

# HERSHA

## Q3 2017 Supplemental Schedules

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## KEY PERFORMANCE INDICATORS

### Consolidated Hotels

(Recorded from date of acquisition)

(includes 42 hotels in 2017 and 44 hotels in 2016)

(includes 47 hotels in 2017 and 52 hotels in 2016)

	Three Months Ended			Year to Date as of		
	Sep-2017	Sep-2016	Variance	Sep-2017	Sep-2016	Variance
Rooms Available	576,166	587,820		1,745,140	1,862,272	
Rooms Occupied	502,291	510,410		1,462,630	1,561,900	
Occupancy	87.2%	86.8%	35 bps	83.8%	83.9%	-6 bps
Average Daily Rate (ADR)	\$ 214.39	\$ 205.87	4.1%	\$ 213.81	\$ 200.21	6.8%
Revenue Per Available Room (RevPAR)	186.90	178.76	4.6%	179.20	167.92	6.7%
Room Revenues	\$ 107,687,636	\$ 105,078,764	\$ 2,608,872	\$ 312,726,081	\$ 312,709,356	\$ 16,725
Food & Beverage	14,791,740	9,407,056	5,384,684	40,397,471	25,457,615	14,939,856
Lease Income	362,610	342,751	19,859	1,147,407	1,059,391	88,016
Other Revenues	6,524,502	5,467,346	1,057,156	19,466,745	15,114,204	4,352,541
Total Revenues	\$ 129,366,489	\$ 120,295,917	\$ 9,070,572	\$ 373,737,705	\$ 354,340,566	\$ 19,397,139
GOP	\$ 56,931,873	\$ 57,005,012	\$(73,139)	\$ 165,733,890	\$ 167,130,905	\$(1,397,016)
GOP Margin	44.0%	47.4%		44.3%	47.2%	
GOP Margin Growth	-3.4%			-2.8%		
GOP Flow Through	-100.8%			-107.2%		
EBITDA	\$ 43,526,485	\$ 45,367,977	\$(1,841,491)	\$ 128,302,436	\$ 129,587,396	\$(1,284,961)
EBITDA Margin	33.6%	37.7%		34.3%	36.6%	
EBITDA Margin Growth	-4.1%			-2.2%		

### Comparable Hotels (1)(2)

(includes 42 hotels in both years)

(includes 42 hotels in both years)

	Three Months Ended			Year to Date as of		
	Sep-2017	Sep-2016	Variance	Sep-2017	Sep-2016	Variance
Rooms Available	576,166	592,112		1,740,494	1,763,349	
Rooms Occupied	502,293	519,068		1,459,770	1,474,099	
Occupancy	87.2%	87.7%	-49 bps	83.9%	83.6%	27 bps
Average Daily Rate (ADR)	\$ 214.39	\$ 217.49	-1.4%	\$ 214.96	\$ 214.29	0.3%
Revenue Per Available Room (RevPAR)	186.90	190.66	-2.0%	180.29	179.14	0.6%
Room Revenues	\$ 107,687,636	\$ 112,891,557	\$(5,203,921)	\$ 313,798,997	\$ 315,889,107	\$(2,090,110)
Food & Beverage	14,791,572	15,142,172	(350,601)	45,303,727	45,679,191	(375,463)
Lease Income	362,610	361,411	1,199	1,151,627	1,150,304	1,323
Other Revenues	6,524,213	6,621,909	(97,696)	19,800,687	18,423,128	1,377,559
Total Revenues	\$ 129,366,031	\$ 135,017,049	\$(5,651,018)	\$ 380,055,038	\$ 381,141,729	\$(1,086,691)
GOP	\$ 56,981,588	\$ 61,517,708	\$(4,536,120)	\$ 166,430,096	\$ 171,196,902	\$(4,766,805)
GOP Margin	44.0%	45.6%		43.8%	44.9%	
GOP Margin Growth	-1.5%			-1.1%		
GOP Flow Through	-80.3%			-438.7%		
EBITDA	\$ 43,576,028	\$ 48,748,444	\$(5,172,417)	\$ 128,394,852	\$ 133,728,379	\$(5,333,528)
EBITDA Margin	33.7%	36.1%		33.8%	35.1%	
EBITDA Margin Growth	-2.4%			-1.3%		

(1) The following hotels are included in the comparable portfolio for the time period "Year to Date", and include results as reported by the prior owners: The Sanctuary Beach 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), The Pan Pacific, Seattle, WA (Acquired 2/21/2017), and the Philadelphia Westin, PA (Acquired 6/29/2017). For the three months ended September 30, 2017, the comparable portfolio includes results as reported by the prior owners for all the hotels above, excluding The Sanctuary Beach Resort and the Hilton Garden Inn M Street as both of these hotels were owned for the full third quarter in 2016.

