

Q4 2013 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 43 hotels in 2013 and 38 in 2012)

(includes 43 hotels in 2013 and 38 in 2012)

	Three Months Ended			Year to Date as of		
	Dec-2013	Dec-2012	Variance	Dec-2013	Dec-2012	Variance
Rooms Available	568,500	507,193		2,159,497	1,984,461	
Rooms Occupied	446,857	397,083		1,722,095	1,560,326	
Occupancy	78.6%	78.3%	31 bps	79.7%	78.6%	112 bps
Average Daily Rate (ADR)	\$ 189.05	\$ 192.83	-2.0%	\$ 179.70	\$ 175.23	2.6%
Revenue Per Available Room (RevPAR)	148.60	150.97	-1.6%	143.30	137.78	4.0%
Room Revenues	\$ 84,477,340	\$ 76,570,056	\$ 7,907,285	\$ 309,452,442	\$ 273,410,448	\$ 36,041,994
Food & Beverage	4,601,005	4,262,962	338,044	15,908,999	14,720,046	1,188,954
Lease Income	668,634	643,356	25,278	2,880,393	2,570,523	309,870
Other Revenues	2,262,130	2,511,544	(249,414)	9,280,078	8,114,104	1,165,974
Total Revenues	\$ 92,009,110	\$ 83,987,918	\$ 8,021,192	\$ 337,521,912	\$ 298,815,121	\$ 38,706,792
GOP	\$ 44,511,517	\$ 44,100,715	\$ 410,802	\$ 161,156,930	\$ 147,115,514	\$ 14,041,416
GOP Margin	48.4%	52.5%		47.7%	49.2%	
GOP Margin Growth	-4.1%			-1.5%		
GOP Flow Through	5.1%			36.3%		
EBITDA	\$ 34,570,383	\$ 35,438,844	\$(868,461)	\$ 124,528,954	\$ 116,755,465	\$ 7,773,488
EBITDA Margin	37.6%	42.2%		36.9%	39.1%	
EBITDA Margin Growth	-4.6%			-2.2%		

PRO FORMA KEY PERFORMANCE INDICATORS

Consolidated Hotels

	Three Months Ended Mar-2013	Three Months Ended Jun-2013	Three Months Ended Sep-2013	Three Months Ended Dec-2013	Twelve Months Ended Dec-2013
	Excluding Results of 18 Hotels Sold During 2013 ⁽¹⁾	Excluding Results of 16 Hotels Sold During 2013 ⁽²⁾	As Reported ⁽³⁾	As Reported ⁽³⁾	Excluding Results of 18 Hotels Sold During 2013 ⁽¹⁾
Rooms Available	493,116	531,161	566,720	568,500	2,159,497
Rooms Occupied	366,613	442,323	466,302	446,857	1,722,095
Occupancy	74.3%	83.3%	82.3%	78.6%	79.7%
Average Daily Rate (ADR)	\$161.86	\$187.64	\$177.22	\$189.05	\$179.70
Revenue Per Available Room (RevPAR)	120.34	156.26	145.82	148.60	143.30
Room Revenues	59,339,572	82,999,015	82,636,514	84,477,340	309,452,442
Food & Beverage	2,964,639	4,372,362	3,970,993	4,601,005	15,908,999
Lease Income	733,597	755,030	723,132	668,634	2,880,393
Other Revenues	2,163,115	2,021,449	2,833,384	2,262,130	9,280,078
Total Revenues	\$ 65,200,924	\$ 90,147,855	\$ 90,164,023	\$ 92,009,110	\$ 337,521,912
GOP	\$ 27,358,527	\$ 46,169,789	\$ 43,117,097	\$ 44,511,517	\$ 161,156,930
GOP Margin	42.0%	51.2%	47.8%	48.4%	47.7%
EBITDA	\$ 19,457,459	\$ 37,211,083	\$ 33,290,029	\$ 34,570,383	\$ 124,528,954
EBITDA Margin	29.8%	41.3%	36.9%	37.6%	36.9%

Note: Figures above do not include pro forma results for acquisitions closed in 2013. Figures above only reflect pro forma results for Hersha's portfolio excluding dispositions closed/announced in 2013.

