Investor Presentation

March 2013

RLJ | Lodging Trust

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, that may cause actual results to differ significantly from those expressed in any forward-looking statement, including statements related to, among other things, the timing, price or amount of purchases, if any, under the Company's common share repurchase program, the Company's target leverage ratio, potential acquisitions or dispositions, RevPAR growth, EBITDA growth, Hotel EBITDA margins or cash G&A expenses.

All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause the Company's future results to differ materially from any forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission.

Investment Highlights

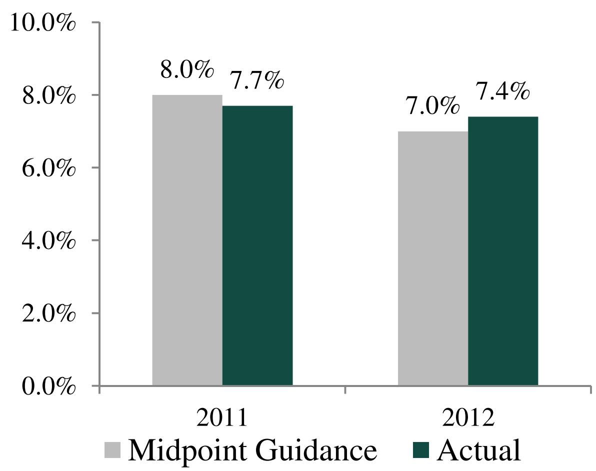
- Seasoned management team with proven track record of success
- Proven investment strategy focused on upscale focused-service and compact full-service hotels
- Attractive platform with significant scale and high quality assets
- Strong internal and external growth prospects; particularly brand conversions
- Active asset management with superior operational expertise
- Attractive dividend and compelling relative valuation
- Low levered, conservative balance sheet

Demonstrated Track Record as a Public Company

Since going public, RLJ has consistently met or exceeded its guidance, with seven consecutive quarters of solid performance. Over the last two years RLJ has:

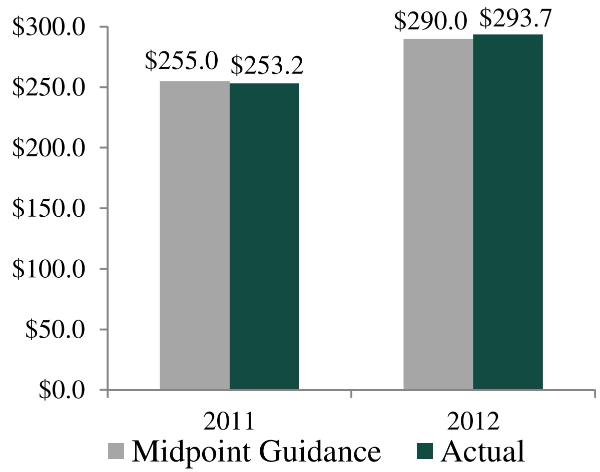
- Acquired six properties in key gateway markets totaling $360.8 million [1]
- Completed $210.0 million of renovations, including seven brand conversions
- Generated significant RevPAR and Consolidated Hotel EBITDA growth
- Successfully maintained leverage level below target of 5.0x
- Distributed cumulative dividends totalling $1.08 per share

RevPAR [2]

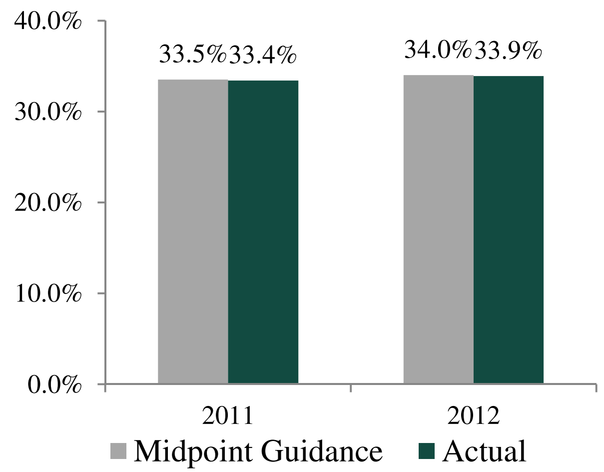


Consolidated Hotel EBITDA [2]

