

# HERSHA

## Q1 2017 Supplemental Schedules

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## KEY PERFORMANCE INDICATORS

### Consolidated Hotels

(Recorded from date of acquisition)

(includes 46 hotels in 2017 and 54 hotels in 2016)

	Three Months Ended		
	Mar-2017	Mar-2016	Variance
Rooms Available	581,764	666,736	
Rooms Occupied	454,440	517,434	
Occupancy	78.1%	77.6%	52 bps
Average Daily Rate (ADR)	\$ 199.73	\$ 182.58	9.4%
Revenue Per Available Room (RevPAR)	156.02	141.69	10.1%
Room Revenues	\$ 90,764,280	\$ 94,472,403	\$(3,708,123)
Food & Beverage	10,406,103	7,070,037	3,336,065
Lease Income	748,662	589,828	158,833
Other Revenues	5,813,946	4,497,843	1,316,102
Total Revenues	\$ 107,732,990	\$ 106,630,112	\$ 1,102,878
GOP	\$ 44,111,113	\$ 44,549,530	\$(438,417)
GOP Margin	40.9%	41.8%	
GOP Margin Growth	-0.8%		
GOP Flow Through	-139.8%		
EBITDA	\$ 32,459,010	\$ 31,348,226	\$ 1,110,784
EBITDA Margin	30.1%	29.4%	
EBITDA Margin Growth	0.7%		

### Comparable Hotels <sup>(1)(2)</sup>

(includes 44 hotels in both years)

	Three Months Ended		
	Mar-2017	Mar-2016	Variance
Rooms Available	591,840	598,325	
Rooms Occupied	461,804	457,533	
Occupancy	78.0%	76.5%	157 bps
Average Daily Rate (ADR)	\$ 200.48	\$ 198.46	1.0%
Revenue Per Available Room (RevPAR)	156.43	151.76	3.1%
Room Revenues	\$ 92,583,509	\$ 90,801,684	\$ 8,387,858
Food & Beverage	11,366,527	11,380,548	(630,483)
Lease Income	748,662	577,828	190,547
Other Revenues	5,926,359	5,394,502	123,058
Total Revenues	\$ 110,625,056	\$ 108,154,562	\$ 2,470,494
GOP	\$ 44,508,188	\$ 43,886,661	\$ 621,527
GOP Margin	40.2%	40.6%	
GOP Margin Growth	-0.3%		
GOP Flow Through	25.2%		
EBITDA	\$ 32,527,064	\$ 32,072,182	\$ 454,882
EBITDA Margin	29.4%	29.7%	
EBITDA Margin Growth	-0.3%		

(1) The following hotels are included in the comparable portfolio for the time period "Three Months Ended", and include results as reported by the prior owners: Sanctuary Resort, Monterey Bay, CA (Acquired 1/28/2016), Hilton Garden Inn M Street, Washington, DC (Acquired 3/9/2016), The Envoy, Boston, MA (Acquired 7/21/2016), Courtyard, Sunnyvale, CA (Acquired 10/20/2016), The Ambrose Hotel, Santa Monica, CA (Acquired 12/1/2016), Mystic Marriott, Groton, CT (Acquired 1/3/2017), Ritz Carlton Coconut Grove, FL (Acquired 2/1/2017), and Pan Pacific, Seattle, WA (Acquired 2/21/2017).

(2) The following dispositions are excluded from the comparable portfolio: Cindat Joint Venture New York City Portfolio (Sold 4/29/2016), Hyatt Place, King of Prussia, PA (Sold 5/3/2016), Hawthorn Suites, Franklin, MA (Sold 9/7/2016), Residence Inn Framingham (Sold 11/4/2016), Residence Inn Norwood (Sold 11/4/2016), Residence Inn Greenbelt, MD (Sold 1/5/2017), and Courtyard Alexandria, VA (Sold 1/5/2017).

## PRO FORMA KEY PERFORMANCE INDICATORS

Three Months Ended Mar-2017

### Pro Forma Consolidated Results

Rooms Available	593,132
Rooms Occupied	462,288
Occupancy	77.9%
Average Daily Rate (ADR)	\$200.38
Revenue Per Available Room (RevPAR)	156.17
Room Revenues	92,631,345
Food & Beverage	11,367,378
Lease Income	748,662
Other Revenues	5,929,985
Total Revenues	\$ 110,677,369
GOP	\$ 44,491,589
GOP Margin	40.2%
EBITDA	\$ 32,515,457
EBITDA Margin	29.4%

Note: Pro Forma figures for the "Three Months Ended" reflect estimated results the Company would have achieved had each 2017 acquisition, in the table below, closed by the beginning of the reporting period.

