

FelCor Lodging Trust Inc  
Form 425  
February 23, 2017

**Filed by Ashford Hospitality Trust, Inc.**

**(Commission File No. 001-31775)**

**pursuant**

**to Rule 425 under the Securities Act of**

**1933 and deemed filed pursuant to**

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**Exchange**

**Act of 1934**

**Subject Company: FelCor Lodging**

**Trust Incorporated**

**Commission File No. 001-14236**

NEWS RELEASE

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**ASHFORD TRUST REPORTS FOURTH QUARTER AND YEAR END 2016 RESULTS**

*Comparable RevPAR Growth for all Hotels Not Under Renovation was 3.2%*

*Comparable Hotel EBITDA Margin for all Hotels Not Under Renovation Increased 46 bps*

*Comparable Hotel EBITDA Flow-Through for all Hotels Not Under Renovation was 51%*

*Appoints Douglas A. Kessler as Chief Executive Officer*

*Makes Public Offer to Acquire FelCor Lodging Trust Incorporated*

DALLAS, February 23, 2017 Ashford Hospitality Trust, Inc. (NYSE: AHT) ( Ashford Trust or the Company ) today reported financial results and performance measures for the fourth quarter ended December 31, 2016. The performance measurements for Occupancy, Average Daily Rate

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(ADR), Revenue Per Available Room (RevPAR), and Hotel EBITDA are comparable assuming each of the hotel properties in the Company's hotel portfolio as of December 31, 2016 were owned as of the beginning of each of the periods presented. Unless otherwise stated, all reported results compare the fourth quarter ended December 31, 2016, with the fourth quarter ended December 31, 2015 (see discussion below). The reconciliation of non-GAAP financial measures is included in the financial tables accompanying this press release.

### STRATEGIC OVERVIEW

- Opportunistic focus on upper-upscale, full-service hotels
- Targets moderate debt levels of approximately 55 - 60% net debt/gross assets
- Highly-aligned management team and advisory structure
- One of the highest long-term total shareholder returns in the industry
- Attractive dividend yield of approximately 6.4%
- Targets cash and cash equivalents at a level of 25 - 35% of total equity market capitalization for the purposes of:
  - working capital needs at property and corporate levels
  - hedging against a downturn in the economy or hotel fundamentals
  - being prepared to pursue accretive investments or stock buybacks as those opportunities arise

### FINANCIAL AND OPERATING HIGHLIGHTS

- Net loss attributable to common stockholders was \$57.3 million or \$0.61 per diluted share for the quarter. For the full year of 2016, net loss attributable to common stockholders was \$88.7 million or \$0.95 per diluted share.
  - Comparable RevPAR for all hotels not under renovation increased 3.2% during the quarter
  - Comparable Hotel EBITDA Margin for all hotels not under renovation increased 46 basis points for the quarter
  - Comparable Hotel EBITDA flow-through for all hotels not under renovation was 51% for the quarter
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- Adjusted EBITDA was \$84.1 million for the quarter. Adjusted EBITDA for the full year of 2016 was \$431.1 million, which reflected a 6% growth rate over 2015.
- Adjusted funds from operations (AFFO) was \$0.16 per diluted share for the quarter. For the full year of 2016, AFFO per diluted share was \$1.51 compared with \$1.44 for the full year of 2015, an increase of 5% over the prior year.
- The Company's common stock is currently trading at an approximate 6.4% dividend yield
- Capex invested in the quarter was \$66.1 million

#### **TRANSACTION HIGHLIGHTS**

- Completed the sale of the 162-room SpringHill Suites Gaithersburg in Gaithersburg, MD for approximately \$13.2 million (\$81,000 per key)
- Completed the sale of the two-hotel portfolio comprised of the 151-room Courtyard Palm Desert and the 130-room Residence Inn Palm Desert for \$36 million (\$128,000 per key)
- Refinanced four mortgage loans with existing outstanding balances totaling approximately \$415 million with a new loan totaling \$450 million
- Priced an underwritten public offering of 6,200,000 shares of 7.375% Series G Cumulative Preferred Stock at \$25.00 per share

#### **MAKES PUBLIC OFFER TO ACQUIRE FELCOR LODGING TRUST**

On February 21, 2017, the Company announced that it had submitted a non-binding proposal to acquire FelCor Lodging Trust Incorporated (NYSE: FCH) ( FelCor ) for \$9.27 per share comprised of 1.192 shares of Ashford Trust in exchange for each share of FelCor and securities in Ashford Inc. The Company believes the proposed combination has compelling strategic, operational, and financial merit, presenting shareholders of FelCor and Ashford Trust with a substantial value creation opportunity. The combined company would be the largest pure-play publicly traded lodging REIT by number of hotels, second-largest by room count, and third-largest by enterprise value. Ashford Trust has attempted to conduct good faith discussions with FelCor for the last several months. However, even with a fully-executed non-disclosure agreement in place, FelCor has failed to meaningfully engage and has refused to provide customary information to allow Ashford Trust to fully evaluate this significant opportunity to unlock value for shareholders of both companies. As a result, Ashford Trust decided to make the proposal

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public in order to inform FelCor's shareholders of its intent.

In a letter to FelCor's Board of Directors dated February 21, 2017 and in an investor presentation presented that same day, Ashford Trust detailed the potential strategic and financial benefits of the proposed combination, including:

- Significant value creation potential for both sets of shareholders;
- Significant margin enhancements and G&A and operating synergies opportunities with the potential for material value creation;
- Creation of the third largest pure-play lodging REIT by enterprise value with a larger and more diversified portfolio of 159 properties and 36,657 keys, limiting exposure to market specific volatility;
- Enhanced size and scale of combined platform should enable a larger equity float and trading volume, expanded growth opportunities, and broad-based access to multiple sources of capital;
- Strong balance sheet with flexibility;
- Leading management team at Ashford Trust with proven track record of delivering significant shareholder returns; and
- Strong alignment of interest with management through high insider ownership, backed by shareholder friendly corporate governance with further enhancements.

The Company also submitted to FelCor a proposed slate of director nominees to stand for election at FelCor's next annual shareholder's meeting.

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#### **APPOINTS DOUGLAS A. KESSLER AS CHIEF EXECUTIVE OFFICER**

On February 21, 2017, the Company announced that its Board of Directors had appointed Douglas A. Kessler as the Chief Executive Officer of the Company, effective immediately. Monty J. Bennett, the Company's previous Chief Executive Officer, remains Chairman of the Board of Ashford Trust. Mr. Kessler was previously President of the Company.

#### **CAPITAL STRUCTURE**

At December 31, 2016, the Company had total assets of \$4.9 billion. As of December 31, 2016, the Company had \$3.8 billion of mortgage debt. The Company's total combined debt had a blended average interest rate of 5.4%.

On October 10, 2016, the Company announced it had refinanced four mortgage loans with existing outstanding balances totaling approximately \$415 million. The previous mortgage loans that were refinanced had final maturity dates in April 2017, and the JP Morgan Chase Marriott Fremont loan had a final maturity date in August 2019. The mortgage loans were refinanced through one new mortgage loan, totaling \$450 million, with a two-year initial term and four one-year extension options, subject to the satisfaction of certain conditions. The new loan is interest only, provides for a floating interest rate of LIBOR + 4.55%, and contains flexible release provisions for the potential sale of assets. The next non-extendable debt maturity for the Company is a \$16 million loan that matures in June 2017.

