

**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): **February 26, 2014**

**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 February 26, 2014, RLJ Lodging Trust (the "Company") issued a press release announcing its financial results for the quarter and year ended December 31, 2013. 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:

| <u>Exhibit Number</u> | <u>Description</u>  |
|-----------------------|---|
| 99.1                  | Press release dated February 26, 2014, issued by RLJ Lodging Trust, providing financial results for the quarter and year ended December 31, 2013. |

**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: February 26, 2014

By: /s/ Thomas J. Baltimore, Jr.  
Thomas J. Baltimore, Jr.  
President, Chief Executive Officer and Trustee

**EXHIBIT LIST**

| <u>Exhibit Number</u> | <u>Description</u>  |
|-----------------------|---|
| 99.1                  | Press release dated February 26, 2014, issued by RLJ Lodging Trust, providing financial results for the quarter and year ended December 31, 2013. |

## Press Release

### **RLJ Lodging Trust Reports Fourth Quarter and Full Year 2013 Results**

- *Full year Pro forma RevPAR increased 7.2%*
- *Acquired more than \$200 million of assets in high-growth markets in 2013*

Bethesda, MD, February 26, 2014 – RLJ Lodging Trust (the “Company”) (NYSE: RLJ) today reported results for the quarter and year ended December 31, 2013.

#### **Full Year Highlights**

- Pro forma RevPAR increased 7.2%, Pro forma ADR increased 4.4% and Pro forma Occupancy increased 2.6%
- Pro forma Hotel EBITDA Margin increased 47 basis points to 34.5%, adjusted for the non-comparable Courtyard Waikiki Beach ground rent
- Pro forma Consolidated Hotel EBITDA increased 8.2% to \$339.3 million
- Adjusted FFO increased 32.9% to \$246.6 million
- Acquired seven properties, including five hotels and two hotel conversion opportunities, for over \$200.0 million in high-growth markets
- Completed first follow-on offering with net proceeds of \$327.5 million
- Completed a comprehensive \$565.0 million refinancing with expected annualized savings of approximately \$10.0 million
- Declared an aggregate cash dividend of \$0.855 per share, representing an increase of approximately 22% over the prior year

#### **Fourth Quarter Highlights**

- Pro forma RevPAR increased 3.9%, Pro forma ADR increased 1.0% and Pro forma Occupancy increased 2.8%
- Pro forma Consolidated Hotel EBITDA increased to \$81.5 million
- Adjusted FFO increased 23.5% to \$62.7 million

“2013 was another excellent year for RLJ as we continued to execute our growth strategy,” commented Thomas J. Baltimore, Jr., President and Chief Executive Officer. “Our well-diversified portfolio once again delivered industry leading RevPAR growth, which resulted in a cumulative growth of more than 22% over the past three years. Furthermore, we entered into new dynamic markets and strengthened our fortress balance sheet with the successful completion of our first follow-on equity raise and comprehensive refinancing. Our efforts have positioned us for significant long-term growth.”

**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. 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. Explanations of EBITDA, Adjusted EBITDA, Hotel EBITDA, FFO, and Adjusted FFO, as well as reconciliations of those measures to net income or loss, if applicable, are included at the end of this release.*

**Pro forma RevPAR** for the quarter ended December 31, 2013, increased 3.9% over the comparable period in 2012, driven by a Pro forma ADR increase of 1.0% and a Pro forma Occupancy increase of 2.8%. Among the Company’s top six markets, the best performers in the quarter were Denver and Houston which experienced RevPAR growth of 13.4% and 11.4%, respectively. For the year ended December 31, 2013, Pro forma RevPAR increased 7.2% over the comparable period in 2012, driven by a Pro forma ADR increase of 4.4% and a Pro forma Occupancy increase of 2.6%.

**Pro forma Hotel EBITDA Margin** for the quarter ended December 31, 2013, decreased 101 basis points over the comparable period in 2012 to 33.4%, adjusted for the non-comparable Courtyard Waikiki Beach ground rent. For the year ended December 31, 2013, Pro forma Hotel EBITDA Margin increased 47 basis points over the comparable period in 2012 to 34.5%, adjusted for the non-comparable Courtyard Waikiki Beach ground rent.

**Pro forma Consolidated Hotel EBITDA** includes the results of non-comparable hotels. For the quarter ended December 31, 2013, Pro forma Consolidated Hotel EBITDA increased \$0.1 million to \$81.5 million, representing a 0.2% increase over the comparable period in 2012. For the year ended December 31, 2013, Pro forma Consolidated Hotel EBITDA increased \$25.7 million to \$339.3 million, representing an 8.2% increase over the comparable period in 2012.

**Adjusted EBITDA** for the quarter ended December 31, 2013, increased \$6.3 million to \$77.0 million, representing an 8.9% increase over the comparable period in 2012. For the year ended December 31, 2013, Adjusted EBITDA increased \$43.4 million to \$311.1 million, representing an increase of 16.2% over the comparable period in 2012.

**Adjusted FFO** for the quarter ended December 31, 2013, increased \$11.9 million to \$62.7 million, representing a 23.5% increase over the comparable period in 2012. For the year ended December 31, 2013, Adjusted FFO increased \$61.0 million to \$246.6 million, representing a 32.9% increase over the comparable period in 2012.

Adjusted FFO per diluted share and unit for the quarter and year ended December 31, 2013, was \$0.51 and \$2.06, respectively, based on the Company’s diluted weighted-average common shares and units outstanding of 123.4 million and 119.6 million for each period, respectively.

**Non-recurring items** for the year ended December 31, 2013, include a gain of \$4.9 million related to the acquisition of Residence Inn Atlanta Midtown Historic through a foreclosure sale, a gain of \$3.3 million related to the extinguishment of indebtedness on the Courtyard Goshen, a gain of \$2.4 million related to the extinguishment of indebtedness on the SpringHill Suites Southfield, a gain of \$2.1 million related to the sale of Fairfield Inn & Suites Memphis, \$1.0

million related to accelerated amortization of deferred financing fees, and \$0.1 million of accelerated deferred management fees related to the disposed assets.

Non-recurring items are included in net income attributable to common shareholders but have been excluded from Adjusted EBITDA and Adjusted FFO, as applicable. A complete listing is provided in the Non-GAAP reconciliation tables for the quarter and year ended December 31, 2013 and 2012.

**Net income attributable to common shareholders** for the quarter ended December 31, 2013, was \$27.4 million compared to \$13.7 million in the comparable period in 2012. For the year ended December 31, 2013, net income attributable to common shareholders was \$112.9 million compared to \$41.3 million in the comparable period in 2012.

**Net cash flow from operating activities** for the year ended December 31, 2013, totaled \$251.4 million compared to \$176.1 million for the comparable period in 2012.

### **Acquisitions/Dispositions**

For the year ended December 31, 2013, the Company acquired five hotels and two hotel conversion opportunities for a gross purchase price of \$213.3 million: the Humble Oil Building complex which consists of two hotels and one apartment building, the 399-room Courtyard Waikiki Beach, the 150-room Vantaggio Suites Cosmo, the 78-room Residence Inn Atlanta Midtown Historic, and the 106-room SpringHill Suites Portland Hillsboro.