2017 Acquisitions	
Hotel Name	Acquisition Date
Mystic Marriott, Groton, CT	January 3, 2017
Ritz Carlton Coconut Grove, FL	February 1, 2017
Pan Pacific, Seattle, WA	February 21, 2017

# TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 3/31/2017	Ownership %
<b>Ritz-Carlton</b>						
1.	Georgetown, DC	86	2014	12/29/2015	(*)	100.0%
2.	Coconut Grove, FL	115	2002	02/01/2017	\$0	100.0%
<b>Marriott</b>						
3.	Mystic, CT	285	2001	01/03/2017	(*)	100.0%
<b>Courtyard</b>						
4.	Brookline/Boston, MA	188	2003	06/16/2005	(*)	100.0%
5.	South Boston, MA	164	2005	07/01/2005	\$15,000	50.0%
6.	Los Angeles, CA	260	2008	05/19/2011	\$35,000	100.0%
7.	Miami Beach Oceanfront, FL	356	2004	11/16/2011	(*)	100.0%
8.	San Diego, CA	245	1999	05/30/2013	(*)	100.0%
9.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%
<b>Hampton Inn</b>						
10.	Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	30.0%
11.	Philadelphia, PA	250	2001	02/15/2006	(*)	100.0%
12.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	30.0%
13.	Herald Square, Manhattan, NY	136	2005	04/29/2016	(a)	30.0%
14.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%
15.	Pearl Street, Manhattan, NY	81	2014	07/22/2011	(*)	100.0%
16.	Washington, DC	228	2005	09/01/2010	(*)	100.0%
<b>Residence Inn</b>						
17.	Tysons Corner, VA	96	1984	02/02/2006	(*)	100.0%
18.	Coconut Grove, FL	140	2000	06/12/2013	(*)	100.0%
<b>Hyatt House</b>						
19.	White Plains, NY	159	2000	12/28/2006	(*)	100.0%
20.	Gaithersburg, MD	140	1998	12/28/2006	(*)	100.0%
21.	Pleasant Hill, CA	142	2003	12/28/2006	(*)	100.0%
22.	Pleasanton, CA	128	1998	12/28/2006	(*)	100.0%
23.	Scottsdale, AZ	164	1999	12/28/2006	(*)	100.0%
<b>Hyatt</b>						
24.	Union Square, NY	178	2013	04/09/2013	\$55,750	100.0%
<b>Holiday Inn Express</b>						
25.	Times Square, Manhattan, NY	210	2009	04/29/2016	(a)	30.0%
26.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%
27.	South Boston, MA	118	1998	10/07/2005	\$8,046	50.0%
28.	Chester, NY	80	2006	01/25/2007	(*)	100.0%
29.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	(*)	100.0%
30.	Water Street, Manhattan, NY	112	2010	04/29/2016	(a)	30.0%
<b>Hilton Garden Inn</b>						
31.	JFK Airport, NY	192	2005	02/16/2006	(*)	100.0%
32.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$46,180	100.0%
33.	Midtown East, Manhattan, NY	206	2014	05/27/2014	\$44,325	100.0%
34.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%
<b>Candlewood Suites</b>						
35.	Times Square, Manhattan, NY	188	2009	04/29/2016	(a)	30.0%
<b>Sheraton</b>						
36.	JFK Airport, NY	150	2008	06/13/2008	(*)	100.0%
37.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%
<b>Holiday Inn</b>						
38.	Wall Street, NY	113	2009	04/29/2016	(a)	30.0%
<b>TownePlace Suites</b>						
39.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%
<b>Independent</b>						
40.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	(*)	100.0%
41.	nu Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%
42.	Capitol Hill Hotel, Washington, DC	153	2007	04/15/2011	\$25,000	100.0%
43.	Rittenhouse Hotel, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%
44.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%
45.	Winter Haven, FL	70	2013	12/20/2013	(*)	100.0%
46.	Blue Moon Hotel, FL	75	2013	12/20/2013	(*)	100.0%
47.	Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$23,582	100.0%
48.	Parrot Key Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%
49.	Sanctuary Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,743 (b)	100.0%
50.	St. Gregory Hotel, Washington, DC	155	2014	06/16/2015	\$26,927 (b)	100.0%
51.	The Envoy, Boston, MA	136	2015	07/21/2016	(*)	100.0%
52.	The Ambrose Hotel, Santa Monica, CA	77	2015	12/01/2016	(*)	100.0%
53.	Pan Pacific, Seattle, WA	153	2006	02/21/2017	(*)	100.0%
<b>TOTAL</b>		<b>7,944</b>				

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

(a) Portfolio debt for these seven properties reflects the Cindat Hersha Joint Venture - \$332 million Senior and Mezzanine debt balance.

(b) Debt balance reflects original issue premium.

