

HERSHA

Q1 2015 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 46 hotels in CY and 44 in PY)

	Three Months Ended		
	Mar-2015	Mar-2014	Variance
Rooms Available	620,190	579,291	
Rooms Occupied	489,474	439,771	
Occupancy	78.9%	75.9%	301 bps
Average Daily Rate (ADR)	\$ 175.60	\$ 164.67	6.6%
Revenue Per Available Room (RevPAR)	138.59	125.01	10.9%
Room Revenues	\$ 85,952,409	\$ 72,415,053	\$ 13,537,356
Food & Beverage	5,303,877	4,024,916	1,278,961
Lease Income	664,497	713,968	(49,471)
Other Revenues	3,557,076	2,728,482	828,594
Total Revenues	\$ 95,477,859	\$ 79,882,418	\$ 15,595,441
GOP	\$ 41,322,565	\$ 33,940,706	\$ 7,381,859
GOP Margin	43.3%	42.5%	
GOP Margin Growth	0.8%		
GOP Flow Through	47.3%		
EBITDA	\$ 29,465,233	\$ 24,063,207	\$ 5,402,026
EBITDA Margin	30.9%	30.1%	
EBITDA Margin Growth	0.7%		

Comparable Hotels (1)

(Owned for the entire reporting period)

(includes 44 hotels in both years)

	Three Months Ended		
	Mar-2015	Mar-2014	Variance
Rooms Available	594,360	593,509	
Rooms Occupied	466,979	453,121	
Occupancy	78.6%	76.3%	222 bps
Average Daily Rate (ADR)	\$ 176.33	\$ 169.73	3.9%
Revenue Per Available Room (RevPAR)	138.54	129.58	6.9%
Room Revenues	\$ 82,344,428	\$ 76,906,167	\$ 5,438,261
Food & Beverage	5,184,833	4,293,371	891,462
Lease Income	655,497	636,906	18,591
Other Revenues	3,459,937	3,189,089	270,848
Total Revenues	\$ 91,644,695	\$ 85,025,532	\$ 6,619,162
GOP	\$ 39,889,277	\$ 37,415,441	\$ 2,473,836
GOP Margin	43.5%	44.0%	
GOP Margin Growth	-0.5%		
GOP Flow Through	37.4%		
EBITDA	\$ 28,416,202	\$ 26,914,965	\$ 1,501,237
EBITDA Margin	31.0%	31.7%	
EBITDA Margin Growth	-0.6%		

(1) Comparable hotels include the full portfolio less properties not opened during the full period last year or this year. During Q1, the excluded properties are Hilton Garden Inn Midtown East and Hampton Inn Pearl Street, both in Manhattan. The following hotels are included in the comparable portfolio and include results as reported by the prior owners: Hotel Milo and Parrot Key Hotel and Resort.

TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 3/31/2015	Ownership %	Hersha Preferred Equity Return
Marriott							
1.	Mystic, CT	285	2001	08/09/2005	\$42,203	66.7%	8.50%
2.	Hartford, CT	409	2005	02/08/2006	\$44,438	15.0%	8.50%
Hilton							
3.	Hartford, CT	393	2005	10/06/2005	\$7,000	8.8%	8.50%
Courtyard							
4.	Alexandria, VA	203	2006	09/29/2006	\$23,307	100.0%	
5.	Brookline/Boston, MA	188	2003	06/16/2005	\$36,288	(a)	100.0%
6.	South Boston, MA	164	2005	07/01/2005	\$13,021	50.0%	
7.	Los Angeles, CA	260	2008	05/19/2011	\$29,500	100.0%	
8.	Miami Beach Oceanfront, FL	357	2004	11/16/2011	\$60,000	100.0%	
9.	San Diego, CA	245	1999	05/30/2013	(*)	100.0%	
Hampton Inn							
10.	Times Square, Manhattan, NY	184	2009	02/10/2010	(*)	100.0%	
11.	Philadelphia, PA	250	2001	02/15/2006	(*)	100.0%	
12.	Chelsea, Manhattan, NY	144	2003	08/29/2003	\$33,557	100.0%	
13.	Herald Square, Manhattan, NY	136	2005	04/01/2005	\$22,859	100.0%	
14.	Seaport, Manhattan, NY	65	2006	02/01/2007	\$17,826	(b)	100.0%
15.	Pearl Street, Manhattan, NY	81	2014	07/22/2011	(*)	100.0%	
16.	Washington, DC	228	2005	09/01/2010	(*)	100.0%	
Residence Inn							
17.	Tysons Corner, VA	96	1984	02/02/2006	(*)	100.0%	
18.	Framingham, MA	125	2000	03/26/2004	(*)	100.0%	
19.	Coconut Grove, FL	140	2000	06/12/2013	(*)	100.0%	
20.	Greenbelt, MD	120	2002	07/16/2004	(*)	100.0%	
21.	Norwood, MA	96	2006	07/27/2006	(*)	100.0%	
Hyatt House							
22.	White Plains, NY	159	2000	12/28/2006	\$33,030	100.0%	
23.	Gaithersburg, MD	140	1998	12/28/2006	\$13,720	100.0%	
24.	Pleasant Hill, CA	142	2003	12/28/2006	\$20,160	100.0%	
25.	Pleasanton, CA	128	1998	12/28/2006	\$14,490	100.0%	
26.	Scottsdale, AZ	164	1999	12/28/2006	\$16,778	100.0%	
Hyatt Hotel							
27.	Union Square, NY	178	2013	04/9/2013	\$55,000	100.0%	
Holiday Inn Express							
28.	Times Square, Manhattan, NY	210	2009	02/10/2010	(*)	100.0%	
29.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%	
30.	South Boston, MA	118	1998	10/07/2005	\$7,479	50.0%	
31.	Chester, NY	80	2006	01/25/2007	\$6,236	100.0%	
32.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	\$53,721	(b)	100.0%
33.	Water Street, Manhattan, NY	112	2010	03/25/2011	(*)	100.0%	
Hilton Garden Inn							
34.	JFK Airport, NY	192	2005	02/16/2006	\$19,623	100.0%	
35.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$46,500	100.0%	
36.	Midtown East, Manhattan, NY	205	2014	05/27/2014	\$45,000	100.0%	
Candlewood Suites							
37.	Times Square, Manhattan, NY	188	2009	02/10/2010	(*)	100.0%	
Sheraton							
38.	JFK Airport, NY	150	2008	06/13/2008	(*)	100.0%	
39.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%	
Holiday Inn							
40.	Wall Street, NY	113	2009	05/07/2010	(*)	100.0%	
Hawthorn Suites							
41.	Franklin, MA	100	1999	04/25/2006	\$7,472	100.0%	
Independent							
42.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	\$9,305	100.0%	
43.	nu Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%	
44.	Capitol Hill Hotel, Washington, DC	152	2007	04/15/2011	\$25,000	100.0%	
45.	Rittenhouse Hotel, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%	
46.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%	
47.	Winter Haven, FL	70	2013	12/20/2013	(*)	100.0%	
48.	Blue Moon Hotel, FL	75	2013	12/20/2013	(*)	100.0%	
49.	Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$24,468	100.0%	
50.	Parrot Key Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%	
Hyatt Place							
51.	Valley Forge, PA	129	2010	08/17/2010	(*)	100.0%	
TOTAL		8,259					

(*) Property is considered borrowing base asset for the Company's credit facility

(a) The Courtyard Brookline, MA mortgage was repaid in April 2015.

(b) Debt balance reflects original issue premium or discount

PORTFOLIO STATISTICS - Q1 2015 ACTUALS

MARKETS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
New York City	17	2,473	30%	24%
West Coast	6	1,061	13%	23%
Boston	7	883	11%	9%
Washington, DC	6	939	11%	10%
Miami & Key West	5	790	10%	30%
Philadelphia	3	495	6%	0.3%
Other	7	1,618	20%	4%
TOTAL	51	8,259	100%	100%

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
100% Owned Assets	46	6,890	83%	98%
Unconsolidated JV Assets	5	1,369	17%	2%
TOTAL	51	8,259	100%	100%

HOTELS BY DESTINATION				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Major Metro	47	7,540	91%	84%
Destination	4	719	9%	16%
TOTAL	51	8,259	100%	100%

HOTELS BY SEGMENT TYPE				
	<u>Properties</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Upper Midscale	20	2,768	34%	26%
Upscale Transient	13	2,331	28%	38%
Upper Upscale / Luxury	7	1,721	21%	13%
Upscale Extended Stay	11	1,439	17%	23%
TOTAL	51	8,259	100%	100%

MANAGERS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
HMM Managed	45	6,742	82%	89%
Waterford Managed	3	1,087	13%	1%
Jiten Managed	2	282	3%	1%
Northwood Hospitality	1	148	2%	9%
TOTAL	51	8,259	100%	100%

(1) Reflects the Company's pro rata share of EBITDA based upon ownership interest.

