

LASALLE HOTEL PROPERTIES
TAX CHARACTERIZATION OF 2014 CASH DIVIDENDS

The federal income tax treatment of LaSalle Hotel Properties' (the "Company") 2014 cash distributions to holders of its Common Shares of Beneficial Interest, 7¼% Series G Cumulative Redeemable Preferred Shares, 7½% Series H Cumulative Redeemable Preferred Shares and 6¾% Series I 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>	<u>Capital Gain Distribution</u>
517942108	12/31/2013	1/15/2014	\$0.280000	\$0.041373	\$0.009234
	3/31/2014	4/15/2014	\$0.280000	\$0.228912	\$0.051088
	6/30/2014	7/15/2014	\$0.375000	\$0.306579	\$0.068421
	9/30/2014	10/15/2014	\$0.375000	\$0.306579	\$0.068421
	12/31/2014	1/15/2015	\$0.375000	\$0.306579	\$0.068421
		2014 Total	\$1.685000	\$1.190022	\$0.265585

Note: \$0.229393 of the Q4 2013 distribution paid on January 15, 2014 was included as an ordinary dividend in 2013.

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>	<u>Capital Gain Distribution</u>
517942603	1/1/2014	1/15/2014	\$0.453125	\$0.370449	\$0.082676
	4/1/2014	4/15/2014	\$0.453125	\$0.370449	\$0.082676
	7/1/2014	7/3/2014	\$0.468229	\$0.382798	\$0.085431
		2014 Total	\$1.374479	\$1.123696	\$0.250783

Note: The Company redeemed its outstanding Series G Cumulative Redeemable Preferred Shares on July 3, 2014. The redemption payment included the dividend payable from April 1, 2014 through July 3, 2014 of \$0.468229 per share.

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>	<u>Capital Gain Distribution</u>
517942702	1/1/2014	1/15/2014	\$0.468750	\$0.383224	\$0.085526
	4/1/2014	4/15/2014	\$0.468750	\$0.383224	\$0.085526
	7/1/2014	7/15/2014	\$0.468750	\$0.383224	\$0.085526
	10/1/2014	10/15/2014	\$0.468750	\$0.383224	\$0.085526
		2014 Total	\$1.875000	\$1.532896	\$0.342104

6¾% Series I Cumulative Redeemable Preferred Shares (NYSE: LHOPRI):

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Dividends</u>	<u>Taxable Ordinary Dividends</u>
517942801	1/1/2014	1/15/2014	\$0.398438	\$0.325740	\$0.072698
	4/1/2014	4/15/2014	\$0.398438	\$0.325740	\$0.072698
	7/1/2014	7/15/2014	\$0.398438	\$0.325740	\$0.072698
	10/1/2014	10/15/2014	\$0.398438	\$0.325740	\$0.072698
		2014 Total	\$1.593752	\$1.302960	\$0.290792

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