61,050	11.4%
Embassy Suites/ Doubletree Portfolio	Pre-emptive	894	\$55,928	11.4%
Hilton/ Marriott Select Service Portfolio	Relationship	393	\$86,132	10.6%
Marriott Research Triangle Park	Marketed	225	\$124,444	10.5%
Hilton/ Marriott Select Service Portfolio	Relationship	365	\$70,849	10.5%
Residence Inn - LBV	Relationship	210	\$120,238	10.3%
Sea Turtle Inn	Not Marketed	193	\$119,689	9.9%
SpringHill Suites BWI Airport	Relationship	133	\$119,248	9.7%
CNL Hotel Portfolio	Pre-emptive	4,328	\$107,440	9.7%
Hilton Santa Fe	Not Marketed	157	\$115,924	8.1%
Hyatt Orange County	Relationship	654	\$123,853	8.0%
Westin O'Hare	Relationship	525	\$238,095	8.0%
MIP Portfolio*	Marketed	2,004	\$133,333	7.5%
Hyatt Dulles	Marketed	316	\$229,430	7.3%
JW Marriott San Francisco	Marketed	338	\$281,065	5.0%
Total / Weighted Average		16,686	\$105,569	9.4%
Implied Levered Return (with no growth) ⁽¹⁾				15.0%

Note: Trailing twelve month EBITDA yield at acquisition.

* Denotes announced transactions

(1) Assuming cost of debt of 5.6% and 60% market leverage to cost.

(Average Yield – Cost of Debt * % Debt) / % Equity.

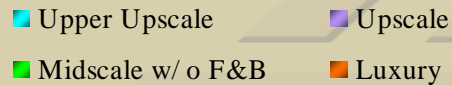
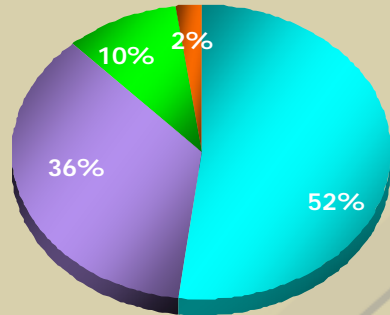
Investment Strategy – Secondary (Mezzanine Lending)

<u>Mezzanine Loans</u>	<u>Deal Source</u>	<u>Yield</u>
Hotel Teatro	Marketed	16.7%
Doubletree Albuquerque	Marketed	16.5%
Embassy Suites Anaheim	Marketed	15.1%
Hyatt Penn's Landing	Relationship	15.0%
Sheraton Gunter	Relationship	14.8%
Viceroy Hotel	Relationship	14.4%
Four Seasons Nevis	Marketed	14.3%
Westin Westminster	Marketed	14.0%
Marriott Cool Springs	Relationship	14.0%
Tharaldson Portfolio	Relationship	10.3%
Weighted Average Yield		13.5%
Implied Levered Return (with no growth) ⁽¹⁾		22.9%

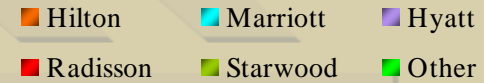
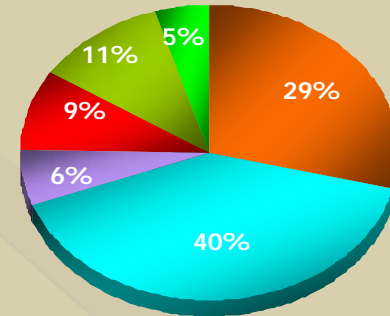
(1) Assuming cost of debt of 1-month LIBOR (5.3%) + 200bps and 60% market leverage to cost.
(Average Yield – Cost of Debt * % Debt) / % Equity.

