

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 8, 2017

RLJ LODGING TRUST

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

001-35169

(Commission File Number)

27-4706509

(IRS Employer Identification Number)

3 Bethesda Metro Center

Suite 1000

Bethesda, MD

(Address of principal executive offices)

20814

(Zip Code)

(301) 280-7777

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On November 8, 2017, RLJ Lodging Trust (the “Company”) issued a press release announcing its financial results for the quarter ended September 30, 2017. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information included in this Current Report on Form 8-K (including Exhibit 99.1 hereto) shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) The following exhibits are filed as part of this report:

| Exhibit Number | Description |
|-----------------------|--|
| 99.1 | Press release dated November 8, 2017, issued by RLJ Lodging Trust, providing financial results for the quarter ended September 30, 2017. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RLJ LODGING TRUST

Dated: November 8, 2017

By: /s/ Ross H. Bierkan
Ross H. Bierkan
President, Chief Executive Officer, Chief Investment Officer and
Trustee

EXHIBIT LIST

| Exhibit Number | Description |
|-----------------------|--|
| 99.1 | Press release dated November 8, 2017, issued by RLJ Lodging Trust, providing financial results for the quarter ended September 30, 2017. |

Press Release

RLJ Lodging Trust Reports Third Quarter 2017 Results

- Completed transformational merger with FelCor Lodging Trust

Bethesda, MD, November 8, 2017 – RLJ Lodging Trust (the “Company”) (NYSE: RLJ) today reported results for the three and nine months ended September 30, 2017.

Highlights

- Completed transformational merger with FelCor Lodging Trust
- Net income of \$4.1 million, includes \$32.6 million of transaction costs
- Pro forma RevPAR decreased 1.9%; adjusting for the disruption from Hurricanes Harvey and Irma, RevPAR would have decreased 1.1%
- Pro forma Hotel EBITDA Margin of 33.1%
- Pro forma Consolidated Hotel EBITDA of \$159.0 million

“This transformative merger cements RLJ’s position as the leading lodging REIT focused on the most profitable hotel segments. During the third quarter, the FelCor assets provided RevPAR lift, further reaffirming the benefits of this merger,” commented Ross H. Bierkan, President and Chief Executive Officer. “We are excited by the multiple levers of value creation embedded in this newly expanded platform, including realizing synergies, selling non-core assets, optimizing our balance sheet, and reinvesting in our assets. We are extremely well positioned to continue to drive strong free cash flow and long-term shareholder value.”

Financial and Operating Results

Performance metrics such as Occupancy, Average Daily Rate (“ADR”), Revenue Per Available Room (“RevPAR”), Hotel EBITDA, and Hotel EBITDA Margin are Pro forma. The prefix “Pro forma” as defined by the Company, denotes operating results which include results for periods prior to its ownership and excludes sold hotels. Pro forma RevPAR and Pro forma Hotel EBITDA Margin are reported on a comparable basis and therefore exclude any hotels sold during the period and non-comparable hotels that were not open for operation or were closed for renovation for comparable periods. Explanations of EBITDA, Adjusted EBITDA, Hotel EBITDA, Hotel EBITDA Margin, FFO, and Adjusted FFO, as well as reconciliations of those measures to net income or loss, if applicable, are included within this release.

Net income for the three months ended September 30, 2017, decreased \$37.3 million to \$4.1 million, representing a 90.1% decrease over the comparable period in 2016. For the nine months ended September 30, 2017, net income decreased \$57.1 million to \$68.4 million, representing a 45.5% decrease over the comparable period in 2016. For the three and nine months ended September 30, 2017, net income included transaction costs of \$32.6 million and \$36.9 million, respectively, primarily related to the FelCor merger.

Pro forma RevPAR for the three months ended September 30, 2017, decreased 1.9% over the comparable period in 2016, driven by a Pro forma Occupancy decrease of 0.7% and a Pro forma ADR decrease of 1.2%. Adjusting for the disruption from Hurricanes Harvey and Irma, RevPAR would have decreased by only 1.1%. On a standalone basis for the RLJ and FelCor portfolios, Pro forma RevPAR for the three months ended September 30, 2017, would have decreased 2.3% and 1.4%, respectively. For the nine months ended September 30, 2017, Pro forma RevPAR decreased 1.7% over the comparable period in 2016, driven by a Pro forma Occupancy decrease of 0.9% and a Pro forma ADR decrease of 0.8%.

Pro forma Hotel EBITDA Margin for the three months ended September 30, 2017, decreased 137 basis points over the comparable period in 2016 to 33.1%. For the nine months ended September 30, 2017, Pro forma Hotel EBITDA Margin decreased 137 basis points over the comparable period in 2016 to 32.9%.

Pro forma Consolidated Hotel EBITDA for the three months ended September 30, 2017, decreased \$9.6 million to \$159.0 million, representing a 5.7% decrease over the comparable period in 2016. For the nine months ended September 30, 2017, Pro forma Consolidated Hotel EBITDA decreased \$28.4 million to \$469.5 million, representing a 5.7% decrease over the comparable period in 2016. For the three and nine months ended September 30, 2017, Pro forma Consolidated Hotel EBITDA includes \$43.6 million and \$158.2 million from the recently acquired FelCor hotels, respectively.

Adjusted FFO for the three months ended September 30, 2017, increased \$1.1 million to \$86.5 million, representing a 1.3% increase over the comparable period in 2016. For the nine months ended September 30, 2017, Adjusted FFO decreased \$18.6 million to \$239.7 million, representing a 7.2% decrease over the comparable period in 2016. For the three and nine months ended September 30, 2017, Adjusted FFO includes one month of operations from the FelCor hotels.

Adjusted FFO per diluted common share and unit for the three months ended September 30, 2017, decreased \$0.08 to \$0.61, representing an 11.6% decrease over the comparable period in 2016. For the nine months ended September 30, 2017, Adjusted FFO per diluted common share and unit decreased \$0.24 to \$1.84, representing an 11.5% decrease over the comparable period in 2016. The number of outstanding common shares and units in the quarter increased by 50.4 million common shares and 0.2 million units in connection with the Company's merger with FelCor.

Adjusted EBITDA for the three months ended September 30, 2017, increased \$8.1 million to \$108.3 million, representing an 8.1% increase over the comparable period in 2016. For the nine months ended September 30, 2017, Adjusted EBITDA decreased \$12.4 million to \$290.9 million, representing a 4.1% decrease over the comparable period in 2016. For the three and nine months ended September 30, 2017, Adjusted EBITDA includes one month of operations from the FelCor hotels.

Non-recurring items and other adjustments which were noteworthy for the three months ended September 30, 2017, include transaction costs of \$32.6 million primarily related to the FelCor merger.

Non-recurring items are included in net income attributable to common shareholders but are excluded from Adjusted EBITDA and Adjusted FFO, as applicable. A complete listing of non-recurring items is provided in the Non-GAAP reconciliation tables located in this press release.

Net cash flow from operating activities for the nine months ended September 30, 2017, totaled \$207.3 million, compared to \$250.4 million for the comparable period in 2016.

Impact from Hurricanes Harvey and Irma

The Company's hotels in Texas all remained operational during Hurricane Harvey. As a result of Hurricane Irma, eight of the Company's Florida hotels were temporarily closed in advance of the storm to comply with mandatory evacuation orders, reopening to guests shortly after their closures.