(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, MA (Sold 11/4/2016), Residence Inn Norwood, MA (Sold 11/4/2016), Residence Inn Greenbelt, MD (Sold 1/5/2017), Courtyard Alexandria, VA (Sold 1/5/2017), Hyatt House Scottsdale, AZ (Sold 6/8/2017), Hyatt House Pleasant Hill, CA (Sold 6/8/2017), and Hyatt House Pleasanton, CA (Sold 6/8/2017).

**2017 GUIDANCE: HOTEL OPERATION RESULTS**

Comparable Property RevPAR Growth	1.0% to 2.0%
Comparable Property EBITDA Margin Growth	-1.25% to -1.75%

**Comparable Portfolio Metrics**

	2017 Comparable Metrics			2016 Comparable Metrics				
	Q1 2017	Q2 2017	Q3 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	CY 2016
Occupancy	78.0%	86.4%	87.2%	76.5%	86.9%	87.7%	78.0%	82.2%
YoY Variance	1.5%	-0.5%	-0.5%					
ADR	\$200.55	\$228.13	\$214.39	\$198.47	\$224.69	\$217.49	\$216.27	\$214.76
YoY % Growth	1.1%	1.5%	-1.4%					
RevPAR	\$156.41	\$197.03	\$186.90	\$151.76	\$195.16	\$190.66	\$168.72	\$176.52
YoY % Growth	3.1%	1.0%	-2.0%					
EBITDA Margin	29.3%	38.3%	33.7%	29.7%	39.0%	36.1%	32.6%	34.4%
YoY Variance	-0.4%	-0.8%	-2.4%					

**Notes for Comparable Portfolio Adjustments**

The Company presents Comparable Operating Metrics to best reflect the performance of the current portfolio versus the same portfolio of hotels for the prior year period.

**2017 & 2016 Acquisitions:**

The Comparable Metrics above are adjusted to reflect the results the Company would have achieved had each acquisition in the table below closed by the beginning of each reporting period. Note that the first and second quarter figures are as reported and are not adjusted for acquisitions completed after the time periods. For example, the first quarter and second quarter figures for 2017 and 2016 do not reflect the results of the Philadelphia Westin. However, the third and fourth quarter along with full year 2016 do reflect the results of the Philadelphia Westin.

**2017 & 2016 Dispositions:**

The 2016 Comparable Metrics above are adjusted to exclude the results from the dispositions in the table below for all periods, except for the three Hyatt House assets that closed in June 2017. The Hyatt House portfolio's results are excluded in Q2 to Q4 2017, as well as full year 2017 comparable results.

	Date Acquired	Quarter Acquired/Sold
<b>2017 Acquisitions</b>		
Marriott Mystic Hotel & Spa, CT	01/03/2017	Q1
Ritz-Carlton Coconut Grove, FL	02/01/2017	Q1
The Pan Pacific Hotel, Seattle, WA	02/21/2017	Q1
Philadelphia Westin, PA	06/29/2017	Q2*
<b>2017 Dispositions</b>		
Residence Inn Greenbelt, MD	01/05/2017	Q1
Courtyard Alexandria, VA	01/05/2017	Q1
Hyatt House Pleasanton, CA	06/08/2017	Q2
Hyatt House Pleasant Hill, CA	06/08/2017	Q2
Hyatt House Scottsdale, CA	06/08/2017	Q2
<b>2016 Acquisitions</b>		
The Sanctuary Beach Resort, Monterey Bay, CA	01/28/2016	Q1
Hilton Garden Inn M Street, Washington DC	03/09/2016	Q1
The Envoy, Boston, MA	07/21/2016	Q3
Courtyard Sunnyvale, CA	10/20/2016	Q4
The Ambrose Hotel, Santa Monica, CA	12/01/2016	Q4
<b>2016 Dispositions</b>		
Cindat NYC Joint Venture Portfolio	04/29/2016	Q2
Hyatt Place King of Prussia, PA	05/03/2016	Q2
Hawthorn Suites Franklin, MA	09/07/2016	Q3
RI Norwood and Framingham, MA	11/04/2016	Q4

(\*) Property included in Comparable results beginning in Q3 2017.

# TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 9/30/2017	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>Westin</b>						
3.	Philadelphia, PA	294	2015	06/29/2017	(*)	100.0%
<b>Marriott</b>						
4.	Mystic, CT	285	2001	01/03/2017	(*)	100.0%
<b>Courtyard</b>						
5.	Brookline/Boston, MA	188	2003	06/16/2005	(*)	100.0%
6.	South Boston, MA	164	2005	07/01/2005	\$15,000	50.0%
7.	Los Angeles, CA	260	2008	05/19/2011	\$35,000	100.0%
8.	Miami Beach Oceanfront, FL	356	2004	11/16/2011	(*)	100.0%
9.	San Diego, CA	245	1999	05/30/2013	(*)	100.0%
10.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%
<b>Hampton Inn</b>						
11.	Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	30.0%
12.	Philadelphia, PA	250	2001	02/15/2006	(*)	100.0%
13.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	30.0%
14.	Herald Square, Manhattan, NY	136	2005	04/29/2016	(a)	30.0%
15.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%
16.	Pearl Street, Manhattan, NY	81	2014	07/22/2011	(*)	100.0%
17.	Washington, DC	228	2005	09/01/2010	(*)	100.0%
<b>Residence Inn</b>						
18.	Tysons Corner, VA	96	1984	02/02/2006	(*)	100.0%
19.	Coconut Grove, FL	140	2000	06/12/2013	(*)	100.0%
<b>Hyatt House</b>						
20.	White Plains, NY	159	2000	12/28/2006	(*)	100.0%
21.	Gaithersburg, MD	140	1998	12/28/2006	(*)	100.0%
<b>Hyatt</b>						
22.	Union Square, NY	178	2013	04/09/2013	\$55,750	100.0%
<b>Holiday Inn Express</b>						
23.	Times Square, Manhattan, NY	210	2009	04/29/2016	(a)	30.0%
24.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%
25.	South Boston, MA	118	1998	10/07/2005	\$10,623	50.0%
26.	Chester, NY	80	2006	01/25/2007	(*)	100.0%
27.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	(*)	100.0%
28.	Water Street, Manhattan, NY	112	2010	04/29/2016	(a)	30.0%
<b>Hilton Garden Inn</b>						
29.	JFK Airport, NY	192	2005	02/16/2006	(*)	100.0%
30.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$45,791	100.0%
31.	Midtown East, Manhattan, NY	206	2014	05/27/2014	\$44,325	100.0%
32.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%
<b>Candlewood Suites</b>						
33.	Times Square, Manhattan, NY	188	2009	04/29/2016	(a)	30.0%
<b>Sheraton</b>						
34.	JFK Airport, NY	150	2008	06/13/2008	(*)	100.0%
35.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%
<b>Holiday Inn</b>						
36.	Wall Street, NY	113	2009	04/29/2016	(a)	30.0%
<b>TownePlace Suites</b>						
37.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%
<b>Independent</b>						
38.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	(*)	100.0%
39.	NU Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%
40.	The Capitol Hill Hotel, Washington, DC	153	2007	04/15/2011	\$25,000	100.0%
41.	The Rittenhouse, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%
42.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%
43.	The Winter Haven Hotel, FL	70	2013	12/20/2013	(*)	100.0%
44.	The Blue Moon Hotel, FL	75	2013	12/20/2013	(*)	100.0%
45.	The Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$23,352	100.0%
46.	The Parrot Key Hotel & Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%
47.	The Sanctuary Beach Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,740 (b)	100.0%
48.	The St. Gregory Hotel, Washington, DC	155	2014	06/16/2015	\$26,348 (b)	100.0%
49.	The Envoy, Boston, MA	136	2015	07/21/2016	(*)	100.0%
50.	The Ambrose Hotel, Santa Monica, CA	77	2015	12/01/2016	(*)	100.0%
51.	The Pan Pacific Hotel, Seattle, WA	153	2006	02/21/2017	(*)	100.0%
<b>TOTAL</b>		<b>7,804</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 - \$334.5 million Senior and Mezzanine debt balance.

(b) Debt balance reflects original issue premium.

