

HERSHA

Q2 2016 Supplemental Schedules

Page

2	Key Performance Indicators
3	Total Portfolio Summary
4	Portfolio Statistics
5	Mortgages & Notes Payable
6	Acquisition Activity
7	Enterprise Value
8	Unconsolidated Joint Venture EBITDA

KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 51 hotels in 2016 and 47 hotels in 2015)

(includes 51 hotels in 2016 and 47 hotels in 2015)

	Three Months Ended			Year to Date as of		
	Jun-2016	Jun-2015	Variance	Jun-2016	Jun-2015	Variance
Rooms Available	607,572	629,406		1,274,401	1,249,596	
Rooms Occupied	534,052	552,536		1,051,485	1,042,010	
Occupancy	87.9%	87.8%	11 bps	82.5%	83.4%	-88 bps
Average Daily Rate (ADR)	\$ 211.89	\$ 207.76	2.0%	\$ 197.47	\$ 192.66	2.5%
Revenue Per Available Room (RevPAR)	186.25	182.39	2.1%	162.93	160.65	1.4%
Room Revenues	\$ 113,162,680	\$ 114,797,289	\$(1,634,609)	\$ 207,635,083	\$ 200,749,699	\$ 6,885,385
Food & Beverage	8,598,005	7,239,995	1,358,010	15,668,042	12,543,872	3,124,170
Lease Income	621,127	714,155	(93,028)	1,210,955	1,378,652	(167,697)
Other Revenues	5,032,726	4,032,239	1,000,487	9,530,679	7,589,315	1,941,364
Total Revenues	\$ 127,414,537	\$ 126,783,678	\$ 630,859	\$ 234,044,759	\$ 222,261,538	\$ 11,783,222
GOP	\$ 65,513,934	\$ 66,786,371	\$(1,272,437)	\$ 110,058,352	\$ 108,109,736	\$ 1,948,616
GOP Margin	51.4%	52.7%		47.0%	48.6%	
GOP Margin Growth	-1.3%			-1.6%		
GOP Flow Through	-301.7%			16.5%		
EBITDA	\$ 52,832,488	\$ 54,032,576	\$(1,200,088)	\$ 84,160,866	\$ 83,492,358	\$ 668,508
EBITDA Margin	41.5%	42.6%		36.0%	37.6%	
EBITDA Margin Growth	-1.2%			-1.6%		

Comparable Hotels ⁽¹⁾⁽²⁾

(includes 43 hotels in both years)

(includes 43 hotels in both years)

	Three Months Ended			Year to Date as of		
	Jun-2016	Jun-2015	Variance	Jun-2016	Jun-2015	Variance
Rooms Available	574,095	574,028		1,147,576	1,141,838	
Rooms Occupied	503,491	499,657		943,560	942,070	
Occupancy	87.7%	87.0%	66 bps	82.2%	82.5%	-28 bps
Average Daily Rate (ADR)	\$ 213.22	\$ 209.45	1.8%	\$ 202.48	\$ 197.50	2.5%
Revenue Per Available Room (RevPAR)	187.00	182.32	2.6%	166.48	162.95	2.2%
Room Revenues	\$ 107,355,679	\$ 104,653,931	\$ 2,701,747	\$ 191,047,513	\$ 186,058,121	\$ 4,989,391
Food & Beverage	8,536,880	8,360,794	176,087	15,452,081	14,817,869	634,211
Lease Income	617,527	720,372	(102,845)	1,195,355	1,389,969	(194,614)
Other Revenues	4,927,142	4,549,215	377,927	9,353,914	8,632,383	721,531
Total Revenues	\$ 121,437,228	\$ 118,284,313	\$ 3,152,916	\$ 217,048,863	\$ 210,898,342	\$ 6,150,520
GOP	\$ 62,437,889	\$ 60,622,805	\$ 1,815,084	\$ 103,329,107	\$ 100,514,488	\$ 2,814,619
GOP Margin	51.4%	51.3%		47.6%	47.7%	
GOP Margin Growth	0.2%			-0.1%		
GOP Flow Through	57.6%			45.8%		
EBITDA	\$ 50,650,012	\$ 49,362,623	\$ 1,287,389	\$ 80,610,761	\$ 78,561,282	\$ 2,049,479
EBITDA Margin	41.7%	41.7%		37.1%	37.3%	
EBITDA Margin Growth	0.0%			-0.1%		

