

HERSHA

Q4 2016 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(Recorded from date of acquisition)

(includes 45 hotels in CY and 49 in PY)

(includes 54 hotels in CY and 49 in PY)

	Three Months Ended			Year to Date as of		
	Dec-2016	Dec-2015	Variance	Dec-2016	Dec-2015	Variance
Rooms Available	583,894	657,138		2,446,022	2,558,444	
Rooms Occupied	456,076	538,699		2,017,976	2,150,514	
Occupancy	78.1%	82.0%	-387 bps	82.5%	84.1%	-156 bps
Average Daily Rate (ADR)	\$ 210.73	\$ 203.96	3.3%	\$ 202.59	\$ 197.29	2.7%
Revenue Per Available Room (RevPAR)	164.60	167.20	-1.6%	167.13	165.83	0.8%
Room Revenues	\$ 96,106,515	\$ 109,871,452	\$(13,764,937)	\$ 408,820,218	\$ 424,266,642	\$(15,446,424)
Food & Beverage	9,528,288	8,108,433	1,419,855	34,519,083	26,449,475	8,069,608
Lease Income	749,328	611,305	138,022	2,627,021	2,618,540	8,481
Other Revenues	4,795,473	4,141,176	654,296	19,546,621	15,936,581	3,610,039
Total Revenues	\$ 111,179,603	\$ 122,732,367	\$(11,552,764)	\$ 465,512,942	\$ 469,271,238	\$(3,758,296)
GOP	\$ 50,709,706	\$ 60,321,497	\$(9,611,791)	\$ 217,830,457	\$ 230,292,454	\$(12,461,997)
GOP Margin	45.6%	49.1%		46.8%	49.1%	
GOP Margin Growth	-3.5%			-2.3%		
GOP Flow Through	-83.2%			-331.6%		
EBITDA	\$ 38,953,581	\$ 46,933,187	\$(7,979,606)	\$ 168,512,503	\$ 178,628,301	\$(10,115,798)
EBITDA Margin	35.0%	38.2%		36.2%	38.1%	
EBITDA Margin Growth	-3.2%			-1.9%		

Comparable Hotels ⁽¹⁾⁽²⁾

(includes 43 hotels in both years)

(includes 41 hotels in both years)

	Three Months Ended			Year to Date as of		
	Dec-2016	Dec-2015	Variance	Dec-2016	Dec-2015	Variance
Rooms Available	583,832	583,740		2,244,656	2,238,270	
Rooms Occupied	456,508	464,386		1,857,627	1,852,281	
Occupancy	78.2%	79.6%	-136 bps	82.8%	82.8%	0 bps
Average Daily Rate (ADR)	\$ 211.95	\$ 207.63	2.1%	\$ 206.96	\$ 202.62	2.1%
Revenue Per Available Room (RevPAR)	165.73	165.18	0.3%	171.27	167.68	2.1%
Room Revenues	\$ 96,759,023	\$ 96,422,052	\$ 336,970	\$ 384,448,451	\$ 375,304,318	\$ 9,144,133
Food & Beverage	9,567,995	9,641,368	(73,373)	31,514,832	30,320,304	1,194,527
Lease Income	749,328	619,885	129,442	2,611,421	2,648,357	(36,936)
Other Revenues	4,829,119	4,434,813	394,306	18,921,467	17,462,551	1,458,916
Total Revenues	\$ 111,905,464	\$ 111,118,119	\$ 787,345	\$ 437,496,171	\$ 425,735,530	\$ 11,760,641
GOP	\$ 50,848,432	\$ 51,371,808	\$(523,377)	\$ 206,819,827	\$ 202,163,742	\$ 4,656,085
GOP Margin	45.4%	46.2%		47.3%	47.5%	
GOP Margin Growth	-0.8%			-0.2%		
GOP Flow Through	-166.5%			39.6%		
EBITDA	\$ 39,016,061	\$ 39,495,875	\$(479,814)	\$ 161,797,279	\$ 157,659,228	\$ 4,138,051
EBITDA Margin	34.9%	35.5%		37.0%	37.0%	
EBITDA Margin Growth	-0.7%			0.0%		

(1) The following hotels are included in the comparable portfolio for the time period "Three Months Ended", and include results as reported by the prior owners: Courtyard - Sunnyvale, CA (Acquired 10/20/2016), The Ambrose Hotel - Santa Monica, CA (Acquired 12/1/2016). The "Twelve Months Ended" time period includes 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), Hilton Garden Inn M Street - Washington, DC (Acquired 3/9/2016), and Courtyard - Sunnyvale, CA (Acquired 10/20/2016). The Envoy - Boston, MA is excluded as the hotel was not opened for this full period in 2015. The Ambrose Hotel - Santa Monica, CA is excluded as it was purchased on 12/1/2016.