Asset Mix Strategy

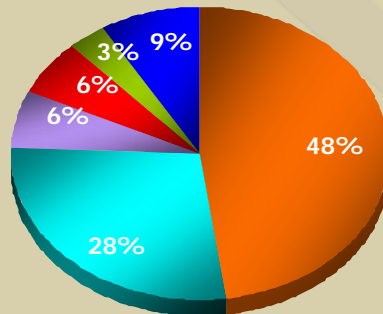
Segment



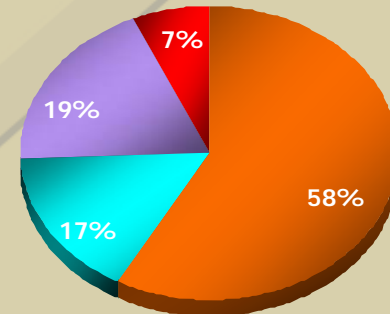
Brand



Property Management



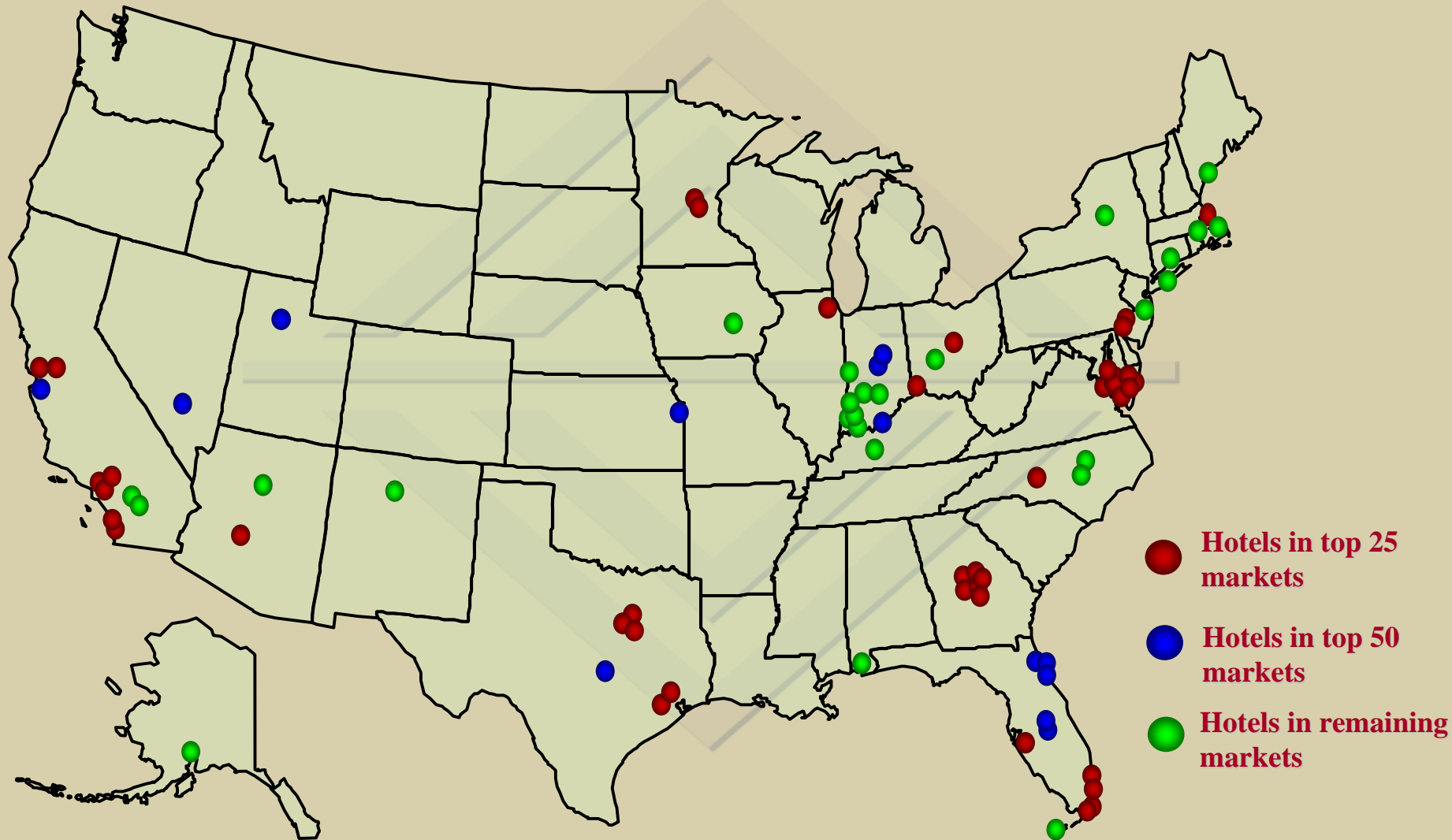
Portfolio EBITDA



Note: Segment, Brand and Property Management charts represent breakdown by rooms for announced and owned direct hotel investments as of November 17, 2006. EBITDA represents year to date ending September 30, 2006, pro forma for recent acquisitions, sorted into Metropolitan Statistical Areas.