In millions



Hotel EBITDA Margin [2]



1. *Includes the 231-room Hilton Cabana Miami Beach, which is under a signed purchase and sale agreement to acquire upon completion.*
2. *Calculated on a pro forma basis; RevPAR and Hotel EBITDA Margin are reported on a comparable basis and therefore exclude non-comparable hotels that were not open for operation or closed for renovations for comparable periods.*

Experienced Management with Proven Track Record

Deep and experienced senior management team that has worked together for over ten years and has over 150 years of combined lodging and real estate experience

- Strong platform with significant expertise in acquisitions, asset management and portfolio management

Robert L. Johnson
Executive Chairman

Thomas J. Baltimore, Jr.
President and Chief Executive Officer

Ross Bierken *Chief Investment Officer*	**Kate Henriksen** *SVP, Investment Analysis & Portfolio Management*	**Howard Isaacson** *SVP, Asset Management*	**Carl Mayfield** *SVP, Design & Construction*	**Frederick McKalip** *SVP and General Counsel*	**Leslie Hale** *Chief Financial Officer*

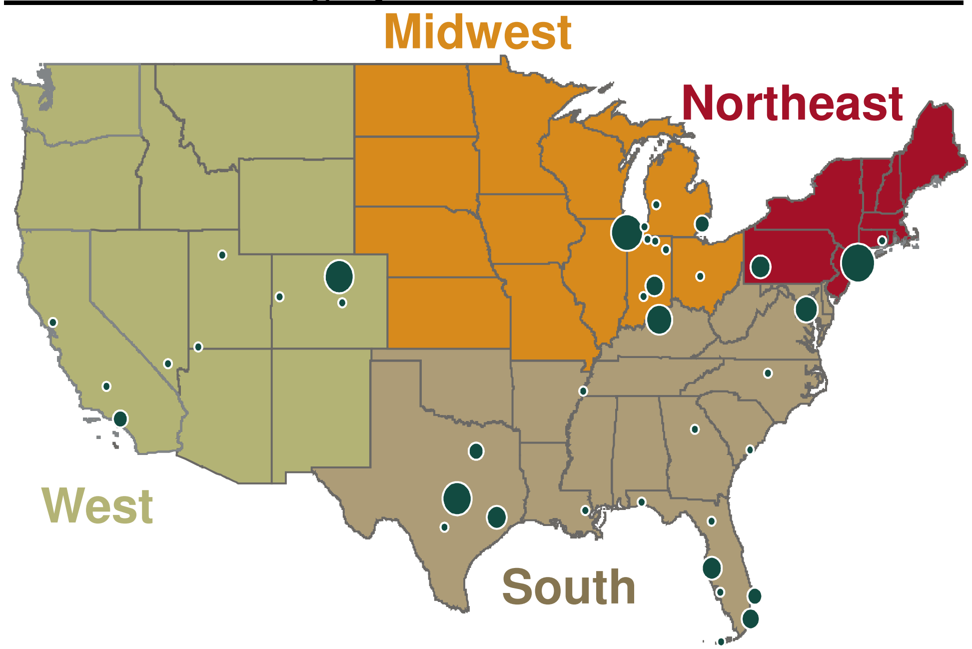
Geographic Diversification and Strong Market Presence

RLJ owns 145 properties with more than 21,600 rooms across 21 states and the District of Columbia

- Approximately 96% of the portfolio is Marriott, Hilton or Hyatt branded
- RLJ's top 40 hotels represent 62% of the Company's Hotel EBITDA

2012 Hotel Portfolio Diversification

Geographic Diversification



62% of EBITDA from Top 6 Markets [1]

