

HERSHA

Q3 2015 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 48 hotels in 2015 and 46 hotels in 2014)

(includes 48 hotels in 2015 and 47 hotels in 2014)

	Three Months Ended			Year to Date as of		
	Sep-2015	Sep-2014	Variance	Sep-2015	Sep-2014	Variance
Rooms Available	651,710	633,880		1,901,306	1,817,725	
Rooms Occupied	569,805	546,513		1,611,815	1,510,005	
Occupancy	87.4%	86.2%	122 bps	84.8%	83.1%	170 bps
Average Daily Rate (ADR)	\$ 199.45	\$ 189.47	5.3%	\$ 195.06	\$ 184.21	5.9%
Revenue Per Available Room (RevPAR)	174.38	163.35	6.8%	165.36	153.03	8.1%
Room Revenues	\$ 113,645,492	\$ 103,545,560	\$ 10,099,932	\$ 314,395,190	\$ 278,162,750	\$ 36,232,440
Food & Beverage	5,797,170	4,946,215	850,955	18,341,041	14,275,208	4,065,833
Lease Income	628,583	772,326	(143,743)	2,007,234	2,179,063	(171,828)
Other Revenues	4,206,090	3,628,949	577,140	11,795,405	9,610,758	2,184,647
Total Revenues	\$ 124,277,333	\$ 112,893,050	\$ 11,384,284	\$ 346,538,871	\$ 304,227,779	\$ 42,311,092
GOP	\$ 61,860,756	\$ 55,764,653	\$ 6,096,103	\$ 169,969,685	\$ 147,844,101	\$ 22,125,585
GOP Margin	49.8%	49.4%		49.0%	48.6%	
GOP Margin Growth	0.4%			0.5%		
GOP Flow Through	53.5%			52.3%		
EBITDA	\$ 48,236,498	\$ 43,673,665	\$ 4,562,833	\$ 131,726,231	\$ 114,468,360	\$ 17,257,870
EBITDA Margin	38.8%	38.7%		38.0%	37.6%	
EBITDA Margin Growth	0.1%			0.4%		

Comparable Hotels (1)

(includes 48 hotels in both years)

(includes 46 hotels in both years)

	Three Months Ended			Year to Date as of		
	Sep-2015	Sep-2014	Variance	Sep-2015	Sep-2014	Variance
Rooms Available	656,880	656,880		1,870,959	1,869,847	
Rooms Occupied	574,285	568,057		1,579,806	1,557,593	
Occupancy	87.4%	86.5%	95 bps	84.4%	83.3%	114 bps
Average Daily Rate (ADR)	\$ 199.34	\$ 188.54	5.7%	\$ 193.55	\$ 184.64	4.8%
Revenue Per Available Room (RevPAR)	174.27	163.05	6.9%	163.43	153.80	6.3%
Room Revenues	\$ 114,477,262	\$ 107,101,706	\$ 7,375,556	\$ 305,770,717	\$ 287,587,123	\$ 18,183,593
Food & Beverage	5,797,170	5,306,305	490,865	18,570,664	15,728,625	2,842,039
Lease Income	628,583	829,146	(200,563)	1,980,234	2,271,684	(291,450)
Other Revenues	4,209,494	3,730,180	479,314	11,623,646	10,355,720	1,267,926
Total Revenues	\$ 125,112,508	\$ 116,967,337	\$ 8,145,172	\$ 337,945,261	\$ 315,943,152	\$ 22,002,109
GOP	\$ 62,393,967	\$ 57,833,311	\$ 4,560,656	\$ 165,978,865	\$ 154,937,620	\$ 11,041,245
GOP Margin	49.9%	49.4%		49.1%	49.0%	
GOP Margin Growth	0.4%			0.1%		
GOP Flow Through	56.0%			50.2%		
EBITDA	\$ 48,644,856	\$ 45,272,482	\$ 3,372,373	\$ 128,179,591	\$ 119,918,528	\$ 8,261,063
EBITDA Margin	38.9%	38.7%		37.9%	38.0%	
EBITDA Margin Growth	0.2%			0.0%		

(1) For the three months ended September 30th - The following hotels are included in the comparable portfolio and include results as reported by the prior owners: St. Gregory Hotel and TownePlace Suites Sunnyvale. For the nine months ended September 30th - The following hotels are excluded: Hotel 373 (sold in Q2 2014), Hilton Garden Inn Midtown East and Hampton Inn Pearl Street (both opened in Q2 2014). For the nine months ended September 30th - The following hotels are included in the comparable portfolio and include results reported by the prior owners: Hotel Milo, Parrot Key Resort, St. Gregory Hotel and TownePlace Suites Sunnyvale.

