

# HERSHA

## Q3 2018 Supplemental Schedules

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## KEY PERFORMANCE INDICATORS

### Consolidated Hotels

(Recorded from date of acquisition)

(includes 40 hotels in 2018 and 42 hotels in 2017)

(includes 41 hotels in 2018 and 47 hotels in 2017)

	Three Months Ended			Year to Date as of		
	Sep-2018	Sep-2017	Variance	Sep-2018	Sep-2017	Variance
Rooms Available	545,775	580,456		1,584,420	1,750,654	
Rooms Occupied	459,899	502,293		1,302,295	1,463,428	
Occupancy	84.3%	86.5%	-227 bps	82.2%	83.6%	-140 bps
Average Daily Rate (ADR)	\$ 226.05	\$ 214.39	5.4%	\$ 224.60	\$ 213.81	5.0%
Revenue Per Available Room (RevPAR)	190.48	185.52	2.7%	184.60	178.73	3.3%
Room Revenues	103,959,276	107,687,636	\$(3,728,360)	292,490,600	312,889,750	\$(20,399,150)
Food & Beverage	15,687,141	14,801,925	885,216	46,069,109	40,410,729	5,658,380
Lease Income	339,736	347,469	(7,733)	1,047,115	1,130,946	(83,831)
Other Revenues	7,396,254	6,529,458	866,796	20,861,337	19,456,248	1,405,089
Total Revenues	\$ 127,382,407	\$ 129,366,489	\$(1,984,082)	\$ 360,468,162	\$ 373,887,673	\$(13,419,511)
GOP	\$ 55,152,285	\$ 56,845,350	\$(1,693,065)	\$ 152,685,833	\$ 165,542,921	\$(12,857,088)
GOP Margin	43.3%	43.9%		42.4%	44.3%	
GOP Margin Growth	-0.6%			-1.9%		
GOP Flow Through	-85.3%			-95.8%		
EBITDA	\$ 41,468,291	\$ 43,437,908	\$(1,969,617)	\$ 113,389,824	\$ 128,111,179	\$(14,721,355)
EBITDA Margin	32.6%	33.6%		31.5%	34.3%	
EBITDA Margin Growth	-1.0%			-2.8%		

### Comparable Hotels (1)(2)

(includes 38 hotels in both years)

(includes 38 hotels in both years)

	Three Months Ended			Year to Date as of		
	Sep-2018	Sep-2017	Variance	Sep-2018	Sep-2017	Variance
Rooms Available	531,852	532,440		1,552,005	1,552,005	
Rooms Occupied	456,689	460,003		1,282,282	1,297,409	
Occupancy	85.9%	86.4%	-53 bps	82.6%	83.6%	-97 bps
Average Daily Rate (ADR)	\$ 226.35	\$ 221.40	2.2%	\$ 225.75	\$ 220.11	2.6%
Revenue Per Available Room (RevPAR)	194.36	191.28	1.6%	186.52	184.01	1.4%
Room Revenues	103,372,782	101,845,622	\$ 1,527,160	289,473,809	285,578,266	\$ 3,895,544
Food & Beverage	15,681,150	14,330,029	1,351,120	46,150,215	43,383,202	2,767,013
Lease Income	336,008	306,816	29,192	1,043,387	999,862	43,525
Other Revenues	7,252,722	6,344,714	908,008	20,787,281	18,929,736	1,857,545
Total Revenues	\$ 126,642,661	\$ 122,827,181	\$ 3,815,480	\$ 357,454,692	\$ 348,891,066	\$ 8,563,626
GOP	\$ 57,213,586	\$ 55,027,915	\$ 2,185,671	\$ 155,817,426	\$ 152,541,758	\$ 3,275,668
GOP Margin	45.2%	44.8%		43.6%	43.7%	
GOP Margin Growth	0.4%			-0.1%		
GOP Flow Through	57.3%			38.3%		
EBITDA	\$ 44,351,093	\$ 42,540,441	\$ 1,810,652	\$ 118,655,151	\$ 117,716,976	\$ 938,175
EBITDA Margin	35.0%	34.6%		33.2%	33.7%	
EBITDA Margin Growth	0.4%			-0.5%		

