



**AMERICAN HOTEL INCOME PROPERTIES REIT LP REPORTS
FIRST QUARTER 2018 RESULTS**

- Revenue grew 31.3%, EBITDA increased 20.8% from year-ago period
- RevPAR grew 5.5% from Q1 2017 due to the acquisition of higher quality hotels
- Higher occupancy-related expenses and planned renovation activity resulted in lower margins
 - Increased seasonality from recent acquisition activity is affecting quarterly performance
 - CEO, Rob O'Neill, making additional significant investment in the Company

(All numbers are in U.S. dollars unless otherwise indicated)

VANCOUVER, B.C. (May 9, 2018) – American Hotel Income Properties REIT LP (“**AHIP**”, the “**Company**”) (TSX: HOT.UN, TSX: HOT.U, TSX: HOT.DB.U), which has 115 select-service hotels located across the United States, announced today its financial results for the three months ended March 31, 2018.

During the first quarter of 2018, revenues increased 31.3% from the same quarter last year, to \$81.1 million, driven largely by the acquisition of 20 additional hotels since Q1 2017, but also bolstered by a 2.9% increase in occupancy levels and a 2.5% increase in Average Daily Rate (“**ADR**”). Net operating income (“**NOI**”) increased 22.0% to \$25.4 million, with NOI from Premium Branded hotels growing 30.6% to \$20.7 million and NOI from Economy Lodging hotels declining 5.7% to \$4.7 million. EBITDA for the first quarter increased 20.8% from Q1 2017, to \$20.4 million. Net income was \$1.4 million compared to \$2.4 million last year as a result of higher depreciation and interest charges.

As anticipated and discussed in the previous quarter, renovation activity at several of AHIP's larger hotels during the first quarter to upgrade and improve guest facing facilities did affect some hotel operations. Funds from operations (“**FFO**”) decreased 2.1% to \$11.4 million, and adjusted funds from operations (“**AFFO**”) decreased 8.0% to \$9.9 million. The decrease was primarily a result of lower margins from properties under renovation, competition from new supply, lower guaranteed revenues from two rail crew contracts, and higher interest expense. The Eastern Seaboard Portfolio, which represents approximately 23% of AHIP's total revenues, is more seasonally affected by slower Q1 activity than AHIP's other hotels, and this also contributed to lower revenues and NOI. Q1 2018 Diluted FFO per Unit was \$0.15, and Diluted AFFO per Unit was \$0.13.

“Our recent activities have created a solid foundation for sustainable, long-term unitholder returns,” said Rob O'Neill, AHIP's CEO. “The pre-funded renovations we are undertaking to enhance our guest experience within our Premium Branded hotel portfolio are cementing these properties to be market leaders in their regions, with next generation hotel design and amenities. The rebranding of our Economy Lodging hotels to Wyndham brands, which was completed in March, is already demonstrating positive and promising contributions to the performance of that portfolio, with revenue from non-rail crew (transient) guests up almost 18% in March alone. As well, our new hotel manager, Aimbridge Hospitality, has already identified ways to improve our hotel processes and enhance reporting, and uncovered new development opportunities for us. I look forward to seeing the full power of our higher-quality hotel portfolio over the next several quarters, as our hotel renovations, branding strategy and new hotel manager all combine to demonstrate their full impact.”

Mr. O'Neill continued: “I'm also pleased to confirm that I will be investing further in AHIP, through open market purchases of units during the second quarter. These purchases will elevate my holdings and firmly position me as one

of the largest unitholders in AHIP – highlighting my continued commitment, positive long-term outlook for the Company and desire for U.S. asset exposure.”

The details of unit purchases completed by Mr. O’Neill during the second quarter will be disclosed in regulatory filings as they are completed. Since January 1, 2018, Mr. O’Neill has acquired 9,322 units as part of his agreement with the Company to take 100% of his 2018 compensation in the form of equity.

