

## Nontraded REIT Industry Review: Third Quarter 2014



## Inland American Real Estate Trust, Inc.

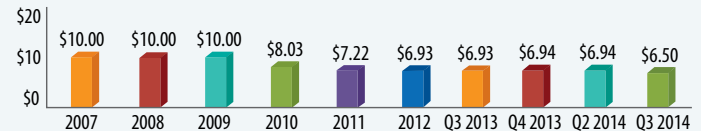
Total Assets .....	\$8,281.8 Million
Real Estate Assets .....	\$7,302.2 Million
Cash .....	\$348.8 Million
Securities .....	\$139.2 Million
Other .....	\$491.7 Million



Cash to Total Assets Ratio: .....	4.2%
Asset Type: .....	Diversified
Number of Properties: .....	203
Square Feet / Units / Rooms / Acres: .....	23.6 Million Sq. Ft.; 12,797 Rooms; 8,313 Beds
Percent Leased (Retail Only): .....	93%
Weighted Average Lease Term Remaining: .....	5.8 Years
LifeStage: .....	Maturing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	861,627,855

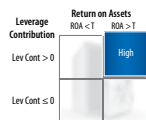
Initial Offering Date: .....	August 31, 2005
Offering Close Date: .....	April 6, 2009
Current Price per Share: .....	\$6.50
Reinvestment Price per Share: .....	Suspended
Cumulative Capital Raised during Offering (including DRP): .....	\$8,325.0 Million

## Historical Price



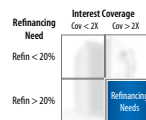
## Performance Profiles

## Operating Performance



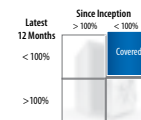
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

## Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

## Cumulative MFFO Payout



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

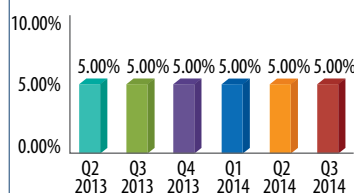
## Summary

The REIT's average return on assets for the last four quarters was 5.50%, well above the yield on 10-year Treasuries of 2.64%, providing a significant additional return. It had a positive leverage contribution due to its 4.83% estimated average cost of debt and 50% debt ratio. However, about 13% of the REIT's debt matures within two years and 30% is at unhedged variable rates, indicating some refinancing needed and potential interest rate risk. Its interest coverage ratio for the last four quarters at 3.2X was above the 2.0X benchmark. Since inception the REIT has paid out 64% of estimated MFFO in cash distributions excluding DRP, and this rate was 64% for the last four quarters, reflecting a sustainable and relatively stable cash payout rate over the last five years.

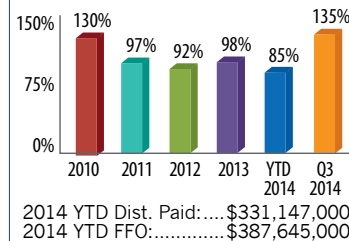
## Contact Information

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**Oak Brook, IL 60523**  
**800-826-8228**

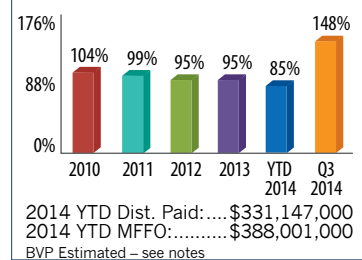
## Historical Distribution



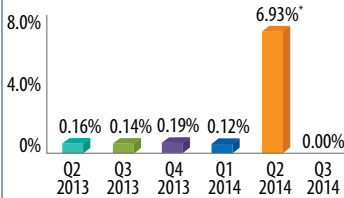
## Historical FFO Payout Ratio



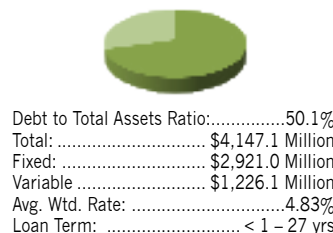
## Historical MFFO Payout Ratio



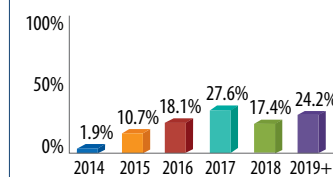
## Redemptions



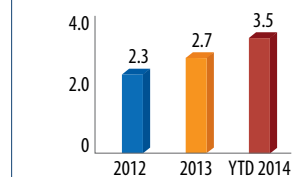
## Debt Breakdown



## Debt Repayment Schedule



## Interest Coverage Ratio



## Source of Distributions, Trends and Items of Note

- At September 30, 2014, the Company owned a portfolio of 203 properties, in which the operating activity is reflected in continuing operations on the consolidated statements of operations and comprehensive income for the three and nine months ended September 30, 2014 and 2013.
- On May 1, 2014, the Company accepted for purchase 60,665,233 shares of common stock at a purchase price (without brokerage commissions) of \$6.50 per share, for an aggregate purchase price of \$394,300, excluding fees and expenses relating to the Offer. The 60,665,233 shares accepted for purchase in the Offer represented approximately 6.61% of the issued and outstanding shares of common stock at the time of purchase.
- On November 17, 2014, the Company completed the sale of the Company's suburban select service hotel portfolio consisting of 52 properties and certain hotel related assets to IHP I Owner JV, LLC, IHP West Homestead (PA) Owner LLC, and/or certain of their respective affiliated assignees for approximately \$1.071 billion in cash.
- During 3Q 2014 the Company acquired a shopping center in Edmond, Oklahoma, for \$33.7 million.
- On August 12, 2014, in connection with the potential Spin-Off, the REIT announced that its board of directors voted to suspend the distribution reinvestment plan until further notice. The board voted to suspend the share repurchase program on January 29, 2014, and it remains suspended.
- The REIT's Cash to Total Assets ratio increased slightly to 4.2% as of 3Q 2014 compared to 4.0% as of 3Q 2013.
- The REIT's Debt to Total Assets ratio decreased slightly to 50.1% as of 3Q 2014 compared to 50.6% as of 3Q 2013.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$51.3 million of its variable rate debt as of September 30, 2014.
- The Company does not use Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA"). The MFFO figures above are Blue Vault Partners estimates.
- The Company paid monthly cash distributions to stockholders which totaled in the aggregate \$331.147 million for the nine months ended September 30, 2014. The distributions paid for the nine months ended September 30, 2014 were funded from cash flow from operations of \$325.655 million, distributions from unconsolidated joint ventures and gains on sale of properties.