On October 13, 2016, the Company announced that it had priced an underwritten public offering of 6,200,000 shares of 7.375% Series G Cumulative Preferred Stock at \$25.00 per share. Dividends on the Series G Preferred Stock will accrue at a rate of 7.375% per annum on the liquidation preference of \$25.00 per share.

#### **SELECT-SERVICE HOTEL PORTFOLIO SALES PROCESS**

During the quarter, the Company closed on the sales of the 162-room SpringHill Suites Gaithersburg in Gaithersburg, MD for approximately \$13.2 million (\$81,000 per key) and the two-hotel portfolio comprised of the 151-room Courtyard Palm Desert and the 130-room Residence Inn Palm Desert for \$36 million (\$128,000 per key). The Company will continue to pursue the opportunistic sales of its non-core, select-service hotels over time. Since the announcement of the strategy, the Company has sold nine hotels for approximately \$218 million resulting in the paydown of approximately \$153 million of associated debt.

**PORTFOLIO REVPAR**

As of December 31, 2016, the portfolio consisted of direct hotel investments with 123 properties. During the fourth quarter of 2016, 105 of the Company's hotels were not under renovation. The Company believes reporting its operating metrics for its hotels on a comparable total basis (all 123 hotels) and comparable not under renovation basis (105 hotels) is a measure that reflects a meaningful and focused comparison of the operating results in its portfolio. Details of each category are provided in the tables attached to this release.

- Comparable RevPAR increased 1.6% to \$109.35 for all hotels on a 1.5% increase in ADR and a 0.1% increase in occupancy
- Comparable RevPAR increased 3.2% to \$109.95 for hotels not under renovation on a 1.9% increase in ADR and a 1.3% increase in occupancy

**HOTEL EBITDA MARGINS AND QUARTERLY SEASONALITY TRENDS**

The Company believes year-over-year Comparable Hotel EBITDA and Comparable Hotel EBITDA Margin comparisons are more meaningful to gauge the performance of the Company's hotels than sequential quarter-over-quarter comparisons. Given the substantial seasonality in the Company's portfolio and its active capital recycling,

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to help investors better understand this seasonality, the Company provides quarterly detail on its Comparable Hotel EBITDA and Comparable Hotel EBITDA Margin for the current and certain prior-year periods based upon the number of hotels in the Company's portfolio as of the end of the current period. As the Company's portfolio mix changes from time to time so will the seasonality for Comparable Hotel EBITDA and Comparable Hotel EBITDA Margin. The details of the quarterly calculations for the previous four quarters for the 123 hotels are provided in the table attached to this release.

#### **COMMON STOCK DIVIDEND**

On December 12, 2016, the Company announced that its Board of Directors had declared a quarterly cash dividend of \$0.12 per diluted share for the Company's common stock for the fourth quarter ending December 31, 2016, payable on January 17, 2017, to shareholders of record as of December 30, 2016.

The Board also approved the Company's dividend policy for 2017. The Company expects to pay a quarterly cash dividend of \$0.12 per share for 2017, or \$0.48 per share on an annualized basis. The Board will continue to review its dividend policy on a quarter-to-quarter basis. The adoption of a dividend policy does not commit the Board of Directors to declare future dividends or the amount thereof.

We are hopeful that the FelCor Board of Directors will engage with us pertaining to a combination that we believe will result in significant value creation for both of our shareholders, commented Douglas A. Kessler, Ashford Trust's Chief Executive Officer. As it relates to our quarterly performance, we are pleased with the fourth quarter, which highlights the quality of our portfolio, our diverse market exposure and our exceptional asset management capabilities. Looking ahead, we are well positioned to capitalize on improving business sentiment and positive economic trends and remain committed to maximizing value for our shareholders.

#### **INVESTOR CONFERENCE CALL AND SIMULCAST**

Ashford Hospitality Trust, Inc. will conduct a conference call on Friday, February 24, 2017, at 11:00 a.m. ET. The number to call for this interactive teleconference is (719) 325-4819. A replay of the conference call will be available through Friday, March 3, 2017, by dialing (719) 457-0820 and entering the confirmation number, 3774749.

The Company will also provide an online simulcast and rebroadcast of its fourth quarter 2016 earnings release conference call. The live broadcast of Ashford Hospitality Trust's quarterly conference call will be available online at the Company's web site, [www.ahltreit.com](http://www.ahltreit.com) on Friday, February 24, 2017, beginning at 11:00 a.m. ET. The online replay will follow shortly after the call and continue for approximately one year.

Substantially all of our non-current assets consist of real estate investments and debt investments secured by real estate. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most industry investors consider supplemental measures of performance, which are not measures of operating performance under GAAP, to assist in evaluating a real estate company's operations. These supplemental measures include FFO, AFFO, EBITDA, and Hotel EBITDA. FFO is computed in accordance with our interpretation of standards established by NAREIT, which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the NAREIT definition differently than us. Neither FFO, AFFO, EBITDA, nor Hotel EBITDA represents cash generated from operating activities as determined by GAAP and should not be considered as an alternative to a) GAAP net income (loss) as an indication of our financial performance or b) GAAP cash flows from operating activities as a measure of our liquidity, nor are such measures indicative of funds available to satisfy our cash needs, including our ability to make cash distributions. However, management believes FFO, AFFO, EBITDA, and Hotel EBITDA to be meaningful measures of a REIT's performance and should be considered along with, but not as an alternative to, net income and cash flow as a measure of our operating performance.

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Ashford Hospitality Trust is a real estate investment trust (REIT) focused on investing opportunistically in the hospitality industry in upper upscale, full-service hotels.

Follow Chairman Monty Bennett on Twitter at [www.twitter.com/MBennettAshford](http://www.twitter.com/MBennettAshford) or @MBennettAshford.

Ashford has created an Ashford App for the hospitality REIT investor community. The Ashford App is available for free download at Apple's App Store and the Google Play Store by searching Ashford.

#### **Forward Looking Statements**

*Certain statements and assumptions in this press release contain or are based upon forward-looking information and are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward looking statements in this press release include, among others, statements about the Company's strategy and future plans. These forward-looking statements are subject to risks and uncertainties. When we use the words will likely result, may, anticipate, estimate, should, expect, believe, intend, or similar expressions, we intend to identify forward-looking statements. Such statements are subject to numerous assumptions and uncertainties, many of which are outside Ashford Trust's control.*

*These forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated, including, without limitation: general volatility of the capital markets and the market price of our common stock; changes in our business or investment strategy; availability, terms and deployment of capital; availability of qualified personnel; changes in our industry and the market in which we operate, interest rates or the general economy; the degree and nature of our competition; risks that Ashford Trust will ultimately not pursue a transaction with FelCor or FelCor will reject engaging in any transaction with Ashford Trust; if a transaction is negotiated between Ashford Trust and FelCor, risks related to Ashford Trust's ability to complete the acquisition on the proposed terms; the possibility that competing offers will be made; risks associated with business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the acquisition will not be realized; risks related to future opportunities and plans for the combined company, including uncertainty of the expected financial performance and results of the combined company following completion of the proposed acquisition; disruption from the proposed acquisition, making it more difficult to conduct business as usual or maintain relationships with customers, employees, managers or franchisors; and the possibility that if the combined company does not achieve the perceived benefits of the proposed acquisition as rapidly*