Hurricanes Harvey and Irma resulted in our properties experiencing total revenue displacement of approximately \$4.5 million. Some properties did experience water intrusion and wind damage, however, none of the Company's properties sustained significant physical damage. The Company expects remediation costs to be approximately \$5.0 million to \$6.0 million. Due to the higher deductible required for named storms, the Company does not anticipate receiving insurance proceeds for physical damage.

Balance Sheet

On August 31, 2017, the Company amended its credit agreement, increasing its revolving loan capacity under its existing credit facility from \$400.0 million to \$600.0 million. The amended agreement modified and improved certain financial covenants and also contains an accordion feature that allows the Company to increase its availability to \$750.0 million, subject to certain conditions.

As of September 30, 2017, the Company had \$421.2 million of unrestricted cash on its balance sheet, \$600.0 million available on its revolving credit facility, and \$2.8 billion of debt outstanding.

The Company's ratio of net debt to Adjusted EBITDA, pro forma for dispositions and the merger, for the trailing twelve month period ended September 30, 2017, was 4.1 times (excluding preferred equity).

Dividends

The Company's Board of Trustees declared a cash dividend of \$0.33 per common share of beneficial interest in the third quarter. As a result of the Company's merger with FelCor, the Company's third quarter dividend was prorated into two separate periods. A prorated dividend in the amount of \$0.22 per common share of beneficial interest was paid on September 15, 2017, to shareholders of record as of August 30, 2017, and a prorated dividend in the amount of \$0.11 per common share of beneficial interest was paid on October 13, 2017, to shareholders of record as of September 29, 2017.

The Company declared a preferred dividend of \$0.4875 on its Series A cumulative convertible preferred shares ("Series A Preferred Shares"). The dividend was paid on October 31, 2017, to shareholders of record as of September 29, 2017.

Share Buyback

For the three and nine months ended September 30, 2017, the Company repurchased 0.1 million common shares for \$2.6 million at an average price of \$21.31. As of September 30, 2017, the Company's authorized share buyback program had a remaining capacity of \$198.9 million.

2017 Outlook

The Company's outlook has been updated to reflect the merger and includes all hotels owned as of September 30, 2017. The updated outlook excludes potential future acquisitions and dispositions, which could result in a material change to the Company's outlook. The 2017 outlook is also based on a number of other assumptions, many of which are outside the Company's control and all of which are subject to change.

Pro forma operating guidance for RevPAR growth, Hotel EBITDA Margin, and Consolidated Hotel EBITDA, includes results for periods prior to the Company's ownership. Pro forma Hotel EBITDA guidance for the year includes approximately \$158.2 million of prior ownership Hotel

EBITDA for the recently acquired FelCor hotels that are not included in the Company's Adjusted EBITDA or Adjusted FFO. Pro forma statistics do not include the Company's ownership interest in one fully unconsolidated joint venture.

For the fourth quarter 2017, the Company is issuing guidance as follows:

| | Current Outlook |
|---|------------------------|
| Pro forma RevPAR growth | +0.5% to +2.0% |
| Pro forma Consolidated Hotel EBITDA | \$136.0M to \$140.0M |
| Corporate Cash General & Administrative | \$10.0M to \$12.0M |

For the full year 2017, the Company is issuing guidance as follows:

| | Current Outlook | Prior Outlook |
|---|------------------------|----------------------|
| Pro forma RevPAR growth | -1.25% to -0.75% | -2.0% to -1.0% |
| Pro forma Hotel EBITDA Margin | 32.0% to 32.5% | 34.5% to 35.0% |
| Pro forma Consolidated Hotel EBITDA | \$606.0M to \$610.0M | \$375.0M to \$385.0M |
| Corporate Cash General & Administrative | \$30.0M to \$32.0M | \$27.5M to \$28.5M |

Earnings Call

The Company will conduct its quarterly analyst and investor conference call on November 9, 2017, at 10:00 a.m. (Eastern Time). On the call, management will discuss the third quarter results as well as provide an update on the merger integration and related initiatives. The conference call can be accessed by dialing (877) 407-3982 or (201) 493-6780 for international participants and requesting RLJ Lodging Trust's third quarter earnings conference call.

Additionally, a live webcast of the conference call will be available through the Company's website at <http://rljlodgingtrust.com>. A replay of the conference call webcast will be archived and available online through the Investor Relations page of the Company's website.

About Us

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust focused on acquiring premium-branded, focused-service and compact full-service hotels. The Company's portfolio consists of 158 hotels with approximately 31,180 rooms located in 26 states and the District of Columbia and an ownership interest in one unconsolidated hotel with 171 rooms.

Forward Looking Statements

The following information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs, and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty, increased direct competition, changes in government regulations or accounting rules, changes in local, national, and global real estate conditions, declines in the lodging industry, seasonality of the lodging industry, risks related to natural disasters, such as earthquakes and hurricanes, hostilities, including future terrorist attacks or fear of hostilities that affect travel, the Company's ability to obtain lines of credit or permanent financing on satisfactory terms, changes in interest rates, access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt, the Company's ability to identify suitable acquisitions, the Company's ability to close on identified acquisitions and integrate those businesses, and inaccuracies of the Company's accounting estimates. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward-looking statements and urges investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.

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Additional Contacts:

Leslie D. Hale, Chief Operating Officer and Chief Financial Officer – (301) 280-7774

For additional information or to receive press releases via email, please visit our website:

<http://rljlodgingtrust.com>

RLJ Lodging Trust
Non-GAAP and Accounting Commentary

Non-Generally Accepted Accounting Principles (“GAAP”) Financial Measures

The Company considers the following non-GAAP financial measures useful to investors as key supplemental measures of its performance: (1) FFO, (2) Adjusted FFO, (3) EBITDA, (4) Adjusted EBITDA, (5) Hotel EBITDA, and (6) Hotel EBITDA Margin. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as a measure of its operating performance. FFO, Adjusted FFO, EBITDA, Adjusted EBITDA, Hotel EBITDA, and Hotel EBITDA Margin as calculated by the Company, may not be comparable to other companies that do not define such terms exactly as the Company.

Funds From Operations (“FFO”)

The Company calculates FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income or loss (calculated in accordance with GAAP), excluding gains or losses from sales of real estate, impairment, the cumulative effect of changes in accounting principles, plus depreciation and amortization, and adjustments for unconsolidated partnerships and joint ventures. 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 real estate industry investors consider FFO to be helpful in evaluating a real estate company’s operations. The Company believes that the presentation of FFO provides useful information to investors regarding the Company’s operating performance and can facilitate comparisons of operating performance between periods and between real estate investment trusts

(“REITs”), even though FFO does not represent an amount that accrues directly to common shareholders.

The Company’s calculation of FFO may not be comparable to measures calculated by other companies who do not use the NAREIT definition of FFO or do not calculate FFO per diluted share in accordance with NAREIT guidance. Additionally, FFO may not be helpful when

comparing the Company to non-REITs. The Company presents FFO attributable to common shareholders, which includes unitholders of limited partnership interest (“OP units”) in RLJ Lodging Trust, L.P., the Company’s operating partnership, because the OP units are redeemable for common shares of the Company. The Company believes it is meaningful for the investor to understand FFO attributable to all common shares and OP units.

Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”)

EBITDA is defined as net income or loss excluding: (1) interest expense; (2) provision for income taxes, including income taxes applicable to sales of assets; and (3) depreciation and amortization. The Company considers EBITDA useful to an investor in evaluating and facilitating comparisons of its operating performance between periods and between REITs by removing the impact of its capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from its operating results.

In addition, EBITDA is used as one measure in determining the value of hotel acquisitions and dispositions. The Company presents EBITDA attributable to common shareholders, which includes OP units, because the OP units are redeemable for common shares of the Company. The Company believes it is meaningful for the investor to understand EBITDA attributable to all common shares and OP units.

Adjustments to FFO and EBITDA

The Company adjusts FFO and EBITDA for certain items that the Company considers outside the normal course of operations or extraordinary. The Company believes that Adjusted FFO and Adjusted EBITDA provide useful supplemental information to investors regarding its ongoing operating performance that, when considered with net income, FFO, and EBITDA, is beneficial to an investor's understanding of its operating performance. The Company adjusts FFO and EBITDA for the following items:

- *Transaction Costs*: The Company excludes transaction costs expensed during the period.
- *Non-Cash Expenses*: The Company excludes the effect of certain non-cash items. The Company has excluded the amortization of share-based compensation, non-cash gain or loss on the sale of assets, and certain non-cash income taxes.
- *Other Non-Operational Expenses*: The Company excludes the effect of certain non-operational expenses. The Company excludes hurricane-related costs not reimbursed by insurance, property-level severance costs, debt modification and extinguishment costs, and other income and expenses outside the normal course of operations.

Hotel EBITDA and Hotel EBITDA Margin

With respect to Consolidated Hotel EBITDA, the Company believes that excluding the effect of corporate-level expenses and certain non-cash items provides a more complete understanding of the operating results over which individual hotels and operators have direct control. The Company believes property-level results provide investors with supplemental information about the ongoing operational performance of the Company's hotels and the effectiveness of its third-party management companies.

Pro forma Consolidated Hotel EBITDA includes unadjusted prior ownership information provided by the sellers of the hotels for periods prior to our acquisition of the hotels, which has not been audited and excludes results from sold hotels as applicable. Pro forma Hotel EBITDA and Pro forma Hotel EBITDA Margin exclude the results of any non-comparable hotels that were under renovation or not open for the entirety of the comparable periods. The following is a summary of pro forma hotel adjustments:

Pro forma adjustments: Acquired hotels

Hotels acquired during the three months ended September 30, 2017 are noted below:

- DoubleTree Suites by Hilton Austin acquired in August 2017
- DoubleTree Suites by Hilton Orlando - Lake Buena Vista acquired in August 2017
- Embassy Suites Atlanta - Buckhead acquired in August 2017
- Embassy Suites Birmingham acquired in August 2017
- Embassy Suites Boston - Marlborough acquired in August 2017
- Embassy Suites Dallas - Love Field acquired in August 2017
- Embassy Suites Deerfield Beach - Resort & Spa acquired in August 2017
- Embassy Suites Fort Lauderdale 17th Street acquired in August 2017
- Embassy Suites Los Angeles - International Airport/South acquired in August 2017
- Embassy Suites Mandalay Beach - Hotel & Resort acquired in August 2017
- Embassy Suites Miami - International Airport acquired in August 2017
- Embassy Suites Milpitas Silicon Valley acquired in August 2017
- Embassy Suites Minneapolis - Airport acquired in August 2017
- Embassy Suites Myrtle Beach - Oceanfront Resort acquired in August 2017
- Embassy Suites Napa Valley acquired in August 2017
- Embassy Suites Orlando - International Drive South/Convention Center acquired in August 2017
- Embassy Suites Phoenix - Biltmore acquired in August 2017
- Embassy Suites San Francisco Airport - South San Francisco acquired in August 2017
- Embassy Suites San Francisco Airport - Waterfront acquired in August 2017
- Embassy Suites Secaucus - Meadowlands acquired in August 2017
- Hilton Myrtle Beach Resort acquired in August 2017
- Holiday Inn San Francisco - Fisherman's Wharf acquired in August 2017
- San Francisco Marriott Union Square acquired in August 2017
- Sheraton Burlington Hotel & Conference Center acquired in August 2017
- Sheraton Philadelphia Society Hill Hotel acquired in August 2017
- The Fairmont Copley Plaza, Boston acquired in August 2017
- The Knickerbocker, New York acquired in August 2017
- The Mills House Wyndham Grand Hotel, Charleston acquired in August 2017
- The Vinoy Renaissance St. Petersburg Resort & Golf Club acquired in August 2017
- Wyndham Boston Beacon Hill acquired in August 2017
- Wyndham Houston - Medical Center Hotel & Suites acquired in August 2017
- Wyndham New Orleans - French Quarter acquired in August 2017
- Wyndham Philadelphia Historic District acquired in August 2017
- Wyndham Pittsburgh University Center acquired in August 2017
- Wyndham San Diego Bayside acquired in August 2017
- Wyndham Santa Monica At the Pier acquired in August 2017

Pro forma adjustments: Sold hotels

Hotels sold during the year ended December 31, 2016, are noted below:

- Holiday Inn Express Merrillville was sold in February 2016
- SpringHill Suites Bakersfield was sold in November 2016
- Hilton Garden Inn New York 35th Street was sold in December 2016
- Hilton New York Fashion District was sold in December 2016

RLJ Lodging Trust
Consolidated Balance Sheets
(Amounts in thousands, except share and per share data)

| | September 30, 2017 (unaudited) | December 31, 2016 |
|--|--------------------------------------|---------------------|
| Assets | | |
| Investment in hotel properties, net | \$ 5,977,524 | \$ 3,367,776 |
| Investment in unconsolidated joint ventures | 24,959 | — |
| Cash and cash equivalents | 421,181 | 456,672 |
| Restricted cash reserves | 78,343 | 67,206 |
| Hotel and other receivables, net of allowance of \$614 and \$182, respectively | 70,818 | 26,018 |
| Deferred income tax asset, net | 68,642 | 44,614 |
| Intangible assets, net | 151,098 | 898 |
| Prepaid expense and other assets | 72,498 | 60,209 |
| Total assets | \$ 6,865,063 | \$ 4,023,393 |
| Liabilities and Equity | | |
| Debt, net | \$ 2,885,739 | \$ 1,582,715 |
| Accounts payable and other liabilities | 273,315 | 137,066 |
| Deferred income tax liability | 11,430 | 11,430 |
| Advance deposits and deferred revenue | 34,532 | 11,975 |
| Accrued interest | 16,305 | 3,444 |
| Distributions payable | 26,495 | 41,486 |
| Total liabilities | 3,247,816 | 1,788,116 |
| Equity | | |
| Shareholders' equity: | | |
| Preferred shares of beneficial interest, \$0.01 par value, 50,000,000 shares authorized | | |
| Series A Cumulative Convertible Preferred Shares, \$0.01 par value, 12,950,000 shares authorized; 12,879,475 shares issued and outstanding, liquidation value of \$328,266 at September 30, 2017 | 366,936 | — |
| Common shares of beneficial interest, \$0.01 par value, 450,000,000 shares authorized; 174,913,606 and 124,364,178 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively | 1,749 | 1,244 |
| Additional paid-in capital | 3,206,193 | 2,187,333 |
| Accumulated other comprehensive income (loss) | 677 | (4,902) |
| (Distributions in excess of net earnings) retained earnings | (25,326) | 38,249 |
| Total shareholders' equity | 3,550,229 | 2,221,924 |
| Noncontrolling interest: | | |
| Noncontrolling interest in consolidated joint ventures | 11,125 | 5,973 |
| Noncontrolling interest in the Operating Partnership | 11,463 | 7,380 |
| Total noncontrolling interest | 22,588 | 13,353 |
| Preferred equity in a consolidated joint venture, liquidation value of \$45,401 at September 30, 2017 | 44,430 | — |
| Total equity | 3,617,247 | 2,235,277 |
| Total liabilities and equity | \$ 6,865,063 | \$ 4,023,393 |

Note:
The corresponding notes to the consolidated financial statements can be found in the Company's Quarterly Report on Form 10-Q.