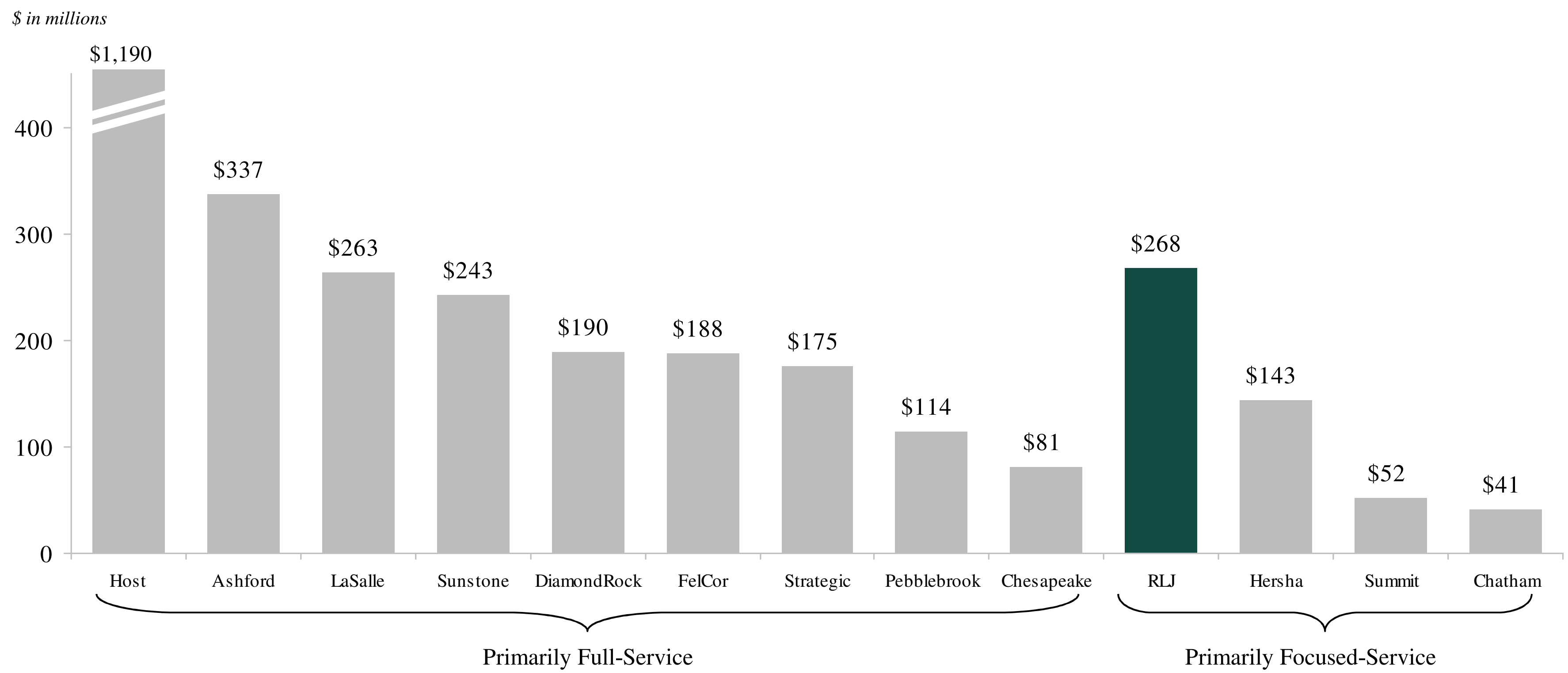
1. *Reflects percentage of Pro forma Hotel EBITDA for 144 hotels as of December 31, 2012, excludes noncomparable hotels.*

Strong Platform with Significant Scale

RLJ is the 3rd largest lodging REIT and the largest REIT in the focused-service category

- Scale and platform provide significant benefits
  - Asset management, acquisitions, ability to work with brands, cost savings

2012 Corporate Adjusted EBITDA (As Reported) (1)



Source: Company filings.