Asset Mix Strategy

80% of EBITDA is located within the top 50 markets

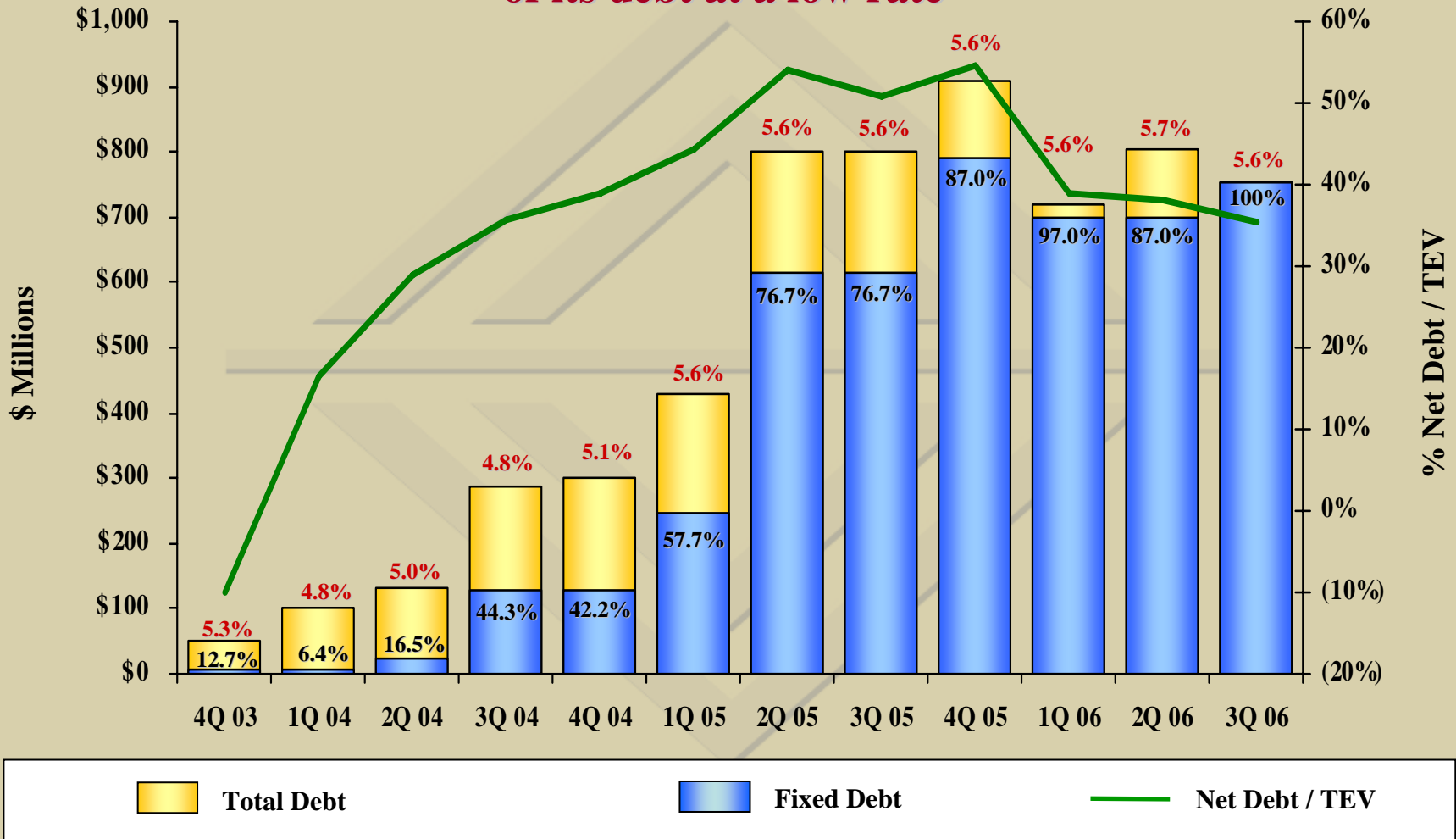


Note: Excludes mezzanine investments.

Source: U.S. Census Bureau. Grouped by Metropolitan Statistical Areas and sorted by population size.

Capital Strategy

Ashford has proactively managed its balance sheet to fix a high percentage of its debt at a low rate



Source: SEC Filings, Ashford Hospitality Trust.



Internal Growth Strategy

Internal Growth Strategy

- **Brand/Reposition**
 - Pan Pacific/JW Marriott
 - Ft. Worth Radisson/Hilton

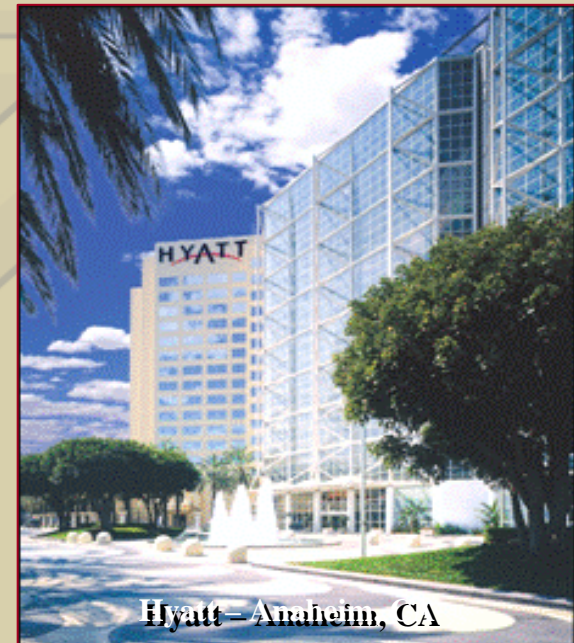
- **Capex Upgrade**
 - MIP Portfolio
 - Hyatt Anaheim

- **Immediate Margin Improvement**
 - Hilton Santa Fe
 - Sea Turtle Inn

- **Outsize Market Recovery**
 - Westin O'Hare Airport
 - JW Marriott San Francisco