On March 19, 2013, the Company acquired the historic Humble Oil Building complex in downtown Houston for a purchase price of \$79.5 million, or approximately \$151,000 per key based on a combined forward room count of 528 keys. The Humble Oil Building is a three-tower complex which consists of a 191-room Courtyard Houston Downtown Convention Center, a 171-room Residence Inn Houston Downtown Convention Center, and an 82-unit apartment tower which is currently undergoing a conversion to a 166-room SpringHill Suites.

On June 17, 2013, the Company acquired the 399-room Courtyard Waikiki Beach for a purchase price of \$75.3 million, or approximately \$189,000 per key.

On June 21, 2013, the Company acquired the 150-room Vantaggio Suites Cosmo for a purchase price of \$29.5 million, or approximately \$197,000 per key. The hotel is currently closed for a \$19.0 million multi-phase conversion to a Courtyard by Marriott that includes increasing the number of rooms at the hotel.

On August 6, 2013, the Company acquired the 78-room Residence Inn Atlanta Midtown Historic. The Company purchased a mortgage loan collateralized by the hotel for approximately \$5.0 million in November 2009. The Company initiated and successfully acquired the asset through a foreclosure sale after the borrower defaulted on the loan. The hotel is currently closed and undergoing a comprehensive renovation.

On October 8, 2013, the Company acquired the 106-room SpringHill Suites Portland Hillsboro for a purchase price of \$24.0 million, or approximately \$226,000 per key.

During the year, the Company also disposed of three hotels. On May 30, 2013, the Company transferred title of the SpringHill Suites Southfield to its lenders pursuant to a deed in lieu of foreclosure and on August 28, 2013, the Courtyard Goshen was transferred to an affiliate of its lender through a foreclosure auction.

On November 18, 2013, the Company sold the Fairfield Inn & Suites Memphis for \$2.5 million.

### **Subsequent Events**

Subsequent to year end, in February the Company announced that it had entered into a definitive purchase and sale agreement to acquire a portfolio of 10 hotels totaling 1,560 rooms consisting of Hyatt, Hyatt Place and Hyatt House branded hotels for a purchase price of approximately \$313.0 million. The Company also announced the sale of a portfolio of 11 hotels for approximately \$85.0 million.

### **Balance Sheet**

In March 2013, the Company completed its first follow-on equity offering with net proceeds of approximately \$327.5 million. The offering was upsized by approximately 20% and the underwriters' option to purchase additional common shares was fully exercised.

In September 2013, the Company completed a comprehensive refinancing of approximately \$565.0 million of secured debt using proceeds from a new \$350.0 million five-year term loan, a \$100.0 million expansion of the Company's existing seven-year term loan, and a \$150.0 million secured debt financing. The Company also executed interest rate swaps on the new floating rate debt to minimize risks of future interest rate fluctuations. As a result of this comprehensive refinancing, the Company expects to realize approximately \$10.0 million of interest expense savings in 2014.

As of December 31, 2013, the Company had \$332.2 million of unrestricted cash on its balance sheet, \$300.0 million available on its revolving credit facility, and \$1.4 billion of debt outstanding. The Company's ratio of net debt to Adjusted EBITDA for the trailing twelve month period was 3.4 times.

### **Dividends**

The Company's Board of Trustees declared a cash dividend of \$0.205 and a special dividend of \$0.035 per common share of beneficial interest in the fourth quarter. The dividend was paid on January 15, 2014, to shareholders of record as of December 31, 2013.

For the year ended December 31, 2013, the Company distributed a total dividend of \$0.855 per common share of beneficial interest, representing an increase of approximately 22% over the prior year’s annual distribution.

**2014 Outlook**

The Company’s outlook excludes recent hotel sales and does not include the pending acquisition of 10 hotels from Hyatt. The outlook excludes potential future acquisitions and dispositions, which could result in a material change to the Company’s outlook. The 2014 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 statistics include results for periods prior to the Company’s ownership and therefore assume the hotels were owned since January 1, 2013. For the full year 2014, the Company anticipates:

|  | <b>Current Outlook</b> |
|--|------------------------|
| Pro forma RevPAR growth (1)                        | 4.0% to 6.0%           |
| Pro forma Hotel EBITDA Margin (1)                  | 34.5% to 35.5%         |
| Pro forma Consolidated Hotel EBITDA                | \$338.0M to \$358.0M   |
| Corporate Cash General and Administrative expenses | \$25.0M to \$26.0M     |

*(1) Results exclude one non-comparable hotel: the Residence Inn Atlanta Midtown Historic, which is closed for renovations.*

**Earnings Call**

The Company will conduct its quarterly analyst and investor conference call on February 27, 2014, at 11:00 a.m. (Eastern Time). The conference call can be accessed by dialing (877) 705-6003 or (201) 493-6725 for international participants and requesting RLJ Lodging Trust’s fourth 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 section 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 owns 138 properties, comprised of 136 hotels with approximately 21,100 rooms and two planned hotel conversions, located in 21 states and the District of Columbia.

## **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," "may" 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 urge 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 SEC.

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### **Additional Contacts:**

**Leslie D. Hale, Chief Financial Officer, RLJ Lodging Trust – (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 Definitions**

**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, and (5) Hotel EBITDA. 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, and Hotel EBITDA 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, items classified by GAAP as extraordinary, 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.

## **Hotel EBITDA**

With respect to Hotel EBITDA, the Company believes that excluding the effect of corporate-level expenses and 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 third-party management companies operating the Company's business on a property-level basis.

Pro forma Hotel EBITDA includes hotel results from prior ownership periods and excludes non-comparable hotels which were not open for operation or closed for renovations for comparable periods. Pro forma Consolidated Hotel EBITDA includes hotel results from prior ownership periods and includes the results of non-comparable hotels which were not open for operation or closed for renovations during the comparable periods.

## **Adjustments to FFO and EBITDA**

The Company adjusts FFO and EBITDA for certain additional items, such as discontinued operations, transaction and pursuit costs, the amortization of share-based compensation, and certain other expenses that the Company considers outside the normal course of business. 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, EBITDA and FFO, is beneficial to an investor's understanding of its operating performance. The Company adjusts FFO and EBITDA for the following items, as applicable:

- *Transaction and Pursuit Costs:* The Company excludes transaction and pursuit costs expensed during the period because it believes they do not reflect the underlying performance of the Company.
- *Non-Cash Expenses:* The Company excludes the effect of certain non-cash items because it believes they do not reflect the underlying performance of the Company. The Company has excluded the amortization of share based compensation, non-cash gains on the extinguishment of indebtedness, sales and foreclosures, a non-cash loss on disposal of furniture, fixtures, and equipment associated with assets under renovation, the acceleration of deferred financing fees, the acceleration of deferred management fees and an impairment loss.
- *Other Non-operational Expenses:* The Company excludes the effect of certain non-operational expenses because it believes they do not reflect the underlying performance of the Company. The Company has excluded legal expenses it considered outside the normal course of business, loan default penalties and fees, and debt prepayment fees.