(1) The following hotels are included in the comparable portfolio for the time period "Year to Date", and include results as reported by the prior owners: Mystic Marriott Hotel & Spa, CT (Acquired 1/3/2017), Ritz-Carlton Coconut Grove, FL (Acquired 2/1/2017), the Pan Pacific Hotel, Seattle, WA (Acquired 2/21/2017), the Philadelphia Westin, PA (Acquired 6/29/2017), and the Annapolis Waterfront Hotel, MD (Acquired 3/28/2018). For the three months ended September 30, 2018, the comparable portfolio includes results as reported by the prior owners for all of the hotels above, excluding Mystic Marriott Hotel & Spa, CT, Ritz-Carlton Coconut Grove, FL, the Pan Pacific, Seattle, WA, and the Philadelphia Westin, PA as these hotels were owned for the full third quarter in 2017.

(2) The following dispositions are excluded from the comparable portfolio: Residence Inn Greenbelt, MD (Sold 1/5/2017), Courtyard Alexandria, VA (Sold 1/5/2017), Hyatt House Scottsdale, AZ (Sold 6/8/2017), Hyatt House Pleasant Hill, CA (Sold 6/8/2017), Hyatt House Pleasanton, CA (Sold 6/8/2017), Holiday Inn Express Chester, NY (Sold 12/7/2017), Hyatt House Gaithersburg, MD (Sold 2/16/2018), and Hampton Inn Financial District, NY (Sold 3/6/2018). Note that The Cadillac Hotel & Beach Club, FL and The Parrot Key Hotel & Resort, FL are not included due to Hurricane Irma related closures.

## Comparable Portfolio Metrics

	2018 Comparable Metrics			2017 Comparable Metrics				
	Q1 2018	Q2 2018	Q3 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	CY 2017
Occupancy	76.9%	85.1%	85.9%	78.2%	86.6%	86.4%	81.7%	83.1%
YoY Variance	-1.3%	-1.5%	-0.5%					
ADR	\$201.41	\$244.24	\$226.35	\$197.69	\$235.95	\$221.40	\$226.02	\$221.58
YoY % Growth	1.9%	3.5%	2.2%					
RevPAR	\$154.94	\$207.89	\$194.36	\$154.58	\$204.31	\$191.28	\$184.59	\$184.15
YoY % Growth	0.2%	1.8%	1.6%					
EBITDA Margin	24.7%	38.0%	35.0%	26.2%	38.7%	34.6%	33.5%	33.7%
YoY Variance	-1.5%	-0.8%	0.4%					

## Notes for Comparable Portfolio Adjustments

The Company presents Comparable Operating Metrics to best reflect the performance of the current portfolio versus the same portfolio of hotels for the prior year period, adjusted for acquisitions and dispositions below. Note that comparable results for the first three quarters 2018 and full year 2017 exclude the following hotels: The Cadillac Hotel & Beach Club, FL and The Parrot Key Hotel & Resort, FL (both closed due to Hurricane damage).

### 2018 & 2017 Acquisitions:

The Comparable Metrics above are adjusted to reflect the results the Company would have achieved had each acquisition in the table below closed by the beginning of each reporting period.

### 2018 & 2017 Dispositions:

The 2017 Comparable Metrics above are adjusted to exclude the results from the dispositions in the table below for all periods. For example Hyatt House Gaithersburg, MD results are excluded in Q1 2018, as well as full year 2017 comparable results.

	Date Acquired	Quarter Acquired/Sold
<b>2018 Acquisitions</b>		
Annapolis Waterfront Hotel, MD	3/28/2018	Q1*
<b>2018 Dispositions</b>		
Hyatt House, Gaithersburg, MD	2/16/2018	Q1
Hampton Inn Financial District, NY	3/6/2018	Q1
<b>2017 Acquisitions</b>		
Mystic Marriott Hotel & Spa, CT	01/03/2017	Q1
The Ritz-Carlton Coconut Grove, FL	02/01/2017	Q1
The Pan Pacific Hotel, Seattle, WA	02/21/2017	Q1
The Philadelphia Westin, PA	06/29/2017	Q2*
<b>2017 Dispositions</b>		
Residence Inn Greenbelt, MD	01/05/2017	Q1
Courtyard Alexandria, VA	01/05/2017	Q1
Hyatt House Pleasanton, CA	06/08/2017	Q2
Hyatt House Pleasant Hill, CA	06/08/2017	Q2
Hyatt House Scottsdale, CA	06/08/2017	Q2
Holiday Inn Express Chester, NY	12/07/2017	Q4

(\*) Property included in Comparable results beginning in the quarter following acquisition. For example, Annapolis Waterfront Hotel is included in Comparable results beginning in Q2 2018.