PRO FORMA KEY PERFORMANCE INDICATORS

	Three Months Ended Sep-2015	Nine Months Ended Sep-2015
	Pro Forma Consolidated Results	Pro Forma Consolidated Results
Rooms Available	656,880	1,949,310
Rooms Occupied	574,285	1,653,152
Occupancy	87.4%	84.8%
Average Daily Rate (ADR)	\$199.34	\$194.75
Revenue Per Available Room (RevPAR)	174.27	165.16
Room Revenues	114,477,262	321,944,925
Food & Beverage	5,797,170	18,917,521
Lease Income	628,583	2,007,234
Other Revenues	4,209,494	11,981,038
Total Revenues	\$ 125,112,508	\$ 354,850,718
GOP	\$ 62,393,967	\$ 174,568,461
GOP Margin	49.9%	49.2%
EBITDA	\$ 48,644,856	\$ 135,262,319
EBITDA Margin	38.9%	38.1%

Note:

Pro Forma figures for the Three and Nine Months Ended reflect estimated results the Company would have achieved had each 2015 acquisition after December 31, 2014, in the table below, closed by the beginning of each reporting period.

2015 Acquisitions	
Hotel Name	Acquisition Date
St. Gregory Hotel	June 16, 2015
TownePlace Suites Sunnyvale	August 25, 2015

TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 9/30/2015	Ownership %	Hersha Preferred Equity Return
Marriott							
1.	Mystic, CT	285	2001	08/09/2005	\$41,998	66.7%	8.50%
2.	Hartford, CT	409	2005	02/08/2006	\$44,154	15.0%	8.50%
Hilton							
3.	Hartford, CT	393	2005	10/06/2005	\$6,650	8.8%	8.50%
Courtyard							
4.	Alexandria, VA	203	2006	09/29/2006	\$23,125	100.0%	
5.	Brookline/Boston, MA	188	2003	06/16/2005	(*)	100.0%	
6.	South Boston, MA	164	2005	07/01/2005	\$12,873	50.0%	
7.	Los Angeles, CA	260	2008	05/19/2011	\$28,500	100.0%	
8.	Miami Beach Oceanfront, FL	357	2004	11/16/2011	(*)	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	\$33,295	100.0%	
13.	Herald Square, Manhattan, NY	136	2005	04/01/2005	\$22,533	100.0%	
14.	Seaport, Manhattan, NY	65	2006	02/01/2007	\$17,633	(a)	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	\$0	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	04/09/2013	\$55,750	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	\$7,379	50.0%	
31.	Chester, NY	80	2006	01/25/2007	\$6,184	100.0%	
32.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	\$52,923	(a)	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	\$19,463	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	\$7,379	100.0%	
Hyatt Place							
42.	Valley Forge, PA	129	2010	08/17/2010	(*)	100.0%	
TownePlace Suites							
43.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%	
Independent							
44.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	\$9,214	100.0%	
45.	nu Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%	
46.	Capitol Hill Hotel, Washington, DC	152	2007	04/15/2011	\$25,000	100.0%	
47.	Rittenhouse Hotel, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%	
48.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%	
49.	Winter Haven, FL	70	2013	12/20/2013	(*)	100.0%	
50.	Blue Moon Hotel, FL	75	2013	12/20/2013	(*)	100.0%	
51.	Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$24,257	100.0%	
52.	Parrrot Key Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%	
53.	St. Gregory Hotel, Washington, DC	155	2014	06/16/2015	\$28,624	(a)	100.0%
TOTAL		8,508					