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

|   | December 31,<br>2013 | December 31, 2012   |
|---|----------------------|---------------------|
| <b>Assets</b>   |                      |                     |
| Investment in hotel and other properties, net   | \$ 3,241,163         | \$ 3,073,483        |
| Investment in loans   | 8,208                | 12,426              |
| Cash and cash equivalents   | 332,248              | 115,861             |
| Restricted cash reserves  | 62,430               | 64,787              |
| Hotel and other receivables, net of allowance of \$234 and \$194, respectively  | 22,762               | 22,738              |
| Deferred financing costs, net   | 11,599               | 11,131              |
| Deferred income tax asset   | 2,529                | 2,206               |
| Purchase deposits   | 7,246                | 9,910               |
| Prepaid expense and other assets  | 29,789               | 33,843              |
| <b>Total assets</b>   | <b>\$ 3,717,974</b>  | <b>\$ 3,346,385</b> |
| <b>Liabilities and Equity</b>   |                      |                     |
| Borrowings under revolving credit facility  | \$ —                 | \$ 16,000           |
| Mortgage loans  | 559,665              | 997,651             |
| Term loans  | 850,000              | 400,000             |
| Accounts payable and other liabilities  | 115,011              | 87,575              |
| Deferred income tax liability   | 3,548                | 4,064               |
| Advance deposits and deferred revenue   | 9,851                | 8,508               |
| Accrued interest  | 2,695                | 2,284               |
| Distributions payable   | 30,870               | 22,392              |
| <b>Total liabilities</b>  | <b>1,571,640</b>     | <b>1,538,474</b>    |
| <b>Equity</b>   |                      |                     |
| Shareholders' equity:   |                      |                     |
| Preferred shares of beneficial interest, \$0.01 par value, 50,000,000 shares authorized; zero shares issued and outstanding at December 31, 2013 and 2012, respectively.                      | —                    | —                   |
| Common shares of beneficial interest, \$0.01 par value, 450,000,000 shares authorized; 122,640,042 and 106,565,516 shares issued and outstanding at December 31, 2013 and 2012, respectively. | 1,226                | 1,066               |
| Additional paid-in-capital  | 2,178,004            | 1,841,449           |
| Accumulated other comprehensive loss  | (5,941)              | —                   |
| Distributions in excess of net earnings   | (45,522)             | (52,681)            |
| Total shareholders' equity  | 2,127,767            | 1,789,834           |
| <b>Noncontrolling interest</b>  |                      |                     |
| Noncontrolling interest in joint venture  | 7,306                | 6,766               |
| Noncontrolling interest in Operating Partnership  | 11,261               | 11,311              |
| Total noncontrolling interest   | 18,567               | 18,077              |
| <b>Total equity</b>   | <b>2,146,334</b>     | <b>1,807,911</b>    |
| <b>Total liabilities and equity</b>   | <b>\$ 3,717,974</b>  | <b>\$ 3,346,385</b> |

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

|   | For the quarter ended<br>December 31, |                  | For the year ended<br>December 31, |                  |
|---|---------------------------------------|------------------|------------------------------------|------------------|
|   | 2013                                  | 2012             | 2013                               | 2012             |
|   | (Unaudited)                           |                  |                                    |                  |
| <b>Revenue</b>  |                                       |                  |                                    |                  |
| Operating revenue   |                                       |                  |                                    |                  |
| Room revenue  | \$ 209,584                            | \$ 190,540       | \$ 844,741                         | \$ 738,207       |
| Food and beverage revenue   | 25,877                                | 24,318           | 97,083                             | 87,549           |
| Other operating department revenue  | 7,110                                 | 6,572            | 28,556                             | 23,929           |
| <b>Total revenue</b>  | <b>242,571</b>                        | <b>221,430</b>   | <b>970,380</b>                     | <b>849,685</b>   |
| <b>Expense</b>  |                                       |                  |                                    |                  |
| Operating expense   |                                       |                  |                                    |                  |
| Room expense  | 47,117                                | 41,623           | 186,667                            | 162,039          |
| Food and beverage expense   | 17,539                                | 15,382           | 67,945                             | 60,427           |
| Management fee expense  | 9,432                                 | 8,177            | 34,956                             | 29,906           |
| Other operating expense   | 71,620                                | 66,962           | 285,539                            | 256,565          |
| Total property operating expense  | 145,708                               | 132,144          | 575,107                            | 508,937          |
| Depreciation and amortization   | 32,483                                | 30,743           | 127,231                            | 126,340          |
| Property tax, insurance and other   | 15,754                                | 13,624           | 63,627                             | 52,745           |
| General and administrative  | 8,627                                 | 8,278            | 35,466                             | 31,086           |
| Transaction and pursuit costs   | 1,588                                 | 380              | 4,410                              | 3,520            |
| Total operating expense   | 204,160                               | 185,169          | 805,841                            | 722,628          |
| Operating income  | 38,411                                | 36,261           | 164,539                            | 127,057          |
| Other income  | 569                                   | 175              | 903                                | 433              |
| Interest income   | 888                                   | 411              | 1,665                              | 1,664            |
| Interest expense  | (14,178)                              | (22,660)         | (64,348)                           | (83,689)         |
| Loss on disposal  | —                                     | —                | —                                  | (634)            |
| Gain on foreclosure   | 32                                    | —                | 4,863                              | —                |
| Income from continuing operations before income tax expense                             | 25,722                                | 14,187           | 107,622                            | 44,831           |
| Income tax expense  | (127)                                 | (155)            | (879)                              | (1,369)          |
| Income from continuing operations   | 25,595                                | 14,032           | 106,743                            | 43,462           |
| Income (loss) from discontinued operations  | 2,087                                 | (112)            | 7,436                              | (2,143)          |
| Net income  | 27,682                                | 13,920           | 114,179                            | 41,319           |
| Net (income) loss attributable to non-controlling interests                             |                                       |                  |                                    |                  |
| Noncontrolling interest in consolidated joint venture                                   | (219)                                 | (48)             | (540)                              | 404              |
| Noncontrolling interest in common units of Operating Partnership                        | (18)                                  | (142)            | (718)                              | (425)            |
| <b>Net income attributable to common shareholders</b>                                   | <b>\$ 27,445</b>                      | <b>\$ 13,730</b> | <b>\$ 112,921</b>                  | <b>\$ 41,298</b> |
| <b>Basic per common share data:</b>   |                                       |                  |                                    |                  |
| Net income per share attributable to common shareholders before discontinued operations | \$ 0.21                               | \$ 0.13          | \$ 0.89                            | \$ 0.40          |
| Discontinued operations   | 0.02                                  | —                | 0.06                               | (0.02)           |
| Net income per share attributable to common shareholders                                | \$ 0.23                               | \$ 0.13          | \$ 0.95                            | \$ 0.38          |
| Weighted-average number of common shares  | 121,667,166                           | 105,517,515      | 117,950,066                        | 105,423,604      |
| <b>Diluted per common share data:</b>   |                                       |                  |                                    |                  |
| Net income per share attributable to common shareholders before discontinued operations | \$ 0.21                               | \$ 0.13          | \$ 0.88                            | \$ 0.40          |
| Discontinued operations   | 0.02                                  | —                | 0.06                               | (0.02)           |
| Net income per share attributable to common shareholders                                | \$ 0.23                               | \$ 0.13          | \$ 0.94                            | \$ 0.38          |
| Weighted-average number of common shares  | 122,540,253                           | 105,865,104      | 118,738,626                        | 105,748,686      |

**Note:**

The Statement of Comprehensive Income and corresponding footnotes can be found in the Company's Annual Report on Form 10-K.