(1) Pro Forma analysis removes 16 Non-Core II properties, Comfort Inn Harrisburg, and Holiday Inn Express Camp Springs from Hersha's reported results.

(2) Pro Forma analysis removes 16 Non-Core II properties. Comfort Inn Harrisburg and Holiday Inn Express Camp Springs were classified as assets held for sale and were therefore already excluded from reported results.

(3) Pro Forma analysis reflects reported results. 16 Non-Core II properties, Comfort Inn Harrisburg, and Holiday Inn Express Camp Springs were classified as assets held for sale and were therefore already excluded from reported results.

TOTAL PORTFOLIO SUMMARY

Continuing Operations - December 31, 2013

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 12/31/2013 (\$ 000s)	Ownership %	Hersha Preferred Equity Return
Marriott							
1.	Mystic, CT	285	2001	08/09/2005	\$42,816	66.7%	8.50%
2.	Hartford, CT	409	2005	02/08/2006	\$36,135	15.0%	8.50%
Hilton							
3.	Hartford, CT	393	2005	10/06/2005	\$7,942	8.8%	8.50%
Courtyard							
4.	Alexandria, VA	203	2006	09/29/2006	\$23,755	100.0%	
5.	Brookline/Boston, MA	188	2003	06/16/2005	\$37,065	100.0%	
6.	Norwich, CT	144	1997	08/09/2005	\$8,699	66.7%	8.50%
7.	South Boston, MA	164	2005	07/01/2005	\$13,382	50.0%	
8.	Los Angeles, CA	260	2008	05/19/2011	\$30,000	100.0%	
9.	Miami Beach Oceanfront, FL	357	2004	11/16/2011	\$60,000	100.0%	
10.	San Diego, CA	245	1999	05/30/2013	(*)	100.0%	
Hampton Inn							
11.	Times Square, Manhattan, NY	184	2009	02/10/2010	(*)	100.0%	
12.	Philadelphia, PA	250	2001	02/15/2006	(*)	100.0%	
13.	Chelsea, Manhattan, NY	144	2003	08/29/2003	\$34,204	100.0%	
14.	Herald Square, Manhattan, NY	136	2005	04/01/2005	\$23,650	100.0%	
15.	Seaport, Manhattan, NY	65	2006	02/01/2007	\$18,307	(a)	100.0%
16.	Pearl Street, Manhattan, NY	81	(b)	07/22/2011	\$0	100.0%	
17.	Washington, DC	228	2005	09/01/2010	(*)	100.0%	
Residence Inn							
18.	Tysons Corner, VA	96	1984	02/02/2006	\$0	100.0%	
19.	Framingham, MA	125	2000	03/26/2004	(*)	100.0%	
20.	Coconut Grove, FL	140	2000	06/12/2013	(*)	100.0%	
21.	Greenbelt, MD	120	2002	07/16/2004	\$10,491	100.0%	
22.	Norwood, MA	96	2006	07/27/2006	(*)	100.0%	
Hyatt House							
23.	White Plains, NY	159	2000	12/28/2006	\$33,030	100.0%	
24.	Gaithersburg, MD	140	1998	12/28/2006	\$13,720	100.0%	
25.	Pleasant Hill, CA	142	2003	12/28/2006	\$20,160	100.0%	
26.	Pleasanton, CA	128	1998	12/28/2006	\$14,490	100.0%	
27.	Scottsdale, AZ	164	1999	12/28/2006	\$16,778	100.0%	
Hyatt Hotel							
28.	Union Square, NY	178	2013	04/9/2013	\$55,000	100.0%	
Holiday Inn Express							
29.	Times Square, Manhattan, NY	210	2009	02/10/2010	(*)	100.0%	
30.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%	
31.	South Boston, MA	118	1998	10/07/2005	\$7,724	50.0%	
32.	Chester, NY	80	2006	01/25/2007	\$6,366	100.0%	
33.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	\$55,714	(a)	100.0%
34.	Water Street, Manhattan, NY	112	2010	03/25/2011	(*)	100.0%	
Hilton Garden Inn							
35.	JFK Airport, NY	192	2005	02/16/2006	\$20,016	100.0%	
36.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$31,317	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	\$7,697	100.0%	
Independent							
42.	373 Fifth Avenue, Manhattan, NY	70	2007	06/01/2007	\$18,477	100.0%	
43.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	\$14,597	100.0%	
44.	nu Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%	
45.	Capitol Hill Hotel, Washington, DC	152	2007	04/15/2011	\$27,119	100.0%	
46.	The Rittenhouse, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%	
47.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%	
48.	Winter Haven, FL	70	2013	12/20/2013	(*)	100.0%	
49.	Blue Moon, FL	75	2013	12/20/2013	(*)	100.0%	
Hyatt Place							
50.	Valley Forge, PA	129	2010	08/17/2010	(*)	100.0%	
TOTAL		7,998					

