

HERSHA

Q4 2015 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 49 hotels in 2015 and 46 hotels in 2014)

(includes 49 hotels in 2015 and 47 hotels in 2014)

	Three Months Ended			Year to Date as of		
	Dec-2015	Dec-2014	Variance	Dec-2015	Dec-2014	Variance
Rooms Available	657,138	633,935		2,558,444	2,451,660	
Rooms Occupied	538,699	515,705		2,150,514	2,025,710	
Occupancy	82.0%	81.3%	63 bps	84.1%	82.6%	143 bps
Average Daily Rate (ADR)	\$ 204.17	\$ 198.37	2.9%	\$ 197.34	\$ 187.82	5.1%
Revenue Per Available Room (RevPAR)	167.37	161.37	3.7%	165.88	155.19	6.9%
Room Revenues	\$ 109,988,254	\$ 102,298,464	\$ 7,689,789	\$ 424,383,444	\$ 380,461,215	\$ 43,922,229
Food & Beverage	8,108,433	5,938,400	2,170,033	26,449,475	20,213,608	6,235,866
Lease Income	611,305	735,039	(123,734)	2,618,540	2,914,102	(295,562)
Other Revenues	4,141,176	3,887,853	253,324	15,936,581	13,498,610	2,437,971
Total Revenues	\$ 122,849,169	\$ 112,859,756	\$ 9,989,413	\$ 469,388,040	\$ 417,087,535	\$ 52,300,505
GOP	\$ 60,422,837	\$ 55,424,376	\$ 4,998,461	\$ 230,379,571	\$ 203,246,884	\$ 27,132,687
GOP Margin	49.2%	49.1%		49.1%	48.7%	
GOP Margin Growth	0.1%			0.4%		
GOP Flow Through	50.0%			51.9%		
EBITDA	\$ 46,929,376	\$ 42,912,669	\$ 4,016,707	\$ 178,618,745	\$ 157,359,437	\$ 21,259,307
EBITDA Margin	38.2%	38.0%		38.1%	37.7%	
EBITDA Margin Growth	0.2%			0.3%		

Comparable Hotels (1)

(includes 48 hotels in both years)

(includes 46 hotels in both years)

	Three Months Ended			Year to Date as of		
	Dec-2015	Dec-2014	Variance	Dec-2015	Dec-2014	Variance
Rooms Available	656,880	656,935		2,501,435	2,500,378	
Rooms Occupied	538,499	533,769		2,093,352	2,066,248	
Occupancy	82.0%	81.3%	73 bps	83.7%	82.6%	105 bps
Average Daily Rate (ADR)	\$ 204.08	\$ 197.52	3.3%	\$ 195.55	\$ 187.21	4.5%
Revenue Per Available Room (RevPAR)	167.30	160.48	4.2%	163.65	154.71	5.8%
Room Revenues	\$ 109,896,782	\$ 105,428,071	\$ 4,468,710	\$ 409,364,338	\$ 386,828,065	\$ 22,536,273
Food & Beverage	8,063,938	6,334,212	1,729,726	26,502,804	21,935,703	4,567,102
Lease Income	611,305	798,008	(186,703)	2,582,540	3,060,692	(478,152)
Other Revenues	4,128,324	3,980,536	147,788	15,604,128	14,224,134	1,379,995
Total Revenues	\$ 122,700,349	\$ 116,540,827	\$ 6,159,522	\$ 454,053,811	\$ 426,048,594	\$ 28,005,217
GOP	\$ 60,398,166	\$ 57,183,005	\$ 3,215,162	\$ 222,764,529	\$ 208,544,196	\$ 14,220,332
GOP Margin	49.2%	49.1%		49.1%	48.9%	
GOP Margin Growth	0.2%			0.1%		
GOP Flow Through	52.2%			50.8%		
EBITDA	\$ 46,910,204	\$ 44,153,248	\$ 2,756,957	\$ 172,109,226	\$ 160,964,369	\$ 11,144,857
EBITDA Margin	38.2%	37.9%		37.9%	37.8%	
EBITDA Margin Growth	0.3%			0.1%		

(1) For the three months ended December 31st - 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 three months ended December 31st - the Ritz Carlton Georgetown is excluded. For the twelve months ended December 31st - 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. For the twelve months ended December 31st - 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), Ritz Carlton Georgetown.