(2) The following dispositions are excluded from the comparable portfolio: Cindat Joint Venture New York City Portfolio (Sold 4/29/2016), Hyatt Place, Valley Forge, PA (Sold 5/3/2016), Hawthorn Suites, Franklin, MA (Sold 9/7/2016), Residence Inn Framingham (Sold 11/4/2016), Residence Inn Norwood (Sold 11/4/2016).

PRO FORMA KEY PERFORMANCE INDICATORS

	Three Months Ended Dec-2016	Twelve Months Ended Dec-2016
	Pro Forma Consolidated Results	Pro Forma Consolidated Results
Rooms Available	591,346	2,559,578
Rooms Occupied	462,310	2,109,349
Occupancy	78.2%	82.4%
Average Daily Rate (ADR)	\$211.39	\$204.80
Revenue Per Available Room (RevPAR)	165.26	168.77
Room Revenues	97,727,100	431,995,473
Food & Beverage	9,567,995	38,410,834
Lease Income	749,328	2,627,021
Other Revenues	4,840,589	20,329,521
Total Revenues	\$ 112,885,011	\$ 493,362,848
GOP	\$ 51,537,506	\$ 231,605,563
GOP Margin	45.7%	46.9%
EBITDA	\$ 39,597,004	\$ 180,018,699
EBITDA Margin	35.1%	36.5%

Note: Pro Forma figures for the Three and Twelve Months Ended reflect estimated results the Company would have achieved had each 2016 acquisition after December 31, 2015, in the table below, closed by the beginning of the reporting period.

2016 Acquisitions	
Hotel Name	Acquisition Date
Sanctuary Resort	January 28, 2016
Hilton Garden Inn M Street	March 9, 2016
The Envoy	July 21, 2016
Courtyard Sunnyvale	October 20, 2016
The Ambrose Hotel	December 1, 2016

TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 12/31/2016	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	\$41,333 (b)	66.7%	8.50%
3.	Hartford, CT	409	2005	02/08/2006	\$43,389 (b)	15.0%	8.50%
Hilton							
4.	Hartford, CT	393	2005	10/06/2005	\$6,300 (b)	8.8%	8.50%
Courtyard							
5.	Alexandria, VA	203	2006	09/29/2006	(*) (c)	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%	
11.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%	
Hampton Inn							
12.	Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	30.0%	
13.	Philadelphia, PA	250	2001	02/15/2006	(*)	100.0%	
14.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	30.0%	
15.	Herald Square, Manhattan, NY	136	2005	04/29/2016	(a)	30.0%	
16.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%	
17.	Pearl Street, Manhattan, NY	81	2014	07/22/2011	(*)	100.0%	
18.	Washington, DC	228	2005	09/01/2010	(*)	100.0%	
Residence Inn							
19.	Tysons Corner, VA	96	1984	02/02/2006	(*)	100.0%	
20.	Coconut Grove, FL	140	2000	06/12/2013	(*)	100.0%	
21.	Greenbelt, MD	120	2002	07/16/2004	(*) (c)	100.0%	
Hyatt House							
22.	White Plains, NY	159	2000	12/28/2006	(*)	100.0%	
23.	Gaithersburg, MD	140	1998	12/28/2006	(*)	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							
27.	Union Square, NY	178	2013	04/09/2013	\$55,750	100.0%	
Holiday Inn Express							
28.	Times Square, Manhattan, NY	210	2009	04/29/2016	(a)	30.0%	
29.	Cambridge, MA	112	1997	05/03/2006	(*)	100.0%	
30.	South Boston, MA	118	1998	10/07/2005	\$7,116	50.0%	
31.	Chester, NY	80	2006	01/25/2007	(*)	100.0%	
32.	Madison Square Garden (29th St.), NY	228	2006	06/18/2012	(*)	100.0%	
33.	Water Street, Manhattan, NY	112	2010	04/29/2016	(a)	30.0%	
Hilton Garden Inn							
34.	JFK Airport, NY	192	2005	02/16/2006	\$19,034	100.0%	
35.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$46,500	100.0%	
36.	Midtown East, Manhattan, NY	206	2014	05/27/2014	\$44,325	100.0%	
37.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%	
Candlewood Suites							
38.	Times Square, Manhattan, NY	188	2009	04/29/2016	(a)	30.0%	
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	04/29/2016	(a)	30.0%	
TownePlace Suites							
42.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%	
Independent							
43.	Duane Street Hotel, Manhattan, NY	43	2008	01/04/2008	\$8,973	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	\$25,000	100.0%	
46.	Rittenhouse Hotel, 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 Hotel, FL	75	2013	12/20/2013	(*)	100.0%	
50.	Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$23,701	100.0%	
51.	Parrot Key Resort, Key West, FL	148	2013	05/08/2014	(*)	100.0%	
52.	Sanctuary Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,745 (d)	100.0%	
53.	St. Gregory Hotel, Washington, DC	155	2014	06/16/2015	\$27,214 (d)	100.0%	
54.	The Envoy, Boston, MA	136	2015	07/21/2016	(*)	100.0%	
55.	The Ambrose Hotel, Santa Monica, CA	77	2015	12/1/2016	\$0	100.0%	
TOTAL		8,801					