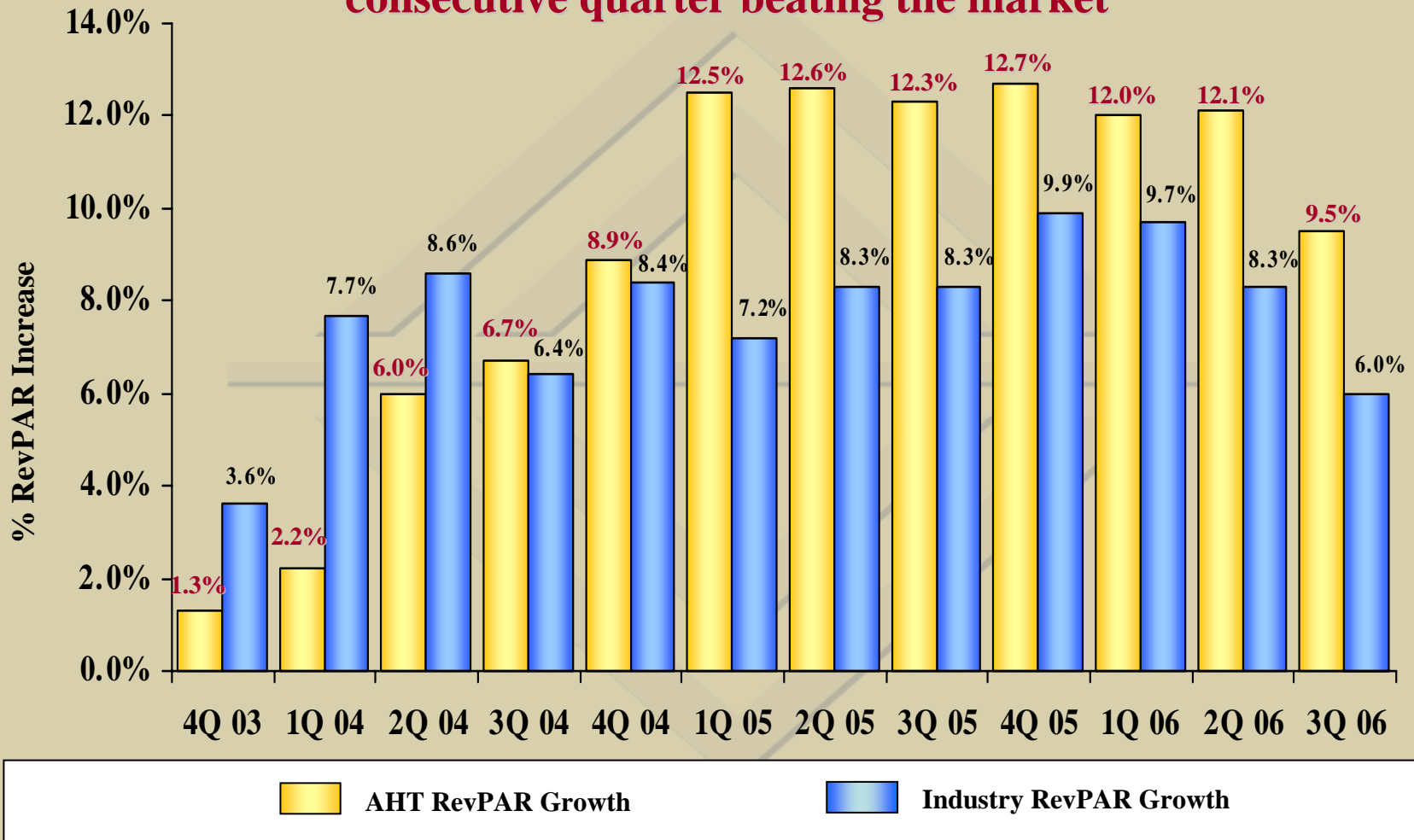
- **High Initial Yield**
 - Hilton/Marriott Select Service Portfolio
 - Embassy Suites/Doubletree Portfolio