(1) The following hotels are included in the comparable portfolio and include results as reported by the prior owners: St. Gregory Hotel - Washington, DC (Acquired 6/16/2015), TownePlace Suites - Sunnyvale, CA (Acquired 8/25/2015), Ritz Carlton Georgetown - Washington, DC (Acquired 12/29/2015), Sanctuary Resort - Monterey, CA (Acquired 1/28/2016), and Hilton Garden Inn M Street - Washington, DC (Acquired 3/9/2016).

(2) The following dispositions are excluded from the comparable portfolio: Hyatt Place, Valley Forge, PA (Sold 5/3/2016), Cindat Joint Venture New York City Portfolio (Sold 4/29/2016): Hampton Inn - Times Square, Holiday Inn Express -Times Square, Candlewood Suites -Times Square, Hampton Inn - Chelsea, Hampton Inn - Madison Square Garden, Holiday Inn - Wall Street, and Holiday Inn Express - Water Street.

TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 6/30/2016	Ownership %	Hersha Preferred Equity Return
Ritz-Carlton							
1.	Georgetown, DC	86	2014	12/29/2015	(*)	100.0%	
Marriott							
2.	Mystic, CT	285	2001	08/09/2005	\$41,604	66.7%	8.50%
3.	Hartford, CT	409	2005	02/08/2006	\$43,700	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	\$22,834	100.0%	
6.	Brookline/Boston, MA	188	2003	06/16/2005	(*)	100.0%	
7.	South Boston, MA	164	2005	07/01/2005	\$15,000	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	04/29/2016	\$330,000	(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	\$17,328	(b)	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	04/29/2016	-	(a)	30.0%
30.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%	
31.	South Boston, MA	118	1998	10/07/2005	\$7,223	50.0%	
32.	Chester, NY	80	2006	01/25/2007	\$6,100	100.0%	
33.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	\$51,687	(b)	100.0%
34.	Water Street, Manhattan, NY	112	2010	04/29/2016	-	(a)	30.0%
Hilton Garden Inn							
35.	JFK Airport, NY	192	2005	02/16/2006	\$19,209	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	\$44,775	100.0%	
38.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%	
Candlewood Suites							
39.	Times Square, Manhattan, NY	188	2009	04/29/2016	-	(a)	30.0%
Sheraton							
40.	JFK Airport, NY	150	2008	06/13/2008	(*)	100.0%	
41.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%	
Holiday Inn							
42.	Wall Street, NY	113	2009	04/29/2016	-	(a)	30.0%
Hawthorn Suites							
43.	Franklin, MA	100	1999	04/25/2006	(*)	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	\$9,071	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	\$23,927	100.0%	
53.	Parrot Key Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%	
54.	Sanctuary Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,748	(b)	100.0%
55.	St. Gregory Hotel, Washington, DC	155	2014	06/16/2015	\$27,783	(b)	100.0%
TOTAL		8,763					

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

(a) Portfolio debt for these seven properties are part of the Cindat Capital Management and Hersha Joint Venture. Loan balance for all 7 properties equals \$330 million.