PRO FORMA KEY PERFORMANCE INDICATORS

	Three Months Ended Dec-2015	Twelve Months Ended Dec-2015
	Pro Forma Consolidated Results	Pro Forma Consolidated Results
Rooms Available	657,138	2,606,448
Rooms Occupied	538,699	2,191,851
Occupancy	82.0%	84.1%
Average Daily Rate (ADR)	\$204.17	\$197.06
Revenue Per Available Room (RevPAR)	167.37	165.72
Room Revenues	109,988,254	431,933,179
Food & Beverage	8,108,433	27,025,954
Lease Income	611,305	2,618,540
Other Revenues	4,141,176	16,122,214
Total Revenues	\$ 122,849,169	\$ 477,699,887
GOP	\$ 60,422,837	\$ 234,978,347
GOP Margin	49.2%	49.2%
EBITDA	\$ 46,929,376	\$ 182,154,833
EBITDA Margin	38.2%	38.1%

Note:

Pro Forma figures for the Three and Twelve 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 12/31/2015	Ownership %	Hersha Preferred Equity Return
	Ritz-Carlton						
1.	Georgetown, DC	86	2014	12/29/2015	\$0	100.0%	
	Marriott						
2.	Mystic, CT	285	2001	08/09/2005	\$41,827	66.7%	8.50%
3.	Hartford, CT	409	2005	02/08/2006	\$44,003	15.0%	8.50%
	Hilton						
4.	Hartford, CT	393	2005	10/06/2005	\$6,650	8.8%	8.50%
	Courtyard						
5.	Alexandria, VA	203	2006	09/29/2006	\$23,028	100.0%	
6.	Brookline/Boston, MA	188	2003	06/16/2005	(*)	100.0%	
7.	South Boston, MA	164	2005	07/01/2005	\$12,796	50.0%	
8.	Los Angeles, CA	260	2008	05/19/2011	\$35,000	100.0%	
9.	Miami Beach Oceanfront, FL	357	2004	11/16/2011	(*)	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	\$33,155	100.0%	
14.	Herald Square, Manhattan, NY	136	2005	04/01/2005	\$22,363	100.0%	
15.	Seaport, Manhattan, NY	65	2006	02/01/2007	\$17,531 (a)	100.0%	
16.	Pearl Street, Manhattan, NY	81	2014	07/22/2011	(*)	100.0%	
17.	Washington, DC	228	2005	09/01/2010	(*)	100.0%	
	Residence Inn						
18.	Tysons Corner, VA	96	1984	02/02/2006	(*)	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	(*)	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						
28.	Union Square, NY	178	2013	04/09/2013	\$55,750	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	\$7,327	50.0%	
32.	Chester, NY	80	2006	01/25/2007	\$6,156	100.0%	
33.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	\$52,509 (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	\$19,379	100.0%	
36.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$46,500	100.0%	
37.	Midtown East, Manhattan, NY	205	2014	05/27/2014	\$45,000	100.0%	
	Candlewood Suites						
38.	Times Square, Manhattan, NY	188	2009	02/10/2010	(*)	100.0%	
	Sheraton						
39.	JFK Airport, NY	150	2008	06/13/2008	(*)	100.0%	
40.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%	
	Holiday Inn						
41.	Wall Street, NY	113	2009	05/07/2010	(*)	100.0%	
	Hawthorn Suites						
42.	Franklin, MA	100	1999	04/25/2006	\$7,330	100.0%	
	Hyatt Place						
43.	Valley Forge, PA	129	2010	08/17/2010	(*)	100.0%	
	TownePlace Suites						
44.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%	
	Independent						
45.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	\$9,167	100.0%	
46.	nu Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%	
47.	Capitol Hill Hotel, Washington, DC	152	2007	04/15/2011	\$25,000	100.0%	
48.	Rittenhouse Hotel, Philadelphia, PA	116	2004	03/01/2012	(*)	100.0%	
49.	The Boxer, Boston, MA	80	2004	05/07/2012	(*)	100.0%	
50.	Winter Haven, FL	70	2013	12/20/2013	(*)	100.0%	
51.	Blue Moon Hotel, FL	75	2013	12/20/2013	(*)	100.0%	
52.	Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$24,147	100.0%	
53.	Parrot Key Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%	
54.	St. Gregory Hotel, Washington, DC	155	2014	06/16/2015	\$28,346 (a)	100.0%	