MORTGAGES AND NOTES PAYABLE

Consolidated Properties	3/31/2015 Fixed Rate Balance	Capped or Fixed Rate	3/31/2015 Floating Rate Balance	Floating Rate	Maturity
Courtyard - Miami Beach, FL	\$60,000,000	4.32%			07/2016
Courtyard - Los Angeles, CA	\$29,500,000	4.10%			09/2017
Hotel Milo - Santa Barbara, CA	\$24,467,808	4.40%			04/2023
Courtyard - Brookline, MA	\$36,287,942	5.35%			07/2015 ⁽¹⁾
Duane Street Hotel - Manhattan, NY	\$9,304,672	5.43%			02/2017
Hyatt House - White Plains, NY	\$33,030,000	5.59%			01/2017
Hyatt House - Gaithersburg, MD	\$13,720,000	5.59%			01/2017
Hyatt House - Pleasant Hill, CA	\$20,160,000	5.59%			01/2017
Hyatt House - Pleasanton, CA	\$14,490,000	5.59%			01/2017
Hyatt House - Scottsdale, AZ	\$16,778,000	5.59%			01/2017
Holiday Inn Express - Chester, NY	\$6,236,327	5.63%			03/2017
Hilton Garden Inn - JFK Airport, NY	\$19,622,501	5.82%			04/2017
Hampton Inn - Herald Square, NY	\$22,859,347	6.09%			05/2016
Hampton Inn - Chelsea, NY	\$33,556,897	6.24%			10/2016
Courtyard - Alexandria, VA	\$23,306,683	6.25%			10/2016
Hampton Inn - Seaport, NY	\$17,686,306	6.36%			10/2016
<i>Original Issue Premium: Hampton Inn - Seaport, NY</i>	\$140,025	na			na
Hawthorn Suites - Franklin, MA	\$7,471,929	6.40%			05/2016
Holiday Inn Express - Madison Square Garden (29th St), NY	\$52,492,735	6.50%			11/2016
<i>Original Issue Premium: Holiday Inn Express - Madison Square Garden (29th St), NY</i>	\$1,228,728	na			na
Capitol Hill Hotel - Washington DC			\$25,000,000	LIBOR + 2.25%	01/2018
Hilton Garden Inn, Midtown East, NY			\$45,000,000	LIBOR + 2.90%	05/2017
Hyatt - Union Square, NY			\$55,000,000	LIBOR + 4.19%	04/2016
Hilton Garden Inn, Tribeca, NY			\$46,500,000	LIBOR + 2.30%	11/2019
Trust Preferred Tranche I			\$25,774,000	LIBOR + 3.0%	06/2035
Trust Preferred Tranche II			\$25,774,000	LIBOR + 3.0%	05/2035
Sub-Total	<u>\$442,339,900</u>		<u>223,048,000</u>		
Total Consolidated Mortgage Debt	<u>\$665,387,900</u>				
Unconsolidated Joint Ventures					
Courtyard - South Boston, MA	\$13,021,040	5.75%			06/2016
Holiday Inn Express - South Boston, MA	\$7,478,801	4.25%			06/2027
Marriott - Mystic, CT	\$42,203,254	6.24%			08/2017
Marriott - Hartford, CT	\$44,437,572	5.57%			03/2024
Hilton - Hartford, CT	\$7,000,000	2.68%			08/2030
Total Unconsolidated Joint Venture Debt	<u>\$114,140,667</u>				

(1) The Courtyard Brookline, MA mortgage was repaid in April 2015.