(b) Debt balance reflects original issue premium or discount

PORTFOLIO STATISTICS - Q2 2016 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	28%	27%
Washington, DC	9	1,418	16%	22%
West Coast	8	1,215	14%	17%
Boston	7	883	10%	12%
Miami & Key West	5	790	9%	9%
Philadelphia	2	366	4%	6%
Other	7	1,618	18%	7%
TOTAL	55	8,763	100%	100%

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
100% Owned Assets	43	6,307	72%	91%
Unconsolidated JV Assets	12	2,456	28%	9%
TOTAL	55	8,763	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	7,984	91%	91%
Destination	5	779	9%	9%
TOTAL	55	8,763	100%	100%

HOTELS BY SEGMENT TYPE				
	<u>Properties</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Upscale Transient	15	2,610	30%	37%
Upper Upscale / Luxury	13	2,400	27%	26%
Upper Midscale	17	2,443	28%	23%
Upscale Extended Stay	10	1,310	15%	14%
TOTAL	55	8,763	100%	100%

MANAGERS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
HHM Managed	50	7,593	87%	95%
Marriott Managed	1	86	1%	2%
Jiten Managed	2	282	3%	2%
Waterford Managed	2	802	9%	0.4%
TOTAL	55	8,763	100%	100%

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

MORTGAGES AND NOTES PAYABLE

Consolidated Properties	6/30/2016 Fixed Rate Balance	Swapped or Fixed Rate	6/30/2016 Floating Rate Balance	Floating Rate	Maturity
Hilton Garden Inn, Midtown East, NY	\$44,775,000	4.05%			05/2017
Hotel Milo - Santa Barbara, CA	\$23,926,901	4.40%			04/2023
Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: Sanctuary Resort, Monterey Bay, CA</i>	\$14,700,000 \$47,870	5.05% na			02/2024 na
Duane Street Hotel - Manhattan, NY	\$9,071,017	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	\$6,099,673	5.63%			03/2017
Hilton Garden Inn - JFK Airport, NY	\$19,209,112	5.82%			04/2017
Courtyard - Alexandria, VA	\$22,833,752	6.25%			10/2016
St. Gregory - Washington, DC <i>Original Issue Premium: St. Gregory - Washington, DC</i>	\$25,257,457 \$2,525,710	6.30% na			09/2021 na
Hampton Inn - Seaport, NY <i>Original Issue Premium: Hampton Inn - Seaport, NY</i>	\$17,304,757 \$23,042	6.36% na			10/2016 na
Holiday Inn Express - Madison Square Garden (29th St), NY <i>Original Issue Premium: Holiday Inn Express - Madison Square Garden (29th St), NY</i>	\$51,420,782 \$265,998	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 + 3.00%	06/2035
Trust Preferred Tranche II			\$25,774,000	LIBOR + 3.00%	05/2035
Sub-Total	<u>\$335,639,070</u>		<u>\$213,798,000</u>		
Total Consolidated Mortgage Debt	<u>\$549,437,070</u>				
Unconsolidated Joint Ventures					
Courtyard - South Boston, MA	\$15,000,000	3.14%			05/2021
Holiday Inn Express - South Boston, MA	\$7,222,560	4.25%			06/2027
Hilton - Hartford, CT	\$6,650,000	2.68%			08/2030
Marriott - Hartford, CT	\$43,700,352	5.57%			03/2024
Marriott - Mystic, CT	\$41,603,846	6.24%			08/2017
Cindat Hersha Joint Venture - Senior Loan			\$280,000,000	LIBOR + 2.45%	05/2019
Cindat Hersha Joint Venture - Mezzanine Loan			\$50,000,000	LIBOR + 9.00%	05/2019
Sub-Total	<u>\$114,176,758</u>		<u>\$330,000,000</u>		
Total Unconsolidated Joint Venture Debt	<u>\$444,176,758</u>				

ACQUISITION & DISPOSITION ACTIVITY AS OF 6/30/2016

2016 Acquisition Activity

As of 6/30/2016 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 6/30/2016	Ownership %
Sanctuary Resort, Monterey Bay, CA*	60	2000	01/28/2016	\$39,425	\$14,748	100.0%
Hilton Garden Inn, M Street, Washington, DC	238	2014	03/09/2016	\$106,500	\$0	100.0%
Total	298			\$145,925	\$14,748	