- **Capital Recycling**
 - FGS Portfolio
 - CNL Portfolio



Internal Growth Strategy

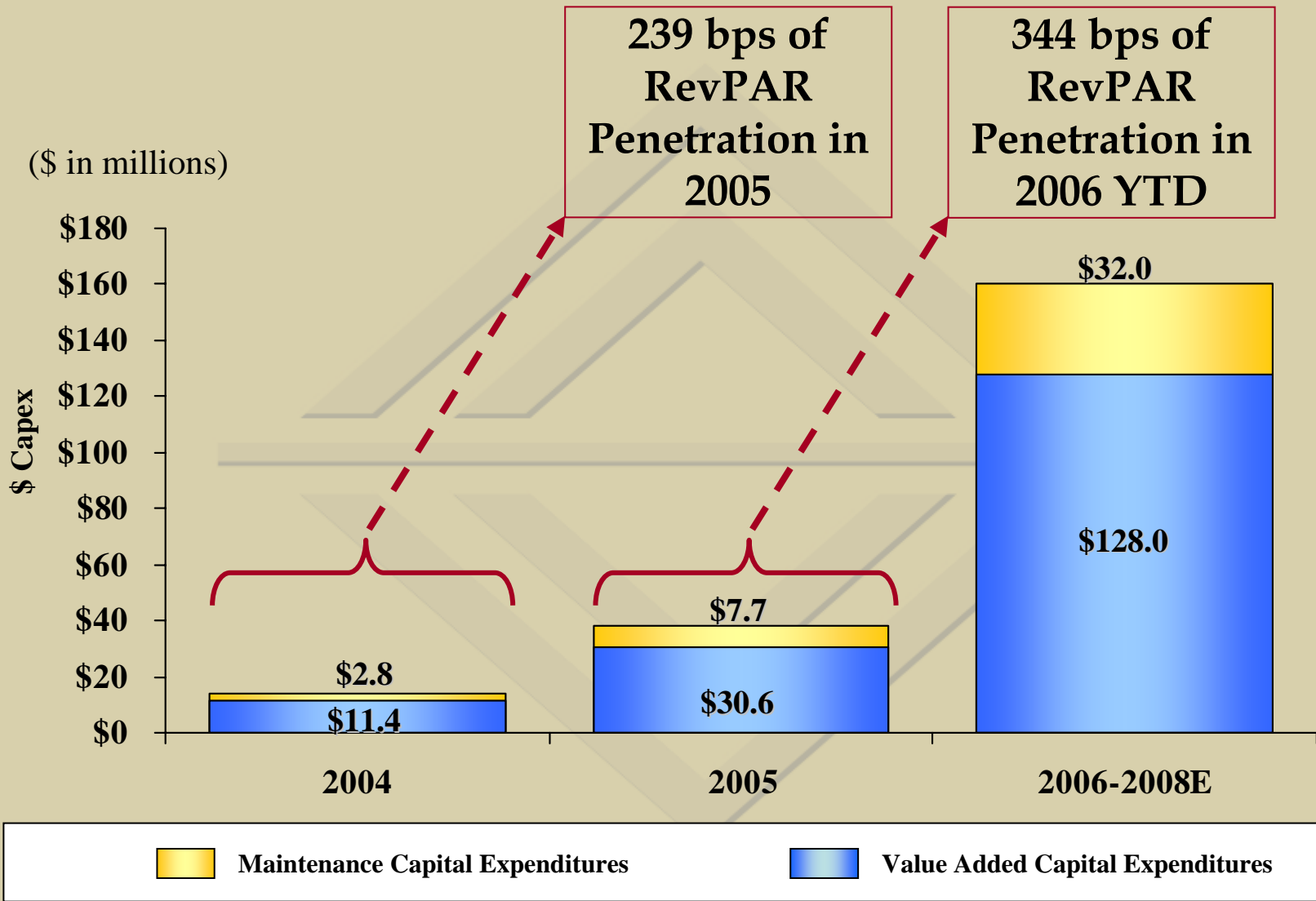
Pro forma RevPAR growth was 9.5% for the third quarter 2006, the 9th consecutive quarter beating the market



Source: Smith Travel Research.

Note: AHT RevPAR growth only includes hotels not under renovation.