(\*\*) Q4 2017 and Full Year 2017 figures exclude the Residence Inn Tysons Corner, VA which is classified as an asset held for sale.

# TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 9/30/2018	Ownership %
<b>Ritz-Carlton</b>						
1.	Coconut Grove, FL	115	2018	02/01/2017	\$0	85.0%
2.	Georgetown, DC	86	2014	12/29/2015	(*)	100.0%
<b>Westin</b>						
3.	Philadelphia, PA	294	2015	06/29/2017	(*)	100.0%
<b>Marriott</b>						
4.	Mystic Marriott Hotel & Spa, CT	285	2018	01/03/2017	(*)	100.0%
<b>Hyatt</b>						
5.	Union Square, Manhattan, NY	178	2013	04/09/2013	\$55,750	100.0%
<b>Independents and Collections</b>						
6.	Annapolis Waterfront Hotel, MD	150	2015	03/28/2018	\$28,000	100.0%
7.	The Pan Pacific Hotel, Seattle, WA	153	2014	02/21/2017	(*)	100.0%
8.	The Ambrose Hotel, Santa Monica, CA	77	2015	12/01/2016	(*)	100.0%
9.	The Envoy, Boston Seaport, MA	136	2015	07/21/2016	(*)	100.0%
10.	The Sanctuary Beach Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,733 (b)	100.0%
11.	The St. Gregory, Dupont Circle, Washington, DC	155	2018	06/16/2015	\$25,169 (b)	100.0%
12.	The Parrot Key Hotel & Resort, Key West, FL	148	2018	05/08/2014	(*)	100.0%
13.	The Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$22,866	100.0%
14.	The Blue Moon Hotel, Miami Beach, FL	75	2013	12/20/2013	(*)	100.0%
15.	The Winter Haven Hotel, Miami Beach, FL	70	2013	12/20/2013	(*)	100.0%
16.	The Boxer, Boston, MA	80	2013	05/07/2012	(*)	100.0%
17.	The Rittenhouse, Philadelphia, PA	118	2018	03/01/2012	(*)	100.0%
18.	The Cadillac Hotel & Beach Club, Miami Beach, FL	357	2018	11/16/2011	(*)	100.0%
19.	The Capitol Hill Hotel, Washington, DC	153	2014	04/15/2011	\$25,000	100.0%
20.	NU Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%
21.	Duane Street Hotel, Manhattan, NY	43	2013	01/04/2008	(*)	100.0%
22.	Gate Hotel JFK Airport, NY	150	2015	06/13/2008	(*)	100.0%
<b>Sheraton</b>						
23.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%
<b>Courtyard</b>						
24.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%
25.	Downtown San Diego, CA	245	2013	05/30/2013	(*)	100.0%
26.	Los Angeles Westside, CA	260	2014	05/19/2011	\$35,000	100.0%
27.	South Boston, MA	164	2005	07/01/2005	\$15,000	50.0%
28.	Brookline, MA	188	2016	06/16/2005	(*)	100.0%
<b>Hilton Garden Inn</b>						
29.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%
30.	Manhattan Midtown East, Manhattan, NY	206	2014	05/27/2014	\$44,325	100.0%
31.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$45,255	100.0%
32.	JFK International Airport, NY	192	2013	02/16/2006	(*)	100.0%
<b>Residence Inn</b>						
33.	Coconut Grove, FL	140	2014	06/12/2013	(*)	100.0%
34.	Tysons Corner, VA	96	2012	02/02/2006	(*)	100.0%
<b>Hyatt House</b>						
35.	White Plains, NY	177	2018	12/28/2006	(*)	100.0%
<b>Hampton Inn</b>						
36.	Manhattan/Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	31.2%
37.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	31.2%
38.	Madison Square Garden, Manhattan, NY	136	2005	04/29/2016	(a)	31.2%
39.	Washington, DC	228	2008	09/01/2010	(*)	100.0%
40.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%
41.	Center City/Convention Center, Philadelphia, PA	250	2018	02/15/2006	(*)	100.0%
<b>Holiday Inn</b>						
42.	Wall Street, Manhattan, NY	113	2009	04/29/2016	(a)	31.2%
<b>Holiday Inn Express</b>						
43.	Times Square South, Manhattan, NY	210	2009	04/29/2016	(a)	31.2%
44.	Wall Street, Manhattan, NY	112	2010	04/29/2016	(a)	31.2%
45.	Madison Square Garden, Manhattan, NY	228	2017	06/18/2012	(*)	100.0%
46.	Cambridge, MA	112	2012	05/03/2006	(*)	100.0%
47.	South Boston, MA	174	1998	10/07/2005	\$23,479	50.0%
<b>TownePlace Suites</b>						
48.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%
<b>Candlewood Suites</b>						
49.	Times Square South, Manhattan, NY	188	2009	04/29/2016	(a)	31.2%
<b>TOTAL</b>		<b>7,730</b>				