TOTAL

8,594

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

(a) Debt balance reflects original issue premium or discount

PORTFOLIO STATISTICS - Q4 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%	43%
Boston	7	883	10%	12%
West Coast	7	1,155	13%	11%
Miami & Key West	5	790	9%	9%
Washington, DC	8	1,180	14%	7%
Philadelphia	3	495	6%	6%
Other	7	1,618	19%	10%
TOTAL	54	8,594	100%	100%

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
100% Owned Assets	49	7,225	84%	88%
Unconsolidated JV Assets	5	1,369	16%	12%
TOTAL	54	8,594	100%	100%

HOTELS BY DESTINATION				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Major Metro	50	7,875	92%	90%
Destination	4	719	8%	10%
TOTAL	54	8,594	100%	100%

HOTELS BY SEGMENT TYPE				
	<u>Properties</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Upper Upscale / Luxury	13	2,400	28%	26%
Upscale Transient	13	2,312	27%	27%
Upscale Extended Stay	11	1,439	17%	12%
Upper Midscale	17	2,443	28%	35%
TOTAL	54	8,594	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	86%	93%
Jiten Managed	2	282	3%	5%
Waterford Managed	2	802	9%	2%
Marriott Managed	1	86	1%	0.04%
TOTAL	54	8,594	100%	100%

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

MORTGAGES AND NOTES PAYABLE

Consolidated Properties	12/31/2015 Fixed Rate Balance	Capped or Fixed Rate	12/31/2015 Floating Rate Balance	Floating Rate	Maturity
Hilton Garden Inn, Midtown East, NY	\$45,000,000	4.05%			05/2017
Hotel Milo - Santa Barbara, CA	\$24,147,494	4.40%			04/2023
Duane Street Hotel - Manhattan, NY	\$9,166,697	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	\$6,155,704	5.63%			03/2017
Hilton Garden Inn - JFK Airport, NY	\$19,378,776	5.82%			04/2017
Hampton Inn - Herald Square, NY	\$22,362,720	6.09%			05/2016
Hampton Inn - Chelsea, NY	\$33,155,267	6.24%			10/2016
Courtyard - Alexandria, VA	\$23,028,248	6.25%			10/2016
St. Gregory - Washington, DC <i>Original Issue Premium: St. Gregory - Washington, DC</i>	\$25,559,286 \$2,786,214	6.30% na			09/2021 na
Hampton Inn - Seaport, NY <i>Original Issue Premium: Hampton Inn - Seaport, NY</i>	\$17,461,709 \$69,494	6.36% na			10/2016 na
* Hawthorn Suites - Franklin, MA	\$7,330,355	6.40%			05/2016
Holiday Inn Express - Madison Square Garden (29th St), NY <i>Original Issue Premium: Holiday Inn Express - Madison Square Garden (29th St), NY</i>	\$51,862,100 \$647,009	6.50% na			11/2016 na
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			\$46,500,000	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	\$386,289,074		213,798,000		
Total Consolidated Mortgage Debt	\$600,087,074				
Unconsolidated Joint Ventures					
Courtyard - South Boston, MA	\$12,795,966	5.75%			06/2016
Holiday Inn Express - South Boston, MA	\$7,326,893	4.25%			06/2027
Marriott - Mystic, CT	\$41,826,631	6.24%			08/2017
Marriott - Hartford, CT	\$44,002,887	5.57%			03/2024
Hilton - Hartford, CT	\$6,650,000	2.68%			08/2030
Total Unconsolidated Joint Venture Debt	\$112,602,377				

* - Paid off subsequent to 12/31/15.