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

(a) Debt balance reflects original issue premium or discount

PORTFOLIO STATISTICS - Q3 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	29%	45%
West Coast	7	1,155	14%	15%
Boston	7	883	10%	14%
Washington, DC	7	1,094	13%	8%
Miami & Key West	5	790	9%	7%
Philadelphia	3	495	6%	4%
Other	7	1,618	19%	7%
TOTAL	53	8,508	100%	100%

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
100% Owned Assets	48	7,139	84%	96%
Unconsolidated JV Assets	5	1,369	16%	4%
TOTAL	53	8,508	100%	100%

HOTELS BY DESTINATION				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Major Metro	49	7,789	92%	93%
Destination	4	719	8%	7%
TOTAL	53	8,508	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	33%	41%
Upscale Transient	14	2,486	29%	34%
Upscale Extended Stay	12	1,533	18%	14%
Upper Upscale / Luxury	7	1,721	20%	11%
TOTAL	53	8,508	100%	100%

MANAGERS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
HHM Managed	49	7,424	87%	97%
Jiten Managed	2	282	3%	2%
Waterford Managed	2	802	9%	0.3%
TOTAL	53	8,508	100%	100%

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

MORTGAGES AND NOTES PAYABLE

Consolidated Properties	9/30/2015 Fixed Rate Balance	Capped or Fixed Rate	9/30/2015 Floating Rate Balance	Floating Rate	Maturity
Hilton Garden Inn, Midtown East, NY	\$45,000,000	4.05%			05/2017
Courtyard - Los Angeles, CA	\$28,500,000	4.10%			09/2017
Hotel Milo - Santa Barbara, CA	\$24,257,431	4.40%			04/2023
Duane Street Hotel - Manhattan, NY	\$9,214,248	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	\$6,183,606	5.63%			03/2017
Hilton Garden Inn - JFK Airport, NY	\$19,463,308	5.82%			04/2017
Hampton Inn - Herald Square, NY	\$22,533,354	6.09%			05/2016
Hampton Inn - Chelsea, NY	\$33,295,098	6.24%			10/2016
Courtyard - Alexandria, VA	\$23,125,199	6.25%			10/2016
St. Gregory - Washington, DC	\$25,706,682	6.30%			09/2021
<i>Original Issue Premium: St. Gregory - Washington, DC</i>	\$2,917,611	na			na
Hampton Inn - Seaport, NY	\$17,539,843	6.36%			10/2016
<i>Original Issue Premium: Hampton Inn - Seaport, NY</i>	\$92,892	na			na
Hawthorn Suites - Franklin, MA	\$7,379,185	6.40%			05/2016
Holiday Inn Express - Madison Square Garden (29th St), NY	\$52,082,025	6.50%			11/2016
<i>Original Issue Premium: Holiday Inn Express - Madison Square Garden (29th St), NY</i>	\$840,836	na			na
Capitol Hill Hotel - Washington DC			\$25,000,000	LIBOR + 2.25%	01/2018
Hilton Garden Inn, Tribeca, NY			\$46,500,000	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 + 3.0%	06/2035
Trust Preferred Tranche II			\$25,774,000	LIBOR + 3.0%	05/2035
Sub-Total	\$416,309,316		178,798,000		
Total Consolidated Mortgage Debt	\$595,107,316				
Unconsolidated Joint Ventures					
Courtyard - South Boston, MA	\$12,873,453	5.75%			06/2016
Holiday Inn Express - South Boston, MA	\$7,378,656	4.25%			06/2027
Marriott - Mystic, CT	\$41,997,830	6.24%			08/2017
Marriott - Hartford, CT	\$44,154,370	5.57%			03/2024
Hilton - Hartford, CT	\$6,650,000	2.68%			08/2030
Total Unconsolidated Joint Venture Debt	\$113,054,309				

ACQUISITION ACTIVITY AS OF 9/30/2015

2015 Acquisition Activity

As of 9/30/2015 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 9/30/2015	Ownership %
St. Gregory Hotel, Washington, DC*	155	2014	06/16/2015	\$57,000	\$28,624	100.0%
Towneplace Suites, Sunnyvale, CA	94	2003	08/25/2015	\$27,700	\$0	100.0%
Total	249			\$84,700	\$28,624	