2012 Highlights

- **Operational**
  - Pro forma RevPAR increased 7.4% and Pro forma Hotel EBITDA Margin improved 78 basis points to 33.9% (1)
  - Pro forma Consolidated Hotel EBITDA increased 10.8% to $293.7 million
- **Capital Allocation**
  - Acquired five assets totaling approximately $320 million – includes one forward take-out (2)
    - The hotels are located in New York City, Boston, Miami, and the Washington, D.C. and San Francisco Bay Areas
  - Upgraded and/or repositioned 45 hotels for approximately $95.0 million, including the completion of Hotel Indigo New Orleans Garden District, our seventh brand conversion
- **Balance Sheet**
  - Completed a new Unsecured Facility consisting of a $300 million unsecured revolving credit facility and $400 million in unsecured term loans maturing in 2017 and 2019
    - Expected to generate significant interest expense savings of $8 to $10 million in 2013

---

1. *Calculated on a pro forma basis; RevPAR and Hotel EBITDA Margin are reported on a comparable basis and therefore exclude non-comparable hotels that were not open for operation or closed for renovations for comparable periods.*
2. *On November 30, 2012, RLJ entered into an agreement to acquire the Hilton Cabana Miami Beach upon completion for a fixed purchase price of $71.6 million. There can be no assurance that we will complete this acquisition.*

Company Overview & Outlook

Guiding Principles

Continue to execute proven investment strategies

➢ Drive operating performance

- Increase RevPAR premiums and operating margins through aggressive asset management and asset repositioning

➢ Prudent capital allocation

- Continue to enhance portfolio quality through selective acquisitions – bias towards coastal and major urban markets
- Pursue off-market and limited-bid opportunities to acquire assets at attractive pricing – outsized IRRs and discount to replacement cost

➢ Low leverage balance sheet

- Maintain a conservative balance sheet with a long term goal of achieving investment grade

Proven Investment Strategy

Create shareholder value through prudent capital investments and aggressive asset management

Investment Thesis

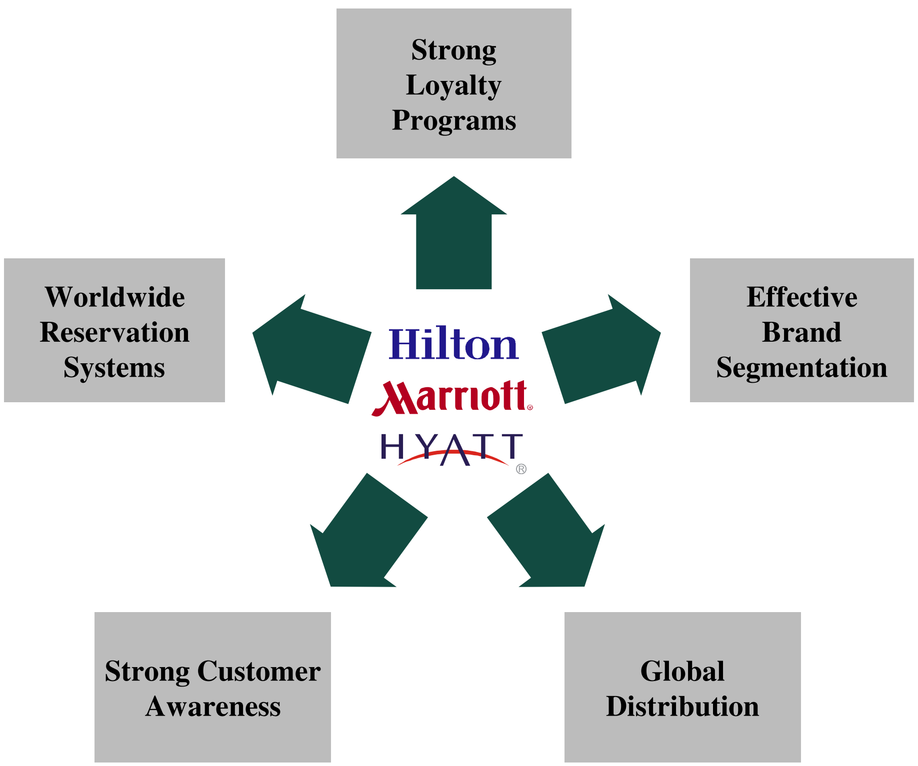
- Acquire premium branded focused-service and compact full-service hotels with Marriott, Hilton and Hyatt flags
  - Courtyard by Marriott, Hilton Garden Inn, Hyatt Place, Marriott and Embassy Suites
- Emphasis on urban markets with high barriers to entry and multiple demand generators