ACQUISITION ACTIVITY AS OF 12/31/2015

2015 Acquisition Activity

As of 12/31/2015 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 12/31/2015	Ownership %
St. Gregory Hotel, Washington, DC*	155	2014	06/16/2015	\$57,000	\$28,346	100.0%
Towneplace Suites, Sunnyvale, CA	94	2003	08/25/2015	\$27,700	\$0	100.0%
Ritz Carlton, Georgetown, DC	86	2014	12/29/2015	\$50,000	\$0	100.0%
Total	335			\$134,700	\$28,346	

*Debt Balance includes an original issue mortgage premium of \$2,786

RECENT FINANCING ACTIVITY

HOTEL	Current Loan	Rate	Maturity	Lender	Previous Loan	Rate	Maturity	Lender
Courtyard - Los Angeles, CA	\$35.0 mm	LIBOR + 3.00%	09/29/2017	National Bank	\$30.0 mm	4.10%	09/29/2017	National Bank
HT Term Loan	\$300.0 mm	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 (2) 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% (5), Remaining \$100M of Term loan is LIBOR + 1.60% to 2.35% based on applicable Debt / EBITDA ratio		02/28/2019 (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

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

(2) Total of \$500 million credit facility is comprised of \$250 million line of credit and \$250 million term loan. As of December 31, 2015, we had drawn \$27 million on the line of credit and have fully drawn the 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 2.895%, and an additional \$50M is fixed at 2.95%. The weighted interest rate is 2.91%.

(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

December 31, 2015

(\$ Thousands)

	<u>December 31, 2015</u>
Cash	\$27,955
Unsecured Term Loan	550,000
Revolving Line of Credit	27,000
Mortgages and Notes Payable - Consolidated Assets	548,539
Mortgages Payable - HT Portion of Unconsolidated JV Assets	45,145
Trust Preferred Securities	51,548
Total Debt	1,222,232
Series B Preferred Shares	115,000
Series C Preferred Shares	75,000
Operating Partnership and LTIP Units (2,319,301 @ \$21.76)*	50,468
Class A Common Shares (44,457,368 @ \$21.76)*	967,392
Total Equity	1,207,860
ENTERPRISE VALUE	\$2,402,138

* Stock price and share counts as of December 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 DECEMBER 31, 2015				
Joint Venture Net Income (Loss)	\$ 211	\$ 234	\$ (245)	\$ 200
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 418	\$ 661	\$ 2,497	\$ 3,576
Debt Service	(133)	(284)	(1,850)	(2,267)
CapEx Reserve & Other	(49)	(68)	(653)	(770)
Cash Available for Distribution	\$ 236	\$ 309	\$ (6)	\$ 539
EBITDA				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 87	\$ 96	\$ (78)	\$ 105
Addback:				
Step up and Outside Basis Amortization Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	19 103	21 214	81 2,454	121 2,771
Hersha EBITDA from Unconsolidated JV	\$ 209	\$ 331	\$ 2,457	\$ 2,997
YEAR ENDED DECEMBER 31, 2015				
Joint Venture Net Income (Loss)	\$ 1,311	\$ 1,559	\$ (589)	\$ 2,281
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 2,237	\$ 3,255	\$ 9,875	\$ 15,367
Debt Service	(527)	(1,131)	(7,135)	(8,793)
CapEx Reserve & Other	(272)	(297)	(2,576)	(3,145)
Cash Available for Distribution	\$ 1,438	\$ 1,827	\$ 164	\$ 3,429
EBITDA				
Hersha Net Income (Loss) from Unconsolidated JV	\$ 582	\$ 694	\$ (311)	\$ 965
Addback:				
Step up and Outside Basis Amortization Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	74 463	85 849	322 9,682	481 10,994
Hersha EBITDA from Unconsolidated JV	\$ 1,119	\$ 1,628	\$ 9,693	\$ 12,440