(\*) 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.

(b) Debt balance reflects original issue premium.

**PORTFOLIO STATISTICS - Q3 2018 ACTUALS**

MARKETS				
Consolidated Assets				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
West Coast	8	1,156	15%	25%
New York City	9	1,306	17%	24%
Boston	4	516	7%	15%
Washington, DC	7	1,106	14%	11%
Philadelphia	3	662	9%	10%
Miami & Key West	6	905	12%	nm
Other	3	654	8%	6%
<b>Total Consolidated Assets</b>	<b>40</b>	<b>6,305</b>	<b>82%</b>	<b>92%</b>
Total Unconsolidated JV Assets	9	1,425	18%	8%
<b>TOTAL</b>	<b>49</b>	<b>7,730</b>	<b>100%</b>	<b>100%</b>

OWNERSHIP				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
Consolidated Assets	40	6,305	82%	92%
Unconsolidated JV Assets	9	1,425	18%	8%
<b>TOTAL</b>	<b>49</b>	<b>7,730</b>	<b>100%</b>	<b>100%</b>

HOTELS BY DESTINATION				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
Major Metro	44	6,965	90%	89%
Destination	5	765	10%	11%
<b>TOTAL</b>	<b>49</b>	<b>7,730</b>	<b>100%</b>	<b>100%</b>

MANAGERS				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
HHM Managed	45	7,191	93%	100%
Jiten Managed	2	338	4%	2%
Marriott Managed	2	201	3%	-2%
<b>TOTAL</b>	<b>49</b>	<b>7,730</b>	<b>100%</b>	<b>100%</b>

HOTELS BY SEGMENT TYPE				
	Hotels	Rooms	% of Total Rooms	% of Total EBITDA <sup>(1)</sup>
Luxury / Lifestyle	23	3,290	43%	45%
Upscale	12	2,202	28%	34%
Upper Midscale	14	2,238	29%	21%
<b>TOTAL</b>	<b>49</b>	<b>7,730</b>	<b>100%</b>	<b>100%</b>