Advantages of Focused-Service / Compact Full-Service Strategy

- RevPAR comparable to traditional full-service hotels but more efficient operating model
  - Less square footage, fewer food and beverage outlets, limited meeting space and majority of revenue from rooms
- Higher margins / higher return on investment

Superior Focused-Service / Compact Full-Service Model

Target premium branded focused-service and compact full-service hotels



J.D. Power & Associates 2012
North American Hotel Guest Satisfaction

Guest Satisfaction Ranking Among…	Rank	Brand
Extended Stay Chains	1	Homewood Suites Hilton
	3	Residence Inn Marriott
	4	Hyatt house
Upscale Chains	1	Hilton Garden Inn; SpringHill Suites Marriott
	4	Hyatt Place
	5	Courtyard Marriott
Mid-Scale Limited Service Chains	2	Hampton Inn
	5	Fairfield Inn Marriott
Upper Upscale Chains	2	Embassy Suites Hotels
	3	Marriott
	4	Hilton
	5	Renaissance Hotels & Resorts

Existing Portfolio Positioned for Outsized Growth

Strong growth embedded within existing portfolio

Portfolio Mix Change

- Acquired 29 assets for a total purchase price of more than $1.3 billion over 35 months in core urban markets:
  - New York City, Washington D.C., Los Angeles

Capital Investments

- Approximately $210 million was invested from 2011 through 2012 to primarily enhance 24 hotels acquired in 2010/2011; in aggregate, 93 hotels were renovated
  - Seven premium-brand conversions were completed

Returning to Peak

- Prior peak RevPAR and EBITDA margin still not reached for the same-store portfolio of 89 hotels in 2012
  - Embedded RevPAR growth of approximately 6% to reach prior peak levels
  - Embedded hotel EBITDA margin growth of approximately 130 basis points to reach prior peak levels

Value Add Renovations

- In 2012, the Company completed its two-year renovation program totaling approximately $210.0 million
  - Largely focused on upgrading and/or repositioning 24 hotels acquired in 2010 and 2011, including seven brand conversions
  - Included a $25.0 million rooms renovation at the DoubleTree Metropolitan in New York City completed in May 2012

Conversions	Location	Status
Red Roof Inn → Fairfield Inn & Suites	Washington D.C.	Complete
Wyndham → Hilton	New York	Complete
Wyndham → Hilton Garden Inn	Pittsburgh	Complete
Wyndham → Hilton Garden Inn	Durham	Complete
Crowne Plaza → Embassy Suites	West Palm Beach	Complete
Hollywood Heights* → Hilton Garden Inn	Los Angeles	Complete
Garden District* → Indigo	New Orleans	Complete

Embassy Suites West Palm Beach- Central

* *Independent hotels.*

Superior Asset Management Program

RLJ has a proven asset management platform that supports investment efforts

- In-house operational expertise strengthens investment underwriting process
- Asset management expertise promotes effective utilization of capital
  - Franchise requirements
  - Asset preservation and life safety monitoring
  - Revenue and efficiency enhancement

