

LASALLE HOTEL PROPERTIES
TAX CHARACTERIZATION OF 2014 CASH DIVIDENDS (REVISED)

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.

The 2014 Form 1099 for the Company has been amended. The total 2014 dividend amount has not changed. However, the character of a portion of the dividend has been recategorized from capital gain to ordinary income. See below for revised tax characterizations.

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	\$0.050607	\$0.000000
	3/31/2014	4/15/2014	\$0.280000	\$0.280000	\$0.000000
	6/30/2014	7/15/2014	\$0.375000	\$0.375000	\$0.000000
	9/30/2014	10/15/2014	\$0.375000	\$0.375000	\$0.000000
	12/31/2014	1/15/2015	\$0.375000	\$0.375000	\$0.000000
		2014 Total	\$1.685000	\$1.455607	\$0.000000

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	\$0.453125	\$0.000000
	4/1/2014	4/15/2014	\$0.453125	\$0.453125	\$0.000000
	7/1/2014	7/3/2014	\$0.468229	\$0.468229	\$0.000000
		2014 Total	\$1.374479	\$1.374479	\$0.000000

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	\$0.468750	\$0.000000
	4/1/2014	4/15/2014	\$0.468750	\$0.468750	\$0.000000
	7/1/2014	7/15/2014	\$0.468750	\$0.468750	\$0.000000
	10/1/2014	10/15/2014	\$0.468750	\$0.468750	\$0.000000
		2014 Total	\$1.875000	\$1.875000	\$0.000000

6⅞% 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>Capital Gain Distribution</u>
517942801	1/1/2014	1/15/2014	\$0.398438	\$0.398438	\$0.000000
	4/1/2014	4/15/2014	\$0.398438	\$0.398438	\$0.000000
	7/1/2014	7/15/2014	\$0.398438	\$0.398438	\$0.000000
	10/1/2014	10/15/2014	\$0.398438	\$0.398438	\$0.000000
		2014 Total	\$1.593752	\$1.593752	\$0.000000

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