*Debt Balance includes an original issue mortgage premium of \$50

2016 Disposition Activity

As of 6/30/2016 (\$ Thousands)				
Name	Rooms	Disposition Date	Disposition Price	Ownership %
Hyatt Place, Valley Forge, PA	129	05/03/2016	\$13,000	100.0%
Hilton & IHG Branded NYC Properties (7)*	1,087	04/29/2016	\$571,400	100.0%
Total	1,216		\$584,400	

*Properties were contributed to a joint venture with Cindat Capital Management, in which Hersha Hospitality Trust retained a 30% common equity interest

ENTERPRISE VALUE

June 30, 2016

(\$ Thousands)

	<u>June 30, 2016</u>
Cash	\$236,102
Unsecured Term Loan*	510,520
Revolving Line of Credit	0
Mortgages and Notes Payable - Consolidated Assets*	495,026
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	145,001
Trust Preferred Securities*	51,548
Total Debt	1,202,095
Series C Preferred Shares	75,000
Series D Preferred Shares	192,500
Operating Partnership and LTIP Units (2,613,546 @ \$17.15)**	44,822
Class A Common Shares (42,426,365 @ \$17.15)**	727,612
Total Equity	1,039,934
ENTERPRISE VALUE	\$2,005,928

* Excludes unamortized deferring financing costs and unamortized premiums

** Stock price and share counts as of June 30, 2016

UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Mystic Partners	Cindat Hersha JV	TOTAL
Hersha Ownership	50.0%	50.0%	66.7%,15%, 8.8%	30.0%	
Hersha Participating Preferred %	N/A	N/A	8.5%	N/A*	
THREE MONTHS ENDED JUNE 30, 2016					
Joint Venture Net Income	\$ 689	\$ 800	\$ 1,442	\$ 503	\$ 3,434
Hotel Cash Available for Distribution					
Hotel EBITDA	\$ 881	\$ 1,214	\$ 4,086	\$ 6,698	\$ 12,879
Debt Service	(130)	(218)	(1,599)	(2,219)	(4,166)
CapEx Reserve & Other	(87)	(110)	(754)	891	(60)
Cash Available for Distribution	<u>\$ 664</u>	<u>\$ 886</u>	<u>\$ 1,733</u>	<u>\$ 5,370</u>	<u>\$ 8,653</u>
EBITDA					
Hersha Net Income (Loss) from Unconsolidated JV	\$ 326	\$ 379	\$ (76)	\$ 892	\$ 1,521
Addback:					
Step up and Outside Basis Amortization	18	22	90	(221)	(91)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	97	206	4,002	1,808	6,113
Hersha EBITDA from Unconsolidated JV	<u>\$ 441</u>	<u>\$ 607</u>	<u>\$ 4,016</u>	<u>\$ 2,479</u>	<u>\$ 7,543</u>
SIX MONTHS ENDED JUNE 30, 2016					
Joint Venture Net Income	\$ 649	\$ 657	\$ 269	\$ 503	\$ 2,078
Hotel Cash Available for Distribution					
Hotel EBITDA	\$ 1,043	\$ 1,495	\$ 5,534	\$ 6,698	\$ 14,770
Debt Service	(262)	(501)	(3,224)	(2,219)	(6,206)
CapEx Reserve & Other	(130)	(151)	(1,322)	891	(712)
Cash Available for Distribution	<u>\$ 651</u>	<u>\$ 843</u>	<u>\$ 988</u>	<u>\$ 5,370</u>	<u>\$ 7,852</u>
EBITDA					
Hersha Net Income (Loss) from Unconsolidated JV	\$ 287	\$ 286	\$ (158)	\$ 892	\$ 1,307
Addback:					
Step up and Outside Basis Amortization	37	43	170	(221)	29
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	198	419	5,414	1,808	7,839
Hersha EBITDA from Unconsolidated JV	<u>\$ 522</u>	<u>\$ 748</u>	<u>\$ 5,426</u>	<u>\$ 2,479</u>	<u>\$ 9,175</u>