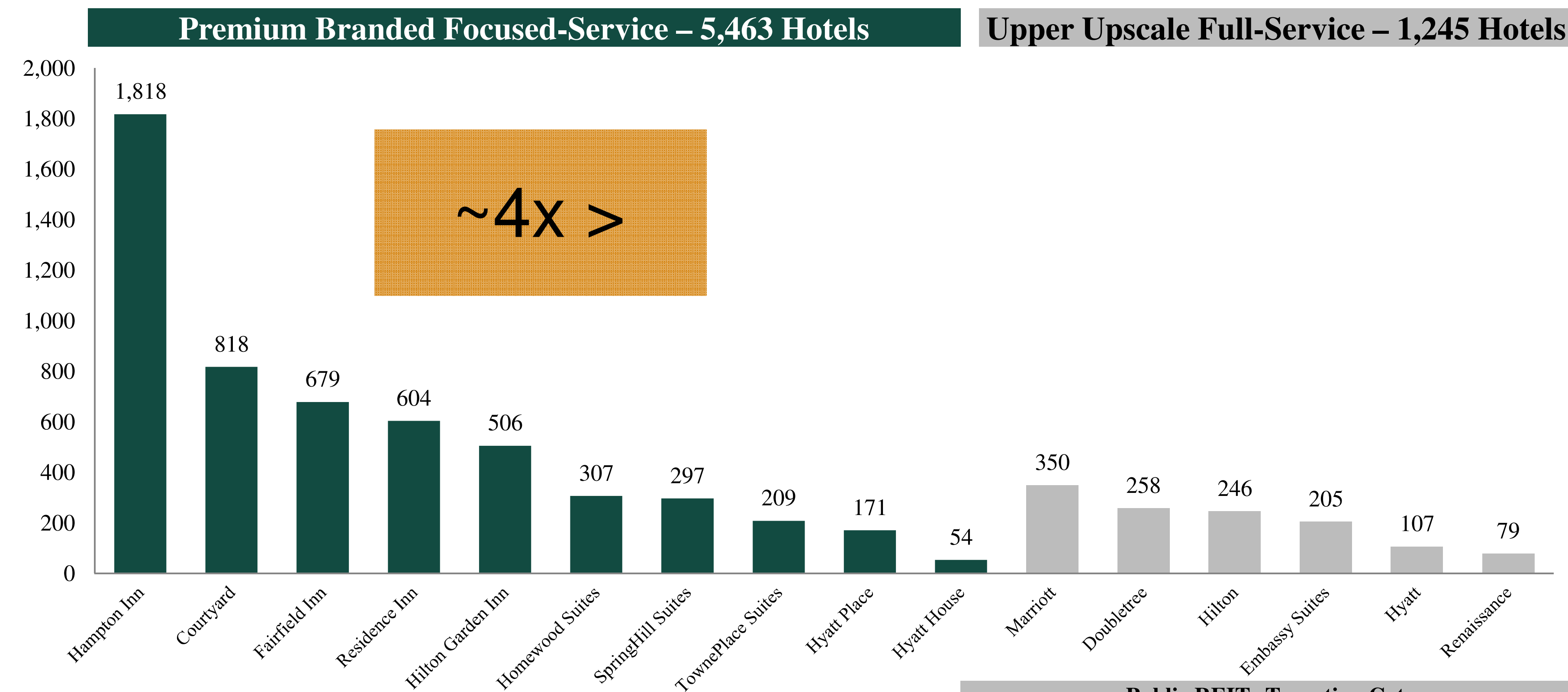
Aggressive Asset Management Program

- **Budgeting**
- **Daily Revenue Monitoring**
- **Monthly Reporting with Reforecasts**
- **Identification of ROI Opportunities**
- **Benchmarking**
- **Frequent Property Reviews**
- **Approval Rights on Critical Staffing Decisions**

Attractive Focused-Service Acquisition Environment

More targets with less competition: RLJ benefits from both a large universe of acquisition targets and a limited universe of competing public buyers

Domestic System-Wide Hotels by Brand



Public REITs Targeting Category:
RLJ Lodging Trust
Chatham Lodging Trust
Hersha Hospitality Trust
Summit Hotel Properties

Public REITs Targeting Category:
Ashford Hospitality Trust
Chesapeake Lodging Trust
DiamondRock Hospitality
FelCor Lodging Trust
Host Hotels & Resorts
LaSalle Hotel Properties
Pebblebrook Hotel Trust
Strategic Hotels & Resorts
Sunstone Hotel Investors