**PORTFOLIO STATISTICS - Q3 2017 ACTUALS**

MARKETS				
Consolidated Assets				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA<sup>(1)</sup></u>
New York City	10	1,387	18%	24%
West Coast	8	1,156	15%	23%
Boston	4	516	7%	15%
Washington, DC	7	1,096	14%	12%
Philadelphia	3	660	8%	9%
Miami & Key West	6	904	12%	3%
Other	4	716	9%	7%
Total Consolidated Assets	42	6,435	82%	93%
Total Unconsolidated JV Assets	9	1,369	18%	7%
<b>TOTAL</b>	<b>51</b>	<b>7,804</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	42	6,435	82%	93%
Unconsolidated JV Assets	9	1,369	18%	7%
<b>TOTAL</b>	<b>51</b>	<b>7,804</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	47	7,189	92%	91%
Destination	4	615	8%	9%
<b>TOTAL</b>	<b>51</b>	<b>7,804</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	47	7,321	94%	99%
Jiten Managed	2	282	4%	2%
Marriott Managed	2	201	3%	-1%
<b>TOTAL</b>	<b>51</b>	<b>7,804</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>
Upper Upscale / Luxury	21	2,781	36%	39%
Upscale Transient	10	2,145	27%	33%
Upscale Extended Stay	4	535	7%	5%
Upper Midscale	16	2,343	30%	23%
<b>TOTAL</b>	<b>51</b>	<b>7,804</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>9/30/2017 Fixed Rate Balance</b>	<b>Capped or Fixed Rate</b>	<b>9/30/2017 Floating Rate Balance</b>	<b>Floating Rate</b>	<b>Maturity</b>
Hilton Garden Inn, Midtown East, NY	\$44,325,000	4.50%			02/2020
Courtyard - Los Angeles, CA	\$35,000,000	4.43%			08/2021
The St. Gregory Hotel - Washington, DC <i>Original Issue Premium: The St. Gregory Hotel - Washington, DC</i>	\$24,460,063 \$1,888,373	6.30% na			09/2021 na
The Hotel Milo - Santa Barbara, CA	\$23,351,847	4.40%			04/2023
The Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: The Sanctuary Resort, Monterey Bay, CA</i>	\$14,700,000 \$39,824	5.05% na			02/2024 na
Courtyard - Sunnyvale, CA	\$40,600,000	4.72%			09/2025
The Capitol Hill Hotel - Washington DC			\$25,000,000	LIBOR + 2.25%	01/2018
Hyatt - Union Square, NY			\$55,750,000	LIBOR + 2.30%	06/2019
Hilton Garden Inn, Tribeca, NY			\$45,791,240	LIBOR + 2.30%	11/2019
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>\$184,365,107</u>		<u>\$178,089,240</u>		
<b>Total Consolidated Mortgage Debt</b>	<b>\$362,454,347</b>				
Ritz-Carlton Coconut Grove Note Payable	\$3,150,000	6.00%			
<i>Mortgages Payable Deferred Financing Costs</i>	<i>(\$2,856,570)</i>				
<i>Notes Payable Deferred Financing Costs</i>	<i>(\$930,547)</i>				
<b>Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs</b>	<b><u>\$361,817,230</u></b>				
<b>Unsecured Debt</b>					
2020 Term Loan (\$300M) <sup>(1)</sup>	\$300,000,000	3.69%			08/2020
2021 Term Loan (\$150M)	\$150,000,000	3.21%			08/2021
2021 Term Loan (\$50M)	\$50,000,000	3.89%			08/2021
Line of Credit			\$0	LIBOR + 2.25%	08/2021
2022 Term Loan (\$225M)			\$225,000,000	LIBOR + 2.20%	08/2022
Sub-Total	<u>\$500,000,000</u>		<u>\$225,000,000</u>		
<b>Total Unsecured Debt</b>	<b>\$725,000,000</b>				
<i>Term Loan Deferred Financing Costs</i>	<i>(\$3,638,803)</i>				
<b>Total Unsecured Debt, Net of Deferred Financing Costs</b>	<b><u>\$721,361,197</u></b>				
<b>TOTAL CONSOLIDATED DEBT</b>	<b><u>\$1,083,178,427</u></b>				

**UNCONSOLIDATED JOINT VENTURES**

<b>Unconsolidated Joint Ventures</b>	<b>9/30/2017 Fixed Rate Balance</b>	<b>Capped or Fixed Rate</b>	<b>9/30/2017 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	\$10,623,225	4.13%			02/2032
Cindat Hersha - Senior Loan			\$284,450,307	LIBOR + 2.45%	05/2019
Cindat Hersha - Mezzanine Loan			\$50,000,000	LIBOR + 9.00%	05/2019
Sub-Total	<u>\$25,623,225</u>		<u>\$334,450,307</u>		
<b>Total Unconsolidated Joint Venture Debt</b>	<b><u>\$360,073,531</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 9/30/2017