Ian McAuley, President of AHIP added, “While we remain pleased with the revenue and RevPAR performance of our portfolio, we acknowledge there is opportunity for our margins to improve. Specifically, we were disappointed by the mix of occupancy versus ADR growth during the first quarter, which drove higher guestroom utilization and related occupancy costs alongside lower room rates at several of our hotels. Our expanded Asset Management department has already identified ways to more effectively refine the revenue management strategies of our hotels with our new hotel manager – who assumed our contract in the second quarter, to better balance occupancy and guestroom rates to drive margin growth.”

Mr. McAuley continued: “We are very encouraged by our recent meetings with our new hotel manager, and continue to believe we will see long-term benefits from their purchasing power, management bench strength, and deep-rooted industry expertise and contacts. We’re also very pleased to have reached an agreement with SunOne Developments, our former hotel developer, to terminate that exclusive agreement at no cost to AHIP. This will provide us with the flexibility to pursue the most qualified and appropriate development partners in the future, as we evaluate opportunities to grow our business organically.”

THREE MONTHS ENDED MARCH 31, 2018 FINANCIAL HIGHLIGHTS

- Total revenues for the quarter increased 31.3% to \$81.1 million (Q1 2017 – \$61.7 million) due to the acquisition of new hotels between reporting periods, higher occupancy and higher ADR.
- Net income for the first quarter was \$1.4 million, compared to net income of \$2.4 million in Q1 2017, due to higher depreciation charges from recent acquisitions, increased interest expense related to respective hotel loans and the issuance of convertible debentures in Q2 2017. As a result, diluted net income per Unit for the quarter was \$0.02 compared to diluted net income per Unit of \$0.04 in the same quarter of last year.
- **Total portfolio** revenue per available room (“RevPAR”) grew 5.5% from the same quarter last year, led by occupancy increases of 2.9%, and by ADR increases of 2.5%, reflecting AHIP’s recent acquisitions of higher quality, premium branded, select-service properties located within larger secondary markets.
- RevPAR for **Premium Branded Hotels** was affected by planned renovations at certain large hotel properties. RevPAR decreased 0.2% from the same quarter of 2017, due mostly to more hotel rooms being sold at a lower rate in response to renovation activity and new supply. Occupancy for Premium Branded hotels during the first quarter increased 0.7% to 76.9%. Pro-forma RevPAR, which includes operating results for hotels for periods prior to their ownership by AHIP, was strong in Ohio and New Jersey with growth rates of 5.8% and 5.4%, respectively. RevPAR was also positive in AHIP’s existing portfolio with the Oklahoma and Florida regions having RevPAR growth rates of 17.3% and 3.6%, respectively. The resurgence of improved performance at the Company’s Oklahoma properties reflects the rebound in oil prices and oil-field production activity, while the Florida properties continued their solid performance. This was offset by supply-impacted RevPAR declines of 14.6% in Amarillo, 8.5% in Virginia and 8.2% in Pittsburgh, respectively. AHIP’s Baltimore properties saw pro-forma RevPAR declines of 4.7% as a result of inauguration activities in 2017, two government shutdowns resulting in group cancellations during 2018, and multiple Nor’Easter storms during the first quarter.

Two larger hotel properties were temporarily affected by ongoing PIP (defined below) renovations during the first quarter: the Embassy Suites Cincinnati (Covington) and the Embassy Suites Dallas (Fort Worth), which experienced RevPAR declines of 21.4% and 1.2% respectively. Renovations at these two hotels are expected to be completed during the second quarter.

