



**AMERICAN HOTEL INCOME PROPERTIES REIT LP REPORTS
FOURTH QUARTER AND 2017 RESULTS**

- Transformation of hotel portfolio during 2017 has diversified and improved quality of AFFO
 - Fourth quarter revenue increased 85.6% from same quarter last year
- Fourth quarter FFO increased 48.3%; AFFO increased 44.1% from same quarter last year
 - 2017 full year revenue increased 75.0% from 2016
 - 2017 full year FFO increased 60.1%; AFFO increased 57.1% from 2016

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

VANCOUVER, B.C. (March 7, 2018) – American Hotel Income Properties REIT LP (“**AHIP**”) (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 and year ended December 31, 2017.

During the fourth quarter, revenues increased 85.6% to \$82.2 million, EBITDA rose by 68.6% to \$20.4 million, funds from operations (“**FFO**”) increased by 48.3% to \$13.2 million, and adjusted funds from operations (“**AFFO**”) rose 44.1% to \$11.1 million, in each case, as a result of the addition of new hotels. Q4 2017 Diluted FFO per Unit was \$0.17, and Diluted AFFO per Unit was \$0.14.

2017 full year revenues increased 75.0% to \$303.7 million, EBITDA rose by 71.2% to \$89.8 million, FFO increased by 60.1% to \$58.6 million, and AFFO rose 57.1% to \$50.1 million, again due to hotel acquisitions during the year. 2017 Diluted FFO per Unit was \$0.82, and Diluted AFFO per Unit was \$0.70.

“2017 was a transformative year for AHIP’s diversification and growth,” said Rob O’Neill, AHIP’s CEO. “We completed several meaningful strategic initiatives, including upgrading our hotel portfolio to more upscale, select-service properties, located within larger urban and secondary cities across the U.S. We also negotiated a new master agreement with a leading railway customer, and expanded our in-house asset management team to help drive operating performance. AHIP is well positioned to benefit from the buoyant U.S. economy, the appreciating U.S. dollar – which enhances the value of our U.S. dollar distribution to Canadian unitholders – and a resilient U.S. hotel industry, now in its 94th month of continuous growth. Just as important, our long-term fixed rate debt structure, with an average remaining term of approximately 7.6 years, will shield us well from current interest rate volatility, and our hotel manager’s ability to change guestroom rates daily will mitigate any impact from inflation.”

Ian McAuley, President of AHIP added, “Strengthening our hotel portfolio has been an important strategic goal, with 23 new premium branded hotels added during 2017, 74% of which focus on the extended stay, suite product – which achieves higher RevPAR and net operating income per key. This rapid pace of acquisitions, and our expansion into new markets, created some integration headwinds and additional costs for our hotel manager during the year. Looking forward, we intend to spend 2018 enhancing our current portfolio through stronger asset management and renovations at several of our larger hotels. We expect these investments will showcase the true cash flow and income generating power of our higher quality portfolio, and will support sustainable, long-term AFFO growth. We also continue to pivot our Economy Lodging properties to better cater to the changing needs of our railway customers and other guests, and drive improved performance from this legacy segment of our business.”