## PORTFOLIO STATISTICS - Q1 2017 ACTUALS

MARKETS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
West Coast	11	1,590	20%	32%
Miami & Key West	6	904	11%	24%
Washington, DC	7	1,096	14%	18%
New York City	17	2,474	31%	15%
Boston	6	798	10%	5%
Philadelphia	2	366	5%	2%
Other	4	716	9%	5%
<b>TOTAL</b>	<b>53</b>	<b>7,944</b>	<b>100%</b>	<b>100%</b>

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
100% Owned Assets	44	6,575	83%	97%
Unconsolidated JV Assets	9	1,369	17%	3%
<b>TOTAL</b>	<b>53</b>	<b>7,944</b>	<b>100%</b>	<b>100%</b>

HOTELS BY DESTINATION				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
Major Metro	48	7,165	90%	86%
Destination	5	779	10%	14%
<b>TOTAL</b>	<b>53</b>	<b>7,944</b>	<b>100%</b>	<b>100%</b>

HOTELS BY SEGMENT TYPE				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
Upscale Transient	15	2,552	32%	42%
Upper Upscale / Luxury	15	2,080	26%	26%
Upscale Extended Stay	7	969	12%	17%
Upper Midscale	16	2,343	29%	15%
<b>TOTAL</b>	<b>53</b>	<b>7,944</b>	<b>100%</b>	<b>100%</b>

MANAGERS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
HHM Managed	48	7,308	92%	96%
Marriott Managed	2	201	3%	3%
Pan Pacific Managed	1	153	2%	0.6%
Jiten Managed	2	282	4%	0.4%
<b>TOTAL</b>	<b>53</b>	<b>7,944</b>	<b>100%</b>	<b>100%</b>

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

**MORTGAGES, NOTES PAYABLE AND UNSECURED DEBT**

<b>Consolidated Properties</b>	<b>3/31/2017 Fixed Rate Balance</b>	<b>Capped or Fixed Rate</b>	<b>3/31/2017 Floating Rate Balance</b>	<b>Floating Rate</b>	<b>Maturity</b>
Hilton Garden Inn, Midtown East, NY	\$44,325,000	4.50%			02/2020
Hotel Milo - Santa Barbara, CA	\$23,582,325	4.40%			04/2023
Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: Sanctuary Resort, Monterey Bay, CA</i>	\$14,700,000 \$43,064	5.05% na			02/2024 na
St. Gregory - Washington, DC <i>Original Issue Premium: St. Gregory - Washington, DC</i>	\$24,786,555 \$2,140,858	6.30% na			09/2021 na
Courtyard - Sunnyvale, CA	\$40,600,000	4.72%			09/2025
Courtyard - Los Angeles, CA			\$35,000,000	LIBOR + 3.00%	09/2017
Capitol Hill Hotel - Washington DC			\$25,000,000	LIBOR + 2.25%	01/2018
Hilton Garden Inn, Tribeca, NY			\$46,180,347	LIBOR + 2.30%	11/2019
Hyatt - Union Square, NY			\$55,750,000	LIBOR + 2.30%	06/2019
Trust Preferred Tranche I			\$25,774,000	LIBOR + 3.00%	06/2035
Trust Preferred Tranche II			\$25,774,000	LIBOR + 3.00%	05/2035
Sub-Total	<u>\$150,177,802</u>		<u>\$213,478,347</u>		
<b>Total Consolidated Mortgage Debt</b>	<b>\$363,656,148</b>				
Ritz Carlton Coconut Grove Note Payable	\$3,150,000	6.00%			
<i>Mortgages Payable Deferred Financing Costs</i>	<u>(\$3,021,120)</u>				
<i>Notes Payable Deferred Financing Costs</i>	<u>(\$956,981)</u>				
<b>Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs</b>	<b><u>\$362,828,048</u></b>				
<b>Unsecured Debt</b>					
Line of Credit			\$0	LIBOR + 2.45%	02/2018
2019 Term Loan (\$210.5M)			\$210,520,000	LIBOR + 2.35%	02/2019
2020 Term Loan (\$300M) <sup>(1)</sup>			\$300,000,000	LIBOR + 2.25%	08/2020
2021 Term Loan (\$150M)	\$150,000,000	3.21%			08/2021
2021 Term Loan (\$50M)	<u>\$50,000,000</u>	3.89%			08/2021
Sub-Total	<u>\$200,000,000</u>		<u>\$510,520,000</u>		
<b>Total Unsecured Debt</b>	<b>\$710,520,000</b>				
<i>Term Loan Deferred Financing Costs</i>	<u>(\$3,015,216)</u>				
<b>Total Unsecured Debt, Net of Deferred Financing Costs</b>	<b><u>\$707,504,784</u></b>				
<b>TOTAL CONSOLIDATED DEBT</b>	<b><u>\$1,070,332,832</u></b>				