- **Same Property Metrics:**

- Same property metrics represent the performance of only 88 hotels (or 76.5%) of AHIP's total hotel portfolio during Q1 2018, meaning 27 hotel properties were excluded in total portfolio same property metrics as they were not owned during both full comparable periods or were under renovation. Similarly, only 44 hotels (or 65.7%) of AHIP's Premium Branded Hotels were included in AHIP's Premium Branded same property hotel metrics.
 - **Total portfolio same-property** revenues for the first quarter increased slightly to \$48.1 million (Q1 2017 - \$48.0 million).
 - **Same-property RevPAR for Premium Branded Hotels** decreased slightly, by 0.1%, relative to Q1 2017, as a result of a 0.9% decrease in occupancy rates, which was mostly offset by a 0.8% increase in ADR. The strongest same-property Premium Branded RevPAR performance was seen in Oklahoma and Florida, with increases of 17.3% and 3.6%, respectively. Conversely, the weakest markets were Amarillo, TX (-14.6%), Virginia (-8.5%) and Pittsburgh, PA (-8.2%) – all impacted by new supply.
 - **Same-property RevPAR for Economy Lodging Hotels** increased 1.9% relative to Q1 2017, driven by a 2.8% increase in occupancy, which was offset partially by a 0.9% decrease in ADR. The higher occupancy levels reflect the continued recovery of intermodal rail carload volumes since late 2016. Higher occupancy from rail crew contracts was offset by lower contractually guaranteed revenues, which negatively affected ADR.
 - The transition of AHIP's Economy Lodging hotels to Wyndham's world-class reservation and property management systems was completed in March 2018. As a result, the first quarter only benefitted from a partial impact of the Wyndham branding agreement; however early indications of the expected benefits were promising. During Q1 2018, same-property transient (non-rail crew) revenue increased by 10.9% relative to the same quarter of 2017, 72% of which was driven by higher ADR and 28% driven by higher occupancy. In the month of March alone, same-property transient (non-rail crew) revenue increased by 17.7%, with 48% of the increase driven by higher ADR and 52% of the increase from higher occupancy.
 - **Total portfolio** same-property NOI was \$16.6 million (Q1 2017 - \$17.2 million), which was lower due to higher occupancy related operating costs as well as higher weather-related utility expenses and maintenance expenses. As 27 hotels were not included in AHIP's same-property metrics, same-property NOI represented only 65.4% of AHIP's total NOI during the first quarter.
- First quarter FFO decreased 2.1% to \$11.4 million (Q1 2017 – \$11.6 million), while AFFO decreased 8.0% to \$9.9 million (Q1 2017 – \$10.8 million). Both declines were a result of lower margins from selling more rooms at lower ADRs in response to properties under renovation and competition from new supply. Lower guaranteed revenue from rail crew lodging contracts, and higher interest expense and personnel costs also contributed to the decline.
 - For the quarter, Diluted FFO per Unit decreased to \$0.15 (Q1 2017 – \$0.20) and Diluted AFFO per Unit decreased to \$0.13 (Q1 2017 – \$0.18).
 - EBITDA for the quarter increased 20.8% to \$20.4 million compared to \$16.9 million in the same period last year and the EBITDA margin declined 220 basis points to 25.1% (Q1 2017 – 27.3%) reflecting higher occupancy related operating expenses, higher labour costs, and lower guaranteed rail crew revenues.

- The hotel business is seasonal in nature, and can be expected to cause quarterly fluctuations in revenues, expenses and cash flows. Historically, occupancy, revenues and cash flows tend to be higher in the second and third quarters and lower in the first and fourth quarters, which can lead to higher payout ratios in the first and fourth quarter. The AFFO payout ratio for Q1 2018 was 127.9% (Q1 2017 – 88.0%).

The year-over-year increase in the AFFO payout ratio was caused by AHIP's increased exposure to seasonality, given the Eastern Seaboard hotel portfolio acquired in June 2017 lowered the proportion of counter-seasonal Florida properties in AHIP's portfolio to 11%, compared to 14% in Q1 2017, based on number of guestrooms. AHIP expects its annual AFFO payout ratio for 2018 to be in the low 90% range.

The table below further demonstrates how seasonality has increased due to the acquisition of the 18 hotel Eastern Seaboard portfolio.

% of total 2017 NOI by Quarter	Q1 2017	Q2 2017	Q3 2017	Q4 2017
AHIP <i>excluding</i> Eastern Seaboard Portfolio	23.9%	28.2%	26.7%	21.2%
AHIP <i>including</i> Eastern Seaboard Portfolio	19.7% ⁽¹⁾	25.7% ⁽¹⁾	31.9%	22.7%

(1) NOI for the Eastern Seaboard Portfolio for Q1 2017 and Q2 2017 reflect results for periods prior to our ownership, were provided to us by prior owners and were not adjusted or independently verified by us.

