

Nontraded REIT Industry Review: First Quarter 2012



Apple REIT Nine Inc.

Total Assets.....	\$1,676.1 Million
Real Estate Assets ..	\$1,634.5 Million
Cash.....	\$2.8 Million
Securities	\$0.0 Million
Other.....	\$38.8 Million



Initial Offering Date:April 25, 2008
 Offering Close Date: December 9, 2010
 Current Price per Share:\$11.00
 Reinvestment Price per Share:\$11.00

Cash to Total Assets Ratio:0.2%
 Asset Type:Hospitality
 Number of Properties:88
 Square Feet / Units / Rooms / Acres: 11,252 Rooms
 Percent Leased:70%
 LifeStage..... Liquidating
 Investment StyleCore

Historical Price



Redemptions

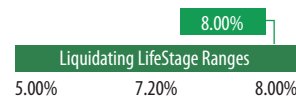
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:.....0.83%

Program Open

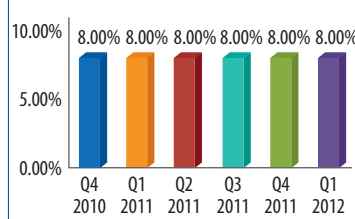
Redemptions Year to Date: 1,507,187
 Wtd. Avg. Shares Outstanding: 182,361,000

Current Distribution

Current Distribution Yield: ... 8.00%



Historical Distribution

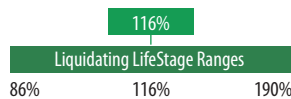


Contact Information

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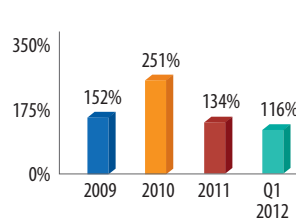
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 116%



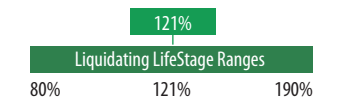
YTD Distributions Paid: . \$40,104,000
 YTD FFO: \$34,702,000

Historical FFO Payout Ratio



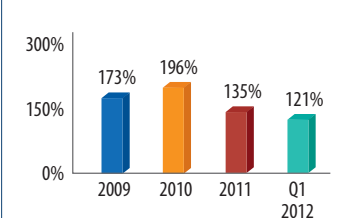
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ...121%

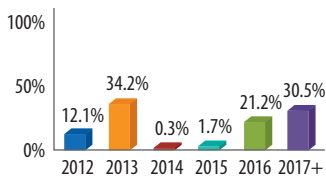


YTD Distributions Paid: \$40,104,000
 YTD MFFO: \$33,201,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio

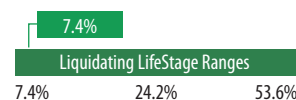


Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: 7.4%



Debt Breakdown

Total: \$123.4 Million
 Fixed: \$123.4 Million
 Variable:\$0.0 Million
 Avg. Wtd. Rate: 5.20% – 6.90%
 Term:N/A

Interest Coverage Ratio

YTD Interest Coverage Ratio: .. 19.6



Adjusted EBITDA: \$30,842,000
 Interest Expense: \$1,576,000

Lease Expirations

Not Reported

Trends and Items of Note

- On April 27, 2012, one of the Company's subsidiaries completed the sale of 110 parcels of land in the Ft. Worth, Texas area, with all associated improvements and rights owned by the Company. The purchase price for the Land was \$198.4 million. The Company has concluded that it will not use all cash proceeds from the sale of the Land for operating purposes and approved a special distribution of \$0.75 per unit, to be paid to shareholders of record on May 11, 2012.
- In view of the Special Distribution, the Company's board of directors changed the annualized distribution rate from \$0.88 per unit (or 8.0% annually based on a liquidation preference of \$11.00) to \$0.83 per unit (or 8.1% annually based on a liquidation preference of \$10.25). Additionally, the purchase price per unit under the Company's dividend reinvestment plan has been adjusted by the amount of the Special Distribution (from \$11.00 to \$10.25), and the purchase price per Unit under the Company's redemption program has been adjusted by the amount of the Special Distribution (from \$11.00 to \$10.25 for the maximum purchase price, based on the original purchase price and length of time such Units have been held by the shareholder).
- The interest coverage ratio decreased significantly to 19.6X compared to 28.7X as of Q1 2011.
- On April 18, 2012, the Company, and the other Apple REIT Companies, served a motion to dismiss the consolidated complaint in the In re Apple REITs Litigation. The Company and the other Apple REIT Companies accompanied their motion to dismiss the consolidated complaint with a memorandum of law in support of their motion to dismiss the consolidated complaint. As noted above, the briefing for any motion to dismiss is expected to be concluded by June 18, 2012.
- MFFO is company reported and Blue Vault Partners did not identify additional adjustments.
- See additional notes on page 73 for information regarding the source of distributions.