(*) 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 - \$330MM Senior and Mezzanine debt balance.

(b) The Mystic Partners joint-venture, comprised of the Hartford Marriott, Hartford Hilton and Mystic Marriott, liquidated in January 2017. The Mystic Marriott is a 100% owned asset as of January 2017.

(c) Property was sold in January 2017.

(d) Debt balance reflects original issue premium.

PORTFOLIO STATISTICS - Q4 2016 ACTUALS

MARKETS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
New York City	17	2,474	28%	36%
West Coast	10	1,437	16%	18%
Washington, DC	9	1,418	16%	14%
Boston	6	798	9%	9%
Miami & Key West	5	790	9%	9%
Philadelphia	2	366	4%	6%
Other	6	1,518	17%	7%
TOTAL	55	8,801	100%	100%

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
100% Owned Assets	43	6,345	72%	87%
Unconsolidated JV Assets	12	2,456	28%	13%
TOTAL	55	8,801	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	8,022	91%	91%
Destination	5	779	9%	9%
TOTAL	55	8,801	100%	100%

HOTELS BY SEGMENT TYPE				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Upscale Transient	16	2,756	31%	35%
Upper Upscale / Luxury	15	2,613	30%	29%
Upper Midscale	16	2,343	27%	24%
Upscale Extended Stay	8	1,089	12%	11%
TOTAL	55	8,801	100%	100%

MANAGERS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
HMM Managed	50	7,631	87%	97%
Jiten Managed	2	282	3%	1%
Marriott Managed	1	86	1%	1%
Waterford Managed	2	802	9%	0.6%
TOTAL	55	8,801	100%	100%

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

Note: The Mystic Partners joint-venture, comprised of the Hartford Marriott, Hartford Hilton and Mystic Marriott, liquidated in January 2017. The Mystic Marriott is a 100% owned asset as of January 2017.

MORTGAGES AND NOTES PAYABLE

Consolidated Properties	12/31/2016 Fixed Rate Balance	Capped or Fixed Rate	12/31/2016 Floating Rate Balance	Floating Rate	Maturity
Hilton Garden Inn, Midtown East, NY	\$44,325,000	4.05%			05/2017
Hotel Milo - Santa Barbara, CA	\$23,701,327	4.40%			04/2023
Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: Sanctuary Resort, Monterey Bay, CA</i>	\$14,700,000 \$44,648	5.05% na			02/2024 na
Duane Street Hotel - Manhattan, NY	\$8,972,664	5.43%			02/2017
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
Hilton Garden Inn - JFK Airport, NY	\$19,034,367	5.82%			04/2017
St. Gregory - Washington, DC <i>Original Issue Premium: St. Gregory - Washington, DC</i>	\$24,945,994 \$2,268,338	6.30% na			09/2021 na
Courtyard - Sunnyvale, CA	\$40,600,000	4.72%			09/2025
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	\$230,020,338		\$213,798,000		
Total Consolidated Mortgage Debt	\$443,818,338				
Unconsolidated Joint Ventures					
Courtyard - South Boston, MA	\$15,000,000	3.14%			05/2021
Holiday Inn Express - South Boston, MA	\$7,115,950	4.25%			06/2027
Marriott - Mystic, CT	\$41,333,113	6.24%			08/2017
Marriott - Hartford, CT	\$43,389,150	5.57%			03/2024
Hilton - Hartford, CT	\$6,300,000	2.68%			08/2030
Cindat Hersha - Senior Loan			\$280,000,000	LIBOR + 2.45%	05/2019
Cindat Hersha - Mezzanine Loan			\$50,000,000	LIBOR + 9.00%	05/2019
Sub-Total	\$113,138,213		\$330,000,000		
Total Unconsolidated Joint Venture Debt	\$443,138,213				

Note: The Mystic Partners joint-venture, comprised of the Hartford Marriott, Hartford Hilton and Mystic Marriott, liquidated in January 2017. The Mystic Marriott is a 100% owned asset as of January 2017.