RECENT REFINANCING ACTIVITY

HOTEL	Current Loan	Rate	Maturity	Lender	Previous Loan	Rate	Maturity	Lender
Hilton Garden Inn - Tribeca, Manhattan, NY	\$46.5 mm	LIBOR + 2.30%	11/13/2019	National Bank	\$32.0 mm	8.25%	02/01/2015	Mortgage REIT
Capitol Hill Hotel - Washington, DC	\$25.0 mm	LIBOR + 2.25%	01/30/2018	National Bank	\$27.5 mm	3.79%	01/31/2015	National Bank
Duane Street Hotel - Manhattan, NY	\$9.5 mm	Swapped at 5.43% through maturity date	02/01/2019 ⁽¹⁾	National Bank	\$15.0 mm	7.15%	02/01/2018	National Bank
HT Corporate Credit Line & Term Loan	\$500.0 mm ⁽²⁾ Credit Line is LIBOR + 1.70% to 2.45% based on applicable Debt / EBITDA ratio \$150M of the Term loan is fixed at 3.21% ⁽⁵⁾ , Remaining \$100M of Term loan is LIBOR + 1.60% to 2.35% based on applicable Debt / EBITDA ratio		2/28/2019 ⁽¹⁾⁽³⁾	Bank Group	\$400.0 mm ⁽⁴⁾ LIBOR + 1.75% to 2.65% based on applicable Debt / EBITDA ratio Term loan is fixed at 3.21% ⁽⁵⁾		11/5/2016 11/5/2017 ⁽⁶⁾	Bank Group
Courtyard - Los Angeles, CA	\$30.0 mm	4.1% until 9/29/2015 Beginning 9/29/2015, LIBOR + 3.0%, subject to a 0.75% LIBOR Floor. \$5.0 million earnout potential.	09/29/2018 ⁽¹⁾	National Bank	\$30.0 mm	4.95%	09/29/2015	National Bank

(1) Maturity Date assumes exercise of all extension options.

(2) Total of \$500 million is comprised of \$250 million line of credit and \$250 million term loan.

(3) Line of credit has one one-year extension option (maturity: 2/28/2019).

(4) Total of \$400 million is comprised of \$250 million line of credit and \$150 million term loan.

(5) There was a swap conducted on two portions of the term loan. This loan has \$100M fixed at 3.195%, and an additional \$50M is fixed at 3.25%. The weighted interest rate is 3.21%.

(6) Line of credit had one one-year extension option (maturity: 11/5/2016), and the term loan had two one-year extension options (maturity: 11/5/2017).

ENTERPRISE VALUE

March 31, 2015

(\$ Thousands)

	<u>March 31, 2015</u>
Cash	\$31,428
Unsecured Term Loan	250,000
Revolving Line of Credit	34,500
Mortgages and Notes Payable - Consolidated Assets	613,840
Mortgages Payable - HT Portion of Unconsolidated JV Assets	45,681
Trust Preferred Securities	51,548
Total Debt	995,569
Series B Preferred Shares	115,000
Series C Preferred Shares	75,000
Operating Partnership and LTIP Units (9,313,063 @ \$6.47)*	60,256
Class A Common Shares (196,907,816 @ \$6.47)*	1,273,994
Total Equity	1,524,249
ENTERPRISE VALUE	\$2,488,390

* Stock price and share counts as of March 31, 2015

UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Mystic Partners	TOTAL
Hersha Ownership	50.0%	50.0%	66.7%, 15%, 8.8%	
Hersha Participating Preferred %	N/A	N/A	8.5%	
THREE MONTHS ENDED MARCH 31, 2015				
Joint Venture Net Income	\$ (143)	\$ (175)	\$ (772)	\$ (1,090)
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 96	\$ 238	\$ 1,738	\$ 2,072
Debt Service	(132)	(283)	(1,662)	(2,077)
CapEx Reserve & Other	(48)	(18)	(596)	(662)
Cash Available for Distribution	<u>\$ (84)</u>	<u>\$ (63)</u>	<u>\$ (520)</u>	<u>\$ (667)</u>
EBITDA				
Hersha Net Income (Loss) from Unconsolidated JV	\$ (91)	\$ (108)	\$ (75)	\$ (274)
Addback:				
Step up and Outside Basis Amortization	19	21	80	120
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	120	206	1,687	2,013
Hersha EBITDA from Unconsolidated JV	<u>\$ 48</u>	<u>\$ 119</u>	<u>\$ 1,692</u>	<u>\$ 1,859</u>