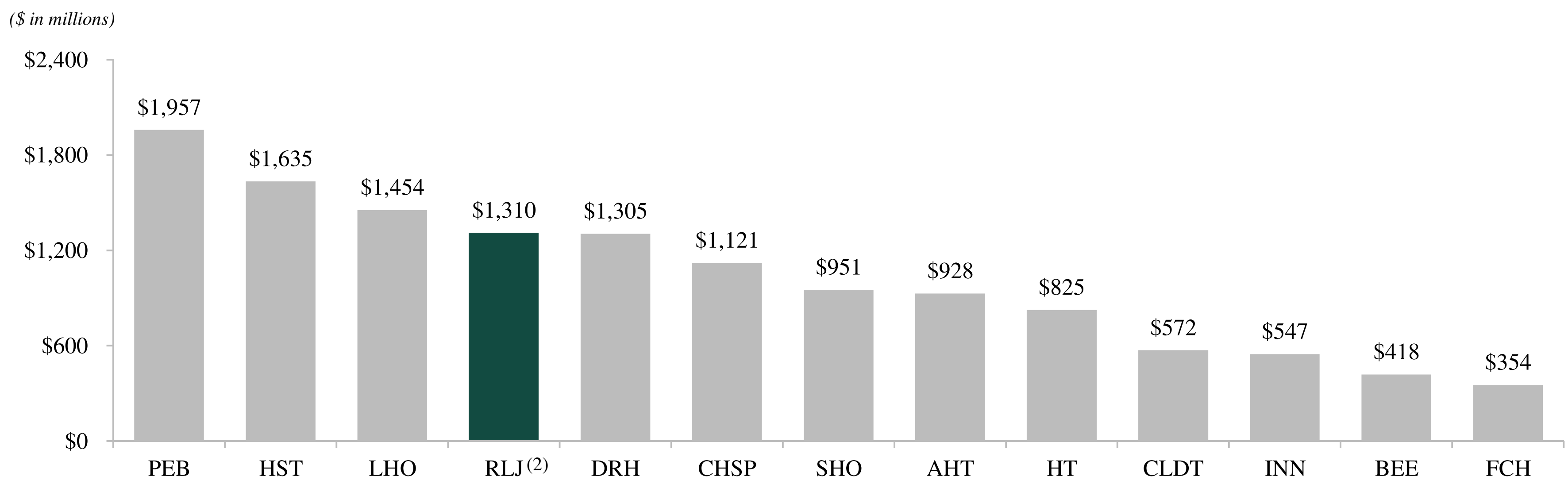
____
Source: Smith Travel Research, January 2013.

Disciplined Investment Strategy

Proven track record of completing attractive acquisitions

- Focus on limited bid and off-market transactions
- Leverage relationships with developers, owners, managers and lenders to access deals
- Strong balance sheet provides a significant advantage
- Continue to pursue selective high quality focused-service and compact full-service hotels in Top 30 markets

Domestic Acquisitions (January 2010 – February 2013) (1)



1. *Company filings. Reflects total purchase price of domestic hotel acquisitions from January 1, 2010 to February 28, 2013; excludes pro rata share of joint venture acquisitions.*
2. *Excludes pending acquisitions.*

Recently-Announced Acquisitions

Continue to execute investment strategy in core urban markets

- Purchase assets that represent a significant discount to replacement cost
- Enter markets that exhibit multiple demand generators and dynamic growth
- Leverage industry relationships to purchase off-market and limited-bid transactions

Hilton Garden Inn San Francisco/Oakland Bay Bridge

Year Built:
1971

Room Count:
278

PP / Key:
~$130K

Key Demand Drivers:
- Bay Area Tourism
- 113M sq. ft. of office space in East Bay/ Oakland office market
- University of California Berkeley

Hilton Cabana Miami Beach

Year Built:
2013

Room Count:
231

PP / Key:
~$310K

Key Demand Drivers:
- Miami Beach Tourism
- Robust convention center activity
- Strong ties to Latin America and international firms

Embassy Suites Boston/Waltham

Year Built:
1989

Room Count:
275

PP / Key:
~$235K

Key Demand Drivers:
- Boston Tourism
- Prime location in a central hub for biotech, technology and information system companies
- Recently converted

Financial Update

2012 Financial Update

- **Pro forma RevPAR** – Industry leading growth of 10.2% in Q4 2012; increased 7.4% for the full year
- **Pro Forma Hotel EBITDA Margin** – Increased 162 basis points to 34.6% in Q4 2012; increased 78 basis points to 33.9% for the full year
- **Adjusted Corporate EBITDA** – Increased 24.1% to $70.7 million in Q4 2012; increased 14.2% to $267.7 for the full year
- **Adjusted FFO** – Increased 35.9% to $50.7 million in Q4 2012; increased 30.6% to $185.6 million for the full year
- **New Unsecured Revolving Credit Facility** – RLJ completed a $300 million unsecured revolving credit facility and added $400 million in unsecured term loans maturing in 2017 and 2019
  - Average interest rate decreased approximately 100 basis points to 4.6% from 5.6%, reducing 2013 interest expense by $8.0 to $10.0 million

____

Note: Pro forma RevPAR and Pro forma Hotel EBITDA Margin are reported on a comparable basis and therefore exclude non-comparable hotels that were not open for operation or closed for renovations for comparable periods.