*or to the extent anticipated by financial analysts or investors, the market price of Ashford Trust's shares could decline. These and other risk factors are more fully discussed in Ashford Trust's filings with the Securities and Exchange Commission. EBITDA is defined as net income before interest, taxes, depreciation and amortization. EBITDA yield is defined as trailing twelve month EBITDA divided by the purchase price. A capitalization rate is determined by dividing the property's annual net operating income by the purchase price. Net operating income is the property's funds from operations minus a capital expense reserve of either 4% or 5% of gross revenues. Hotel EBITDA flow-through is the change in Hotel EBITDA divided by the change in total revenues. Hotel EBITDA Margin is Hotel EBITDA divided by total revenues. Funds from operations ( FFO ), as defined by the White Paper on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts ( NAREIT ) in April 2002, represents net income (loss) computed in accordance with generally accepted accounting principles ( GAAP ), excluding gains (or losses) from sales of properties and extraordinary items as defined by GAAP, plus depreciation and amortization of real estate assets, and net of adjustments for the portion of these items related to unconsolidated entities and joint ventures.*

*The forward-looking statements included in this press release are only made as of the date of this press release. Investors should not place undue reliance on these forward-looking statements. We are not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events or circumstances, changes in expectations or otherwise.*

#### **Additional Information**

*This communication does not constitute an offer to buy or solicitation of any offer to sell securities. This communication relates to a proposal which Ashford Trust has made for a business combination transaction with FelCor. In furtherance of this proposal and subject to future developments, Ashford Trust (and, if a negotiated transaction is agreed, FelCor) may file one or more registration statements, prospectuses, proxy statements or other documents with the SEC. This communication is not a substitute for any registration statement, prospectus, proxy statement or other document Ashford Trust or FelCor may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS OF ASHFORD TRUST AND FELCOR ARE URGED TO READ CAREFULLY THE REGISTRATION STATEMENT(S), PROSPECTUS(ES), PROXY STATEMENT(S) AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ASHFORD TRUST, FELCOR AND THE PROPOSED TRANSACTION.*

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*Investors and security holders may obtain free copies of these documents (if and when they become available) and other related documents filed with the SEC at the SEC's web site at [www.sec.gov](http://www.sec.gov) or by directing a request to Ashford Trust's Investor Relations department at Ashford Hospitality Trust, Inc., Attention: Investor Relations, 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254 or by calling Ashford Trust's Investor Relations department at (972) 490-9600. Investors and security holders may obtain free copies of the documents filed with the SEC on Ashford Trust's website at [www.ahtreit.com](http://www.ahtreit.com) under the Investor link, at the SEC Filings tab.*

### **Certain Information Regarding Participants**

*Ashford Trust and Ashford Inc. and their respective directors and executive officers may be deemed participants in the solicitation of proxies in connection with the proposed transaction. You can find information about Ashford Trust's directors and executive officers in Ashford Trust's definitive proxy statement for its most recent annual meeting filed with the SEC on April 25, 2016. You can find information about Ashford Inc.'s directors and executive officers in Ashford Inc.'s definitive proxy statements for its most recent annual meeting and special meeting filed with the SEC on April 28, 2016 and October 7, 2016, respectively. You can find information about FelCor's directors and executive officers in FelCor's definitive proxy statement for its most recent annual meeting filed with the SEC on April 14, 2016. These documents are available free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov) and (with respect to documents and information relating to Ashford Trust) from Investor Relations at Ashford Trust, as described above. Additional information regarding the interests of such potential participants will be included in one or more registration statements, proxy statements, tender offer statements or other related documents filed with the SEC if and when they become available.*

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## ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

(unaudited)

	December 31, 2016	December 31, 2015
<b>ASSETS</b>		
Investments in hotel properties, net	\$ 4,160,563	\$ 4,419,684
Cash and cash equivalents	347,091	215,078
Restricted cash	144,014	153,680
Marketable securities	53,185	
Accounts receivable, net of allowance of \$690 and \$715, respectively	44,629	40,438
Inventories	4,530	4,810
Note receivable, net of allowance of \$0 and \$7,083, respectively		3,746
Investment in securities investment fund	50,890	55,952
Investment in Ashford Inc.	5,873	6,616
Investment in OpenKey	2,016	
Deferred costs, net	2,846	3,847
Prepaid expenses	17,578	12,458
Derivative assets	3,614	3,435
Other assets	11,718	10,647
Intangible asset, net	10,061	11,343
Due from Ashford Prime OP, net		528
Due from third-party hotel managers	13,348	22,869
Assets held for sale	19,588	
<b>Total assets</b>	<b>\$ 4,891,544</b>	<b>\$ 4,965,131</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Indebtedness	\$ 3,723,559	\$ 3,840,617
Accounts payable and accrued expenses	126,986	123,444
Dividends payable	24,765	22,678
Unfavorable management contract liabilities	1,380	3,355
Due to Ashford Inc.	15,716	9,856
Due to Ashford Prime OP, net	488	
Due to related party, net	1,001	1,339
Due to third-party hotel managers	2,714	2,504
Intangible liabilities, net	16,195	16,494
Other liabilities	16,548	14,539
Liabilities associated with assets held for sale	37,047	
<b>Total liabilities</b>	<b>3,966,399</b>	<b>4,034,826</b>
Redeemable noncontrolling interests in operating partnership	132,768	118,449
Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized - Series A Cumulative Preferred Stock 1,657,206 shares issued and outstanding at December 31, 2016 and 2015	17	17
	95	95

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Series D Cumulative Preferred Stock 9,468,706 shares issued and outstanding at December 31, 2016 and 2015			
Series E Cumulative Preferred Stock, 0 and 4,630,000 shares issued and outstanding at December 31, 2016 and 2015, respectively			46
Series F Cumulative Preferred Stock 4,800,000 and 0 shares issued and outstanding at December 31, 2016 and 2015, respectively	48		
Series G Cumulative Preferred Stock 6,200,000 and 0 shares issued and outstanding at December 31, 2016 and 2015, respectively	62		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 96,376,827 and 95,470,903 shares issued and outstanding at December 31, 2016 and 2015, respectively	964		955
Additional paid-in capital	1,764,450		1,597,194
Accumulated deficit	(974,015)		(787,221)
Total shareholders' equity of the Company	791,621		811,086
Noncontrolling interests in consolidated entities	756		770
Total equity	792,377		811,856
Total liabilities and equity	\$ 4,891,544	\$	4,965,131

## ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b>REVENUE</b>				
Rooms	\$ 262,803	\$ 271,584	\$ 1,180,199	\$ 1,059,012
Food and beverage	64,744	67,571	253,211	227,099
Other	13,678	13,297	56,891	48,699
Total hotel revenue	341,225	352,452	1,490,301	1,334,810
Other	445	425	1,742	2,156
<b>Total revenue</b>	<b>341,670</b>	<b>352,877</b>	<b>1,492,043</b>	<b>1,336,966</b>
<b>EXPENSES</b>				
Hotel operating expenses				
Rooms	59,548	62,324	255,317	231,614
Food and beverage	42,924	44,449	172,530	153,340
Other expenses	108,692	109,960	455,818	405,896
Management fees	12,543	13,028	54,734	49,394
Total hotel operating expenses	223,707	229,761	938,399	840,244
Property taxes, insurance and other	18,836	18,134	73,913	65,301
Depreciation and amortization	61,452	61,189	243,863	210,410
Gain on insurance settlement	(456)		(456)	
Impairment charges	13,121	(112)	17,816	19,511
Transaction costs	(124)	402	77	6,252
Advisory services fee:				
Base advisory fee	8,747	8,616	34,589	33,833
Reimbursable expenses	1,367	1,651	5,917	6,471
Non-cash stock/unit-based compensation	3,894	929	8,429	2,719
Incentive fee	5,426		5,426	
Corporate, general and administrative:				
Non-cash stock/unit-based compensation			604	538
Other general and administrative	1,940	2,578	7,762	13,772
<b>Total operating expenses</b>	<b>337,910</b>	<b>323,148</b>	<b>1,336,339</b>	<b>1,199,051</b>
<b>OPERATING INCOME</b>	<b>3,760</b>	<b>29,729</b>	<b>155,704</b>	<b>137,915</b>
Equity in income (loss) of unconsolidated entities	(1,678)	2,253	(6,110)	(6,831)
Interest income	102	23	331	90
Gain on acquisition of Highland JV and sale of hotel properties	7,171	47	31,599	380,752
Other expense, net	(254)	(2,597)	(4,517)	(864)
Interest expense, net of premiums	(49,703)	(47,752)	(199,870)	(168,834)

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Amortization of loan costs	(6,097)	(5,773)	(24,097)	(18,680)
Write-off of loan costs and exit fees	(7,789)	(983)	(12,702)	(5,750)
Unrealized gain on marketable securities	4,946		4,946	127
Unrealized loss on derivatives	(6,782)	(999)	(2,534)	(7,402)
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>(56,324)</b>	<b>(26,052)</b>	<b>(57,250)</b>	<b>310,523</b>
Income tax expense	(316)	(75)	(1,532)	(4,710)
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>(56,640)</b>	<b>(26,127)</b>	<b>(58,782)</b>	<b>305,813</b>
Gain on sale of hotel property, net of tax				599
<b>NET INCOME (LOSS)</b>	<b>(56,640)</b>	<b>(26,127)</b>	<b>(58,782)</b>	<b>306,412</b>
(Income) loss from consolidated entities attributable to noncontrolling interest	(2)	22	14	30
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	9,738	4,113	12,483	(35,503)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY</b>	<b>(46,904)</b>	<b>(21,992)</b>	<b>(46,285)</b>	<b>270,939</b>
Preferred dividends	(10,416)	(8,491)	(36,272)	(33,962)
Extinguishment of issuance costs upon redemption of Series E preferred stock			(6,124)	
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (57,320)</b>	<b>\$ (30,483)</b>	<b>\$ (88,681)</b>	<b>\$ 236,977</b>
<b>INCOME (LOSS) PER SHARE BASIC AND DILUTED</b>				
<b>Basic:</b>				
Net income (loss) attributable to common stockholders	\$ (0.61)	\$ (0.33)	\$ (0.95)	\$ 2.43
Weighted average common shares outstanding basic	94,585	94,012	94,426	96,290
<b>Diluted:</b>				
Net income (loss) attributable to common stockholders	\$ (0.61)	\$ (0.33)	\$ (0.95)	\$ 2.35
Weighted average common shares outstanding diluted	94,585	94,012	94,426	114,881
<b>Dividends declared per common share:</b>	<b>\$ 0.12</b>	<b>\$ 0.12</b>	<b>\$ 0.48</b>	<b>\$ 0.48</b>

## ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

## RECONCILIATION OF NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA

(in thousands)

(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b>Net income (loss)</b>	\$ (56,640)	\$ (26,127)	\$ (58,782)	\$ 306,412
(Income) loss from consolidated entities attributable to noncontrolling interest	(2)	22	14	30
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	9,738	4,113	12,483	(35,503)
Net income (loss) attributable to the Company	(46,904)	(21,992)	(46,285)	270,939
Interest income	(102)	(23)	(331)	(90)
Interest expense and amortization of premiums and loan costs, net	55,772	53,496	223,850	187,396
Depreciation and amortization	61,390	61,129	243,617	210,197
Income tax expense	316	75	1,532	4,710
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(9,738)	(4,113)	(12,483)	35,503
Equity in (income) loss of unconsolidated entities	(107)	(759)	1,048	3,445
Company's portion of EBITDA of Ashford Inc.	387	846	180	828
Company's portion of EBITDA of OpenKey	(109)		(303)	
Company's portion of EBITDA of Ashford Prime				7,640
Company's portion of EBITDA of Highland JV				11,982
<b>EBITDA available to the Company and OP unitholders</b>	<b>60,905</b>	<b>88,659</b>	<b>410,825</b>	<b>732,550</b>
Amortization of unfavorable contract liabilities	(472)	(494)	(2,101)	(1,975)
Impairment charges	13,121	(112)	17,816	19,511
Gain on acquisition of Highland JV and sale of hotel properties	(7,171)	(47)	(31,599)	(381,351)
Gain on insurance settlements	(456)		(456)	
Write-off of loan costs and exit fees	7,789	983	12,702	5,750
Other expense, net	254	2,597	4,517	864
Transaction, acquisition and management conversion costs	355	796	1,778	12,348
Legal judgment and related legal costs	1,105	24	1,176	95
Unrealized gain on marketable securities	(4,946)		(4,946)	(127)
Unrealized loss on derivatives	6,782	999	2,534	7,402
Dead deal costs	60	203	391	769
Non-cash stock/unit-based compensation	4,161	1,142	9,672	3,470
Company's portion of unrealized (gain) loss of investment in securities investment fund	1,785	(1,494)	5,062	3,386
Company's portion of adjustments to EBITDA of Ashford Inc.	800	468	3,729	3,652
Company's portion of adjustments to EBITDA of OpenKey	8		8	
Company's portion of adjustments to EBITDA of Ashford Prime				738
	\$ 84,080	\$ 93,724	\$ 431,108	\$ 407,082



**Adjusted EBITDA available to the Company and OP unitholders****ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES****RECONCILIATION OF NET INCOME (LOSS) TO FUNDS FROM OPERATIONS ( FFO ) AND ADJUSTED FFO**