RLJ Lodging Trust
Consolidated Statements of Operations
(Amounts in thousands, except share and per share data)
(unaudited)

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|--|-------------------|---|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Revenue | | | | |
| Operating revenue | | | | |
| Room revenue | \$ 292,046 | \$ 260,659 | \$ 770,751 | \$ 777,211 |
| Food and beverage revenue | 35,580 | 26,001 | 91,392 | 82,602 |
| Other revenue | 13,629 | 9,599 | 31,628 | 28,729 |
| Total revenue | \$ 341,255 | \$ 296,259 | \$ 893,771 | \$ 888,542 |
| Expense | | | | |
| Operating expense | | | | |
| Room expense | \$ 69,380 | \$ 59,671 | \$ 176,523 | \$ 173,783 |
| Food and beverage expense | 27,061 | 19,135 | 66,458 | 59,477 |
| Management and franchise fee expense | 29,571 | 29,607 | 86,110 | 90,869 |
| Other operating expense | 78,120 | 62,162 | 195,000 | 184,133 |
| Total property operating expense | 204,132 | 170,575 | 524,091 | 508,262 |
| Depreciation and amortization | 45,231 | 40,953 | 122,136 | 122,532 |
| Property tax, insurance and other | 23,618 | 20,575 | 60,929 | 60,032 |
| General and administrative | 9,506 | 7,215 | 28,757 | 23,522 |
| Transaction costs | 32,607 | 98 | 36,923 | 257 |
| Total operating expense | 315,094 | 239,416 | 772,836 | 714,605 |
| Operating income | 26,161 | 56,843 | 120,935 | 173,937 |
| Other income | 110 | 112 | 323 | 86 |
| Interest income | 1,157 | 430 | 2,306 | 1,240 |
| Interest expense | (19,650) | (14,552) | (48,527) | (44,233) |
| Gain on settlement of investment in loan | 2,670 | — | 2,670 | — |
| Income before equity in income from unconsolidated joint ventures | 10,448 | 42,833 | 77,707 | 131,030 |
| Equity in income from unconsolidated joint ventures | 57 | — | 57 | — |
| Income before income tax expense | 10,505 | 42,833 | 77,764 | 131,030 |
| Income tax expense | (6,375) | (1,439) | (9,362) | (5,397) |
| Income from operations | 4,130 | 41,394 | 68,402 | 125,633 |
| Loss on sale of hotel properties | (19) | (5) | (49) | (155) |
| Net income | 4,111 | 41,389 | 68,353 | 125,478 |
| Net (income) loss attributable to noncontrolling interests: | | | | |
| Noncontrolling interest in consolidated joint ventures | (32) | (32) | 5 | (7) |
| Noncontrolling interest in the Operating Partnership | (43) | (183) | (318) | (553) |
| Preferred distributions from a consolidated joint venture | (122) | — | (122) | — |
| Net income attributable to RLJ | 3,914 | 41,174 | 67,918 | 124,918 |
| Preferred dividends | (2,093) | — | (2,093) | — |
| Net income attributable to common shareholders | \$ 1,821 | \$ 41,174 | \$ 65,825 | \$ 124,918 |
| Basic per common share data: | | | | |
| Net income per share attributable to common shareholders | \$ 0.01 | \$ 0.33 | \$ 0.50 | \$ 1.00 |
| Weighted-average number of common shares | 140,249,961 | 123,621,323 | 129,317,120 | 123,635,010 |
| Diluted per common share data: | | | | |
| Net income per share attributable to common shareholders | \$ 0.01 | \$ 0.33 | \$ 0.50 | \$ 1.00 |
| Weighted-average number of common shares | 140,307,269 | 123,836,452 | 129,399,177 | 123,859,753 |

Note:
The Statements of Comprehensive Income and corresponding notes can be found in the Company's Quarterly Report on Form 10-Q.

RLJ Lodging Trust
Reconciliation of Non-GAAP Measures
(Amounts in thousands, except per share data)
(unaudited)

Funds From Operations (FFO) Attributable to Common Shareholders and Unitholders

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|--|------------------|---|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Net income | \$ 4,111 | \$ 41,389 | \$ 68,353 | \$ 125,478 |
| Preferred dividends | (2,093) | — | (2,093) | — |
| Preferred distributions - consolidated joint venture | (122) | — | (122) | — |
| Depreciation and amortization | 45,231 | 40,953 | 122,136 | 122,532 |
| Loss on sale of hotel properties | 19 | 5 | 49 | 155 |
| Noncontrolling interest in consolidated joint ventures | (32) | (32) | 5 | (7) |
| Adjustments related to consolidated joint ventures (1) | (46) | (39) | (109) | (116) |
| Adjustments related to unconsolidated joint ventures (2) | 193 | — | 193 | — |
| FFO | 47,261 | 82,276 | 188,412 | 248,042 |
| Transaction costs | 32,607 | 98 | 36,923 | 257 |
| Gain on settlement of investment in loan | (2,670) | — | (2,670) | — |
| Amortization of share-based compensation | 2,495 | 1,921 | 7,964 | 3,935 |
| Non-cash income tax expense | 5,711 | 1,189 | 7,972 | 4,217 |
| Loan related costs (3) | — | — | — | 1,247 |
| Other expenses (income) (4) | 1,116 | (82) | 1,116 | 604 |
| Adjusted FFO | \$ 86,520 | \$ 85,402 | \$ 239,717 | \$ 258,302 |
| Adjusted FFO per common share and unit-basic | \$ 0.61 | \$ 0.69 | \$ 1.85 | \$ 2.08 |
| Adjusted FFO per common share and unit-diluted | \$ 0.61 | \$ 0.69 | \$ 1.84 | \$ 2.08 |
| Basic weighted-average common shares and units outstanding (5) | 140,879 | 124,180 | 129,900 | 124,257 |
| Diluted weighted-average common shares and units outstanding (5) | 140,936 | 124,395 | 129,982 | 124,482 |

Note:

- (1) Includes depreciation and amortization expense allocated to the noncontrolling interest in the joint ventures.
- (2) Includes depreciation and amortization expense of unconsolidated joint ventures.
- (3) Represents debt modification costs.
- (4) Represents income and expenses outside of the normal course of operations, including hurricane-related costs that are not reimbursed by insurance and property-level severance costs.
- (5) Includes 0.6 million weighted-average operating partnership units for the three and nine month periods ended September 30, 2017 and 2016, respectively.