ACQUISITION & DISPOSITION ACTIVITY AS OF 12/31/2016

2016 Acquisition Activity

As of 12/31/2016 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 12/31/2016	Ownership %
Sanctuary Resort, Monterey Bay, CA*	60	2000	01/28/2016	\$39,425	\$14,745	100.0%
Hilton Garden Inn, M Street, Washington, DC	238	2014	03/09/2016	\$106,500	\$0	100.0%
The Envoy, Boston, MA	136	2015	07/21/2016	\$112,500	\$0	100.0%
Courtyard, Sunnyvale, CA	145	2014	10/20/2016	\$75,000	\$40,600	100.0%
The Ambrose Hotel, Santa Monica, CA	77	2015	12/01/2016	\$47,500	\$0	100.0%
Total	656			\$380,925	\$55,345	

* Debt Balance includes an original issue mortgage premium of \$44.6K.

2016 Disposition Activity

As of 12/31/2016 (\$ Thousands)			
Name	Rooms	Disposition Date	Disposition Price
Hilton & IHG Branded NYC Properties (7)*	1,087	04/29/2016	\$571,400
Hyatt Place, King of Prussia, PA	129	05/03/2016	\$13,000
Hawthorn Suites, Franklin, MA	100	09/07/2016	\$8,900
Residence Inn Framingham, MA	125	11/04/2016	\$25,000
Residence Inn, Norwood, MA	96	11/04/2016	\$22,000
Total	1,537		\$640,300

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

ENTERPRISE VALUE

December 31, 2016

(\$ Thousands)

	<u>December 31, 2016</u>
Cash	\$185,644
Unsecured Term Loan*	666,620
Revolving Line of Credit	0
Mortgages and Notes Payable - Consolidated Assets*	389,957
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	144,690
Trust Preferred Securities*	51,548
Total Debt	1,252,815
Series C Preferred Shares	75,000
Series D Preferred Shares	192,500
Series E Preferred Shares	100,000
Operating Partnership and LTIP Units (2,838,546 @ \$21.50)**	61,029
Class A Common Shares (41,770,514 @ \$21.50)**	898,066
Total Equity	1,326,595
ENTERPRISE VALUE	\$2,393,766

* Excludes unamortized deferring financing costs and unamortized premiums.

** Stock price and share counts as of December 31, 2016.

Note: The Mystic Partners joint-venture, comprised of the Hartford Marriott, Hartford Hilton and Mystic Marriott, liquidated in January 2017. The Mystic Marriott is a 100% owned asset as of January 2017.

UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Mystic Partners	Cindat Hersha JV	TOTAL
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 DECEMBER 31, 2016					
Joint Venture Net Income	\$ 309	\$ 298	\$ 2,732	\$ 3,442	\$ 6,781
Hotel Cash Available for Distribution					
Hotel EBITDA	\$ 496	\$ 651	\$ 3,270	\$ 10,500	\$ 14,917
Debt Service	(133)	(131)	(1,538)	(3,401)	(5,203)
CapEx Reserve & Other	(60)	(58)	(729)	(969)	(1,816)
Cash Available for Distribution	\$ 303	\$ 462	\$ 1,003	\$ 6,130	\$ 7,898
EBITDA					
Hersha Net Income from Unconsolidated JV	\$ 136	\$ 147	\$ 102	\$ 202	\$ 587
Addback:					
Step up and Outside Basis Amortization	18	2	85	(330)	(225)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	94	176	1,209	3,962	5,441
Hersha EBITDA from Unconsolidated JV	\$ 248	\$ 325	\$ 1,396	\$ 3,834	\$ 5,803
YEAR ENDED DECEMBER 31, 2016					
Joint Venture Net Income	\$ 1,385	\$ 1,772	\$ 3,751	\$ 5,561	\$ 12,469
Hotel Cash Available for Distribution					
Hotel EBITDA	\$ 2,154	\$ 3,300	\$ 12,193	\$ 25,786	\$ 43,433
Debt Service	(527)	(747)	(6,796)	(8,948)	(17,018)
CapEx Reserve & Other	(290)	(315)	(2,707)	(932)	(4,244)
Cash Available for Distribution	\$ 1,337	\$ 2,238	\$ 2,691	\$ 15,906	\$ 22,172
EBITDA					
Hersha Net Income (Loss) from Unconsolidated JV	\$ 618	\$ 839	\$ (137)	\$ (3,143)	\$ (1,823)
Addback:					
Step up and Outside Basis Amortization	74	47	341	(880)	(418)
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	385	764	7,701	13,594	22,444
Hersha EBITDA from Unconsolidated JV	\$ 1,077	\$ 1,650	\$ 7,905	\$ 9,571	\$ 20,203

* 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.