- AHIP's interest coverage ratio for the first quarter was 2.3x (Q1 2017 – 3.0x). The decline was caused by the interest expense on the convertible debentures issued in June 2017, the proceeds from which were used to partially fund the acquisition of the Eastern Seaboard Portfolio.
- As at March 31, 2018, AHIP's debt had an average remaining term of 7.1 years (Q1 2017 – 7.8 years) and a weighted average interest rate of 4.64% (Q1 2017 – 4.65%). Substantially all of AHIP's term loans have fixed interest rates.
- AHIP paid U.S. dollar monthly distributions of \$0.054 per Unit during the quarter, which is equivalent to \$0.648 per Unit on an annualized basis. AHIP's distribution policy is to use available cash for distribution to unitholders and to maintain a conservative annual AFFO Payout Ratio. Distributions declared will be paid to unitholders of record at the close of business on the last business day of each month on or about the 15th day of the following month. AHIP has no intention of changing its monthly distribution based on the Company's current performance and expectations. The Company has seasonal differences, with Q2 and Q3 generally producing significantly higher AFFO and lower AFFO payout ratios than Q1 and Q4.
- As at March 31, 2018, AHIP had an unrestricted cash balance of \$15.3 million and \$33.3 million available through revolving credit facilities, of which \$6.9 million was utilized. The Company also had a restricted cash balance of \$50.9 million, including \$33.8 million on deposit for upcoming PIP renovations.
- AHIP's debt-to-gross book value as at March 31, 2018 was 53.6% (March 31, 2017 – 48.4%), which is within AHIP's target range of 50% to 55%.

FIRST QUARTER DEVELOPMENTS

- On March 16, 2018, AHIP completed the refinancing of certain Economy Lodging hotel properties to provide AHIP with improved operating and tax efficiencies. AHIP refinanced its Railway Portfolio Term Loan of approximately \$19.6 million and obtained a \$4.0 million mortgage for two of its recently acquired properties – the Days Inn hotel in Fargo, ND and the Baymont Inn & Suites in Whitefish, MT, through its existing lending syndicate of U.S. chartered banks.

- On March 23, 2018, AHIP announced that it expanded its Asset Management department, which is responsible for overseeing and enhancing the performance of the Company's hotel portfolio.
- During the first quarter two hotels began renovations and upgrades (through AHIP's Property Improvement Plans, or PIPs). Renovations at these two properties are expected to be complete by the end of the second quarter.
- During the first quarter, AHIP secured a new \$40 million secured revolving credit facility, with a U.S. affiliate of a Canadian Chartered Bank. The credit facility, which is currently undrawn, has an initial size of \$19.8 million (based on the current borrowing base) and includes an accordion feature that allows the Company to increase the size of the facility to \$75 million subject to certain conditions. The facility has an initial term of three years and two additional one-year extension options and any borrowings will bear interest at LIBOR plus 2.75%. The facility is currently secured by three premium branded hotel properties that were not financed with any debt prior to the new facility. This facility will provide the Company with increased flexibility to pursue opportunistic acquisitions and fund capital investments.

SUBSEQUENT EVENTS

- On April 2, 2018, AHIP announced that Aimbridge Hospitality would assume its hotel management responsibilities. The assumption of AHIP's hotel management contracts by Aimbridge was completed on April 25, 2018.
- On April 2, 2018, AHIP also announced that that it had reached an agreement with SunOne Developments Inc., the Company's former hotel development partner, to terminate its exclusive hotel development agreement at no cost to AHIP.