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

(a) Debt balance reflects original issue premium or discount

(b) Property is a redevelopment project that is expected to be completed in 2014

PORTFOLIO STATISTICS - Q4 2013 ACTUALS

MARKETS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
New York City	18	2,497	31%	60%
Boston	7	883	11%	10%
West Coast	5	939	12%	9%
Washington, DC	6	939	12%	7%
Miami	4	642	8%	6%
Philadelphia	3	495	6%	3%
Other	7	1,603	20%	5%
TOTAL	50	7,998	100%	100%

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
100% Owned Assets	44	6,485	81%	96%
Unconsolidated JV Assets	6	1,513	19%	4%
TOTAL	50	7,998	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	7,405	93%	97%
Destination	2	449	6%	3%
Secondary	1	144	2%	0.3%
All Types	50	7,998	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	2,716	34%	52%
Upscale Transient	13	2,270	28%	26%
Upscale Extended Stay	11	1,439	18%	13%
Upper Upscale	6	1,573	20%	10%
All Segments	50	7,998	100%	100%

MANAGERS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
HHM Managed	44	6,485	81%	96%
Waterford Managed	4	1,231	15%	3%
Jiten Managed	2	282	4%	1%
TOTAL	50	7,998	100%	100%

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

MORTGAGES AND NOTES PAYABLE

Continuing Operations - December 31, 2013

	12/31/2013	Capped or	12/31/2013		
	Fixed Rate	Fixed	Floating Rate	Floating	Maturity
Consolidated Properties	Balance	Rate	Balance	Rate	
Capitol Hill Hotel - Washington DC	\$27,118,896	3.79%			02/2015
Courtyard - Miami Beach, FL	\$60,000,000	4.32%			07/2016
Courtyard - Los Angeles, CA	\$30,000,000	4.10%			09/2017
Courtyard - Brookline, MA	\$37,065,088	5.35%			07/2015
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	\$6,366,385	5.63%			03/2017
Hilton Garden Inn - JFK Airport, NY	\$20,015,637	5.82%			04/2017
Hampton Inn - Herald Square, NY	\$23,650,039	6.09%			04/2016
Hampton Inn - Chelsea, NY	\$34,203,899	6.24%			10/2016
Residence Inn - Greenbelt, MD	\$10,490,649	6.25%			10/2014
Courtyard - Alexandria, VA	\$23,755,224	6.25%			10/2016
Hampton Inn - Seaport, NY	\$18,047,273	6.36%			10/2016
<i>Original Issue Premium: Hampton Inn - Seaport, NY</i>	\$259,735	na			na
Hawthorn Suites - Franklin, MA	\$7,697,344	6.40%			05/2016
Holiday Inn Express - Madison Square Garden (29th St), NY	\$53,507,112	6.50%			11/2016
<i>Original Issue Premium: Holiday Inn Express - Madison Square Garden (29th St), NY</i>	\$2,206,536	na			na
Duane Street Hotel - Manhattan, NY	\$14,596,580	7.15%			02/2018
Hilton Garden Inn, Tribeca, NY	\$31,317,453	8.25%			02/2015
Hotel 373 - Manhattan, NY			\$18,477,148	LIBOR + 3.85%	06/2017
Hyatt - Union Square, NY			\$55,000,000	LIBOR + 4.19%	04/2016
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>\$498,475,851</u>		<u>125,025,148</u>		
Total Consolidated Mortgage Debt	<u>\$623,500,999</u>				
Unconsolidated Joint Ventures					
Courtyard - Norwich, CT	\$8,699,099	5.63%			08/2015
Courtyard - South Boston, MA	\$13,381,636	5.75%			06/2016
Marriott - Mystic, CT	\$42,816,024	6.24%			08/2017
HIEXP - South Boston	\$7,724,172	4.25%			06/2027
Hilton - Hartford, CT			\$7,942,166	LIBOR + 0.20%	08/2030
Marriott - Hartford, CT			\$36,135,000	LIBOR + 4.0%	(a) 12/2013
Sub-Total	<u>\$72,620,931</u>		<u>\$44,077,166</u>		
Total Unconsolidated Joint Venture Debt	<u>\$116,698,097</u>				