RLJ Lodging Trust
Reconciliation of Non-GAAP Measures
(Amounts in thousands)
(unaudited)

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|--|-------------------|---|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Net income | \$ 4,111 | \$ 41,389 | \$ 68,353 | \$ 125,478 |
| Depreciation and amortization | 45,231 | 40,953 | 122,136 | 122,532 |
| Interest expense, net (1) | 18,873 | 14,546 | 47,589 | 44,214 |
| Income tax expense | 6,375 | 1,439 | 9,362 | 5,397 |
| Noncontrolling interest in consolidated joint ventures | (32) | (32) | 5 | (7) |
| Adjustments related to consolidated joint ventures (2) | (59) | (39) | (121) | (116) |
| Adjustments related to unconsolidated joint ventures (3) | 236 | — | 236 | — |
| EBITDA | 74,735 | 98,256 | 247,560 | 297,498 |
| Noncontrolling interest in preferred distributions to consolidated joint venture | (6) | — | (6) | — |
| Transaction costs | 32,607 | 98 | 36,923 | 257 |
| Loss on sale of hotel properties | 19 | 5 | 49 | 155 |
| Gain on settlement of investment in loan | (2,670) | — | (2,670) | — |
| Amortization of share-based compensation | 2,495 | 1,921 | 7,964 | 3,935 |
| Loan related costs (4) | — | — | — | 924 |
| Other expenses (income) (5) | 1,116 | (82) | 1,116 | 604 |
| Adjusted EBITDA | 108,296 | 100,198 | 290,936 | 303,373 |
| General and administrative (6) | 7,011 | 5,294 | 20,794 | 19,078 |
| Operating results from noncontrolling interest in joint venture | (145) | 71 | (120) | 123 |
| Other corporate adjustments | 290 | (346) | (66) | (968) |
| Consolidated Hotel EBITDA | 115,452 | 105,217 | 311,544 | 321,606 |
| Pro forma adjustments - income from sold hotels | (62) | (4,893) | (311) | (12,125) |
| Pro forma adjustments - income from prior ownership of acquired hotels (7) | 43,583 | 68,296 | 158,229 | 188,427 |
| Pro forma Consolidated Hotel EBITDA | 158,973 | 168,620 | 469,462 | 497,908 |
| Pro forma Hotel EBITDA | \$ 158,973 | \$ 168,620 | \$ 469,462 | \$ 497,908 |

Note:

(1) Excludes amounts attributable to investment in loans of \$0.4 million and \$1.4 million for the three and nine months ended September 30, 2017, respectively, and \$0.4 million and \$1.2 million for the three and nine months ended September 30, 2016, respectively.

(2) Includes interest, depreciation, and amortization expense allocated to the noncontrolling interest in joint ventures.

(3) Includes interest, depreciation, and amortization expense of unconsolidated joint ventures.

(4) Represents debt modification costs.

(5) Represents income and expenses outside of the normal course of operations, including hurricane-related costs that are not reimbursed by insurance and property-level severance costs.

(6) General and administrative expenses exclude amortization of share-based compensation and other non-recurring expenses reflected in Adjusted EBITDA.

(7) The information above includes results for periods prior to the Company's ownership. The information has not been audited and is presented only for comparison purposes.

RLJ Lodging Trust
Reconciliation of Non-GAAP Measures
(Amounts in thousands)
(unaudited)

Pro forma Hotel EBITDA Margin

| | <u>For the three months ended September 30,</u> | | <u>For the nine months ended September 30,</u> | |
|---|---|--------------------------|--|----------------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Total revenue | \$ 341,255 | \$ 296,259 | \$ 893,771 | \$ 888,542 |
| Pro forma adjustments - revenue from sold hotels | (5) | (14,812) | (17) | (40,706) |
| Pro forma adjustments - revenue from prior ownership of acquired hotels (1) | 140,076 | 208,189 | 534,154 | 605,584 |
| Other corporate adjustments / non-hotel revenue | (519) | (11) | (549) | (41) |
| Pro forma Hotel Revenue | <u>\$ 480,807</u> | <u>\$ 489,625</u> | <u>\$ 1,427,359</u> | <u>\$ 1,453,379</u> |
| | | | | |
| Pro forma Hotel EBITDA | <u>\$ 158,973</u> | <u>\$ 168,620</u> | <u>\$ 469,462</u> | <u>\$ 497,908</u> |
| | | | | |
| Pro forma Hotel EBITDA Margin | 33.1% | 34.4% | 32.9% | 34.3% |

(1) The information above includes results for periods prior to the Company's ownership. The information has not been audited and is presented only for comparison purposes.

RLJ Lodging Trust
Consolidated Debt Summary
(Amounts in thousands)
(unaudited)

| Loan | Base Term (Years) | Maturity (incl. extensions) | Floating / Fixed | Interest Rate (1) | Balance as of September 30, 2017 (2) |
|---|----------------------|--------------------------------|------------------|-------------------|---|
| Secured Debt | | | | | |
| Scotiabank - 1 hotel | 4 | Nov 2018 | Floating | 4.23% | \$ 85,000 |
| Wells Fargo - 4 hotels | 3 | Oct 2021 | Floating (3) | 4.03% | 150,000 |
| Wells Fargo - 4 hotels | 2 | Mar 2022 | Floating (3) | 4.04% | 144,000 |
| Wells Fargo - 1 hotel | 10 | Jun 2022 | Fixed | 5.25% | 32,201 |
| PNC - 3 hotels | 10 | Oct 2022 | Fixed | 4.95% | 84,780 |
| Wells Fargo - 1 hotel | 10 | Oct 2022 | Fixed | 4.95% | 33,636 |
| Prudential - 1 hotel | 10 | Oct 2022 | Fixed | 4.94% | 29,715 |
| PNC - 5 hotels | 5 | Mar 2023 | Floating | 3.33% | 85,000 |
| Senior Secured Notes - 9 hotels | 10 | Mar 2023 | Fixed | 5.63% | 525,000 |
| Weighted-Average / Secured Total | | | | 4.86% | \$ 1,169,332 |
| Unsecured Debt | | | | | |
| Revolver (4) | 4 | Apr 2021 | Floating | 2.73% | \$ — |
| \$400 Million Term Loan Maturing 2019 | 5 | Mar 2019 | Floating (3) | 2.72% | 400,000 |
| \$225 Million Term Loan Maturing 2019 | 7 | Nov 2019 | Floating (3) | 4.04% | 225,000 |
| \$400 Million Term Loan Maturing 2021 | 5 | Apr 2021 | Floating (3)(5) | 3.00% | 400,000 |
| \$150 Million Term Loan Maturing 2022 | 7 | Jan 2022 | Floating (3) | 3.43% | 150,000 |
| Senior Unsecured Notes | 10 | Jun 2025 | Fixed | 6.00% | 475,000 |
| Weighted-Average / Unsecured Total | | | | 3.98% | \$ 1,650,000 |
| Weighted-Average / Gross Debt | | | | 4.34% | \$ 2,819,332 |

Note:

(1) Interest rates as of September 30, 2017.

(2) Excludes the impact of fair value adjustments and deferred financing costs.