**RLJ Lodging Trust**  
**Reconciliation of Net Income to Non-GAAP Measures**  
*(Amounts in thousands, except per share data)*  
*(Unaudited)*

**Funds From Operations (FFO)**

|   | For the quarter ended<br>December 31, |                  | For the year ended<br>December 31, |                   |
|---|---------------------------------------|------------------|------------------------------------|-------------------|
|   | 2013                                  | 2012             | 2013                               | 2012              |
| Net income (1)  | \$ 27,682                             | \$ 13,920        | \$ 114,179                         | \$ 41,319         |
| Gain on sale of property  | (2,081)                               | —                | (2,081)                            | —                 |
| Depreciation and amortization                                     | 32,483                                | 30,743           | 127,231                            | 126,340           |
| Loss on disposal  | —                                     | —                | —                                  | 634               |
| Gain on extinguishment of indebtedness (2)                        | (6)                                   | —                | (5,708)                            | —                 |
| Impairment loss   | —                                     | —                | —                                  | 896               |
| Noncontrolling interest in joint venture                          | (219)                                 | (48)             | (540)                              | 404               |
| Adjustments related to discontinued operations (3)                | 8                                     | 93               | 199                                | 458               |
| Adjustments related to joint venture (4)                          | (121)                                 | (121)            | (484)                              | (451)             |
| <b>FFO attributable to common shareholders</b>                    | <b>57,746</b>                         | <b>44,587</b>    | <b>232,796</b>                     | <b>169,600</b>    |
| Gain on foreclosure   | (32)                                  | —                | (4,863)                            | —                 |
| Transaction and pursuit costs                                     | 1,588                                 | 380              | 4,410                              | 3,520             |
| Amortization of share based compensation                          | 3,386                                 | 2,863            | 13,078                             | 8,626             |
| Loan related costs (5)(6)(7)                                      | —                                     | 2,782            | 1,046                              | 3,451             |
| Other expenses (8)(9)   | —                                     | 134              | 157                                | 436               |
| <b>Adjusted FFO</b>   | <b>\$ 62,688</b>                      | <b>\$ 50,746</b> | <b>\$ 246,624</b>                  | <b>\$ 185,633</b> |
| <b>Adjusted FFO per common share and unit-basic</b>               | <b>\$ 0.51</b>                        | <b>\$ 0.48</b>   | <b>\$ 2.08</b>                     | <b>\$ 1.75</b>    |
| <b>Adjusted FFO per common share and unit-diluted</b>             | <b>\$ 0.51</b>                        | <b>\$ 0.48</b>   | <b>\$ 2.06</b>                     | <b>\$ 1.74</b>    |
| Basic weighted-average common shares and units outstanding (10)   | 122,561                               | 106,412          | 118,844                            | 106,318           |
| Diluted weighted-average common shares and units outstanding (10) | 123,434                               | 106,759          | 119,633                            | 106,643           |

**Note:**

- (1) Includes net income from discontinued operations.
- (2) For the year ended December 31, 2013, this includes the gain on extinguishment of indebtedness from the SpringHill Suites Southfield, Michigan and Courtyard Goshen, Indiana. This gain is included in discontinued operations.
- (3) Includes depreciation and amortization expense from discontinued operations.
- (4) Includes depreciation and amortization expense allocated to the noncontrolling interest in joint venture.
- (5) Includes \$0.7 million for the year ended December 31, 2012, of default interest and penalties incurred in connection with the SpringHill Suites Southfield, Michigan mortgage loan.
- (6) Includes \$1.4 million for the quarter and year ended December 31, 2012, of accelerated amortization of deferred financing fees related to the amendment and restatement of the credit facility.
- (7) Includes \$1.4 million for the quarter and year ended December 31, 2012, of incremental interest expense related to the accelerated payoff of mortgage indebtedness.
- (8) Includes \$0.1 million for the year ended December 31, 2013, of accelerated amortization of deferred management fees.
- (9) Includes less than \$0.1 million for the year ended December 31, 2013 and \$0.1 million and \$0.4 million for the quarter and year ended December 31, 2012, respectively, of legal expenses outside the normal course of operations.
- (10) Includes 0.9 million operating partnership units.

**RLJ Lodging Trust**  
**Reconciliation of Net Income to Non-GAAP Measures**  
*(Amounts in thousands)*  
*(Unaudited)*

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

|   | For the quarter ended<br>December 31, |                  | For the year ended<br>December 31, |                   |
|---|---------------------------------------|------------------|------------------------------------|-------------------|
|   | 2013                                  | 2012             | 2013                               | 2012              |
| Net income (1)  | \$ 27,682                             | \$ 13,920        | \$ 114,179                         | \$ 41,319         |
| Depreciation and amortization                                   | 32,483                                | 30,743           | 127,231                            | 126,340           |
| Interest expense, net (2)                                       | 14,168                                | 22,654           | 64,317                             | 83,653            |
| Income tax expense  | 127                                   | 155              | 879                                | 1,369             |
| Noncontrolling interest in joint venture                        | (219)                                 | (48)             | (540)                              | 404               |
| Adjustments related to discontinued operations (3)              | 9                                     | 255              | 572                                | 1,744             |
| Adjustments related to joint venture (4)                        | (121)                                 | (345)            | (484)                              | (1,199)           |
| <b>EBITDA</b>   | <b>74,129</b>                         | <b>67,334</b>    | <b>306,154</b>                     | <b>253,630</b>    |
| Transaction and pursuit costs                                   | 1,588                                 | 380              | 4,410                              | 3,520             |
| Gain on sale of property  | (2,081)                               | —                | (2,081)                            | —                 |
| Gain on foreclosure   | (32)                                  | —                | (4,863)                            | —                 |
| Gain on extinguishment of indebtedness (5)                      | (6)                                   | —                | (5,708)                            | —                 |
| Impairment loss   | —                                     | —                | —                                  | 896               |
| Loss on disposal  | —                                     | —                | —                                  | 634               |
| Amortization of share based compensation                        | 3,386                                 | 2,863            | 13,078                             | 8,626             |
| Other expenses (6)(7)   | —                                     | 134              | 157                                | 436               |
| <b>Adjusted EBITDA</b>  | <b>\$ 76,984</b>                      | <b>\$ 70,711</b> | <b>\$ 311,147</b>                  | <b>\$ 267,742</b> |
| General and administrative (8)                                  | 5,241                                 | 5,415            | 22,389                             | 22,460            |
| Other income/interest income                                    | (1,447)                               | (580)            | (2,537)                            | (2,061)           |
| Corporate overhead allocated to properties                      | 654                                   | 249              | 1,094                              | 726               |
| Operating results from discontinued operations                  | (9)                                   | (143)            | (352)                              | (497)             |
| Apartment income  | (101)                                 | —                | (521)                              | —                 |
| Operating results from noncontrolling interest in joint venture | 340                                   | 393              | 1,024                              | 795               |
| Pro forma adjustments (9)                                       | (522)                                 | 5,021            | 5,805                              | 23,481            |
| Non-cash amortization (10)                                      | 314                                   | 245              | 1,294                              | 1,036             |
| <b>Pro forma Consolidated Hotel EBITDA</b>                      | <b>\$ 81,454</b>                      | <b>\$ 81,311</b> | <b>\$ 339,343</b>                  | <b>\$ 313,682</b> |
| Non-comparable hotels (11)                                      | (1,350)                               | 79               | (2,654)                            | (309)             |
| <b>Pro forma Hotel EBITDA</b>                                   | <b>\$ 80,104</b>                      | <b>\$ 81,390</b> | <b>\$ 336,689</b>                  | <b>\$ 313,373</b> |