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b>Net income (loss)</b>	\$ (56,640)	\$ (26,127)	\$ (58,782)	\$ 306,412
(Income) loss from consolidated entities attributable to noncontrolling interest	(2)	22	14	30
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	9,738	4,113	12,483	(35,503)
Preferred dividends	(10,416)	(8,491)	(36,272)	(33,962)
Extinguishment of issuance costs upon redemption of Series E preferred stock			(6,124)	
Net income (loss) attributable to common stockholders	(57,320)	(30,483)	(88,681)	236,977
Depreciation and amortization on real estate	61,390	61,129	243,617	210,197
Gain on acquisition of Highland JV and sale of hotel properties	(7,171)	(47)	(31,599)	(381,351)
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(9,738)	(4,113)	(12,483)	35,503
Equity in (income) loss of unconsolidated entities	(107)	(759)	1,048	3,445
Impairment charges on real estate	13,277		18,316	19,949
Company's portion of FFO of Ashford Inc.	217	604	(380)	(19)
Company's portion of FFO of OpenKey	(110)		(306)	
Company's portion of FFO of Ashford Prime				4,371
Company's portion of FFO of Highland JV				3,791
<b>FFO available to common stockholders and OP unitholders</b>	438	26,331	129,532	132,863
Extinguishment of issuance costs upon redemption of Series E preferred stock			6,124	
Write-off of loan costs and exit fees	7,789	983	12,702	5,750
Gain on insurance settlements	(456)		(456)	
Other impairment charges	(156)	(112)	(500)	(438)
Other expense, net	254	2,597	4,517	864
Transaction, acquisition and management conversion costs	355	796	1,778	12,348
Legal judgment and related legal costs	1,105	24	1,176	95
Unrealized gain on marketable securities	(4,946)		(4,946)	(127)
Unrealized loss on derivatives	6,782	999	2,534	7,402
Dead deal costs	60	203	391	769
Non-cash stock/unit-based compensation	4,161	1,142	9,672	3,470
Company's portion of unrealized (gain) loss of investment in securities investment fund	1,785	(1,494)	5,062	3,386
Company's portion of adjustments to FFO of Ashford Inc.	800	(534)	3,729	(1,032)
Company's portion of adjustments to FFO of OpenKey	8		8	
Company's portion of adjustments to FFO of Ashford Prime				593

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<b>Adjusted FFO available to common stockholders and OP unitholders</b>	\$	17,979	\$	30,935	\$	171,323	\$	165,943
Adjusted FFO per diluted share available to common stockholders and OP unitholders	\$	0.16	\$	0.27	\$	1.51	\$	1.44
Weighted average diluted shares		113,180		113,498		113,627		115,366

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## ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

## SUMMARY OF INDEBTEDNESS

December 31, 2016

(dollars in thousands)

(unaudited)

Indebtedness	Maturity	Interest Rate	Fixed-Rate Debt	Floating-Rate Debt	Total Debt	Comparable TTM Hotel EBITDA (7)	Comparable TTM EBITDA Debt Yield
BAML Pool 1 & 2 - 8 hotels	January 2017	LIBOR + 4.95%	\$	\$ 376,800(2)	\$ 376,800	\$ 45,330	12.0%
Morgan Stanley MIP - 5 hotels	February 2017	LIBOR + 4.75%		200,000(1)	200,000	23,593	11.8%
Cantor Commercial Real Estate Memphis - 1 hotel	April 2017	LIBOR + 4.95%		33,300(2)	33,300	3,554	10.7%
Column Financial - 24 hotels	April 2017	LIBOR + 4.39%		1,070,560(3)	1,070,560	116,632	10.9%
JPM Lakeway - 1 hotel	May 2017	LIBOR + 5.10%		25,100(2)	25,100	2,481	9.9%
BAML Le Pavillon - 1 hotel	June 2017	LIBOR + 5.10%		43,750(2)	43,750	2,592	5.9%
US Bank Indigo Atlanta - 1 hotel	June 2017	5.98%	15,729		15,729	2,217	14.1%
Morgan Stanley - 8 hotels	July 2017	LIBOR + 4.09%		144,000(2)	144,000	12,174	8.5%
Morgan Stanley Ann Arbor - 1 hotel	July 2017	LIBOR + 4.15%		35,200(2)	35,200	3,833	10.9%
BAML W Atlanta - 1 hotel	July 2017	LIBOR + 5.10%		40,500(2)	40,500	5,055	12.5%
Morgan Stanley Pool A - 7 hotels	August 2017	LIBOR + 4.35%		301,000(6)	301,000	38,429	12.8%
Morgan Stanley Pool B - 4 hotels	August 2017	LIBOR + 4.38%		52,530(5)(6)	52,530	6,900	13.1%
BAML Pool - 17 hotels	December 2017	LIBOR + 5.52%		412,500(3)	412,500	48,739	11.8%
Morgan Stanley Boston Back Bay - 1 hotel	January 2018	4.38%	96,169		96,169	14,686	15.3%
Morgan Stanley Princeton/Nashville - 2 hotels	January 2018	4.44%	105,047		105,047	29,438	28.0%
NorthStar HGI Wisconsin Dells - 1 hotel	August 2018	LIBOR + 4.95%		12,000(4)	12,000	1,616	13.5%
JPMorgan - 18 hotels	October 2018	LIBOR + 4.55%		450,000(3)	450,000	63,912	14.2%
Omni American Bank Ashton - 1 hotel	July 2019	4.00%	5,436		5,436	1,057	19.4%
GACC Gateway - 1 hotel	November 2020	6.26%	96,873		96,873	14,634	15.1%
Deutsche Bank W Minneapolis - 1 hotel	May 2023	5.46%	54,685		54,685	6,926	12.7%
GACC Jacksonville RI - 1 hotel	January 2024	5.49%	10,378		10,378	1,765	17.0%
GACC Manchester RI - 1 hotel	January 2024	5.49%	7,111		7,111	1,378	19.4%
Key Bank Manchester CY - 1 hotel	May 2024	4.99%	6,641		6,641	949	14.3%
Morgan Stanley Pool C1 - 3 hotels	August 2024	5.20%	67,164		67,164	8,167	12.2%
Morgan Stanley Pool C2 - 2 hotels	August 2024	4.85%	12,427		12,427	2,329	18.7%
Morgan Stanley Pool C3 - 3 hotels	August 2024	4.90%	24,836		24,836	3,727	15.0%
BAML Pool 3 - 3 hotels	February 2025	4.45%	53,293		53,293	8,487	15.9%
BAML Pool 5 - 2 hotels	February 2025	4.45%	20,575		20,575	3,037	14.8%
Unencumbered hotels						1,987	N/A
			\$ 576,364	\$ 3,197,240	\$ 3,773,604	\$ 475,624	12.6%
Percentage			15.3%	84.7%	100.0%		

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Weighted average interest rate	5.03%	5.43%	5.37%
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All indebtedness is non-recourse.

