

LASALLE HOTEL PROPERTIES
TAX CHARACTERIZATION OF 2011 CASH DIVIDENDS

The federal income tax treatment of LaSalle Hotel Properties' (the "Company") 2011 cash distributions to holders of its Common Shares of Beneficial Interest, 8 $\frac{3}{8}$ % Series B Cumulative Redeemable Preferred Shares, 7 $\frac{1}{2}$ % Series D Cumulative Redeemable Preferred Shares, 8% Series E Cumulative Redeemable Preferred Shares, 7 $\frac{1}{4}$ % Series G Cumulative Redeemable Preferred Shares and 7 $\frac{1}{2}$ % 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>	<u>Return of Capital (Nondividend Distributions)</u>
517942108	12/31/2010	1/14/2011	\$0.110000	\$0.088143	\$0.000000
	3/31/2011	4/15/2011	\$0.110000	\$0.026134	\$0.083866
	6/30/2011	7/15/2011	\$0.110000	\$0.000000	\$0.110000
	9/30/2011	10/14/2011	\$0.110000	\$0.000000	\$0.110000
		2011 Total	\$0.440000	\$0.114277	\$0.303866

Note: \$0.021857 of the Q4 2010 distribution paid on January 14, 2011 was included as an ordinary dividend in 2010.

8 $\frac{3}{8}$ % Series B Cumulative Redeemable Preferred Shares (NYSE: LHOPRB):

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Dividends</u>
517942306	1/1/2011	1/14/2011	\$0.523438	\$0.523438
	4/1/2011	4/15/2011	\$0.430382	\$0.430382
		2011 Total	\$0.953820	\$0.953820

Note: The Company redeemed all outstanding Series B Cumulative Redeemable Preferred Shares on March 14, 2011.

7 $\frac{1}{2}$ % 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	1/1/2011	1/14/2011	\$0.468750	\$0.468750
	4/1/2011	4/15/2011	\$0.468750	\$0.468750
	7/1/2011	7/15/2011	\$0.468750	\$0.468750
	10/1/2011	10/14/2011	\$0.468750	\$0.468750
		2011 Total	\$1.875000	\$1.875000

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	1/1/2011	1/14/2011	\$0.500000	\$0.500000
	4/1/2011	4/15/2011	\$0.500000	\$0.500000
	7/1/2011	7/15/2011	\$0.500000	\$0.500000
	10/1/2011	10/14/2011	\$0.500000	\$0.500000
		2011 Total	\$2.000000	\$2.000000

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	1/1/2011	1/14/2011	\$0.453125	\$0.453125
	4/1/2011	4/15/2011	\$0.453125	\$0.453125
	7/1/2011	7/15/2011	\$0.453125	\$0.453125
	10/1/2011	10/14/2011	\$0.453125	\$0.453125
		2011 Total	\$1.812500	\$1.812500

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	4/1/2011	4/15/2011	\$0.421875	\$0.421875
	7/1/2011	7/15/2011	\$0.468750	\$0.468750
	10/1/2011	10/14/2011	\$0.468750	\$0.468750
		2011 Total	\$1.359375	\$1.359375

Note: The Company issued the Series H Cumulative Redeemable Preferred Shares on January 19, 2011, with an additional issuance on February 4, 2011 as a result of the underwriters' exercise of their rights to cover overallocments.

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