**Note:**

- (1) Includes net income from discontinued operations.
- (2) Excludes amounts attributable to investment in loans of \$0.9 million and \$1.6 million for the quarter and year ended December 31, 2013, respectively and \$0.4 million and \$1.6 million for the quarter and year ended December 31, 2012, respectively.
- (3) Includes depreciation, amortization and interest expense related to discontinued operations.
- (4) Includes depreciation, amortization and interest expense allocated to the noncontrolling interest in the joint venture.
- (5) For the year ended December 31, 2013, this includes the gain on extinguishment of indebtedness from the SpringHill Suites Southfield, Michigan and Courtyard Goshen, Indiana. This gain is included in discontinued operations.
- (6) Includes \$0.1 million for the year ended December 31, 2013, of accelerated amortization of deferred management fees.
- (7) Includes less than \$0.1 million for the year ended December 31, 2013 and \$0.1 million and \$0.4 million for the quarter and year ended December 31, 2012, respectively, of legal expenses outside the normal course of operations.
- (8) General and administrative expenses exclude amortization of share based compensation, which is reflected in Adjusted EBITDA.
- (9) Reflects prior ownership results and recent acquisitions.
- (10) Non-cash amortization includes the amortization of deferred management fees, franchise fees, key money, and non cash ground rent.
- (11) Results primarily reflect the Hotel Indigo New Orleans Garden District and the Residence Inn Atlanta Midtown Historic. The Hotel Indigo New Orleans Garden District was closed most of 2012 due to a conversion upgrade. The Residence Inn Atlanta Midtown Historic is currently closed and undergoing a comprehensive renovation.

**RLJ Lodging Trust**  
**Consolidated Debt Summary**  
*(Amounts in thousands)*  
*(Unaudited)*

| Loan                                    | Base Term (Years) | Maturity<br>(incl. extensions) | Floating / Fixed | Interest Rate (1) | Balance as of December 31,<br>2013 |
|---|-------------------|--------------------------------|------------------|-------------------|------------------------------------|
| <b>Secured Debt</b>                     |                   |                                |                  |                   |                                    |
| Wells Fargo - 5 hotels                  | 3                 | Oct 2016                       | Floating         | 3.77%             | \$ 142,000                         |
| Capmark Financial Group - 1 hotel       | 10                | Apr 2015                       | Fixed            | 6.12%             | 4,068                              |
| Capmark Financial Group - 1 hotel       | 10                | May 2015                       | Fixed            | 5.55%             | 10,916                             |
| Capmark Financial Group - 1 hotel       | 10                | Jun 2015                       | Fixed            | 5.55%             | 4,736                              |
| Barclay's Bank - 14 hotels              | 10                | Jun 2015                       | Fixed            | 5.55%             | 118,170                            |
| Barclay's Bank - 4 hotels               | 10                | Jun 2015                       | Fixed            | 5.60%             | 27,804                             |
| Capmark Financial Group - 1 hotel       | 10                | Jul 2015                       | Fixed            | 5.50%             | 6,450                              |
| Barclay's Bank - 1 hotel                | 10                | Sep 2015                       | Fixed            | 5.44%             | 10,521                             |
| PNC Bank - 7 hotels                     | 4                 | May 2017                       | Floating         | 2.52%             | 85,000                             |
| Wells Fargo - 4 hotels                  | 3                 | Sep 2020                       | Floating (2)     | 4.19%             | 150,000                            |
| <b>Weighted Average/Secured Total</b>   |                   |                                |                  | <b>4.28%</b>      | <b>559,665</b>                     |
| <b>Unsecured Debt</b>                   |                   |                                |                  |                   |                                    |
| Credit Facility                         | 4                 | Nov 2017                       | Floating         | 1.92%             | —                                  |
| Five-Year Term Loan                     | 5                 | Nov 2017                       | Floating (2)(3)  | 1.87%             | 275,000                            |
| Five-Year Term Loan                     | 5                 | Aug 2018                       | Floating (2)     | 3.25%             | 350,000                            |
| Seven-Year Term Loan                    | 7                 | Nov 2019                       | Floating (2)     | 4.04%             | 225,000                            |
| <b>Weighted Average/Unsecured Total</b> |                   |                                |                  | <b>3.01%</b>      | <b>850,000</b>                     |
| <b>Total Consolidated Debt</b>          |                   |                                |                  | <b>3.51%</b>      | <b>\$ 1,409,665</b>                |

**Note:**

- (1) Interest rates include the effect of interest rate swaps as of December 31, 2013.
- (2) The floating interest rate is hedged with an interest rate swap.
- (3) Interest rate does not reflect the forward interest rate swap, which goes into effect in December 2014.

**RLJ Lodging Trust  
Acquisitions  
(Unaudited)**

| 2013 Acquisitions                                    | Location          | Acquisition Date | Management Company     | Rooms        | Gross Purchase Price<br>(\$ in millions) (1) | % Interest |
|--|-------------------|------------------|------------------------|--------------|--|------------|
| Courtyard Houston Downtown Convention Center         | Houston, TX       | Mar 19, 2013     | White Lodging Services | 191          | \$ 34.4                                      | 100%       |
| Residence Inn Houston Downtown Convention Center     | Houston, TX       | Mar 19, 2013     | White Lodging Services | 171          | 29.5   | 100%       |
| Humble Tower Apartments (2)                          | Houston, TX       | Mar 19, 2013     | The Sterling Group     | 82           | 15.6   | 100%       |
| Courtyard Waikiki Beach                              | Honolulu, HI      | Jun 17, 2013     | Highgate Hotels        | 399          | 75.3   | 100%       |
| Vantaggio Suites Cosmo / Courtyard San Francisco (3) | San Francisco, CA | Jun 21, 2013     | N/A                    | 150          | 29.5   | 100%       |
| Residence Inn Atlanta Midtown Historic (4)           | Atlanta, GA       | Aug 6, 2013      | N/A                    | 78           | 5.0  | 100%       |
| SpringHill Suites Portland Hillsboro                 | Hillsboro, OR     | Oct 8, 2013      | InnVentures            | 106          | 24.0   | 100%       |
| <b>Total Acquisitions</b>                            |                   |                  |                        | <b>1,177</b> | <b>\$ 213.3</b>                              |            |
| Hilton Cabana Miami Beach (5)                        | Miami Beach, FL   | N/A              | N/A                    | 231          | 71.6   | 100%       |
| <b>Total Acquisitions (including Hilton Cabana)</b>  |                   |                  |                        | <b>1,408</b> | <b>\$ 284.9</b>                              |            |

| 2012 Acquisitions                                  | Location       | Acquisition Date | Management Company        | Rooms      | Gross Purchase Price<br>(\$ in millions) | % Interest |
|--|----------------|------------------|---------------------------|------------|--|------------|
| Residence Inn Bethesda Downtown                    | Bethesda, MD   | May 29, 2012     | Marriott International    | 187        | \$ 64.5                                  | 100%       |
| Courtyard New York Manhattan Upper East Side       | New York, NY   | May 30, 2012     | Highgate Hotels           | 226        | 82.0                                     | 100%       |
| Hilton Garden Inn San Francisco Oakland Bay Bridge | Emeryville, CA | Jun 11, 2012     | Davidson Hotels & Resorts | 278        | 36.2                                     | 100%       |
| Embassy Suites Boston Waltham                      | Waltham, MA    | Nov 13, 2012     | HEI Hotels and Resorts    | 275        | 64.5                                     | 100%       |
| <b>Total Acquisitions</b>                          |                |                  |                           | <b>966</b> | <b>\$ 247.2</b>                          |            |

**Note:**

- (1) Gross purchase price does not include net closing adjustments. Please refer to the 10-K for the net purchase price.
- (2) Conversion to a 166-room SpringHill Suites is in progress.
- (3) This property is currently not open for operations. Conversion to a Courtyard by Marriott is in progress.
- (4) The Company was the successful bidder at a foreclosure sale of the property collateralizing the non-performing loan. The purchase price equates to the original amount paid for the mortgage note in November 2009. The property is closed and undergoing a major renovation.
- (5) On November 30, 2012, the Company signed a purchase and sale agreement to acquire upon completion the 231-room Hilton Cabana Miami Beach for a fixed purchase price of \$71.6 million, or approximately \$310,000 per key. The transaction is expected to close in early 2014.