THREE MONTHS ENDED DECEMBER 31, 2017 FINANCIAL HIGHLIGHTS

- Total revenues for the quarter increased by 85.6% to \$82.2 million (Q4 2016 – \$44.3 million) due to the acquisition of new hotels between reporting periods.
- **Total portfolio** revenue per available room (“**RevPAR**”) grew 19.6% from the same quarter last year, led by average daily rate (“**ADR**”) increases of 15.5%, and by occupancy increases of 3.6%, reflecting AHIP’s recent acquisitions of higher quality, premium branded, select-service properties located within larger secondary markets. RevPAR for the newly acquired branded hotels was \$93.41 compared to existing same-property branded hotel RevPAR of \$74.27.
- RevPAR for **Premium Branded Hotels** increased 15.7% from the same quarter of 2016, led by an 11.3% increase in ADR and a 4.0% increase in occupancy. Pro-Forma RevPAR, which includes operating results for acquired hotels in periods prior to their ownership by AHIP, was strong in Oklahoma and Florida with RevPAR growth rates of 26.5% and 19.4%, respectively. The increases were a result of a rebound in oil prices and oil field production activity in Oklahoma and higher post-hurricane occupancy in Florida. This was offset by proforma RevPAR declines of 12.2% in Maryland due to higher government-related demand in Q4 2016, and elevated supply related declines of 12.4% in Pittsburgh, and 14.4% in Amarillo.
- **Same Property Metrics:**
 - Same property metrics represent the performance of only 74 hotels (or 64%) of AHIP’s total hotel portfolio during Q4 2017, meaning 41 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 32 hotels (or 48%) of AHIP’s Premium Branded Hotels are included in AHIP’s Premium Branded same property hotel metrics.
 - **Total portfolio** same-property revenues for the fourth quarter increased to \$38.2 million (Q4 2016 - \$38.0 million) with Premium Branded Hotels same property revenues increasing by 1.7%, offset by slight revenue declines at the Economy Lodging Hotels.
 - Same-property RevPAR for **Premium Branded Hotels** increased 2.1% relative to Q4 2016, as a result of a 2.9% increase in occupancy rates, largely driven by the oil and gas sector recovery in AHIP’s Oklahoma markets and higher post-hurricane guest stays at AHIP’s Florida properties. These two regions had RevPAR increases of 26.5% and 17.6%, respectively. This was offset by new supply induced RevPAR declines at the Amarillo and Pittsburgh properties, which saw RevPAR decline by 14.4% and 12.4%, respectively. Excluding these two challenged areas, AHIP same-property RevPAR would have increased by 8.0%. By comparison, the U.S. hotel industry grew RevPAR by 4.2% during the fourth quarter and in the Upscale and Upper Midscale chain scale segments, where over 98% of AHIP’s Same Property Branded Hotels are included, U.S. RevPAR grew by 3.3% and 4.4%, respectively.
 - Same-property RevPAR for **Economy Lodging Hotels** declined 1.9% relative to Q4 2016. Occupancy levels continued to increase at these hotels as rail carload volumes recovered from their low levels in 2016, translating into increased utilization of rail crew lodging rooms. This was offset by lower contractually guaranteed revenues, which lowered ADR. The Wyndham branding agreement, completed in December 2017, is expected to help drive improved RevPAR at our Economy Lodging Hotels in the future, through improved brand recognition and increased transient guest occupancy of rooms not used for rail crew lodging contracts.
 - **Total portfolio** same-property NOI was \$13.0 million (Q4 2016 - \$13.4 million), which was lower due to higher occupancy related operating costs as well as higher weather-related utility expenses and maintenance expenses. As 41 newly acquired hotels were not included in AHIP’s same-property metrics, same-property NOI represented only 51.8% of AHIP’s total NOI during the fourth quarter.