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

**MORTGAGES, NOTES PAYABLE AND UNSECURED DEBT**

	9/30/2018 Fixed Rate Balance	Capped or Fixed Rate	9/30/2018 Floating Rate Balance	Floating Rate	Maturity
<b>Consolidated Properties</b>					
Hilton Garden Inn, Manhattan Midtown East, NY	\$44,325,000	4.50%			02/2020
Courtyard by Marriott, Los Angeles Westside, CA	\$35,000,000	4.43%			08/2021
The St. Gregory, Dupont Circle, Washington, DC <i>Original Issue Premium: The St. Gregory, Dupont Circle, Washington, DC</i>	\$23,775,485	6.30%			09/2021
The Hotel Milo, Santa Barbara, CA	\$1,393,675	na			na
The Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: The Sanctuary Resort, Monterey Bay, CA</i>	\$22,866,361	4.40%			04/2023
	\$14,700,000	5.05%			02/2024
	\$33,398	na			na
Courtyard by Marriott, Sunnyvale, CA	\$40,600,000	4.72%			09/2025
Hyatt Union Square, Manhattan, NY <sup>(1)</sup>			\$55,750,000	LIBOR + 2.30%	06/2019
Hilton Garden Inn, Tribeca, Manhattan, NY			\$45,254,549	LIBOR + 2.30%	11/2019
The Capitol Hill Hotel, Washington, DC			\$25,000,000	LIBOR + 2.00%	01/2021
Annapolis Waterfront Hotel, MD <sup>(2)</sup>			\$28,000,000	LIBOR + 2.65%	04/2024
Sub-Total	\$182,693,919		\$154,004,549		
<b>Total Consolidated Mortgage Debt</b>	<b>\$336,698,469</b>				
<i>Mortgages Payable Deferred Financing Costs</i>	(\$2,299,353)				
<b>Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs</b>	<b>\$334,399,116</b>				
<b>Unsecured Debt</b>					
2020 Term Loan (\$300M) <sup>(3)</sup>	\$300,000,000	3.69%			08/2020
2021 Term Loan (\$150M)	\$150,000,000	3.21%			08/2021
2021 Term Loan (\$43.9M)	\$43,900,000	3.89%			08/2021
Line of Credit			\$26,000,000	LIBOR + 2.25%	08/2021
2022 Term Loan (\$225M)			\$207,000,000	LIBOR + 2.20%	08/2022
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	\$493,900,000		\$284,548,000		
<b>Total Unsecured Debt</b>	<b>\$778,448,000</b>				
<i>Term Loan Deferred Financing Costs</i>	(\$2,885,947)				
<i>Notes Payable Deferred Financing Costs</i>	(\$877,681)				
<b>Total Unsecured Debt, Net of Deferred Financing Costs</b>	<b>\$774,684,372</b>				
<b>TOTAL CONSOLIDATED DEBT</b>	<b>\$1,109,083,488</b>				

**UNCONSOLIDATED JOINT VENTURES**

	9/30/2018 Fixed Rate Balance	Capped or Fixed Rate	9/30/2018 Floating Rate Balance	Floating Rate	Maturity
<b>Unconsolidated Joint Ventures</b>					
Courtyard by Marriott, South Boston, MA	\$15,000,000	3.14%			04/2021
Holiday Inn Express, South Boston, MA	\$23,479,223	4.13%			02/2032
Cindat Hersha - Senior Loan			\$300,000,000	LIBOR + 2.72%	02/2021
Cindat Hersha - Mezzanine Loan			\$85,000,000	LIBOR + 7.75%	02/2021
Sub-Total	\$38,479,223		\$385,000,000		
<b>Total Unconsolidated Joint Venture Debt</b>	<b>\$423,479,223</b>				

(1) Interest rate has a LIBOR cap at 3.00% until 6/9/2019.

(2) Interest rate has a LIBOR cap at 3.35% until 5/1/2021.

(3) The 2020 Term Loan (\$300M) entered into an interest rate swap with an effective date of Aug 10, 2017. It will be swapped for a tiered fixed rate until maturity: 3.693% from Aug 10, 2017 to Aug 10, 2018, 4.1155% from Aug 10, 2018 until Aug 10, 2019, and 4.3925% from Aug 10, 2019 until maturity Aug 10, 2020.

## ACQUISITION & DISPOSITION ACTIVITY AS OF 9/30/2018

### 2018 Acquisition Activity

As of 9/30/2018 (\$ Thousands)						
Name	Rooms	Year Opened/ Complete Renovation	Acquisition Date	Purchase Price	Debt Balance as of 9/30/2018	Ownership %
Annapolis Waterfront Hotel, MD	150	2015	03/28/2018	\$41,500	\$28,000	100.0%
Total	150			\$41,500	\$28,000	

### 2018 Disposition Activity

As of 9/30/2018 (\$ Thousands)			
Name	Rooms	Disposition Date	Disposition Price
Hyatt House, Gaithersburg, MD	140	02/16/2018	\$19,000
Hampton Inn Financial District, Manhattan, NY	81	03/06/2018	\$32,400
Total	221		\$51,400

## ENTERPRISE VALUE

September 30, 2018

(\$ Thousands)

	<u>September 30, 2018</u>
<b>Cash</b>	<b>\$37,727</b>
Unsecured Term Loans*	700,900
Revolving Line of Credit	26,000
Mortgages and Notes Payable - Consolidated Assets*	335,271
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	139,360
Trust Preferred Securities*	51,548
<b>Total Debt</b>	<b>1,253,079</b>
Series C Preferred Shares	75,000
Series D Preferred Shares	192,543
Series E Preferred Shares	100,038
Operating Partnership and LTIP Units (3,749,665 @ \$22.67)**	85,005
Class A Common Shares (39,422,736 @ \$22.67)**	893,713
<b>Total Equity</b>	<b>1,346,299</b>
<b>ENTERPRISE VALUE</b>	<b>\$2,561,651</b>

\* Excludes unamortized deferring financing costs and unamortized premiums.