**RLJ Lodging Trust**  
**Pro forma Operating Statistics — Top 40 Assets**  
*(Amounts in thousands, except rooms)*  
*(Unaudited)*

**For the year ended December 31, 2013**

| Property   | City/State          | # of Rooms       | EBITDA         |
|--|---------------------|------------------|----------------|
| DoubleTree Metropolitan Hotel New York City      | New York, NY        | 764 \$           | 20,509         |
| Marriott Louisville Downtown                     | Louisville, KY      | 616              | 14,301         |
| Hilton New York Fashion District                 | New York, NY        | 280              | 11,371         |
| Hilton Garden Inn New York West 35th Street      | New York, NY        | 298              | 11,038         |
| Courtyard Austin Downtown Convention Center      | Austin, TX          | 270              | 9,059          |
| Courtyard Chicago Downtown Magnificent Mile      | Chicago, IL         | 306              | 7,496          |
| Courtyard Waikiki Beach (1)                      | Honolulu, HI        | 399              | 7,222          |
| Fairfield Inn & Suites Washington DC Downtown    | Washington, DC      | 198              | 5,812          |
| Renaissance Pittsburgh Hotel                     | Pittsburgh, PA      | 300              | 5,610          |
| Embassy Suites Tampa Downtown Convention Ctr     | Tampa, FL           | 360              | 5,534          |
| Embassy Suites Boston Waltham                    | Waltham, MA         | 275              | 5,525          |
| Courtyard New York Manhattan Upper East Side     | New York, NY        | 226              | 5,405          |
| Marriott Denver South @ Park Meadows             | Littleton, CO       | 279              | 4,683          |
| Marriott Denver Airport @ Gateway Park           | Aurora, CO          | 238              | 4,615          |
| Residence Inn Austin Downtown Convention Center  | Austin, TX          | 179              | 4,607          |
| Hilton Garden Inn San Francisco Oakland Bay Brg  | Emeryville, CA      | 278              | 4,575          |
| Homewood Suites Washington DC Downtown           | Washington, DC      | 175              | 4,563          |
| Residence Inn Bethesda Downtown                  | Bethesda, MD        | 187              | 4,447          |
| Hilton Garden Inn Los Angeles Hollywood          | Hollywood, CA       | 160              | 4,307          |
| Courtyard Houston By The Galleria                | Houston, TX         | 190              | 4,262          |
| Hilton Garden Inn New Orleans Convention Center  | New Orleans, LA     | 286              | 4,136          |
| Courtyard Charleston Historic District           | Charleston, SC      | 176              | 4,060          |
| Embassy Suites Los Angeles Downey                | Downey, CA          | 219              | 3,671          |
| Residence Inn National Harbor Washington DC      | Oxon Hill, MD       | 162              | 3,570          |
| Courtyard Houston Downtown Convention Center     | Houston, TX         | 191              | 3,409          |
| Renaissance Fort Lauderdale Plantation Hotel     | Plantation, FL      | 250              | 3,378          |
| Renaissance Boulder Flatiron Hotel               | Broomfield, CO      | 232              | 3,339          |
| Marriott Austin South                            | Austin, TX          | 211              | 3,207          |
| Residence Inn Chicago Oak Brook                  | Oak Brook, IL       | 156              | 3,111          |
| Residence Inn Houston By The Galleria            | Houston, TX         | 146              | 3,076          |
| Hampton Inn Garden City                          | Garden City, NY     | 143              | 3,065          |
| Residence Inn Houston Downtown Convention Center | Houston, TX         | 171              | 3,014          |
| Hilton Garden Inn Bloomington                    | Bloomington, IN     | 168              | 2,907          |
| Fairfield Inn & Suites Key West                  | Key West, FL        | 106              | 2,905          |
| Hilton Garden Inn Pittsburgh University Place    | Pittsburgh, PA      | 202              | 2,854          |
| Residence Inn Louisville Downtown                | Louisville, KY      | 140              | 2,752          |
| Hampton Inn Houston Near The Galleria            | Houston, TX         | 176              | 2,628          |
| Hyatt House Dallas Lincoln Park                  | Dallas, TX          | 155              | 2,567          |
| Marriott Chicago Midway                          | Chicago, IL         | 200              | 2,301          |
| Embassy Suites West Palm Beach Central           | West Palm Beach, FL | 194              | 2,245          |
| <b>Top 40 Assets</b>                             |                     | <b>9,662</b>     | <b>207,136</b> |
| <b>Other (2)</b>                                 |                     | <b>12,556</b>    | <b>132,207</b> |
| <b>Total Portfolio</b>                           |                     | <b>22,218 \$</b> | <b>339,343</b> |

**Note:**

The information above has not been audited and is presented only for comparison purposes. Results reflect 100% of DoubleTree Metropolitan Hotel New York City financial results, which have not been adjusted to reflect the 5% noncontrolling interest in the joint venture.

- (1) The year ended December 31, 2013 for the Courtyard Waikiki Beach does not include ground lease payments for periods prior to the Company's ownership. The Company entered into a ground lease upon acquisition, with an annual ground rent amount of \$3.5 million through 2016 and subject to CPI increases thereafter.
- (2) Does not include SpringHill Suites Portland Hillsboro, which was acquired in Q4 2013, hotels in discontinued operations, and two planned hotel conversions.

**RLJ Lodging Trust**  
**Pro forma Operating Statistics**  
*(Unaudited)*

For the quarter ended December 31, 2013

| Top Markets  |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|--------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|              | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | Q4                |
| NYC          | 5           | 96.4%        | 97.6%        | (1.3)%       | \$ 268.66        | \$ 273.97        | (1.9)%       | \$ 258.91        | \$ 267.40       | (3.2)%       | 20%               |
| Chicago      | 21          | 67.5%        | 68.2%        | (1.0)%       | 122.28           | 125.52           | (2.6)%       | 82.58            | 85.61           | (3.5)%       | 9%                |
| Austin       | 17          | 75.3%        | 71.4%        | 5.5 %        | 142.58           | 138.10           | 3.2 %        | 107.42           | 98.65           | 8.9 %        | 12%               |
| Denver       | 15          | 66.6%        | 60.5%        | 10.0 %       | 120.90           | 117.29           | 3.1 %        | 80.54            | 71.01           | 13.4 %       | 8%                |
| Houston      | 8           | 73.7%        | 72.1%        | 2.3 %        | 141.45           | 129.90           | 8.9 %        | 104.27           | 93.62           | 11.4 %       | 6%                |
| DC           | 7           | 69.2%        | 67.4%        | 2.7 %        | 158.02           | 166.11           | (4.9)%       | 109.36           | 111.89          | (2.3)%       | 6%                |
| Other        | 71          | 69.2%        | 67.2%        | 2.9 %        | 122.58           | 118.28           | 3.6 %        | 84.79            | 79.50           | 6.7 %        | 39%               |
| <b>Total</b> | <b>144</b>  | <b>71.7%</b> | <b>69.8%</b> | <b>2.8 %</b> | <b>\$ 142.63</b> | <b>\$ 141.18</b> | <b>1.0 %</b> | <b>\$ 102.32</b> | <b>\$ 98.52</b> | <b>3.9 %</b> | <b>100%</b>       |