CAPITAL INVESTMENT

During the first quarter of 2018, AHIP invested \$4.6 million (from PIP reserves and FF&E reserves) in hotel improvements and renovations. The work underway includes complete lobby, atrium, restaurant and corridor renovations at both the Embassy Suites Cincinnati (in Covington, KY) and the Embassy Suites Dallas (in Fort Worth, TX). In addition, the guestrooms at the Embassy Suites Cincinnati are also being completely renovated. These hotel upgrades are expected to be completed by June 2018, making these properties two of the newest 'next generation' hotels under the Embassy Suites brand.

In total during 2018, AHIP expects to deploy \$20 million of pre-funded reserve capital towards PIP projects. During the second quarter, in addition to the completion of projects at the two Embassy Suites previously discussed, AHIP will also begin renovations at the Hilton Garden Inn White Marsh (in Baltimore, MD), and smaller renovation projects at three other hotel properties. These PIP projects may cause some guestroom displacement and temporarily impact hotel performance, and therefore revenue and cashflows.

The information in this news release should be read in conjunction with AHIP's unaudited condensed interim consolidated financial statements and management's discussion and analysis ("MD&A") for the three months ended March 31, 2018, which are available on AHIP's website at www.ahipreit.com and on SEDAR at www.sedar.com.

Q1 2018 FINANCIAL RESULTS CONFERENCE CALL

Management will host a conference call at 4:00 p.m. (Eastern), 1:00 p.m. (Pacific) on Thursday, May 10, 2018 to review the financial results for the three months ended March 31, 2018.

To participate in this conference call, please dial one of the following numbers at least five minutes prior to the commencement of the call and ask to join the American Hotel Income Properties' Q1 2018 Analyst Call.

Dial in numbers:	North America Toll free:	1-877-291-4570
	International or local Toronto:	1-647-788-4919

The conference call will also be webcast live (in listen-only mode). The link to the webcast can be found on the Events tab of the following webpage: <https://www.ahipreit.com/news-and-events/>

CONFERENCE CALL REPLAY

A replay of the conference call will be available by dialing one of the following replay numbers. You will be able to dial in and listen to the conference call replay two hours after the call end time, and the replay will be available until June 10, 2018. An audio recording of this conference call will also be available at www.ahipreit.com under the Events tab on the News and Events page.

Please enter replay PIN number 7196766 followed by the # key.

Replay dial in numbers:	North America Toll free:	1-800-585-8367
	International or local Toronto:	1-416-621-4642

NON-IFRS MEASURES

Certain non-IFRS financial measures are included in this news release, which include NOI, EBITDA, FFO, Diluted FFO per Unit, AFFO, Diluted AFFO per Unit, interest coverage ratio, AFFO payout ratio and debt-to-gross book value. These terms are not measures recognized under International Financial Reporting Standards (“**IFRS**”) and do not have standardized meanings prescribed by IFRS. Real estate issuers often refer to NOI, FFO, Diluted FFO per Unit, AFFO, Diluted AFFO per Unit, and AFFO payout ratio as supplemental measures of performance and interest coverage ratio and debt-to-gross book value as supplemental measures of financial condition.

Debt-to-gross book value, NOI, EBITDA, FFO, Diluted FFO per Unit, AFFO, Diluted AFFO per Unit, interest coverage ratio and AFFO payout ratio should not be construed as alternatives to measurements determined in accordance with IFRS as indicators of AHIP's performance or financial condition. AHIP's method of calculating NOI, EBITDA, FFO, Diluted FFO per Unit, AFFO, Diluted AFFO per Unit, interest coverage ratio, AFFO payout ratio and debt-to-gross book value may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers. For further information, including reconciliations of certain of these non-IFRS financial measures to the closest comparable IFRS measure, please refer to AHIP's MD&A dated May 8, 2018, which is available on SEDAR at www.sedar.com and on AHIP's website at www.ahipreit.com.

FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute “forward-looking information” within the meaning of applicable securities laws (also known as forward-looking statements). Forward looking information involves known and unknown risks, uncertainties and other factors, and it may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information. Forward-looking information generally can be identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “feel”, “intend”, “may”, “plan”, “predict”, “project”, “subject to”, “will”, “would”, and similar terms and phrases, including references to assumptions. Some of the specific forward-looking statements in this news release include, but are not limited to,

statements with respect to: Mr. O'Neill's commitment to acquire additional Units of AHIP through open-market purchases during the second quarter and the expectation that the details of such purchases will be disclosed in regulatory filings as they are completed; management's belief that AHIP will see long-term benefits from Aimbridge's purchasing power, management bench strength, and deep-rooted industry expertise and contacts; management's expectation that it will see the impact of AHIP's renovations, branding strategy and new hotel manager in the next several quarters; management's belief that the termination of the exclusive development agreement with SunOne Developments will provide AHIP with flexibility to pursue the most qualified development and appropriate development partners in the future; the expected cost and timing of PIP renovations to be completed in 2018 and the expected impacts thereof on the applicable hotels including on occupancy levels and revenues and AHIP's operating results; AHIP management's expectation that the renovations at the Embassy Suites Cincinnati and Embassy Suites Dallas will complete in the second quarter of 2018; AHIP commencing renovations at the Hilton Garden Inn White Marsh and small renovation projects at three other hotel properties in the second quarter; AHIP management's expectation that the seasonal nature of the hotel business will cause quarterly fluctuations in revenues, expenses and cash flows; AHIP distributions declared will be paid to unitholders of record at the close of business on the last business day of each month on or about the 15th day of the following month; AHIP having no intention of changing its monthly distribution based on the Company's current performance and expectations; AHIP's expectation that the annual AFFO payout ratio for 2018 will be in the range of 90-95%; the new secured revolving credit facility providing AHIP with increased flexibility to pursue opportunistic acquisitions and fund capital investments and AHIP's long-term objectives.

Forward-looking information is based on a number of key expectations and assumptions made by AHIP, including, without limitation: a reasonably stable North American economy and stock market; the continued strength of the U.S. lodging industry; AHIP will be able to successfully integrate properties acquired into its portfolio; capital markets will provide AHIP with readily available access to equity and/or debt financing on terms acceptable to AHIP; the accuracy of third party reports with respect to lodging industry data; the value of the U.S. dollar; the rebranding of AHIP's Economy Lodging Hotels achieving its intended results; the cost, timing and impact of PIP renovations for 2018 being consistent with management's expectations and AHIP will realize the expected benefits of such renovations; AHIP will realize the expected benefits of Aimbridge assuming management responsibilities for AHIP's hotels; the transition of management responsibilities for AHIP's hotels will not have any negative impact on the operation or performance of AHIP's hotels; AHIP's financial performance in the second and third quarters will improve and cash flow from operations will exceed distributions declared during such quarters; Mr. O'Neill will complete additional purchases of Units in the second quarter; and AHIP will realize the expected benefits of the termination of the exclusive development agreement with SunOne Developments. Although the forward-looking information contained in this news release is based on what AHIP's management believes to be reasonable assumptions, AHIP cannot assure investors that actual results will be consistent with such information.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking statements. Those risks and uncertainties include, among other things, risks related to: AHIP not realizing any or all of the expected benefits of Aimbridge assuming management responsibilities for AHIP's hotels; the ongoing transition of management responsibilities for AHIP's hotels from ONE to Aimbridge having a negative impact on the operation and performance of AHIP's hotels; AHIP not realizing the expected benefits of the rebranding of its Economy Lodging Hotels under Wyndham brands; the possibility that AHIP's financial performance may not improve to the extent expected by AHIP management, or at all, in the second or third quarter; AHIP not realizing the expected benefits of renovations to be completed in 2018 and that such renovations are not completed in accordance with expected timing or budgets; distributions are not guaranteed and may be reduced or suspended at any time at the discretion of AHIP's board of directors; general economic conditions; future growth potential; Unit

prices; liquidity; tax risk; tax laws currently in effect remaining unchanged; ability to access capital markets; competition for real property investments; environmental matters; the value of the U.S. dollar; and changes in legislation or regulations. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions and information currently available; however, management can give no assurance that actual results will be consistent with these forward-looking statements. Additional information about risks and uncertainties is contained in AHIP's MD&A dated May 8, 2018 and annual information form for the year ended December 31, 2017, copies of which are available on SEDAR at www.sedar.com.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information reflects management's current beliefs and is based on information currently available to AHIP. The forward-looking information is made as of the date of this news release and AHIP assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

ADDITIONAL INFORMATION

Additional information relating to AHIP, including AHIP's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2018 and 2017, AHIP's MD&A dated May 8, 2018, and other public filings are available on SEDAR at www.sedar.com.

