

LASALLE HOTEL PROPERTIES
TAX CHARACTERIZATION OF 2013 CASH DIVIDENDS

The federal income tax treatment of LaSalle Hotel Properties' (the "Company") 2013 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>
517942108	12/31/2012	1/15/2013	\$0.200000	\$0.121148
	3/31/2013	4/13/2013	\$0.200000	\$0.200000
	6/30/2013	7/15/2013	\$0.200000	\$0.200000
	9/30/2013	10/15/2013	\$0.280000	\$0.280000
	12/31/2013	1/15/2014	\$0.280000	\$0.229393
		2013 Total	\$1.160000	\$1.030541

Note: \$0.078852 of the Q4 2012 distribution paid on January 15, 2013 was included as an ordinary dividend in 2012. \$0.050607 of the Q4 2013 distribution paid on January 15, 2014 will be included as an ordinary dividend in 2014.

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	1/1/2013	1/15/2013	\$0.453125	\$0.453125
	3/28/2013	4/15/2013	\$0.453125	\$0.453125
	7/1/2013	7/15/2013	\$0.453125	\$0.453125
	10/1/2013	10/15/2013	\$0.453125	\$0.453125
		2013 Total	\$1.812500	\$1.812500
	3/28/2013	4/5/2013	\$0.478299	\$0.478299

Note: The Company redeemed 4,000,000 of the 6,348,888 outstanding Series G Cumulative Redeemable Preferred Shares on April 5, 2013. The redemption was performed ratably across all holders of the Series G Cumulative Redeemable Preferred Shares. The redemption payment included the dividend payable from January 1, 2013 through April 5, 2013 of \$0.478299 per share. The remaining 2,348,888 Series G Cumulative Redeemable Preferred Shares received the standard quarterly dividend of \$0.453125 per share on April 15, 2013.

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	1/1/2013	1/15/2013	\$0.468750	\$0.468750
	3/28/2013	4/15/2013	\$0.468750	\$0.468750
	7/1/2013	7/15/2013	\$0.468750	\$0.468750
	10/1/2013	10/15/2013	\$0.468750	\$0.468750
		2013 Total	\$1.875000	\$1.875000

6³/₈% 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>
517942801	3/28/2013	4/15/2013	\$0.181510	\$0.181510
	7/1/2013	7/15/2013	\$0.398438	\$0.398438
	10/1/2013	10/15/2013	\$0.398438	\$0.398438
		2013 Total	\$0.978386	\$0.978386

Note: The Company issued the Series I Cumulative Redeemable Preferred Shares on March 4, 2013, with an additional issuance on March 12, 2013 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.