- (1) This mortgage loan has three one-year extension options, subject to satisfaction of certain conditions and a LIBOR floor of 0.20%. The first one-year extension period began in February 2016.
  - (2) This mortgage loan has three one-year extension options, subject to satisfaction of certain conditions.
  - (3) This mortgage loan has four one-year extension options, subject to satisfaction of certain conditions.
  - (4) This mortgage loan has two one-year extension options, subject to satisfaction of certain conditions.
  - (5) This loan had a \$10.4 million pay down of principal related to the Springhill Suites Gaithersburg.
  - (6) This mortgage loan has three one-year extension options, subject to satisfaction of certain conditions, of which the first was exercised in August 2016.
  - (7) See Exhibit 1 for reconciliation of net income (loss) to hotel EBITDA.
-

## ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

## INDEBTEDNESS BY MATURITY ASSUMING EXTENSION OPTIONS ARE EXERCISED

December 31, 2016

(in thousands)

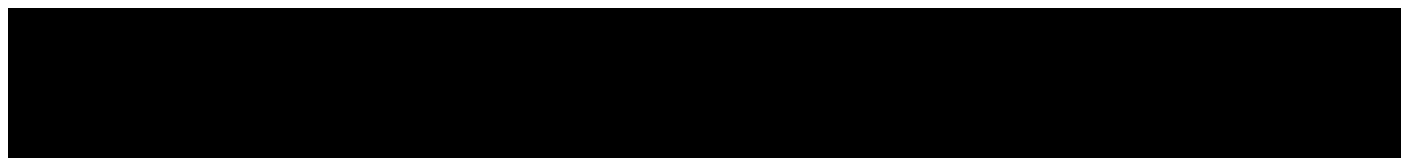
(unaudited)

	2017	2018	2019	2020	2021	Thereafter	Total
US Bank Indigo Atlanta - 1 hotel	\$ 15,583	\$	\$	\$	\$	\$	\$ 15,583
Morgan Stanley Boston Back Bay - 1 hotel		94,226					94,226
Morgan Stanley Princeton/Nashville - 2 hotels		103,106					103,106
Omni American Bank Ashton - 1 hotel			5,168				5,168
Morgan Stanley MIP - 5 hotels			200,000				200,000
Morgan Stanley Pool A - 7 hotels			301,000				301,000
Morgan Stanley Pool B - 4 hotels			52,530				52,530
GACC Gateway - 1 hotel				89,886			89,886
BAML Pool 1 & 2 - 8 hotels				376,800			376,800
Cantor Commercial Real Estate Memphis - 1 hotel				33,300			33,300
JPM Lakeway - 1 hotel				25,100			25,100
BAML Le Pavillon - 1 hotel				43,750			43,750
Morgan Stanley - 8 hotels				144,000			144,000
Morgan Stanley Ann Arbor - 1 hotel				35,200			35,200
BAML W Atlanta - 1 hotel				40,500			40,500
NorthStar HGI Wisconsin Dells - 1 hotel				12,000			12,000
Column Financial - 24 hotels					1,070,560		1,070,560
BAML Pool - 17 hotels					412,500		412,500
GACC Jacksonville RI - 1 hotel						9,036	9,036
GACC Manchester RI - 1 hotel						6,191	6,191
Key Bank Manchester CY - 1 hotel						5,671	5,671
Morgan Stanley Pool C - 8 hotels						90,889	90,889
BAML Pool 3 - 3 hotels						44,160	44,160
BAML Pool 5 - 2 hotels						17,073	17,073
Deutsche Bank W Minneapolis - 1 hotel						47,711	47,711
JPMorgan Chase - 18 hotels						450,000	450,000
Principal due in future periods	\$ 15,583	\$ 197,332	\$ 558,698	\$ 800,536	\$ 1,483,060	\$ 670,731	\$ 3,725,940
Scheduled amortization payments remaining	9,730	6,136	6,442	6,331	4,953	14,072	47,664
Total indebtedness	\$ 25,313	\$ 203,468	\$ 565,140	\$ 806,867	\$ 1,488,013	\$ 684,803	\$ 3,773,604

**ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES**

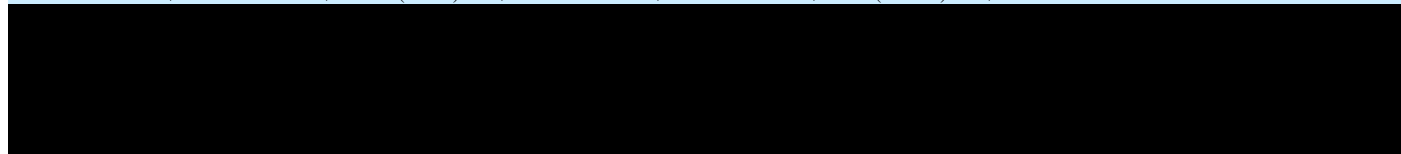
**KEY PERFORMANCE INDICATORS**

(unaudited)



**ALL  
HOTELS:**

RevPAR	\$ 109.32	\$ (63.48)	\$ 109.35	\$ 105.56	\$ (76.43)	\$ 107.62	3.56%	1.60%
ADR	\$ 150.80	\$ (91.71)	\$ 150.84	\$ 145.27	\$ (100.83)	\$ 148.56	3.81%	1.53%

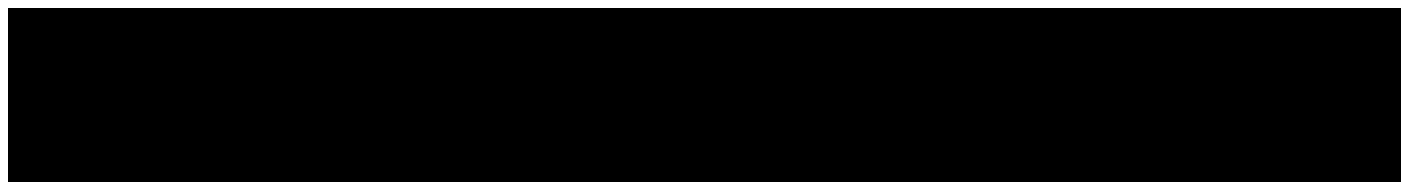


**ALL  
HOTELS:**

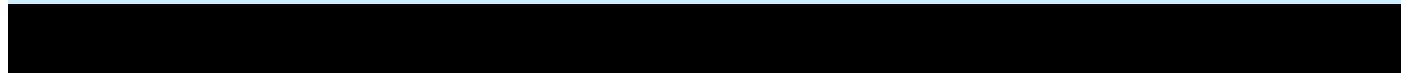
RevPAR	\$ 118.87	\$ (93.77)	\$ 119.83	\$ 114.19	\$ 185.33	\$ 116.15	4.10%	3.17%
ADR	\$ 154.27	\$ (119.46)	\$ 155.63	\$ 147.82	\$ 310.58	\$ 151.31	4.36%	2.85%

NOTES:

- (1) The above comparable information assumes the 123 hotel properties owned and included in the Company's operations at December 31, 2016, were owned as of the beginning of each of the periods presented. Non-comparable adjustments include pre-acquisition results from hotels acquired during the period offset by results from hotels sold during the period.
- (2) All pre-acquisition information was obtained from the prior owner. The Company performed a limited review of the information as part of its analysis of the acquisition.
- (3) The above information does not reflect the operations of Orlando WorldQuest Resort.