- Net loss for the fourth quarter was \$5.6 million, compared to net income of \$3.4 million in Q4 2016, due to an aggregate \$3.5 million impairment loss recorded for three hotel properties, higher staffing costs, and convertible debenture interest charges of \$0.7 million in the current year (compared to a \$2.9 million net additional fair value gain on interest rate swaps in Q4 2016). As a result, diluted net loss per Unit for the quarter was \$0.07 compared to diluted net income per Unit of \$0.07 in the same quarter of last year.
- Fourth quarter FFO increased 48.3% to \$13.2 million (Q4 2016 – \$8.9 million), while AFFO increased 44.1% to \$11.1 million (Q4 2016 – \$7.7 million). Both increases were due to additional hotels acquired in the past year. This was partially offset by lower income from the Economy Lodging portfolio as a result of lower guaranteed rail crew revenues.
- For the quarter, Diluted FFO per Unit decreased 10.5% to \$0.17 (Q4 2016 – \$0.19) and Diluted AFFO per Unit decreased 17.6% to \$0.14 (Q4 2016 – \$0.17). The decline in both metrics was primarily due to: higher labour costs and maintenance expenses related to recent acquisitions; non-recurring income from the expiry of the Ravenna and Comfort rail crew agreements; and lower guaranteed revenues from the Economy Lodging portfolio. In addition, a further dilutive impact was caused by the \$35.6 million (2016 – \$13.2 million) of restricted cash that has been pre-funded for upcoming brand mandated property improvement plans (“PIPs”), of which AHIP intends to invest approximately \$20.0 million during 2018 in accretive renovations at 14 hotels.
- EBITDA for the quarter increased 68.6% to \$20.4 million compared to \$12.1 million in the same period last year and the EBITDA margin declined 230 basis points to 24.9% (Q4 2016 – 27.2%) reflecting lower guaranteed rail crew revenues, higher occupancy related operating expenses, and higher food and beverage revenues – which typically generate lower margins.
- The AFFO payout ratio for the quarter was 115.1% (Q4 2016 – 103.5%). AHIP’s business is seasonal and Q1 and Q4 typically generate lower income and higher payout ratios compared with Q2 and Q3, which have significantly higher income and lower payout ratios. As a result, payout ratios typically rise above 100% during the seasonally weaker Q1 and Q4 periods. The year-over-year increase was caused by lower rail crew guaranteed revenues and higher expenses at the newly acquired properties, including changes in property taxes, increased transition costs.
- AHIP’s interest coverage ratio for the fourth quarter was 2.3x (Q4 2016 – 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 hotel portfolio.
- As at December 31, 2017, AHIP’s mortgages have an average remaining term of 7.59 years (2016 – 7.70 years) and a fixed weighted average interest rate of 4.61% (2016 – 4.59%). All of AHIP’s mortgages have fixed interest rates.
- AHIP paid monthly distributions of \$0.054 per Unit during the quarter, which is equivalent to \$0.648 per Unit on an annualized basis.
- As at December 31, 2017, AHIP had an unrestricted cash balance of \$11.9 million and an unutilized revolving line of credit of \$10.0 million. AHIP also had a restricted cash balance of \$51.1 million, including \$35.6 million on deposit for upcoming PIP renovations.
- AHIP’s debt-to-gross book value as at December 31, 2017 was 53.9% (2016 – 44.0%), which is within AHIP’s target range of 50% to 55%. The lower leverage balance at December 31, 2016 reflected the proceeds from a December 2016 unit offering that was invested in January 2017 to acquire two hotel portfolios.

12 MONTHS ENDED DECEMBER 31, 2017 FINANCIAL HIGHLIGHTS

- Total revenues for 2017 increased by 75.0% to \$303.7 million compared to \$173.5 million for 2016 as a result of the acquisition of new hotels between reporting periods.