(a) Subject to a floor of 6.0%.

ACQUISITION & DISPOSITION ACTIVITY AS OF 12/31/2013

2013 Acquisition Activity

As of 12/31/2013 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 12/31/2013	Ownership %
Hyatt Union Square, New York, NY	178	2013	04/09/2013	\$122,000	\$55,000	100.0%
Courtyard by Marriot, San Diego, CA	245	1999	05/30/2013	\$71,000	\$0	100.0%
Residence Inn, Coconut Grove, FL	140	2000	06/12/2013	\$21,820	\$0	100.0%
Winter Haven, Miami, FL	70	2013	12/20/2013	\$24,597	\$0	100.0%
Blue Moon, Miami, FL	75	2013	12/20/2013	\$26,353	\$0	100.0%
Total	708			\$265,770	\$55,000	

Hyatt Union Square - Acquisition Cost Bridge to Book Value

	(\$ Millions)
Initial Purchase Price	\$105.0
Restaurant Fit Out	\$1.9
Pre-Opening	\$1.0
FF&E	\$2.0
Non-Cash FMV Gain on Acquisition	\$12.1
Total	\$122.0

2013 Disposition Activity

As of 12/31/2013 (\$ Thousands)				
Name	Rooms	Disposition Date	Disposition Price	Ownership %
Courtyard by Marriott, Warwick, RI	92	02/01/2013	\$7,150	66.7%
Comfort Inn, Harrisburg, PA (Allentown Blvd)	76	06/12/2013	\$3,700	100.0%
Holiday Inn Express, Camp Springs, MD	127	09/17/2013	\$8,500	100.0%
Non-Core Portfolio ⁽¹⁾	1,734	12/18/2013	\$217,000	100.0%
Total	2,029		\$236,350	

⁽¹⁾ We closed on the sale of 16 assets previously identified as our non-core portfolio.