**ALL HOTELS**



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Rooms revenue (in thousands)	\$ 218,240	\$ (107)	\$ 218,133	\$ 224,299	\$ (12,952)	\$ 211,347	(2.70%)	3.21%
Occupancy	73.40%	(69.22%)	73.41%	72.71%	(75.80%)	72.44%	0.95%	1.33%

**ALL HOTELS**

Rooms revenue (in thousands)	\$ 977,413	\$ (34,273)	\$ 943,140	\$ 868,371	\$ 33,392	\$ 901,763	12.56%	4.59%
Occupancy	77.46%	(78.49%)	77.41%	77.08%	46.70%	76.63%	0.49%	1.02%

NOTES:

- (1) The above comparable information assumes the 105 hotel properties owned and included in the Company's operations at December 31, 2016, and not under renovation during the three months ended December 31, 2016, were owned as of the beginning of each of the periods presented. Non-comparable adjustments include pre-acquisition results from hotels acquired during the period offset by results from hotels sold during the period.
- (2) All pre-acquisition information was obtained from the prior owner. The Company performed a limited review of the information as part of its analysis of the acquisition.
- (3) The above information does not reflect the operations of Orlando WorldQuest Resort.
- (4) Excluded Hotels Under Renovation:

Embassy Suites Houston, The Churchill, Embassy Suites Las Vegas, Hyatt Regency Coral Gables, Marriott Dallas Market Center, Courtyard Ft Lauderdale, Crowne Plaza Annapolis, Embassy Suites Dulles, Le Pavillon New Orleans, Marriott Crystal Gateway, Courtyard Basking Ridge, Hampton Inn Parsippany, Hilton Boston Back Bay, Hilton Garden Inn Virginia Beach, Hilton St Petersburg, Homewood Suites Pittsburgh Southpointe, Marriott Omaha, Residence Inn Lake Buena Vista

## ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

## HOTEL EBITDA

(dollars in thousands)

(unaudited)

	Three Months Ended December 31,			Year Ended December 31,		
	2016	2015	% Variance	2016	2015	% Variance
<b>ALL HOTELS:</b>						
Total hotel revenue	\$ 339,937	\$ 351,103	(3.18%)	\$ 1,483,907	\$ 1,328,387	11.71%
Non-comparable adjustments	(111)	(13,584)		(36,985)	82,050	
Comparable total hotel revenue	\$ 339,826	\$ 337,519	0.68%	\$ 1,446,922	\$ 1,410,437	2.59%
Hotel EBITDA	\$ 103,720	\$ 106,891	(2.97%)	\$ 488,094	\$ 434,458	12.35%
Non-comparable adjustments	30	(4,166)		(12,470)	20,801	
Comparable Hotel EBITDA	\$ 103,750	\$ 102,725	1.00%	\$ 475,624	\$ 455,259	4.47%
Hotel EBITDA Margin	30.51%	30.44%	0.07%	32.89%	32.71%	0.19%
Comparable Hotel EBITDA Margin	30.53%	30.44%	0.10%	32.87%	32.28%	0.59%
Hotel EBITDA adjustments attributable to consolidated noncontrolling interests	\$ 79	\$ 73	8.22%	\$ 349	\$ 319	9.40%
Hotel EBITDA attributable to the Company and OP unitholders	\$ 103,641	\$ 106,818	(2.97%)	\$ 487,745	\$ 434,139	12.35%
Comparable Hotel EBITDA attributable to the Company and OP unitholders	\$ 103,671	\$ 102,652	0.99%	\$ 475,275	\$ 454,940	4.47%

## NOTES:

(1) The above comparable information assumes the 123 hotel properties owned and included in the Company's operations at December 31, 2016, were owned as of the beginning of each of the periods presented. Non-comparable adjustments include pre-acquisition results from hotels acquired during the period offset by results from hotels sold during the period.

(2) All pre-acquisition information was obtained from the prior owner. The Company performed a limited review of the information as part of its analysis of the acquisition. Adjustments have been made to the pre-acquisition results as indicated below:

(a) Management fee expense was adjusted to reflect current contractual rates.

(3) The above information does not reflect the operations of Orlando WorldQuest Resort.



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(4) See Exhibit 1 for reconciliation of net income (loss) to hotel EBITDA.

	Three Months Ended December 31,			Year Ended December 31,		
	2016	2015	% Variance	2016	2015	% Variance
<b>ALL HOTELS NOT UNDER RENOVATION:</b>						
Total hotel revenue	\$ 283,433	\$ 290,519	(2.44%)	\$ 1,234,440	\$ 1,091,490	13.10%
Non-comparable adjustments	(111)	(13,584)		(36,985)	63,196	
Comparable total hotel revenue	\$ 283,322	\$ 276,935	2.31%	\$ 1,197,455	\$ 1,154,686	3.70%
Hotel EBITDA	\$ 86,885	\$ 87,849	(1.10%)	\$ 406,828	\$ 355,264	14.51%
Non-comparable adjustments	30	(4,166)		(12,470)	15,137	
Comparable Hotel EBITDA	\$ 86,915	\$ 83,683	3.86%	\$ 394,358	\$ 370,401	6.47%
Hotel EBITDA Margin	30.65%	30.24%	0.42%	32.96%	32.55%	0.41%
Comparable Hotel EBITDA Margin	30.68%	30.22%	0.46%	32.93%	32.08%	0.85%
Hotel EBITDA adjustments attributable to consolidated noncontrolling interests	\$ 79	\$ 73	8.22%	\$ 349	\$ 319	9.40%
Hotel EBITDA attributable to the Company and OP unitholders	\$ 86,806	\$ 87,776	(1.11%)	\$ 406,479	\$ 354,945	14.52%
Comparable Hotel EBITDA attributable to the Company and OP unitholders	\$ 86,836	\$ 83,610	3.86%	\$ 394,009	\$ 370,082	6.47%

NOTES:

(1) The above comparable information assumes the 105 hotel properties owned and included in the Company's operations at December 31, 2016, and not under renovation during the three months ended December 31, 2016, were owned as of the beginning of each of the periods presented. Non-comparable adjustments include pre-acquisition results from hotels acquired during the period offset by results from hotels sold during the period.

(2) All pre-acquisition information was obtained from the prior owner. The Company performed a limited review of the information as part of its analysis of the acquisition. Adjustments have been made to the pre-acquisition results as indicated below:

(a) Management fee expense was adjusted to reflect current contractual rates.

(3) The above information does not reflect the operations of Orlando WorldQuest Resort.

(4) Excluded Hotels Under Renovation:

Embassy Suites Houston, The Churchill, Embassy Suites Las Vegas, Hyatt Regency Coral Gables, Marriott Dallas Market Center, Courtyard Ft Lauderdale, Crowne Plaza Annapolis, Embassy Suites Dulles, Le Pavillon New Orleans, Marriott Crystal Gateway, Courtyard Basking Ridge, Hampton Inn Parsippany, Hilton Boston Back Bay, Hilton Garden Inn Virginia Beach, Hilton St Petersburg, Homewood Suites Pittsburgh Southpointe, Marriott Omaha, Residence Inn Lake Buena Vista

- (5) See Exhibit 1 for reconciliation of net income (loss) to hotel EBITDA.
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ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

HOTEL REVENUE & EBITDA FOR TRAILING TWELVE MONTHS

(dollars in thousands)

(unaudited)

THE FOLLOWING SEASONALITY TABLE REFLECTS THE 123 HOTEL PROPERTIES INCLUDED IN THE COMPANY'S OPERATIONS AT DECEMBER 31, 2016:

