

2009 ANNUAL REPORT



ASHFORD
HOSPITALITY TRUST

Dear Fellow Shareholder:

Last year at this time we noted that the hotel industry was going through severe demand shocks not seen since the months immediately after 9/11. Industry prognosticators were predicting a dire 2009 with RevPAR growth estimates at near all-time lows in the -4% to -10% range. No one could have guessed how conservative those estimates would turn out to be. Now, a year later, we have just completed the worst year in the history of the hotel industry since the Great Depression. United States RevPAR for all hotels ended the year down 16.7%, a number that will live in infamy for hoteliers going forward.

Despite this challenging environment, Ashford was able to implement proactive strategies that allowed us to successfully navigate through this past year, take advantage of some attractive investment opportunities, and position us well for the eventual economic recovery. These strategies include extending debt maturities, maintaining sufficient liquidity, superior asset management, interest rate swaps, and buying back the company's common and preferred stock. As a result of these strategies, Ashford's total shareholder return in 2009 of 304% ranked 3rd best among all 122 equity REITs and 1st among all hotel REITs.

Total hotel revenue decreased 18.5% to \$905.0 million. Adjusted funds from operations (AFFO) decreased 42.1% to \$100.6 million, while AFFO per share decreased only 14.5% to \$1.12 per diluted share. Ashford significantly outperformed all hotel REITs in 2009 on an AFFO per share basis. Adjusted earnings before interest, income taxes, depreciation and amortization (adjusted EBITDA) decreased 38.7% to \$207.8 million. Cash available for distribution (CAD) was down 48.0% to \$70.0 million, while CAD per share was down only 23.5% to \$0.78 per diluted share. Pro forma RevPAR for all hotels decreased 17.5%. Ashford has maintained significant liquidity throughout this economic downturn, which is demonstrated by the fact that we ended the year with \$165.2 million in unrestricted cash on the balance sheet.

From the operational side of our business, our aggressive asset management strategies enabled us to increase our RevPAR yield index, exceeding our competitive sets. We also achieved our 50% net operating income flow-through goal despite the precipitous drops in nationwide RevPAR, which helped us to outperform most of our peers in minimizing margin erosion. Going forward, we are intensely focused on maintaining the tight cost controls that have been put in place, while at the same time looking for opportunities to increase revenues.

This past year was an interesting one in the capital markets, with substantial money being raised through the equity markets, while the debt capital markets continued to remain virtually frozen. Despite this difficult lending environment, we have continued to work to refinance and extend the maturities on our loans. While most companies found it impossible to secure debt in 2009, we were successful in refinancing \$285 million of debt capital this past year. As a result, all of our 2010 hard maturities have been addressed. Our focus now is on loans maturing in 2011 and beyond.

In March 2008, as a hedge against deteriorating RevPAR numbers, we made the decision to swap \$1.8 billion of fixed-rate debt to floating-rate debt. We have subsequently purchased floorridors in order to further hedge against RevPAR decreases. During 2009, we realized \$52.3 million of cash income from these strategies. When including the effect of the swap/floorridors, our weighted average interest rate on our total debt was 2.95% at year-end, compared to 5.19% without the swap. These savings should continue to be significant in 2010, as the Federal Reserve has indicated that it intends to keep its Fed Funds target rate low for an extended period of time.

One of Ashford's primary uses of capital in 2009 was the repurchase of its common stock. As of December 31, 2009 Ashford has purchased 66.4 million shares (approximately 46% of our peak fully diluted share count) since the inception of our buyback program at a total cost of \$195 million. This amount equates to an average price per share of \$2.94. In 2009 alone we purchased 30.1 million shares for \$80.7 million (an average price of \$2.69 per share). We believe that this strategy provides the greatest long-term shareholder return among our investment alternatives. There will undoubtedly be some attractive asset investment opportunities in our industry over the next few years, but it is yet unknown to what magnitude these opportunities will be available. Many of our hotel REIT peers have followed the strategy of issuing stock at all-time low market prices, diluting their existing shareholders significantly, and hoping that significant investment opportunities will present themselves in the near future. This strategy has a significant amount of transaction risk associated with it. In contrast, we believe that by repurchasing our own assets today, through stock buybacks, we are taking advantage of the current trough values in hotels without having to rely on unpredictable capital and transaction markets going forward. At the same time, our current strategy does not preclude us from buying hard assets in the future if substantial lucrative opportunities present themselves.

While enduring one of the worst years for the lodging industry in history, we have strived to maximize shareholder value. As the U.S. economy recovers and resumes growth, so too will the lodging industry. Ashford will be well positioned to take advantage of the recovery. Our unique strategy separates us from our peers and we believe will propel us to outperform over the next several years.

Thank you for your continued investment in Ashford.