(3) The floating interest rate is hedged with an interest rate swap.

(4) There is \$600.0 million of borrowing capacity on the Revolver, which is charged an unused commitment fee of 0.30% annually.

(5) Reflects interest rate swap on \$350.0 million.

RLJ Lodging Trust
Pro forma Operating Statistics - Top 60 Assets
(unaudited)

| Property | City/State | # of Rooms | Pro forma Consolidated Hotel EBITDA |
|--|-------------------------|---------------|-------------------------------------|
| Marriott Louisville Downtown | Louisville, KY | 616 | \$ 14,136 |
| San Francisco Marriott Union Square | San Francisco, CA | 400 | 11,333 |
| Wyndham San Diego Bayside | San Diego, CA | 600 | 10,503 |
| The Vinoy Renaissance St. Petersburg Resort & Golf Club | St Petersburg, FL | 361 | 10,041 |
| The Knickerbocker Hotel New York | New York, NY | 330 | 10,032 |
| The Fairmont Copley Plaza, Boston | Boston, MA | 383 | 9,549 |
| DoubleTree Metropolitan Hotel New York City | New York, NY | 764 | 9,378 |
| Embassy Suites Los Angeles - International Airport South | El Segundo, CA | 349 | 9,307 |
| Wyndham Boston Beacon Hill | Boston, MA | 304 | 9,268 |
| Embassy Suites San Francisco Airport - Waterfront | Burlingame, CA | 340 | 9,116 |
| Courtyard Austin Downtown Convention Center | Austin, TX | 270 | 9,039 |
| Courtyard Portland City Center | Portland, OR | 256 | 8,684 |
| The Mills House Wyndham Grand Hotel, Charleston | Charleston, SC | 216 | 8,150 |
| Embassy Suites Mandalay Beach - Hotel & Resort | Oxnard, CA | 250 | 8,150 |
| Embassy Suites San Francisco Airport - South San Francisco | South San Francisco, CA | 312 | 8,148 |
| DoubleTree Grand Key Resort | Key West, FL | 216 | 7,783 |
| Embassy Suites Tampa Downtown Convention Center | Tampa, FL | 360 | 7,688 |
| Hilton Myrtle Beach Resort | Myrtle Beach, SC | 385 | 7,534 |
| Wyndham New Orleans - French Quarter | New Orleans, LA | 374 | 7,354 |
| Embassy Suites Fort Lauderdale 17th Street | Fort Lauderdale, FL | 361 | 7,332 |
| Embassy Suites Napa Valley | Napa, CA | 205 | 7,284 |
| Embassy Suites Milpitas Silicon Valley | Milpitas, CA | 266 | 6,992 |
| Courtyard Chicago Downtown Magnificent Mile | Chicago, IL | 306 | 6,647 |
| Sheraton Philadelphia Society Hill Hotel | Philadelphia, PA | 364 | 6,536 |
| Wyndham Philadelphia Historic District | Philadelphia, PA | 364 | 6,535 |
| Fairfield Inn & Suites Washington DC Downtown | Washington, DC | 198 | 6,467 |
| Embassy Suites Myrtle Beach - Oceanfront Resort | Myrtle Beach, SC | 255 | 6,463 |
| Residence Inn Palo Alto Los Altos | Los Altos, CA | 156 | 6,440 |
| Courtyard San Francisco | San Francisco, CA | 166 | 6,410 |
| Hyatt House Emeryville San Francisco Bay Area | Emeryville, CA | 234 | 6,407 |
| DoubleTree Suites by Hilton Austin | Austin, TX | 188 | 6,323 |
| Embassy Suites Boston Waltham | Waltham, MA | 275 | 6,247 |
| Wyndham Santa Monica At the Pier | Santa Monica, CA | 132 | 6,227 |
| Hilton Garden Inn San Francisco Oakland Bay Brg | Emeryville, CA | 278 | 6,129 |
| Hyatt House San Jose Silicon Valley | San Jose, CA | 164 | 5,971 |
| Courtyard Waikiki Beach | Honolulu, HI | 403 | 5,935 |
| Marriott Denver South @ Park Meadows | Lone Tree, CO | 279 | 5,868 |
| Renaissance Pittsburgh Hotel | Pittsburgh, PA | 300 | 5,842 |
| Embassy Suites Deerfield Beach - Resort & Spa | Deerfield Beach, FL | 244 | 5,838 |
| Holiday Inn San Francisco - Fisherman's Wharf | San Francisco, CA | 585 | 5,631 |
| Wyndham Houston - Medical Center Hotel & Suites | Houston, TX | 287 | 5,328 |
| Courtyard Charleston Historic District | Charleston, SC | 176 | 5,267 |
| Embassy Suites Los Angeles Downey | Downey, CA | 220 | 5,252 |
| Embassy Suites Atlanta - Buckhead | Atlanta, GA | 316 | 5,164 |
| Hilton Cabana Miami Beach | Miami Beach, FL | 231 | 5,141 |
| Homewood Suites Washington DC Downtown | Washington, DC | 175 | 5,000 |
| Residence Inn Austin Downtown Convention Center | Austin, TX | 179 | 4,998 |
| Residence Inn Bethesda Downtown | Bethesda, MD | 188 | 4,926 |
| Hyatt House Santa Clara | Santa Clara, CA | 150 | 4,920 |
| Renaissance Fort Lauderdale Plantation Hotel | Plantation, FL | 250 | 4,844 |
| Marriott Denver Airport @ Gateway Park | Aurora, CO | 238 | 4,843 |
| Embassy Suites Irvine Orange County | Irvine, CA | 293 | 4,791 |
| Hilton Garden Inn Los Angeles Hollywood | Los Angeles, CA | 160 | 4,720 |
| Sheraton Burlington Hotel & Conference Center | South Burlington, VT | 309 | 4,453 |
| Hyatt House San Diego Sorrento Mesa | San Diego, CA | 193 | 4,378 |
| Embassy Suites Minneapolis - Airport | Bloomington, MN | 310 | 4,367 |
| Hyatt Place Washington DC Downtown K Street | Washington, DC | 164 | 4,320 |
| Renaissance Boulder Flatiron Hotel | Broomfield, CO | 232 | 4,199 |
| Hilton Garden Inn New Orleans Convention Center | New Orleans, LA | 286 | 4,028 |
| Hyatt Place Fremont Silicon Valley | Fremont, CA | 151 | 4,022 |
| Top 60 Assets | | 17,317 | 403,678 |
| Other (98 Assets) | | 13,865 | 210,725 |

Note: For the trailing twelve months ended September 30, 2017. Results reflect 100% of the financial results of three consolidated joint ventures and exclude the Chateau LeMoyne-French Quarter New Orleans, which is an unconsolidated hotel. Amounts in thousands, except rooms. The information above includes results for periods prior to the Company's ownership. The information has not been audited and is presented only for comparison purposes.