- **Total portfolio** RevPAR grew 19.3% to \$71.20 for the year, led by a 15.1% increase in ADR, and a 3.6% increase in the occupancy rate. **Premium Branded Hotel** RevPAR grew 15.4% to \$89.47, a result of a 12.2% increase in ADR and a 2.9% increase in occupancy. **Economy Lodging Hotel** RevPAR declined 7.4% to \$40.16, primarily a result of a 7.2% decrease in ADR caused by lower rail crew guaranteed revenues.
- Same-property RevPAR for **Premium Branded Hotels** decreased marginally to \$77.97 from \$78.05 in 2016. RevPAR highlights for the year included Florida and Oklahoma hotels, which experienced RevPAR gains of 13.1% and 7.9%, respectively. This was offset by RevPAR declines in Pittsburgh and Amarillo with same-property RevPAR contracting by 10.7% and 8.9%, respectively due to new supply. Excluding these weaker performing markets, annual AHIP same-property RevPAR would have increased by 3.8%, outpacing both the U.S. hotel national industry RevPAR growth rate of 3.0%, and the U.S. Upscale and Upper Midscale chain scale RevPAR growth rates of 1.4% and 2.2%, respectively. Same-property RevPAR for **Economy Lodging Hotels** declined by 3.8% with occupancy up 3.4%, offset by lower ADR of 7.0% driven primarily by lower contractual guaranteed revenues.
- Net income for 2017 was \$89,000, compared to net income of \$9.3 million in the prior year. The decline in net income was primarily caused by an aggregate of \$10.8 million in impairment charges related to three hotels coupled with higher depreciation and business acquisition expenses and interest charges from the convertible debentures.
- 2017 FFO increased 60.1% to \$58.6 million (2016 – \$36.6 million) and AFFO increased 57.1% to \$50.1 million (2016 – \$31.9 million) due to a net addition of 24 hotels during the year.
- For 2017, Diluted FFO per Unit was \$0.82 (2016 – \$0.92) and Diluted AFFO per Unit was \$0.70 (2016 – \$0.80). The declines were a result of higher occupancy related costs on existing hotels, higher transition related costs and property taxes on the newly acquired hotels, lower guaranteed revenue from rail crew lodging contracts, the expiry of rail crew agreements in Ravenna and Comfort, and higher levels of undeployed restricted cash for upcoming PIP projects which did not generate any returns.
- EBITDA for the year increased 71.4% to \$89.8 million, compared to \$52.4 million in 2016. EBITDA margin declined by 60 basis points to 29.6% (2016 – 30.2%) caused by lower rail crew guaranteed revenues and higher operating expenses at the newly acquired hotels, including higher property taxes and transition related expenses.
- The AFFO payout ratio for 2017 was 90.9% (2016 – 83.4%). The increase was caused by lower rail crew guaranteed revenue and higher expenses at the newly acquired properties. AHIP's target run-rate payout ratio is approximately 85.0%.
- AHIP's interest coverage ratio for 2017 was 3.1x (2016 – 3.6x). The decline was caused by the interest expense related to the convertible debenture issued in June 2017 to partially fund the acquisition of the Eastern Seaboard hotel portfolio.

FOURTH QUARTER DEVELOPMENTS

- On November 1, 2017, AHIP entered into a new Master Agreement with one of its largest and most significant railway customers for all its future rail crew lodging contracts to expedite future contracts and contract renewals.
- AHIP completed the acquisition of two Economy Lodging Hotels: a 74-room Days Inn property in Fargo, North Dakota (on October 13, 2017) and a 64-room Baymont Inn & Suites property in Whitefish, Montana (on November 7, 2017).
- On November 10, 2017, AHIP launched an additional U.S. dollar ticker on the Toronto Stock Exchange ("**TSX**"). The new ticker, HOT.U, trades alongside AHIP's existing Canadian denominated ticker, HOT.UN, and provides investors with the option of purchasing AHIP's Units in either currency. The addition of the U.S. ticker provides

an investment alternative for unitholders that is shielded from Unit price movement resulting solely from fluctuations in the U.S./Canadian dollar exchange rate.

- On December 13, 2017, AHIP announced that Rob O'Neill, CEO, purchased an additional 184,000 Units through open market purchases, and will take his 2018 compensation in equity. His recent Unit purchases, alongside additional purchases made by other senior executives and board members, increased units purchased by insiders to almost 400,000 Units since July 2017.

On December 19, 2017, AHIP completed the rebranding of 46 Oak Tree Inn hotels to various Wyndham branded hotels under a 15-year strategic branding agreement with Wyndham Hotel Group ("Wyndham") to more effectively market the excess room capacity available at AHIP's Economy Lodging Hotels. AHIP believes it negotiated favourable terms as part of this 15-year agreement, with carveouts related to rail crew lodging contracts. The rail crew lodging contracts will continue to be a major driver of occupancy at these hotels, though AHIP expects to drive incremental transient guests and revenue at these hotels with access to Wyndham's world-class reservations network, higher brand recognition, and award-winning rewards program. Under the terms of the agreement, AHIP converted 15 hotels to the Baymont Inn and Suites brand, 28 hotels to the Travelodge brand, and two hotels to the Super 8 brand. AHIP's recently acquired Fargo hotel remained a Days Inn hotel, a Wyndham brand.