ABOUT AMERICAN HOTEL INCOME PROPERTIES REIT LP

American Hotel Income Properties REIT LP (TSX: HOT.UN, TSX: HOT.U, TSX: HOT.DB.U), or AHIP, is a limited partnership formed to invest in hotel real estate properties located substantially in the United States. AHIP currently has 115 hotels, and is actively engaged in growing its portfolio of premium branded, select-service hotels in larger secondary markets that have diverse and stable demand. AHIP hotels operate under brands affiliated with Marriott, Hilton, IHG, Wyndham and Choice Hotels through license agreements. The company's long-term objectives are to build on its proven track record of successful investment, deliver reliable and consistent U.S. dollar denominated distributions to unitholders, and generate value through the continued growth of its diversified hotel portfolio. More information is available at www.ahipreit.com.

For further information, please contact:

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FIRST QUARTER HIGHLIGHTS AND KEY PERFORMANCE INDICATORS

(US\$000s unless noted and except Units and per Unit amounts)	Three months ended March 31, 2018	Three months ended March 31, 2017
Number of rooms ⁽¹⁾	11,709	9,383
Number of properties ⁽¹⁾	115	95
Number of restaurants ⁽¹⁾	41	37
Occupancy rate	73.5%	71.4%
Average daily room rate	\$ 95.55	\$ 93.25
Revenue per available room	\$ 70.23	\$ 66.58
Revenues	\$ 81,066	\$ 61,725
Net operating income	\$ 25,374	\$ 20,795
Net income and comprehensive income	\$ 1,376	\$ 2,382
Diluted net income per Unit	\$ 0.02	\$ 0.04
EBITDA	\$ 20,384	\$ 16,880
EBITDA Margin %	25.1%	27.3%
Funds from operations (FFO)	\$ 11,353	\$ 11,597
Diluted FFO per Unit	\$ 0.15	\$ 0.20
Adjusted funds from operations (AFFO)	\$ 9,904	\$ 10,770
Diluted AFFO per Unit ⁽²⁾	\$ 0.13	\$ 0.18
Distributions declared	\$ 12,665	\$ 9,482
AFFO Payout Ratio	127.9%	88.0%
Debt-to-Gross Book Value ⁽¹⁾	53.6%	48.4%
Debt-to-EBITDA	8.1x	8.0x
Interest Coverage Ratio	2.3x	3.0x
Weighted average debt face interest rate ⁽¹⁾	4.64%	4.65%
Weighted average debt term to maturity ⁽¹⁾	7.1 years	7.8 years
Number of Units outstanding ⁽¹⁾	78,047,806	58,623,606
Diluted weighted average number of Units outstanding ⁽³⁾	78,207,113	58,599,242
Same property Occupancy rate	72.9%	72.4%
Same property Average daily room rate	\$ 85.11	\$ 85.33
Same property RevPAR	\$ 62.05	\$ 61.78
Same property Revenues	\$ 48,094	\$ 47,970
Same property Net operating income	\$ 16,583	\$ 17,215
Same property NOI Margin %	34.5%	35.9%

(1) At period end.

(2) The Debentures were dilutive only for AFFO for the period. Therefore, Debenture finance costs of \$611 were added back to AFFO and 5,283,783 Units on conversion of the Debentures were added to the diluted weighted average number of Units outstanding.

(3) Diluted weighted average number of Units includes the 159,307 unvested Restricted Stock Units as at March 31, 2018.