RLJ Lodging Trust Pro forma Operating Statistics

For the three months ended September 30, 2017

| Top Markets | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|---------------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Northern California | 14 | 90.2% | 91.0% | (0.9)% | \$ 232.75 | \$ 233.51 | (0.3)% | \$ 209.97 | \$ 212.55 | (1.2)% |
| Southern California | 9 | 90.4% | 88.4% | 2.3 % | 193.64 | 189.67 | 2.1 % | 175.12 | 167.67 | 4.4 % |
| South Florida | 13 | 79.1% | 80.7% | (2.0)% | 132.82 | 129.78 | 2.3 % | 105.00 | 104.69 | 0.3 % |
| Austin | 14 | 74.0% | 75.4% | (1.8)% | 144.28 | 150.98 | (4.4)% | 106.83 | 113.80 | (6.1)% |
| Denver | 13 | 85.9% | 87.0% | (1.2)% | 152.37 | 148.07 | 2.9 % | 130.95 | 128.82 | 1.7 % |
| Washington, DC | 8 | 82.5% | 83.0% | (0.6)% | 170.34 | 174.37 | (2.3)% | 140.53 | 144.77 | (2.9)% |
| Houston | 11 | 70.1% | 66.5% | 5.3 % | 135.10 | 133.09 | 1.5 % | 94.66 | 88.55 | 6.9 % |
| Chicago | 14 | 76.1% | 78.1% | (2.6)% | 148.03 | 157.76 | (6.2)% | 112.60 | 123.15 | (8.6)% |
| Louisville | 5 | 69.1% | 71.3% | (3.1)% | 140.20 | 137.73 | 1.8 % | 96.94 | 98.27 | (1.4)% |
| New York City | 5 | 93.2% | 92.7% | 0.5 % | 236.15 | 245.95 | (4.0)% | 220.11 | 227.99 | (3.5)% |
| Other | 52 | 78.2% | 79.2% | (1.3)% | 166.82 | 170.92 | (2.4)% | 130.53 | 135.43 | (3.6)% |
| Total | 158 | 80.9% | 81.4% | (0.7)% | \$ 173.66 | \$ 175.82 | (1.2)% | \$ 140.44 | \$ 143.19 | (1.9)% |

| Service Level | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|----------------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Focused-Service | 102 | 80.1% | 81.1% | (1.3)% | \$ 158.03 | \$ 160.05 | (1.3)% | \$ 126.53 | \$ 129.85 | (2.6)% |
| Compact Full-Service | 49 | 83.4% | 82.3% | 1.4 % | 184.27 | 187.35 | (1.6)% | 153.72 | 154.16 | (0.3)% |
| Full-Service | 7 | 72.1% | 78.8% | (8.5)% | 205.63 | 202.87 | 1.4 % | 148.25 | 159.87 | (7.3)% |
| Total | 158 | 80.9% | 81.4% | (0.7)% | \$ 173.66 | \$ 175.82 | (1.2)% | \$ 140.44 | \$ 143.19 | (1.9)% |

| Chain Scale | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|----------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Upper Upscale | 49 | 79.8% | 79.8% | (0.1)% | \$ 175.27 | \$ 176.92 | (0.9)% | \$ 139.84 | \$ 141.23 | (1.0)% |
| Upscale | 90 | 81.5% | 82.8% | (1.5)% | 164.65 | 166.72 | (1.2)% | 134.25 | 138.07 | (2.8)% |
| Upper Midscale | 16 | 81.5% | 81.2% | 0.4 % | 169.01 | 174.69 | (3.3)% | 137.80 | 141.82 | (2.8)% |
| Other | 3 | 85.5% | 85.7% | (0.1)% | 307.31 | 311.02 | (1.2)% | 262.87 | 266.42 | (1.3)% |
| Total | 158 | 80.9% | 81.4% | (0.7)% | \$ 173.66 | \$ 175.82 | (1.2)% | \$ 140.44 | \$ 143.19 | (1.9)% |

| Flags | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|------------------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Residence Inn | 29 | 82.3% | 82.7% | (0.5)% | \$ 148.35 | \$ 148.86 | (0.3)% | \$ 122.07 | \$ 123.05 | (0.8)% |
| Courtyard | 24 | 80.6% | 82.6% | (2.4)% | 167.92 | 170.94 | (1.8)% | 135.39 | 141.21 | (4.1)% |
| Embassy Suites | 24 | 82.4% | 81.1% | 1.5 % | 175.40 | 175.34 | 0.0 % | 144.45 | 142.22 | 1.6 % |
| Hyatt House | 11 | 84.9% | 84.5% | 0.4 % | 177.00 | 175.60 | 0.8 % | 150.23 | 148.47 | 1.2 % |
| Hilton Garden Inn | 8 | 75.1% | 76.9% | (2.4)% | 157.53 | 159.65 | (1.3)% | 118.23 | 122.76 | (3.7)% |
| SpringHill Suites | 8 | 73.6% | 76.5% | (3.8)% | 130.89 | 131.36 | (0.4)% | 96.33 | 100.46 | (4.1)% |
| Wyndham | 8 | 83.2% | 80.3% | 3.6 % | 176.21 | 179.56 | (1.9)% | 146.54 | 144.14 | 1.7 % |
| Fairfield Inn & Suites | 7 | 78.1% | 80.1% | (2.6)% | 146.63 | 154.55 | (5.1)% | 114.45 | 123.85 | (7.6)% |
| Hampton Inn | 7 | 79.1% | 76.5% | 3.3 % | 139.09 | 141.44 | (1.7)% | 109.99 | 108.25 | 1.6 % |
| Marriott | 6 | 73.7% | 76.7% | (3.8)% | 187.87 | 187.85 | 0.0 % | 138.51 | 144.04 | (3.8)% |
| DoubleTree | 5 | 88.3% | 89.1% | (0.9)% | 193.09 | 201.31 | (4.1)% | 170.56 | 179.36 | (4.9)% |
| Renaissance | 4 | 73.2% | 78.9% | (7.3)% | 166.84 | 168.97 | (1.3)% | 122.05 | 133.37 | (8.5)% |
| Hyatt Place | 3 | 86.0% | 89.4% | (3.8)% | 180.93 | 184.34 | (1.8)% | 155.57 | 164.84 | (5.6)% |
| Homewood Suites | 2 | 84.2% | 86.3% | (2.4)% | 181.25 | 180.19 | 0.6 % | 152.62 | 155.48 | (1.8)% |
| Hilton | 2 | 78.7% | 83.9% | (6.2)% | 177.96 | 169.32 | 5.1 % | 140.08 | 142.11 | (1.4)% |
| Hyatt | 2 | 79.1% | 74.3% | 6.5 % | 174.05 | 189.68 | (8.2)% | 137.74 | 140.93 | (2.3)% |
| Other | 8 | 82.4% | 83.2% | (0.9)% | 233.79 | 242.47 | (3.6)% | 192.74 | 201.62 | (4.4)% |
| Total | 158 | 80.9% | 81.4% | (0.7)% | \$ 173.66 | \$ 175.82 | (1.2)% | \$ 140.44 | \$ 143.19 | (1.9)% |

Note: Results reflect 100% of the financial results of three consolidated joint ventures and exclude the Chateau LeMoynes-French Quarter New Orleans, which is an unconsolidated hotel. The information above includes results for periods prior to the Company's ownership. The information has not been audited and is presented only for comparison purposes.