RECENT REFINANCING ACTIVITY

HOTEL	Current Loan	Rate	Maturity	Lender	Previous Loan	Rate	Maturity	Lender
Duane Street Hotel - Manhattan, NY	\$9.5 mm	Swapped at 5.43% through maturity date	02/01/2019 ⁽¹⁾	Wells Fargo	\$15.0 mm	7.15%	02/01/2018	Wells Fargo
HT Corporate Credit Line & Term Loan	\$400.0 mm ⁽²⁾	LIBOR + 1.75% to 2.65% based on applicable Debt / EBITDA ratio Term loan is fixed at 3.21% ⁽³⁾	11/2016 11/2017 ⁽⁴⁾	Bank Group	\$250.0 mm ⁽²⁾	LIBOR + 3.50% or 3.75% based on applicable tier, subject to a LIBOR floor of 0.75%	11/2014 ⁽¹⁾	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
Holiday Inn Express - South Boston, MA	\$8.0 mm	Fixed at 4.25% for 5 years and then floating thereafter at FHLB rate + 3.0% with floor of 4.25%	06/01/2027	Regional Bank	\$6.5 mm	6.75%	02/01/2015	Regional Bank
Courtyard - Miami Beach Oceanfront	\$60.0 mm	Swapped at 4.32% through maturity date	07/01/2017 ⁽¹⁾	National Bank	\$30.0 mm	6.73%	06/01/2012	National Bank
Hotel 373 - Manhattan, NY	\$19.0 mm	LIBOR + 3.85%	06/01/2017	Regional Bank	\$22.0 mm	LIBOR + 2.0% Subject to LIBOR Floor of 4.0%	05/01/2012	Financial Institution
Capitol Hill Hotel - Washington DC	\$27.5 mm	3.79%	02/01/2017 ⁽¹⁾	National Bank	\$32.5 mm	5.81%	02/01/2012	National Bank

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

(2) Total of \$400 million is comprised of \$250 million line of credit and \$150 million term loan. Prior loan consisted of \$250 million line of credit only.

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

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

ENTERPRISE VALUE

December 31, 2013

(\$ Thousands)

	<u>December 31, 2013</u>
Cash	\$36,213
Unsecured Term Loan	150,000
Revolving Line of Credit	0
Mortgages and Notes Payable - Consolidated Assets	571,953
Liabilities Related to Assets Held for Sale	45,835
Mortgages Payable - HT Portion of Unconsolidated JV Assets	51,033
Trust Preferred Securities	51,548
Total Debt	870,369
Series B Preferred Shares	115,000
Series C Preferred Shares	75,000
Operating Partnership Units (6,914,716 @ \$5.57)*	38,515
Class A Common Shares (202,759,419 @ \$5.57)*	1,129,370
Total Equity	1,357,885
ENTERPRISE VALUE	\$2,192,041

* Stock price and share counts as of December 31, 2013

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 DECEMBER 31, 2013				
Joint Venture Net Income	\$ 186	\$ 88	\$ 181	\$ 455
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 427	\$ 512	\$ 3,258	\$ 4,197
Debt Service	(133)	(285)	(2,281)	(2,699)
CapEx Reserve & Other	(53)	(54)	(725)	(832)
Cash Available for Distribution	<u>\$ 241</u>	<u>\$ 173</u>	<u>\$ 252</u>	<u>\$ 666</u>
EBITDA				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 76	\$ 22	\$ (99)	\$ (1)
Addback:				
Step up and Outside Basis Amortization	18	21	108	147
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	120	213	3,194	3,527
Hersha EBITDA from Unconsolidated JV	<u>\$ 214</u>	<u>\$ 256</u>	<u>\$ 3,203</u>	<u>\$ 3,673</u>
TWELVE MONTHS ENDED DECEMBER 31, 2013				
Joint Venture Net Income	\$ 677	\$ 397	\$ 1,540	\$ 2,614
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 1,633	\$ 2,068	\$ 11,829	\$ 15,530
Debt Service	(527)	(1,132)	(8,445)	(10,104)
CapEx Reserve & Other	(222)	(234)	(2,823)	(3,279)
Cash Available for Distribution	<u>\$ 884</u>	<u>\$ 702</u>	<u>\$ 561</u>	<u>\$ 2,147</u>
EBITDA				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 265	\$ 113	\$ (400)	\$ (22)
Addback:				
Step up and Outside Basis Amortization	74	85	437	596
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	478	836	11,584	12,898
Hersha EBITDA from Unconsolidated JV	<u>\$ 817</u>	<u>\$ 1,034</u>	<u>\$ 11,621</u>	<u>\$ 13,472</u>