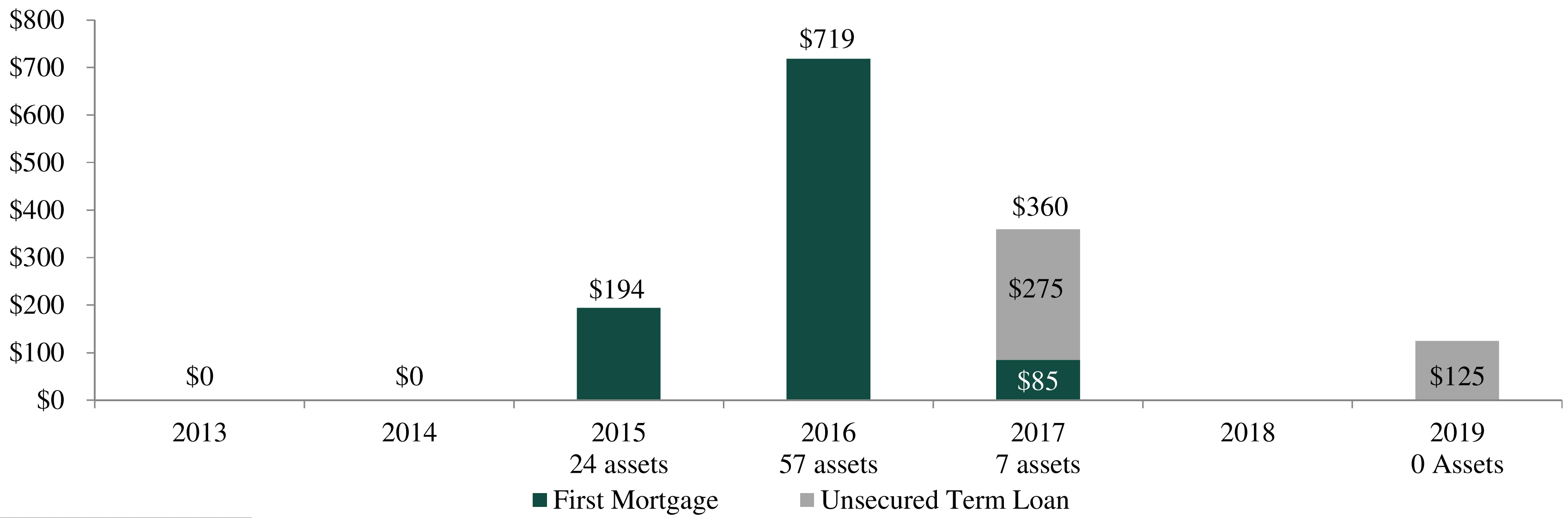
Strong Balance Sheet – Limited Near Term Debt Maturities

RLJ continues to strengthen its balance sheet by increasing the number of unencumbered assets, reducing interest rates and staggering debt maturities

- RLJ's unencumbered asset pool consists of 57 assets and represents 53% of 2012 Pro Forma Hotel EBITDA
  - RLJ's weighted average interest rate is 4.6% [1]
- RLJ has ample liquidity with a $300 million unsecured revolving credit facility, which is largely undrawn [2]

Pro Forma Debt Maturity Schedule [1][3]

($ in millions)



1. *Excludes the $16 million outstanding balance as of December 31, 2012 on the current revolving credit facility.*
2. *There was an outstanding balance of $16 million on the current revolving credit facility as of December 31, 2012.*
3. *Includes all extension options. Debt maturity schedule reflects December 31, 2012 debt balances.*

RLJ | Lodging Trust