RLJ Lodging Trust Pro forma Operating Statistics

For the nine months ended September 30, 2017

| Top Markets | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|---------------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Northern California | 14 | 86.3% | 88.3% | (2.2)% | \$ 222.77 | \$ 226.29 | (1.6)% | \$ 192.28 | \$ 199.76 | (3.7)% |
| Southern California | 9 | 86.8% | 84.7% | 2.4 % | 182.97 | 179.62 | 1.9 % | 158.76 | 152.21 | 4.3 % |
| South Florida | 13 | 83.4% | 84.6% | (1.5)% | 169.31 | 169.78 | (0.3)% | 141.16 | 143.72 | (1.8)% |
| Austin | 14 | 77.6% | 79.8% | (2.7)% | 166.69 | 170.17 | (2.0)% | 129.37 | 135.79 | (4.7)% |
| Denver | 13 | 78.6% | 79.2% | (0.7)% | 142.67 | 140.36 | 1.6 % | 112.21 | 111.21 | 0.9 % |
| Washington, DC | 8 | 79.4% | 78.6% | 1.0 % | 190.31 | 185.52 | 2.6 % | 151.06 | 145.74 | 3.7 % |
| Houston | 11 | 70.6% | 70.5% | 0.1 % | 146.28 | 150.97 | (3.1)% | 103.25 | 106.40 | (3.0)% |
| Chicago | 14 | 68.8% | 69.2% | (0.7)% | 143.50 | 150.89 | (4.9)% | 98.68 | 104.44 | (5.5)% |
| Louisville | 5 | 68.4% | 75.0% | (8.8)% | 160.02 | 161.91 | (1.2)% | 109.51 | 121.49 | (9.9)% |
| New York City | 5 | 88.1% | 88.0% | 0.1 % | 219.75 | 225.72 | (2.6)% | 193.59 | 198.58 | (2.5)% |
| Other | 52 | 77.3% | 77.8% | (0.7)% | 168.38 | 169.10 | (0.4)% | 130.11 | 131.57 | (1.1)% |
| Total | 158 | 79.1% | 79.8% | (0.9)% | \$ 176.12 | \$ 177.53 | (0.8)% | \$ 139.25 | \$ 141.70 | (1.7)% |

| Service Level | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|----------------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Focused-Service | 102 | 77.9% | 79.2% | (1.6)% | \$ 161.70 | \$ 162.96 | (0.8)% | \$ 125.99 | \$ 129.04 | (2.4)% |
| Compact Full-Service | 49 | 81.9% | 81.5% | 0.6 % | 186.27 | 188.64 | (1.3)% | 152.59 | 153.65 | (0.7)% |
| Full-Service | 7 | 70.6% | 74.9% | (5.6)% | 202.74 | 199.84 | 1.4 % | 143.21 | 149.59 | (4.3)% |
| Total | 158 | 79.1% | 79.8% | (0.9)% | \$ 176.12 | \$ 177.53 | (0.8)% | \$ 139.25 | \$ 141.70 | (1.7)% |

| Chain Scale | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|----------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Upper Upscale | 49 | 78.5% | 78.9% | (0.5)% | \$ 179.74 | \$ 180.95 | (0.7)% | \$ 141.08 | \$ 142.81 | (1.2)% |
| Upscale | 90 | 79.8% | 81.1% | (1.6)% | 167.36 | 168.66 | (0.8)% | 133.51 | 136.75 | (2.4)% |
| Upper Midscale | 16 | 78.5% | 78.9% | (0.5)% | 167.19 | 171.44 | (2.5)% | 131.29 | 135.33 | (3.0)% |
| Other | 3 | 78.1% | 75.8% | 3.0 % | 294.08 | 298.20 | (1.4)% | 229.67 | 226.11 | 1.6 % |
| Total | 158 | 79.1% | 79.8% | (0.9)% | \$ 176.12 | \$ 177.53 | (0.8)% | \$ 139.25 | \$ 141.70 | (1.7)% |

| Flags | # of Hotels | Occupancy | | | ADR | | | RevPAR | | |
|------------------------|-------------|--------------|--------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Residence Inn | 29 | 79.5% | 80.4% | (1.2)% | \$ 154.59 | \$ 154.74 | (0.1)% | \$ 122.87 | \$ 124.48 | (1.3)% |
| Courtyard | 24 | 79.0% | 79.7% | (0.9)% | 168.42 | 170.85 | (1.4)% | 133.00 | 136.19 | (2.3)% |
| Embassy Suites | 24 | 81.6% | 81.4% | 0.2 % | 179.17 | 179.41 | (0.1)% | 146.13 | 146.01 | 0.1 % |
| Hyatt House | 11 | 82.2% | 85.5% | (3.8)% | 175.30 | 173.72 | 0.9 % | 144.06 | 148.46 | (3.0)% |
| Hilton Garden Inn | 8 | 74.5% | 76.5% | (2.6)% | 161.29 | 164.63 | (2.0)% | 120.19 | 125.94 | (4.6)% |
| SpringHill Suites | 8 | 71.6% | 73.9% | (3.2)% | 133.54 | 135.22 | (1.2)% | 95.57 | 99.96 | (4.4)% |
| Wyndham | 8 | 79.8% | 78.1% | 2.2 % | 175.50 | 175.69 | (0.1)% | 140.03 | 137.15 | 2.1 % |
| Fairfield Inn & Suites | 7 | 76.7% | 78.2% | (1.9)% | 165.11 | 165.60 | (0.3)% | 126.67 | 129.46 | (2.2)% |
| Hampton Inn | 7 | 75.5% | 76.3% | (1.1)% | 142.27 | 144.44 | (1.5)% | 107.41 | 110.23 | (2.6)% |
| Marriott | 6 | 73.2% | 77.6% | (5.6)% | 197.03 | 199.27 | (1.1)% | 144.31 | 154.68 | (6.7)% |
| DoubleTree | 5 | 89.3% | 89.8% | (0.5)% | 195.54 | 199.81 | (2.1)% | 174.69 | 179.48 | (2.7)% |
| Renaissance | 4 | 76.3% | 77.4% | (1.4)% | 184.60 | 185.80 | (0.6)% | 140.87 | 143.77 | (2.0)% |
| Hyatt Place | 3 | 83.3% | 86.5% | (3.7)% | 184.81 | 181.09 | 2.1 % | 154.02 | 156.70 | (1.7)% |
| Homewood Suites | 2 | 80.4% | 76.5% | 5.1 % | 187.95 | 188.41 | (0.2)% | 151.10 | 144.07 | 4.9 % |
| Hilton | 2 | 72.4% | 74.9% | (3.4)% | 175.10 | 172.96 | 1.2 % | 126.73 | 129.62 | (2.2)% |
| Hyatt | 2 | 79.3% | 75.3% | 5.3 % | 186.95 | 200.00 | (6.5)% | 148.26 | 150.69 | (1.6)% |
| Other | 8 | 77.3% | 76.5% | 1.0 % | 218.35 | 224.91 | (2.9)% | 168.74 | 172.14 | (2.0)% |
| Total | 158 | 79.1% | 79.8% | (0.9)% | \$ 176.12 | \$ 177.53 | (0.8)% | \$ 139.25 | \$ 141.70 | (1.7)% |

Note: Results reflect 100% of the financial results of three consolidated joint ventures and exclude the Chateau LeMoyné-French Quarter New Orleans, which is an unconsolidated hotel. The information above includes results for periods prior to the Company's ownership. The information has not been audited and is presented only for comparison purposes.