\*\* Stock price and share counts as of September 30, 2018.



## UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston 50.0% N/A	Courtyard South Boston 50.0% N/A	Cindat Hersha JV 31.2%* N/A*	TOTAL
Hersha Ownership				
Hersha Participating Preferred %				
<b>THREE MONTHS ENDED SEPTEMBER 30, 2018</b>				
Joint Venture Net Income (Loss)	\$ 362	\$ 843	\$ (918)	\$ 287
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 968	\$ 1,203	\$ 8,265	\$ 10,436
Debt Service	(285)	(132)	(5,833)	(6,250)
CapEx Reserve & Other	(113)	(110)	(862)	(1,085)
Cash Available for Distribution	<u>\$ 570</u>	<u>\$ 961</u>	<u>\$ 1,570</u>	<u>\$ 3,101</u>
<b>EBITDA</b>				
Hersha Net Income from Unconsolidated JV	\$ 163	\$ 419	\$ -	\$ 582
<b>Addback:</b>				
Unrecognized pro rata interest in loss	-	-	(290)	(290)
Step up and outside basis amortization	18	2	3	23
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	303	180	2,865	3,348
Hersha EBITDA from Unconsolidated JV	<u>\$ 484</u>	<u>\$ 601</u>	<u>\$ 2,578</u>	<u>\$ 3,663</u>
<b>NINE MONTHS ENDED SEPTEMBER 30, 2018</b>				
Joint Venture Net Income (Loss)	\$ 610	\$ 1,350	\$ (13,485)	\$ (11,525)
<b>Hotel Cash Available for Distribution</b>				
Hotel EBITDA	\$ 1,580	\$ 2,428	\$ 20,331	\$ 24,339
Debt Service	(474)	(390)	(16,277)	(17,141)
CapEx Reserve & Other	(441)	(275)	(2,332)	(3,048)
Cash Available for Distribution	<u>\$ 665</u>	<u>\$ 1,763</u>	<u>\$ 1,722</u>	<u>\$ 4,150</u>
<b>EBITDA</b>				
Hersha Net Income from Unconsolidated JV	\$ 250	\$ 668	\$ -	\$ 918
<b>Addback:</b>				
Unrecognized pro rata interest in loss	-	-	(4,216)	(4,216)
Step up and outside basis amortization	55	7	8	70
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	485	539	10,551	11,575
Hersha EBITDA from Unconsolidated JV	<u>\$ 790</u>	<u>\$ 1,214</u>	<u>\$ 6,343</u>	<u>\$ 8,347</u>

\* Our joint venture partner maintains a \$142,000 senior common equity interest in the Cindat Hersha JV.

## HOTEL EBITDA RECONCILIATION

(in thousands)

	Three Months Ended		Year to Date as of	
	Sep-2018	Sep-2017	Sep-2018	Sep-2017
Operating income	\$ 17,486	\$ 12,675	\$ 38,885	\$ 44,870
Other revenue	(147)	(79)	(321)	(1,113)
Gain on insurance settlement	(5,553)	-	(11,916)	-
Property losses in excess of insurance recoveries	775	3,812	775	3,812
Depreciation and amortization	22,764	21,658	66,364	61,234
General and administrative	3,773	3,407	11,718	10,674
Share based compensation	2,068	1,512	6,797	5,468
Acquisition and terminated transaction costs	8	297	10	2,121
Straight-line amortization of ground lease expense	424	234	1,105	602
Other	(130)	(79)	(27)	443
<b>Hotel EBITDA</b>	<b>\$ 41,468</b>	<b>\$ 43,437</b>	<b>\$ 113,390</b>	<b>\$ 128,111</b>

\* Hotel EBITDA reflects consolidated hotels recorded from date of acquisition.