  

| Service Level        |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|----------------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|                      | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | Q4                |
| Focused Service      | 123         | 70.9%        | 68.8%        | 3.1 %        | \$ 131.74        | \$ 130.69        | 0.8 %        | \$ 93.46         | \$ 89.89        | 4.0 %        | 68%               |
| Compact Full Service | 20          | 75.5%        | 73.7%        | 2.4 %        | 173.41           | 172.04           | 0.8 %        | 130.94           | 126.81          | 3.3 %        | 28%               |
| Full Service         | 1           | 61.2%        | 63.9%        | (4.2)%       | 158.99           | 146.46           | 8.6 %        | 97.33            | 93.56           | 4.0 %        | 4%                |
| <b>Total</b>         | <b>144</b>  | <b>71.7%</b> | <b>69.8%</b> | <b>2.8 %</b> | <b>\$ 142.63</b> | <b>\$ 141.18</b> | <b>1.0 %</b> | <b>\$ 102.32</b> | <b>\$ 98.52</b> | <b>3.9 %</b> | <b>100%</b>       |

  

| Chain Scale    |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|----------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|                | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | Q4                |
| Upper Upscale  | 17          | 71.2%        | 69.8%        | 2.1 %        | \$ 153.56        | \$ 149.74        | 2.5 %        | \$ 109.39        | \$ 104.45       | 4.7 %        | 23%               |
| Upscale        | 100         | 73.0%        | 71.3%        | 2.4 %        | 145.17           | 143.90           | 0.9 %        | 105.98           | 102.60          | 3.3 %        | 68%               |
| Upper Midscale | 26          | 66.2%        | 62.0%        | 6.8 %        | 115.30           | 115.41           | (0.1)%       | 76.31            | 71.53           | 6.7 %        | 9%                |
| Midscale       | 1           | 76.8%        | 80.8%        | (5.1)%       | 61.69            | 66.03            | (6.6)%       | 47.35            | 53.38           | (11.3)%      | 0%                |
| <b>Total</b>   | <b>144</b>  | <b>71.7%</b> | <b>69.8%</b> | <b>2.8 %</b> | <b>\$ 142.63</b> | <b>\$ 141.18</b> | <b>1.0 %</b> | <b>\$ 102.32</b> | <b>\$ 98.52</b> | <b>3.9 %</b> | <b>100%</b>       |

  

| Flags             |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|-------------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|                   | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | Q4                |
| Courtyard         | 35          | 70.3%        | 68.1%        | 3.3 %        | \$ 138.97        | \$ 139.33        | (0.3)%       | \$ 97.71         | \$ 94.88        | 3.0 %        | 22%               |
| Residence Inn     | 35          | 72.3%        | 72.1%        | 0.2 %        | 127.01           | 124.87           | 1.7 %        | 91.80            | 90.09           | 1.9 %        | 17%               |
| Fairfield Inn     | 13          | 65.7%        | 60.0%        | 9.5 %        | 117.16           | 116.17           | 0.9 %        | 76.97            | 69.70           | 10.4 %       | 4%                |
| SpringHill Suites | 10          | 71.4%        | 65.0%        | 9.9 %        | 105.73           | 102.41           | 3.2 %        | 75.48            | 66.54           | 13.4 %       | 4%                |
| Hilton Garden Inn | 10          | 73.6%        | 72.4%        | 1.7 %        | 169.12           | 166.38           | 1.6 %        | 124.55           | 120.52          | 3.3 %        | 11%               |
| Hampton Inn       | 9           | 68.1%        | 64.9%        | 5.0 %        | 115.14           | 117.97           | (2.4)%       | 78.47            | 76.53           | 2.5 %        | 4%                |
| Marriott          | 6           | 64.5%        | 65.1%        | (0.8)%       | 143.95           | 136.29           | 5.6 %        | 92.91            | 88.70           | 4.7 %        | 9%                |
| Hyatt House       | 6           | 76.2%        | 74.3%        | 2.7 %        | 107.47           | 101.55           | 5.8 %        | 81.92            | 75.40           | 8.6 %        | 3%                |
| Embassy Suites    | 6           | 76.2%        | 71.0%        | 7.3 %        | 132.56           | 128.81           | 2.9 %        | 100.96           | 91.40           | 10.5 %       | 6%                |
| Renaissance       | 3           | 68.7%        | 68.3%        | 0.5 %        | 154.36           | 151.57           | 1.8 %        | 105.98           | 103.59          | 2.3 %        | 4%                |
| DoubleTree        | 2           | 91.4%        | 90.8%        | 0.7 %        | 260.41           | 263.04           | (1.0)%       | 238.13           | 238.76          | (0.3)%       | 9%                |
| Homewood Suites   | 2           | 66.1%        | 66.8%        | (1.1)%       | 156.44           | 155.08           | 0.9 %        | 103.34           | 103.61          | (0.3)%       | 1%                |
| Hilton            | 2           | 87.0%        | 87.0%        | 0.1 %        | 237.21           | 239.71           | (1.0)%       | 206.45           | 208.50          | (1.0)%       | 5%                |
| Other             | 5           | 65.8%        | 64.8%        | 1.6 %        | 99.49            | 97.49            | 2.1 %        | 65.48            | 63.16           | 3.7 %        | 1%                |
| <b>Total</b>      | <b>144</b>  | <b>71.7%</b> | <b>69.8%</b> | <b>2.8 %</b> | <b>\$ 142.63</b> | <b>\$ 141.18</b> | <b>1.0 %</b> | <b>\$ 102.32</b> | <b>\$ 98.52</b> | <b>3.9 %</b> | <b>100%</b>       |

**Note:**

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. Results reflect 100% of DoubleTree Metropolitan Hotel New York City financial results, which have not been adjusted to reflect the 5% noncontrolling interest in the joint venture. All results exclude hotels in discontinued operations, two planned hotel conversions, and two non-comparable hotels, the Hotel Indigo New Orleans Garden District and the Residence Inn Atlanta Midtown Historic. The Hotel Indigo New Orleans Garden District was closed for most of 2012 due to a conversion upgrade. The Residence Inn Atlanta Midtown Historic is currently closed and is undergoing a comprehensive renovation. Results also exclude the SpringHill Suites Portland Hillsboro, which was acquired in Q4 2013.