Sincerely,



Monty J. Bennett
Chief Executive Officer

Gallery



Capital Hilton
Washington, District of Columbia



Marriott Legacy Center
Plano, Texas



One Ocean
Atlantic Beach, Florida



Hilton Minneapolis Airport
Bloomington, Minnesota



Hyatt Regency Coral Gables
Coral Gables, Florida



Marriott Seattle Waterfront
Seattle, Washington



Hilton Tucson El Conquistador Golf Resort
Tucson, Arizona



Renaissance Tampa
Tampa, Florida



JW Marriott San Francisco
San Francisco, California



Sheraton San Diego Mission Valley
San Diego, California



Embassy Suites Dallas
Dallas, Texas



Residence Inn Lake Buena Vista
Orlando, Florida



Sheraton Anchorage
Anchorage, Alaska



Courtyard Philadelphia Downtown
Philadelphia, Pennsylvania



Hilton Fort Worth
Ft. Worth, Texas



Hilton La Jolla Torrey Pines
La Jolla, California



Courtyard Basking Ridge
Basking Ridge, New Jersey



Courtyard Seattle Downtown
Seattle, Washington



Embassy Suites Portland – Downtown
Portland, Oregon



Hilton Santa Fe
Santa Fe, New Mexico



Marriott Crystal Gateway
Arlington, Virginia



Residence Inn Las Vegas
Las Vegas, Nevada



Hilton St. Petersburg
St. Petersburg, Florida



Sheraton Minneapolis West
Minnetonka, Minnesota

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Asset Management

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Babcock & Brown Residential LLC

Corporate Information

Corporate Office
Ashford Hospitality Trust, Inc.
14185 Dallas Parkway, Suite 1100
Dallas, Texas 75254
Telephone: (972) 490-9600
www.ahtreit.com

Registrar and Transfer Agent
Computershare Trust Company, N.A.
Canton, Massachusetts

Independent Auditors
Ernst & Young LLP
Dallas, Texas

Legal Counsel
Andrews Kurth LLP
Dallas, Texas

**Annual Report on Form 10-K/
Investor Contact**
A copy of the Ashford Hospitality Trust
Annual Report on Form 10-K for fiscal
2009, filed with the Securities and
Exchange Commission on March 2, 2010,
is included with this report. Additional
copies of the report and copies of the
exhibits referenced therein are available
from the Company. Requests for these
items and other investor contacts
should be directed to Tripp Sullivan
of Corporate Communications, Inc.
at (615) 324-7318.

Certifications by Management
As required by the NYSE listing
standards, Monty Bennett, our Chief
Executive Officer, certified on June 19,
2009, that he was not aware of any
violation by the Company of NYSE
corporate governance listing standards.
The certifications required by Section
303A of the Sarbanes-Oxley Act were
filed with the SEC on March 2, 2010,
as an exhibit to our Annual Report on
Form 10-K.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws. Ashford Hospitality Trust, Inc. (the "Company" or "we" or "our") cautions investors that any forward-looking statements presented herein, or which management may make orally or in writing from time to time, are based on management's beliefs and assumptions at that time. Throughout this report, words such as "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result," and other similar expressions, which do not relate solely to historical matters, are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. We caution investors that while forward-looking statements reflect our good faith beliefs at the time they are made, such statements are not guarantees of future performance and are impacted by actual events that occur after such statements are made. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events, or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

Some of the risks and uncertainties that may cause our actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, those discussed in our Annual Report on Form 10-K under the heading "Risk Factors." These risks and uncertainties continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment where new risk factors emerge from time to time. It is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Annual Meeting

The annual meeting of shareholders will be held on May 18, 2010, at 10:00 a.m. (local time) at the Marriott Plano at Legacy Tower Center, 7120 Dallas Parkway, Plano, Texas. Shareholders of record as of the close of business on March 10, 2010, will be entitled to vote at this meeting.

Common Stock and Dividend Information

The common stock of Ashford Hospitality Trust is traded on the New York Stock Exchange under the symbol AHT. The table below sets forth for the indicated periods the high and low sales prices for our common stock, as traded on that exchange, for the past two fiscal years. At March 10, 2010, there were approximately 8,800 shareholders based on the number of record holders of the Company's common stock and an estimate of the number of individual participants represented by security position listings.

	2009	
	High	Low
First Quarter	\$ 1.90	\$ 0.90
Second Quarter	\$ 4.45	\$ 1.50
Third Quarter	\$ 4.23	\$ 2.47
Fourth Quarter	\$ 5.31	\$ 3.08

	2008	
	High	Low
First Quarter	\$ 7.35	\$ 5.16
Second Quarter	\$ 6.45	\$ 4.52
Third Quarter	\$ 5.34	\$ 3.08
Fourth Quarter	\$ 4.07	\$ 0.86



The premier capital provider to the hospitality industry™