	Actual 2016 4th Quarter	Non- comparable adjustments 2016 4th Quarter	Comparable 2016 4th Quarter	Actual 2016 3rd Quarter	Non- comparable adjustments 2016 3rd Quarter	Comparable 2016 3rd Quarter	Actual 2016 2nd Quarter	Non- comparable adjustments 2016 2nd Quarter	Comparable 2016 2nd Quarter	Actual 2016 1st Quarter	Non- comparable adjustments 2016 1st Quarter	Comparable 2016 1st Quarter
Total Hotel Revenue	\$ 339,937	\$ (111)	\$ 339,826	\$ 369,943	\$ (3,763)	\$ 366,180	\$ 408,510	\$ (13,236)	\$ 395,274	\$ 365,517	\$ (19,875)	\$ 345,642
Hotel EBITDA	\$ 103,720	\$ 30	\$ 103,750	\$ 121,975	\$ (893)	\$ 121,082	\$ 145,303	\$ (3,987)	\$ 141,316	\$ 117,096	\$ (7,620)	\$ 109,476
Hotel EBITDA Margin	30.51%	(27.03%)	30.53%	32.97%	23.73%	33.07%	35.57%	30.12%	35.75%	32.04%	38.34%	31.67%
EBITDA % of Total TTM	21.2%	(0.2%)	21.8%	25.0%	7.1%	25.5%	29.8%	32.0%	29.7%	24.0%	61.1%	23.0%
JV Interests in EBITDA	\$ 79	\$	\$ 79	\$ 114	\$	\$ 114	\$ 100	\$	\$ 100	\$ 56	\$	\$ 56

	Actual 2016 TTM	Non- comparable adjustments 2016 TTM	Comparable 2016 TTM
Total Hotel Revenue	\$ 1,483,907	\$ (36,985)	\$ 1,446,922
Hotel EBITDA	\$ 488,094	\$ (12,470)	\$ 475,624
Hotel EBITDA Margin	32.89%	33.72%	32.87%
EBITDA % of Total TTM	100.0%	100.0%	100.0%

JV	\$	349	\$	\$	349
Interests in EBITDA					

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NOTES:

(1) The above comparable information assumes the 123 hotel properties owned and included in the Company's operations at December 31, 2016, were owned as of the beginning of each of the periods presented. Non-comparable adjustments include pre-acquisition results from hotels acquired during the period offset by results from hotels sold during the period.

(2) All pre-acquisition information was obtained from the prior owner. The Company performed a limited review of the information as part of its analysis of the acquisition.

Adjustments have been made to the pre-acquisition results as indicated below:

(a) Management fee expense was adjusted to reflect current contractual rates.

(3) The above information does not reflect the operations of Orlando WorldQuest Resort.

(4) See Exhibit 1 for reconciliation of net income (loss) to hotel EBITDA.

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## ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

## HOTEL REVPAR BY MARKET

(unaudited)

Region	Number of Hotels	Number of Rooms	Three Months Ended December 31,							
			Actual 2016	Non-comparable adjustment 2016	Comparable 2016	Actual 2015	Non-comparable adjustment 2015	Comparable 2015	Actual % Variance	Comparable % Variance
Atlanta, GA Area	10	1,920	\$ 107.22	\$	\$ 107.22	\$ 102.98	\$ (90.53)	\$ 103.82	4.1%	3.3%
Boston, MA Area	3	915	157.58		157.58	154.59		154.59	1.9%	1.9%
Dallas / Ft. Worth Area	7	1,518	100.18		100.18	104.40		104.40	(4.0)%	(4.0)%
Houston, TX Area	3	692	90.37		90.37	106.40		106.40	(15.1)%	(15.1)%
Los Angeles, CA Metro Area	6	1,619	118.94	(63.48)	119.57	102.89	(74.83)	107.76	15.6%	11.0%
Miami, FL Metro Area	3	587	120.70		120.70	120.58		120.58	0.1%	0.1%
Minneapolis - St. Paul, MN-WI Area	4	809	125.51		125.51	108.54	210.50	121.09	15.6%	3.7%
Nashville, TN Area	1	673	182.58		182.58	160.76		160.76	13.6%	13.6%
New York / New Jersey Metro Area	6	1,741	105.08		105.08	100.32	(88.69)	101.29	4.7%	3.7%
Orlando, FL Area	3	734	99.44		99.44	87.90	(80.42)	99.12	13.1%	0.3%
Philadelphia, PA Area	3	648	88.50		88.50	90.51		90.51	(2.2)%	(2.2)%
San Diego, CA Area	2	410	103.91		103.91	98.18		98.18	5.8%	5.8%
San Francisco - Oakland, CA Metro Area	6	1,368	141.88		141.88	137.33		137.33	3.3%	3.3%
Tampa, FL Area	3	680	100.27		100.27	98.89		98.89	1.4%	1.4%
Washington DC - MD - VA Area	9	2,304	117.17		117.17	112.95	(66.80)	116.20	3.7%	0.8%
Other Areas	54	9,395	96.10		96.10	96.78	(135.78)	96.26	(0.7)%	(0.2)%
<b>Total Portfolio</b>	<b>123</b>	<b>26,013</b>	<b>\$ 109.32</b>	<b>\$ (63.48)</b>	<b>\$ 109.35</b>	<b>\$ 105.56</b>	<b>\$ (76.43)</b>	<b>\$ 107.62</b>	<b>3.6%</b>	<b>1.6%</b>

## NOTES:

(1) The above comparable information assumes the 123 hotel properties owned and included in the Company's operations at December 31, 2016, were owned as of the beginning of each of the periods presented. Non-comparable adjustments include pre-acquisition results from hotels acquired during the period offset by results from hotels sold

during the period.

- (2) All pre-acquisition information was obtained from the prior owner. The Company performed a limited review of the information as part of its analysis of the acquisition.
- (3) The above information does not reflect the operations of Orlando WorldQuest Resort.

### ASHFORD HOSPITALITY TRUST, INC. AND SUBSIDIARIES

#### HOTEL EBITDA BY MARKET

(unaudited)

Region	Number of Hotels	Number of Rooms	Three Months Ended December 31,				Actual % Variance	Comparable % Variance				
			Actual 2016	Non-comparable 2016	Adjusted Non-comparable 2016	% of Total			Actual 2015	Non-comparable 2015	Adjusted Non-comparable 2015	% of Total
Atlanta, GA Area	10	1,920	\$ 7,380	\$ 1	\$ 7,381	7.1%	\$ 7,059	\$ (317)	\$ 6,742	6.6%	4.5%	9.5%
Boston, MA Area	3	915	5,954		5,954	5.7%	5,632		5,632	5.5%	5.7%	5.7%
Dallas / Ft. Worth Area	7	1,518	5,952		5,952	5.7%	6,133		6,133	6.0%	(3.0)%	(3.0)%
Houston, TX Area	3	692	2,444		2,444	2.4%	3,934		3,934	3.8%	(37.9)%	(37.9)%
Los Angeles, CA Metro Area	6	1,619	7,702	17	7,719	7.4%	6,979	(547)	6,432	6.3%	10.4%	20.0%
Miami, FL Metro Area	3	587	2,586		2,586	2.5%	2,540		2,540	2.5%	1.8%	1.8%
Minneapolis - St. Paul, MN-WI Area	4	809	3,929		3,929	3.8%	2,905	822	3,727	3.6%	35.2%	5.4%
Nashville, TN Area	1	673	5,800		5,800	5.6%	4,730		4,730	4.6%	22.6%	22.6%
New York / New Jersey Metro Area	6	1,741	6,844	10	6,854	6.6%	7,406	(455)	6,951	6.8%	(7.6)%	(1.4)