SUBSEQUENT EVENTS

- Beginning on January 1, 2018, AHIP renamed its reporting segments, Premium Branded Hotels (previously Branded Hotels) and Economy Lodging Hotels (previously Rail Hotels).
- AHIP is pleased to announce its Board of Directors (the "**Board**") has appointed Charles van der Lee as its Lead Independent Director, to support Chair, Michael Murphy, in leading the Board. Mr. van der Lee has a wealth of corporate experience and has been a member of AHIP's Board since May 2016.
- In addition, the Board has reconstituted the membership and leadership of key Board committees as outlined below to enhance the breadth of experience and independence of each committee:
 - **Audit, Finance and Risk Committee:** Minaz Abji was added to the committee, to join Tamara Lawson (Committee Chair), Richard Frank, and Elizabeth Walters.
 - **Compensation Committee:** Richard Frank has been named the new Chair of the committee and Minaz Abji was added to the committee, to join Stephen Evans, and Charles van der Lee.
 - **Nominating and Governance Committee:** Charles van der Lee has been named the new Chair of the committee and Richard Frank was added to the committee, to join Tamara Lawson and Elizabeth Walters.

2018 PROPERTY IMPROVEMENT PLANS ("PIPs")

During 2018, AHIP and its third-party hotel manager will continue the integration of AHIP's recent hotel acquisitions, including renovating properties to continue to improve the performance and market share of its hotel portfolio. As part of this strategy, approximately \$20.0 million of hotel renovations, or PIPs, will take place during 2018 to modernize and enhance lobbies, atriums, guestrooms and amenities to improve the overall guest experience. The funds to complete these renovations have been pre-funded with AHIP's lenders and are not expected to materially impact AHIP's current cash position. However, given the size and scope of these renovations, there may be some guest displacement and impact to hotel operating performance during the year. AHIP and its hotel manager will make efforts to minimize the impacts of the renovations, whenever possible. More information, including a schedule of property renovations, is included in the Q4 2017 MD&A.

The information in this news release should be read in conjunction with AHIP's audited condensed consolidated financial

statements for the years ended December 31, 2017 and 2016, and management's discussion and analysis ("MD&A") for the three and twelve months ended December 31, 2017, which are available on AHIP's website at www.ahipreit.com and on SEDAR at www.sedar.com.

Q4 AND 2017 FINANCIAL RESULTS CONFERENCE CALL

Management will host a conference call at 4:00 p.m. (Eastern), 1:00 p.m. (Pacific) on Thursday, March 8, 2018 to review the financial results for the three and 12 months ended December 31, 2017.

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' Q4 2017 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 Thursday, April 5, 2018. An audio recording of this conference call will also be available at www.ahipreit.com under the "News and Events" tab.

Please enter replay PIN number 2399487 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 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 March 6, 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 that 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: management’s belief that AHIP’s long-term fixed rate debt structure, will shield AHIP well from current interest rate volatility, and AHIP’s hotel manager’s ability to change its guestroom rates daily will mitigate any impact from inflation; management’s intention to spend 2018 enhancing AHIP’s current portfolio through stronger asset management and renovations at several of AHIP’s larger hotels; management’s belief that the agreement with Wyndham will help drive improved RevPAR at AHIP’s Economy Lodging Hotels in the future, through improved brand recognition and increased transient guest occupancy of rooms not used for rail crew lodging contracts; AHIP gaining access to Wyndham’s world-class reservations network, higher brand recognition and customer rewards program to drive incremental transient guests and revenues at the rebranded hotels; the expected cost of PIP renovations to be completed in 2018 and the expected impacts thereof on the applicable hotels including on occupancy levels and revenues; the expectation that the new Master Agreement with one of AHIP’s most significant railway customers will allow both parties to expedite future contracts and contract renewals; 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 successful rebranding of AHIP’s Economy Lodging Hotels; the rebranding of AHIP’s Economy Lodging Hotels achieving its intended results; the costs and timing of the rebranding being consistent with management’s current estimates; the cost, timing and impact of PIP renovations for 2018 being consistent with management’s expectations; the ability to successfully integrate the recent Economy Lodging acquisitions into AHIP’s existing portfolio of Economy Lodging Hotels; AHIP’s rail partner not terminating the Master Agreement and continuing to rely on AHIP for its future rail crew lodging needs. 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. Those risks and uncertainties include, among other things, risks related to: 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 March 6, 2018 and annual information form for the year ended December 31, 2016, 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 audited consolidated financial statements for the years ended December 31, 2017 and 2016, AHIP's MD&A dated March 6, 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:

