

**LASALLE HOTEL PROPERTIES  
TAX CHARACTERIZATION OF 2012 CASH DIVIDENDS**

The federal income tax treatment of LaSalle Hotel Properties' (the "Company") 2012 cash distributions to holders of its Common Shares of Beneficial Interest, 7½% Series D Cumulative Redeemable Preferred Shares, 8% Series E Cumulative Redeemable Preferred Shares, 7¼% Series G Cumulative Redeemable Preferred Shares and 7½% Series H Cumulative Redeemable Preferred Shares is noted below.

**Common Shares of Beneficial Interest (NYSE: LHO):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Dividends</u>
517942108	12/31/2011	1/13/2012	\$0.110000	\$0.110000
	3/31/2012	4/13/2012	\$0.110000	\$0.110000
	6/30/2012	7/13/2012	\$0.200000	\$0.200000
	9/30/2012	10/15/2012	\$0.200000	\$0.200000
	12/31/2012	1/15/2013	\$0.200000	\$0.078852
		<b>2012 Total</b>	<b>\$0.820000</b>	<b>\$0.698852</b>

**Note:** \$0.121148 of the Q4 2012 distribution paid on January 15, 2013 will be included as an ordinary dividend in 2013.

**7½% Series D Cumulative Redeemable Preferred Shares (NYSE: LHOPRD):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Dividends</u>
517942405	1/1/2012	1/13/2012	\$0.468750	\$0.468750
	4/1/2012	4/13/2012	\$0.468750	\$0.468750
	5/21/2012	5/21/2012	\$0.265600	\$0.265600
		<b>2012 Total</b>	<b>\$1.203100</b>	<b>\$1.203100</b>

**Note:** The Company redeemed all outstanding Series D Cumulative Redeemable Preferred Shares on May 21, 2012.

**8% Series E Cumulative Redeemable Preferred Shares (NYSE: LHOPRE):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Dividends</u>
517942504	1/1/2012	1/13/2012	\$0.500000	\$0.500000
	4/1/2012	4/13/2012	\$0.500000	\$0.500000
	5/21/2012	5/21/2012	\$0.283300	\$0.283300
		<b>2012 Total</b>	<b>\$1.283300</b>	<b>\$1.283300</b>

**Note:** The Company redeemed all outstanding Series E Cumulative Redeemable Preferred Shares on May 21, 2012.

**7¼% Series G Cumulative Redeemable Preferred Shares (NYSE: LHOPRG):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Dividends</u>
517942603	1/1/2012	1/13/2012	\$0.453125	\$0.453125
	4/1/2012	4/13/2012	\$0.453125	\$0.453125
	7/1/2012	7/13/2012	\$0.453125	\$0.453125
	10/1/2012	10/15/2012	\$0.453125	\$0.453125
		<b>2012 Total</b>	<b>\$1.812500</b>	<b>\$1.812500</b>

**7½% Series H Cumulative Redeemable Preferred Shares (NYSE: LHOPRH):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Dividends</u>
517942702	1/1/2012	1/13/2012	\$0.468750	\$0.468750
	4/1/2012	4/13/2012	\$0.468750	\$0.468750
	7/1/2012	7/13/2012	\$0.468750	\$0.468750
	10/1/2012	10/15/2012	\$0.468750	\$0.468750
		<b>2012 Total</b>	<b>\$1.875000</b>	<b>\$1.875000</b>

**Shareholders are encouraged to consult with their personal tax advisors as to their specific tax treatment of cash distributions.**