**UNCONSOLIDATED JOINT VENTURES**

<b>Unconsolidated Joint Ventures</b>	<b>3/31/2017 Fixed Rate Balance</b>	<b>Capped or Fixed Rate</b>	<b>3/31/2017 Floating Rate Balance</b>	<b>Floating Rate</b>	<b>Maturity</b>
Courtyard - South Boston, MA	\$15,000,000	3.14%			04/2021
Holiday Inn Express - South Boston, MA	\$8,046,108	4.13%			02/2032
Cindat Hersha - Senior Loan			\$282,414,987	LIBOR + 2.45%	05/2019
Cindat Hersha - Mezzanine Loan			<u>\$50,000,000</u>	LIBOR + 9.00%	05/2019
Sub-Total	<u>\$23,046,108</u>		<u>\$332,414,987</u>		
<b>Total Unconsolidated Joint Venture Debt</b>	<b><u>\$355,461,095</u></b>				

(1) The 2020 Term Loan (\$300M) entered into an interest rate swap with an effective date of Aug 10, 2017. It will be swapped for a tiered fixed rate until maturity: 3.693% from Aug 10, 2017 to Aug 10, 2018, 4.1155% from Aug 10, 2018 until Aug 10, 2019, and 4.3925% from Aug 10, 2019 until maturity Aug 10, 2020.

## ACQUISITION & DISPOSITION ACTIVITY AS OF 3/31/2017

### 2017 Acquisition Activity

As of 3/31/2017 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 3/31/2017	Ownership %
Mystic Marriot, Groton, CT	285	2001	01/03/2017	(a)	\$0	100.0%
Ritz Carlton Coconut Grove, FL	115	2002	02/01/2017	\$36,000	\$0	100.0%
Pan Pacific, Seattle, WA	153	2006	02/21/2017	\$79,000	\$0	100.0%
Total	553			\$115,000	\$0	

### 2017 Disposition Activity

As of 3/31/2017 (\$ Thousands)			
Name	Rooms	Disposition Date	Disposition Price
Courtyard Alexandria, VA	203	01/05/2017	\$27,000
Residence Inn Greenbelt, MD	120	01/05/2017	\$35,000
Total	323		\$62,000

(a) On January 3, 2017, we redeemed our joint venture interest in Mystic Partners, LLC by acquiring 100% ownership interest in the Mystic Marriott Hotel & Spa and transferring our minority ownership interests in the Hartford Marriott and Hartford Hilton to the joint venture partner.

## ENTERPRISE VALUE

March 31, 2017

(\$ Thousands)

	<u>March 31, 2017</u>
<b>Cash</b>	<b>\$47,633</b>
Unsecured Term Loan*	710,520
Revolving Line of Credit	0
Mortgages and Notes Payable - Consolidated Assets*	309,924
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	111,248
Trust Preferred Securities*	51,548
<b>Total Debt</b>	<b>1,183,240</b>
Series C Preferred Shares	75,000
Series D Preferred Shares	192,500
Series E Preferred Shares	100,000
Operating Partnership and LTIP Units (3,022,330 @ \$18.79)**	56,790
Class A Common Shares (41,794,680 @ \$18.79)**	785,322
<b>Total Equity</b>	<b>1,209,612</b>
<b>ENTERPRISE VALUE</b>	<b>\$2,345,218</b>

\* Excludes unamortized deferring financing costs and unamortized premiums.

\*\* Stock price and share counts as of March 31, 2017.



## UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Cindat Hersha JV	TOTAL
Ownership	50.0%	50.0%	30.0%	
Hersha Participating Preferred %	N/A	N/A	N/A*	
<b>THREE MONTHS ENDED MARCH 31, 2017</b>				
Joint Venture Net Loss	\$ (70)	\$ (228)	\$ (5,086)	\$ (5,384)
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 108	\$ 120	\$ 2,245	\$ 2,473
Debt Service	(106)	(125)	(3,517)	(3,748)
CapEx Reserve & Other	(54)	(53)	(513)	(620)
Cash Available for Distribution	<u>\$ (52)</u>	<u>\$ (58)</u>	<u>\$ (1,785)</u>	<u>\$ (1,895)</u>
<b>EBITDA</b>				
Hersha Net Loss from Unconsolidated JV	\$ (54)	\$ (116)	\$ (3,716)	\$ (3,886)
<b>Addback:</b>				
Step up and Outside Basis Amortization	19	2	(323)	(302)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	89	174	5,384	5,647
Hersha EBITDA from Unconsolidated JV	<u>\$ 54</u>	<u>\$ 60</u>	<u>\$ 1,345</u>	<u>\$ 1,459</u>

\* Our joint venture partner maintains a \$142,000 senior common equity interest in the Cindat Hersha JV. In addition to our junior common equity interest, Hersha has a \$43,193, 9% preferred equity interest in the Cindat Hersha JV.