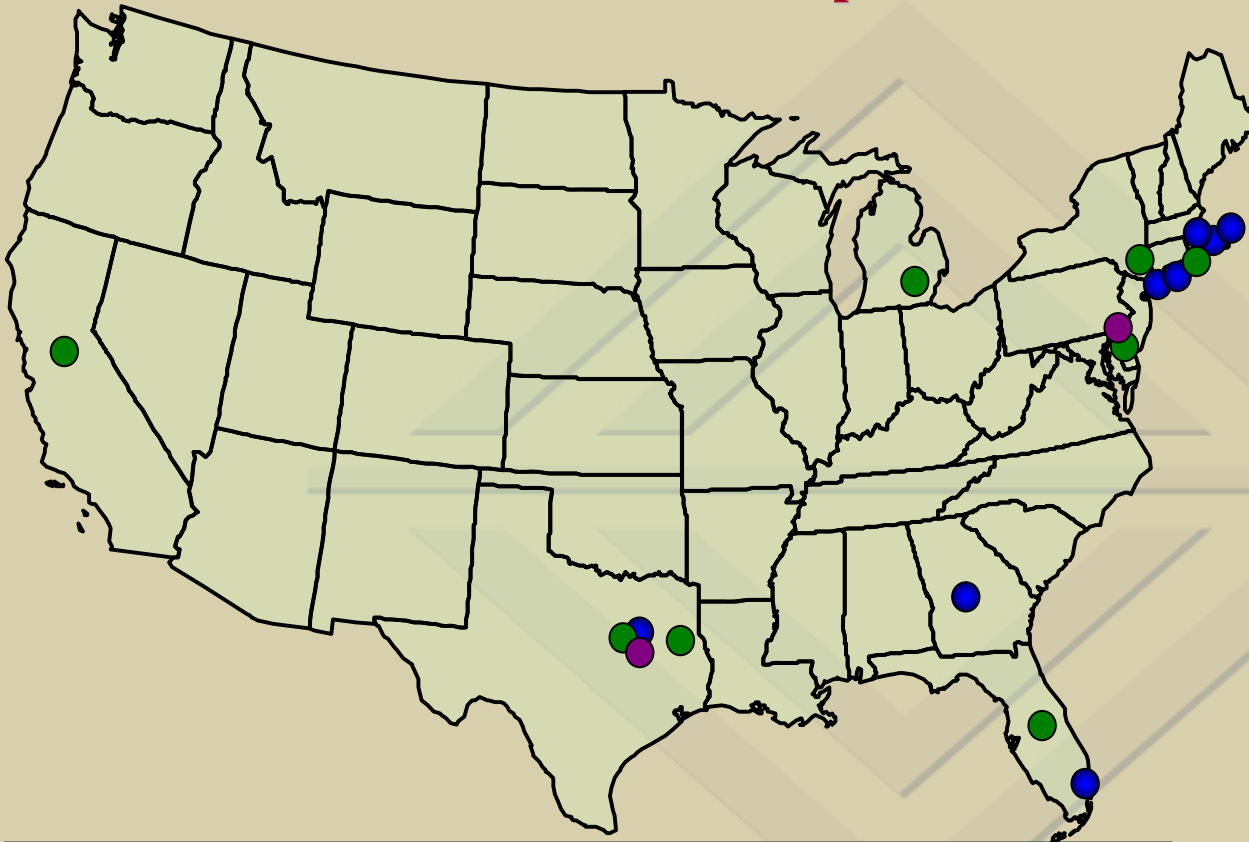
Internal Growth Strategy



Source: Internal Estimates. Estimates include deals that have been announced but not yet closed.

Internal Growth Strategy

18 Non-Core Properties Sold Since IPO



FGS Portfolio

- Best Western – Dallas, TX
- Gull Wing Suites – S. Yarmouth, MA
- Holiday Inn – Coral Gables, FL
- Howard Johnson – Commack, NY
- Howard Johnson – Jericho, NY
- Inn on the Square – Falmouth, MA
- Ramada Inn – Hyannis, MA
- Ramada Inn – Warner Robins, GA

CNL Portfolio

- Residence Inn – Sacramento, CA
- Residence Inn – Wilmington, DE
- Residence Inn – Orlando, FL
- Residence Inn – Ann Arbor, MI
- Residence Inn – Fishkill, NY
- Residence Inn – Providence, RI
- Residence Inn – Fort Worth, TX
- Residence Inn – Tyler, TX

Office Buildings

- Bucks County, PA
- Fort Worth, TX (currently for sale)

Reasons we sell:

- Original investment strategy (portfolio acquisition)
- Property needs non-value add capex
- Shift in capital or hotel markets
- Supply/demand concerns
- Higher yielding alternatives

Investment Case Studies

Marriott Crystal Gateway Hotel – \$107.0 million (\$153,515 per key)



- 697-room hotel with 33,000 square feet of meeting space located in Crystal City, VA
- Acquired at attractive yield of 9.0% on a trailing cap rate
- Seller accepted operating partnership units as payment
- Sourced through off market transaction
- The hotel completed a \$9.5 million renovation in 2002 and Ashford expects to invest an additional \$13 million in 2006

Pan Pacific Hotel – \$95.0 million (\$281,065 per key)



- 338-room luxury Pan Pacific Hotel located near Union Square in San Francisco
- Mobil 4-Star, AAA 4-Diamond rated hotel
- Up-branded to a JW Marriott. Hotel will significantly improve operating statistics by utilizing Marriott's reservation system and management practices
- San Francisco RevPAR is expected to increase 11.4% in 2006 according to Torto Wheaton Research
- The Westin St. Francis recently sold for \$440 million at \$368,200 per key and the Park Hyatt recently sold for \$135 million at \$375,000 per key

Investment Case Studies

7-Hotel MIP Portfolio – \$267.2 million (\$133,333 per key)



- Full-service, upper-upscale portfolio of seven hotels and 2,004 rooms
- Trailing 12-month cap rate of 6.0% and a 7.5% EBITDA yield
- Upside opportunities include: capex upgrade (\$40 million), RevPAR penetration, margin improvement & asset sales
- Hotels include:
 - 263-room Embassy Suites Philadelphia Airport
 - 249-room Embassy Suites Walnut Creek, CA
 - 300-room Hilton Minneapolis Airport
 - 375-room Sheraton Anchorage
 - 260-room Sheraton San Diego Mission Valley
 - 323-room Marriott Trumbull, CT
 - 234-room Sheraton Iowa City

Westin O'Hare Airport – \$125 million (\$238,095 per key)