### 2017 Acquisition Activity

As of 9/30/2017 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 9/30/2017	Ownership %
Mystic Marriot Hotel & Spa, 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%
The Pan Pacific Hotel, Seattle, WA	153	2006	02/21/2017	\$79,000	\$0	100.0%
Philadelphia Westin, PA	294	2015	06/29/2017	\$135,000	\$0	100.0%
Total	847			\$250,000	\$0	

### 2017 Disposition Activity

As of 9/30/2017 (\$ 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
Hyatt House Scottsdale, AZ	164	06/08/2017	\$36,000
Hyatt House Pleasant Hill, CA	142	06/08/2017	\$45,000
Hyatt House Pleasanton, CA	128	06/08/2017	\$49,500
Total	757		\$192,500

(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

September 30, 2017

(\$ Thousands)

	<u>September 30, 2017</u>
<b>Cash</b>	<b>\$57,529</b>
Unsecured Term Loans*	725,000
Revolving Line of Credit	0
Mortgages and Notes Payable - Consolidated Assets*	312,129
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	113,147
Trust Preferred Securities*	51,548
<b>Total Debt</b>	<b>1,201,824</b>
Series C Preferred Shares	75,000
Series D Preferred Shares	192,500
Series E Preferred Shares	100,000
Operating Partnership and LTIP Units (3,223,366 @ \$18.67)**	60,180
Class A Common Shares (41,608,976 @ \$18.67)**	776,840
<b>Total Equity</b>	<b>1,204,520</b>
<b>ENTERPRISE VALUE</b>	<b>\$2,348,815</b>

\* Excludes unamortized deferring financing costs and unamortized premiums.

\*\* Stock price and share counts as of September 30, 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 SEPTEMBER 30, 2017</b>				
Joint Venture Net Income	\$ 469	\$ 650	\$ 519	\$ 1,638
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 637	\$ 1,014	\$ 8,514	\$ 10,165
Debt Service	(61)	(132)	(3,978)	(4,171)
CapEx Reserve & Other	(66)	(101)	(864)	(1,031)
Cash Available for Distribution	<u>\$ 510</u>	<u>\$ 781</u>	<u>\$ 3,672</u>	<u>\$ 4,963</u>
<b>EBITDA</b>				
Hersha Net Income from Unconsolidated JV	\$ 216	\$ 323	\$ -	\$ 539
<b>Addback:</b>				
Step up and Outside Basis Amortization	19	2	(322)	(301)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	83	182	3,563	3,828
Hersha EBITDA from Unconsolidated JV	<u>\$ 318</u>	<u>\$ 507</u>	<u>\$ 3,241</u>	<u>\$ 4,066</u>
<b>NINE MONTHS ENDED SEPTEMBER 30, 2017</b>				
Joint Venture Net Income (Loss)	\$ 1,012	\$ 1,272	\$ (3,508)	\$ (1,224)
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 1,554	\$ 2,343	\$ 19,510	\$ 23,407
Debt Service	(254)	(390)	(11,264)	(11,908)
CapEx Reserve & Other	(195)	(257)	(2,227)	(2,679)
Cash Available for Distribution	<u>\$ 1,105</u>	<u>\$ 1,696</u>	<u>\$ 6,019</u>	<u>\$ 8,820</u>
<b>EBITDA</b>				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 451	\$ 629	\$ (3,716)	\$ (2,636)
<b>Addback:</b>				
Step up and Outside Basis Amortization	56	7	(968)	(905)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	270	536	12,573	13,379
Hersha EBITDA from Unconsolidated JV	<u>\$ 777</u>	<u>\$ 1,172</u>	<u>\$ 7,889</u>	<u>\$ 9,838</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.

## HOTEL EBITDA RECONCILIATION

(in thousands)

	Three Months Ended		Year to Date as of	
	Sep-2017	Sep-2016	Sep-2017	Sep-2016
Operating income	\$ 12,675	\$ 21,356	\$ 44,870	\$ 53,451
Other revenue	(79)	(92)	(1,113)	(192)
Depreciation and amortization	21,658	18,704	61,234	57,259
General and administrative	3,407	3,886	10,674	11,462
Share based compensation	1,512	1,514	5,468	5,793
Acquisition and terminated transaction costs	297	170	2,121	1,733
Loss from impairment of assets	3,812	-	3,812	-
Straight-line amortization of ground lease expense	234	159	602	482
Other	10	(329)	634	(401)
<b>Hotel EBITDA</b>	<b>\$ 43,526</b>	<b>\$ 45,368</b>	<b>\$ 128,302</b>	<b>\$ 129,587</b>

\* Hotel EBITDA reflects consolidated hotels recorded from date of acquisition.