For American Hotel Income Properties REIT LP:

Jamie Kokoska

Director, Investor Relations

Phone: 604-670-6242

Email: jkokoska@ahipreit.com

FOURTH QUARTER HIGHLIGHTS AND KEY PERFORMANCE INDICATORS

(US\$000s unless noted and except Units and per Unit amounts)	Three months ended Dec. 31, 2017	Three months ended Dec. 31, 2016	Twelve months ended Dec. 31, 2017	Twelve months ended Dec. 31, 2016
Number of rooms ⁽¹⁾	11,708	8,156	11,708	8,156
Number of properties ⁽¹⁾	115	91	115	91
Number of restaurants ⁽¹⁾	41	32	41	32
Occupancy rate	72.8%	70.3%	74.7%	72.1%
Average daily room rate	\$ 94.74	\$ 82.06	\$ 95.32	\$ 82.79
Revenue per available room	\$ 68.97	\$ 57.69	\$ 71.20	\$ 59.69
Revenues	\$ 82,222	\$ 44,346	\$ 303,710	\$ 173,515
Net operating income	\$ 25,148	\$ 15,149	\$ 105,752	\$ 64,503
Net income (loss) and comprehensive income (loss)	\$ (5,613)	\$ 3,398	\$ 89	\$ 9,280
EBITDA	\$ 20,435	\$ 12,072	\$ 89,761	\$ 52,355
EBITDA Margin %	24.9%	27.2%	29.6%	30.2%
Funds from operations (FFO)	\$ 13,150	\$ 8,864	\$ 58,597	\$ 36,550
Diluted FFO per Unit ⁽³⁾	\$ 0.17	\$ 0.19	\$ 0.82	\$ 0.92
Adjusted funds from operations (AFFO)	\$ 11,060	\$ 7,657	\$ 50,064	\$ 31,941
Diluted AFFO per Unit ⁽³⁾	\$ 0.14	\$ 0.17	\$ 0.70	\$ 0.80
Distributions declared	\$ 12,732	\$ 7,927	\$ 45,491	\$ 26,651
AFFO Payout Ratio	115.1%	103.5%	90.9%	83.4%
Debt-to-Gross Book Value ⁽¹⁾	53.9%	44.0%	53.9%	44.0%
Debt-to-EBITDA ⁽²⁾	8.4x	7.2x	8.4x	7.2x
Interest Coverage Ratio	2.3x	3.0x	3.1x	3.6x
Weighted average loan face interest rate ⁽¹⁾	4.61%	4.59%	4.61%	4.59%
Weighted average loan term to maturity ⁽¹⁾	7.59 years	7.70 years	7.59 years	7.70 years
Number of Units outstanding ⁽¹⁾	78,047,806	56,374,042	78,047,806	56,374,042
Diluted weighted average number of Units outstanding	83,479,320	46,410,264	73,625,387	39,757,170
Same property Occupancy rate	72.3%	70.3%	73.8%	72.3%
Same property Average daily room rate	\$ 77.85	\$ 79.63	\$ 78.99	\$ 81.92
Same property RevPAR	\$ 56.29	\$ 55.98	\$ 58.29	\$ 59.23
Same property Revenues	\$ 38,160	\$ 38,038	\$ 157,061	\$ 159,439
Same property Net operating income	\$ 13,007	\$ 13,427	\$ 53,693	\$ 58,440
Same property NOI Margin %	34.1%	35.3%	34.2%	36.7%

(1) At period end.

(2) Aggregate amount of debt at face value divided by annualized EBITDA.

(3) The Debentures are dilutive for three and twelve months ended December 31, 2017. Therefore, Debenture finance costs of \$760 and \$1,698, respectively, were added back to FFO; and \$611 and \$1,365, respectively, were added back to AFFO.