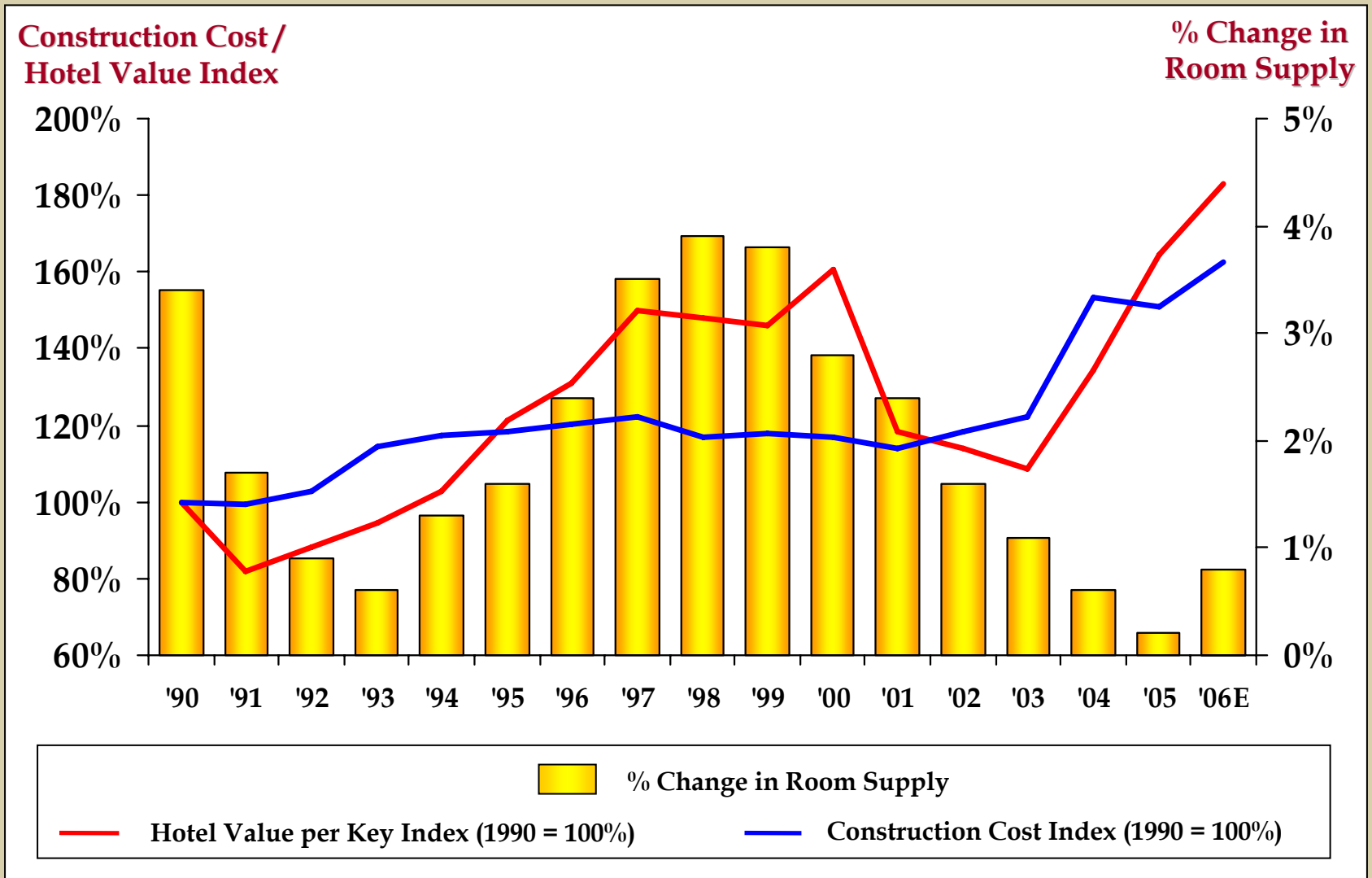


- 525-room hotel with 43,000 sq. ft. of meeting space
- Hotel is the only Mobil 4-Star, AAA 4-Diamond rated hotel in the O'Hare market
- Trailing 12-month cap rate of 6.7% and a 8.0% EBITDA yield
- Sourced through prior lending relationship with JER Partners
- Opened in 1984, the hotel recently completed a \$14 million renovation. Ashford plans on spending an additional \$6 million over the next 24 months.
- Excess land could provide expansion opportunities