**RLJ Lodging Trust**  
**Pro forma Operating Statistics**  
*(Unaudited)*

For the year ended December 31, 2013

| Top Markets  |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|--------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|              | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | FY                |
| NYC          | 5           | 96.7%        | 88.2%        | 9.6 %        | \$ 240.43        | \$ 239.27        | 0.5 %        | \$ 232.47        | \$ 210.99       | 10.2 %       | 15%               |
| Chicago      | 21          | 72.0%        | 72.1%        | (0.1)%       | 126.58           | 121.83           | 3.9 %        | 91.15            | 87.85           | 3.8 %        | 10%               |
| Austin       | 17          | 75.5%        | 72.6%        | 3.9 %        | 138.71           | 129.79           | 6.9 %        | 104.66           | 94.21           | 11.1 %       | 12%               |
| Denver       | 15          | 71.9%        | 69.7%        | 3.3 %        | 122.27           | 118.26           | 3.4 %        | 87.96            | 82.37           | 6.8 %        | 9%                |
| Houston      | 8           | 75.3%        | 72.7%        | 3.5 %        | 146.12           | 130.80           | 11.7 %       | 110.01           | 95.11           | 15.7 %       | 6%                |
| DC           | 7           | 72.4%        | 74.0%        | (2.2)%       | 168.43           | 166.15           | 1.4 %        | 121.93           | 122.97          | (0.8)%       | 6%                |
| Other        | 71          | 73.3%        | 71.9%        | 2.0 %        | 125.08           | 120.22           | 4.0 %        | 91.69            | 86.40           | 6.1 %        | 42%               |
| <b>Total</b> | <b>144</b>  | <b>75.1%</b> | <b>73.2%</b> | <b>2.6 %</b> | <b>\$ 141.25</b> | <b>\$ 135.29</b> | <b>4.4 %</b> | <b>\$ 106.11</b> | <b>\$ 99.02</b> | <b>7.2 %</b> | <b>100%</b>       |

  

| Service Level        |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|----------------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|                      | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | FY                |
| Focused Service      | 123         | 74.3%        | 73.1%        | 1.6 %        | \$ 132.61        | \$ 126.63        | 4.7 %        | \$ 98.53         | \$ 92.56        | 6.4 %        | 70%               |
| Compact Full Service | 20          | 78.6%        | 74.2%        | 5.9 %        | 164.13           | 159.64           | 2.8 %        | 128.97           | 118.40          | 8.9 %        | 26%               |
| Full Service         | 1           | 68.0%        | 67.3%        | 1.0 %        | 169.88           | 159.82           | 6.3 %        | 115.55           | 107.59          | 7.4 %        | 4%                |
| <b>Total</b>         | <b>144</b>  | <b>75.1%</b> | <b>73.2%</b> | <b>2.6 %</b> | <b>\$ 141.25</b> | <b>\$ 135.29</b> | <b>4.4 %</b> | <b>\$ 106.11</b> | <b>\$ 99.02</b> | <b>7.2 %</b> | <b>100%</b>       |

  

| Chain Scale    |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|----------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|                | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | FY                |
| Upper Upscale  | 17          | 75.4%        | 73.6%        | 2.5 %        | \$ 152.75        | \$ 148.21        | 3.1 %        | \$ 115.20        | \$ 109.03       | 5.7 %        | 23%               |
| Upscale        | 100         | 76.1%        | 74.1%        | 2.7 %        | 142.30           | 135.44           | 5.1 %        | 108.31           | 100.33          | 7.9 %        | 67%               |
| Upper Midscale | 26          | 69.6%        | 67.8%        | 2.6 %        | 120.66           | 116.99           | 3.1 %        | 83.97            | 79.38           | 5.8 %        | 10%               |
| Midscale       | 1           | 83.3%        | 85.1%        | (2.1)%       | 65.10            | 65.90            | (1.2)%       | 54.24            | 56.07           | (3.3)%       | 0%                |
| <b>Total</b>   | <b>144</b>  | <b>75.1%</b> | <b>73.2%</b> | <b>2.6 %</b> | <b>\$ 141.25</b> | <b>\$ 135.29</b> | <b>4.4 %</b> | <b>\$ 106.11</b> | <b>\$ 99.02</b> | <b>7.2 %</b> | <b>100%</b>       |

  

| Flags             |             | Occupancy    |              |              | ADR              |                  |              | RevPAR           |                 |              | % of Hotel EBITDA |
|-------------------|-------------|--------------|--------------|--------------|------------------|------------------|--------------|------------------|-----------------|--------------|-------------------|
|                   | # of Hotels | 2013         | 2012         | Var          | 2013             | 2012             | Var          | 2013             | 2012            | Var          | FY                |
| Courtyard         | 35          | 73.8%        | 71.9%        | 2.7 %        | \$ 139.37        | \$ 132.78        | 5.0 %        | \$ 102.83        | \$ 95.40        | 7.8 %        | 23%               |
| Residence Inn     | 35          | 76.1%        | 76.4%        | (0.4)%       | 129.20           | 122.49           | 5.5 %        | 98.29            | 93.57           | 5.0 %        | 18%               |
| Fairfield Inn     | 13          | 69.2%        | 69.1%        | 0.2 %        | 122.60           | 118.59           | 3.4 %        | 84.87            | 81.90           | 3.6 %        | 5%                |
| SpringHill Suites | 10          | 72.0%        | 69.3%        | 3.8 %        | 106.34           | 102.07           | 4.2 %        | 76.52            | 70.75           | 8.2 %        | 4%                |
| Hilton Garden Inn | 10          | 76.8%        | 75.1%        | 2.3 %        | 161.20           | 153.69           | 4.9 %        | 123.78           | 115.41          | 7.3 %        | 11%               |
| Hampton Inn       | 9           | 71.4%        | 68.3%        | 4.6 %        | 122.72           | 119.25           | 2.9 %        | 87.60            | 81.42           | 7.6 %        | 4%                |
| Marriott          | 6           | 70.5%        | 69.2%        | 1.9 %        | 146.51           | 137.90           | 6.2 %        | 103.31           | 95.45           | 8.2 %        | 9%                |
| Hyatt House       | 6           | 79.6%        | 77.9%        | 2.1 %        | 106.35           | 100.65           | 5.7 %        | 84.60            | 78.40           | 7.9 %        | 3%                |
| Embassy Suites    | 6           | 78.6%        | 75.7%        | 3.8 %        | 137.06           | 135.51           | 1.1 %        | 107.67           | 102.56          | 5.0 %        | 6%                |
| Renaissance       | 3           | 74.1%        | 72.3%        | 2.5 %        | 149.10           | 149.27           | (0.1)%       | 110.51           | 107.94          | 2.4 %        | 4%                |
| DoubleTree        | 2           | 91.2%        | 76.8%        | 18.7 %       | 230.23           | 232.35           | (0.9)%       | 209.96           | 178.48          | 17.6 %       | 6%                |
| Homewood Suites   | 2           | 73.9%        | 76.0%        | (2.8)%       | 164.10           | 159.07           | 3.2 %        | 121.27           | 120.92          | 0.3 %        | 2%                |
| Hilton            | 2           | 87.4%        | 86.4%        | 1.1 %        | 221.30           | 213.62           | 3.6 %        | 193.46           | 184.67          | 4.8 %        | 4%                |
| Other             | 5           | 69.9%        | 67.8%        | 3.1 %        | 100.00           | 97.07            | 3.0 %        | 69.86            | 65.77           | 6.2 %        | 1%                |
| <b>Total</b>      | <b>144</b>  | <b>75.1%</b> | <b>73.2%</b> | <b>2.6 %</b> | <b>\$ 141.25</b> | <b>\$ 135.29</b> | <b>4.4 %</b> | <b>\$ 106.11</b> | <b>\$ 99.02</b> | <b>7.2 %</b> | <b>100%</b>       |

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