*Debt Balance includes an original issue mortgage premium of \$2,918

RECENT FINANCING ACTIVITY

HOTEL	Current Loan	Rate	Maturity	Lender	Previous Loan	Rate	Maturity	Lender
HT Term Loan	\$300.0 mm ⁽¹⁾	LIBOR + 1.50% to 2.25% based on applicable Debt/EBITDA ratio	08/10/2020	Bank Group	N/A	N/A	N/A	N/A
Hyatt Union Square - Manhattan, NY	\$55.75 mm	LIBOR + 2.30%	06/09/2019	European Bank	\$55.0 mm	LIBOR + 4.19%	04/01/2016	European Bank
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
HT Corporate Credit Line & Term Loan	\$500.0 mm ⁽³⁾ Credit Line is LIBOR + 1.70% to 2.45% based on applicable Debt / EBITDA ratio \$150M of the Term loan is fixed at 2.91% ⁽⁶⁾ , Remaining \$100M of Term loan is LIBOR + 1.60% to 2.35% based on applicable Debt / EBITDA ratio		02/28/2019 ⁽²⁾⁽⁴⁾	Bank Group	\$400.0 mm ⁽⁵⁾ LIBOR + 1.75% to 2.65% based on applicable Debt / EBITDA ratio Term loan is fixed at 3.21% ⁽⁶⁾		11/5/2016 11/5/2017 ⁽⁷⁾	Bank Group

(1) Unsecured term loan has a delayed draw provision, subject to operating and borrowing base limitations, up to \$300 million. As of September 30, 2015, we had drawn \$245 million.

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

(3) Total of \$500 million credit facility is comprised of \$250 million line of credit and \$250 million term loan. As of September 30, 2015, we have no borrowings on the line of credit and have fully drawn the term loan.

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

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

(6) There was a swap conducted on two portions of the term loan. This loan has \$100M fixed at 2.895%, and an additional \$50M is fixed at 2.95%. The weighted interest rate is 2.91%.

(7) 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

September 30, 2015

(\$ Thousands)

	<u>September 30, 2015</u>
Cash	\$29,304
Unsecured Term Loan	495,000
Revolving Line of Credit	0
Mortgages and Notes Payable - Consolidated Assets	543,559
Mortgages Payable - HT Portion of Unconsolidated JV Assets	45,347
Trust Preferred Securities	51,548
Total Debt	1,135,454
Series B Preferred Shares	115,000
Series C Preferred Shares	75,000
Operating Partnership and LTIP Units (2,319,301 @ \$22.66)*	52,555
Class A Common Shares (46,338,046 @ \$22.66)*	1,050,020
Total Equity	1,292,575
ENTERPRISE VALUE	\$2,398,725

* Stock price and share counts as of September 30, 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 SEPTEMBER 30, 2015				
Joint Venture Net Income (Loss)	\$ 631	\$ 825	\$ (463)	\$ 993
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 872	\$ 1,256	\$ 2,237	\$ 4,365
Debt Service	(131)	(283)	(2,014)	(2,428)
CapEx Reserve & Other	(92)	(107)	(614)	(813)
Cash Available for Distribution	\$ 649	\$ 866	\$ (391)	\$ 1,124
EBITDA				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 297	\$ 391	\$ (80)	\$ 608
Addback:				
Step up and Outside Basis Amortization Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	18 121	21 216	80 2,202	119 2,539
Hersha EBITDA from Unconsolidated JV	\$ 436	\$ 628	\$ 2,202	\$ 3,266
NINE MONTHS ENDED SEPTEMBER 30, 2015				
Joint Venture Net Income (Loss)	\$ 1,100	\$ 1,325	\$ (344)	\$ 2,081
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 1,819	\$ 2,594	\$ 7,378	\$ 11,791
Debt Service	(394)	(847)	(5,285)	(6,526)
CapEx Reserve & Other	(223)	(229)	(1,923)	(2,375)
Cash Available for Distribution	\$ 1,202	\$ 1,518	\$ 170	\$ 2,890
EBITDA				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 495	\$ 598	\$ (233)	\$ 860
Addback:				
Step up and Outside Basis Amortization Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	55 360	64 635	241 7,228	360 8,223
Hersha EBITDA from Unconsolidated JV	\$ 910	\$ 1,297	\$ 7,236	\$ 9,443