Lodging Overview

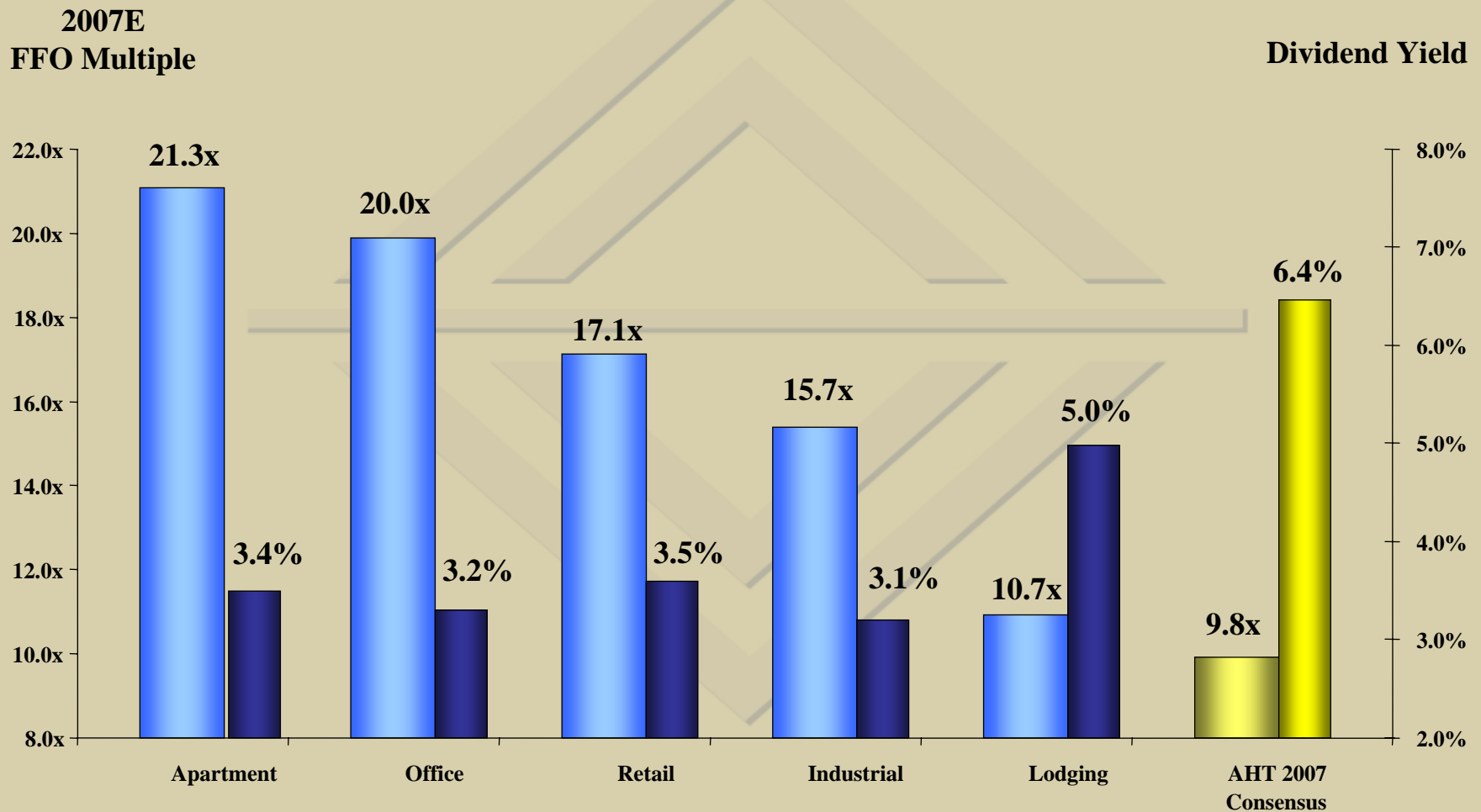
Supply Remains Low While Hotel Values & Construction Costs Rise



Notes: Construction Cost Index includes lumber, steel/iron, steel mill products and concrete products. Hotel Value index is inflation adjusted.
 Sources: Smith Travel Research, PWC Research, HVS International & Bureau of Labor Statistics

Lodging Overview

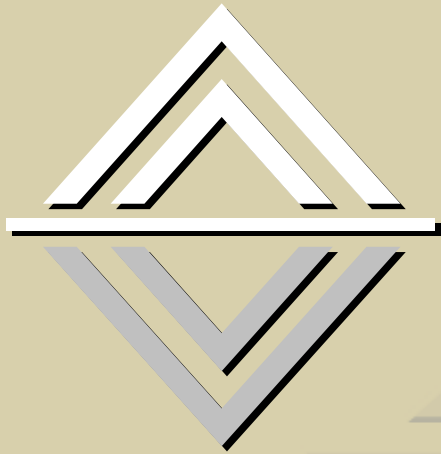
Despite strong fundamentals lodging trades at a discount



Source: Freidman Billings Ramsey "Property Week" as of 11/17/06, except for AHT & Lodging. First Call estimates used for AHT & Lodging – stock price as of 11/17/06. Lodging index includes BEE, DRH, EHP, ENN, FCH, HIH, HPT, HST, HT, KPA, LHO, SHO & WXH.

Conclusion

- **Demonstrated ability to deploy capital in accretive investments**
- **Proven track record of increasing value and growing dividend**
- **Lodging sector is attractively priced and positioned for growth and Ashford is particularly well situated among its peers**



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