

# Nontraded REIT Industry Review: Second Quarter 2014



## Inland American Real Estate Trust, Inc.

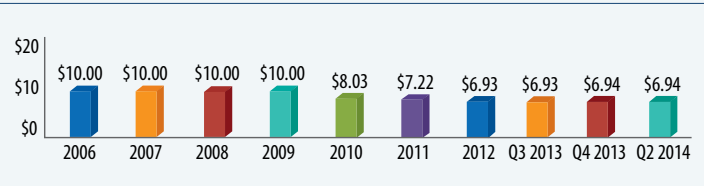
Total Assets	\$8,545.6 Million
Real Estate Assets	\$7,445.9 Million
Cash	\$364.2 Million
Securities	\$231.3 Million
Other	\$504.2 Million



Initial Offering Date:	August 31, 2005
Offering Close Date:	April 6, 2009
Current Price per Share:	\$6.94
Reinvestment Price per Share:	\$6.94
Cumulative Capital Raised during Offering (including DRP):	\$8,325.0 Million

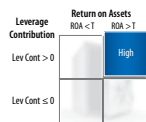
Cash to Total Assets Ratio:	4.3%
Asset Type:	Diversified
Number of Properties:	268
Square Feet / Units / Rooms / Acres:	24.4 Million Sq. Ft.; 19,927 Rooms; 8,313 Beds
Percent Leased (Retail Only):	92%
Weighted Average Lease Term Remaining:	Not Available
LifeStage:	Maturing
Investment Style:	Core
Weighted Average Shares Outstanding:	876,951,378

### Historical Price



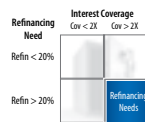
### Performance Profiles

#### Operating Performance



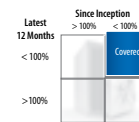
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### 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.

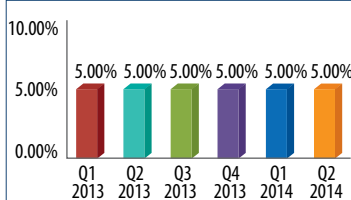
#### Summary

The REIT's return on assets for the last four quarters was 5.79%, well above the yield on 10-Year Treasuries of 2.50%, providing a significant additional return. It had a positive leverage contribution due to its 4.89% estimated average cost of debt and 51% debt ratio. However, about 20% of the REIT's debt matures within two years and 30% is at unhedged variable rates, indicating both significant refinancing need and potential interest rate risk. Its interest coverage ratio for the last four quarters at 3.0X was above the 2.0X benchmark. Since inception the REIT has paid out 63% of MFFO in cash distributions excluding DRP and this rate was 54% for the last four quarters, reflecting a sustainable and relatively stable cash payout rate over the last five years.

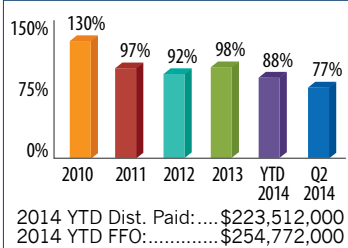
### Contact Information

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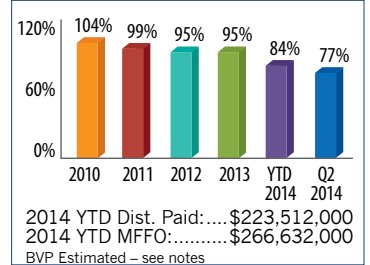
### Historical Distribution



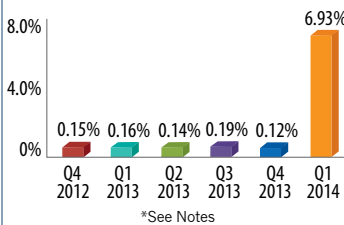
### Historical FFO Payout Ratio



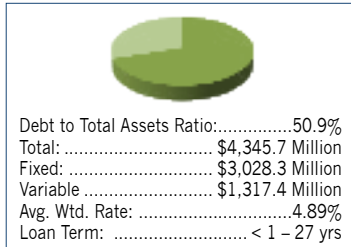
### Historical MFFO Payout Ratio



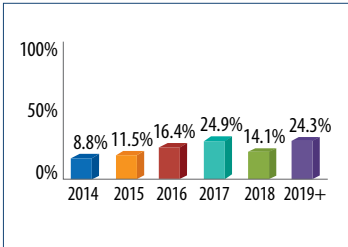
### Redemptions



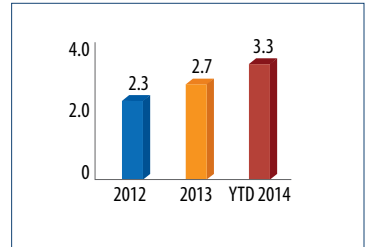
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- The Board of Directors voted to suspend the SRP on January 29, 2014. While the board previously expected to be in a position to reinstate the SRP later this year, in light of recent developments related to the potential Spin-Off of Xenia, the SRP will remain suspended.
- On May 1, 2014, the REIT accepted for purchase 60,665,233 shares of its common stock at a purchase price (without brokerage commissions) of \$6.50 per share, for an aggregate cost of approximately \$394.3 million, excluding fees and expenses relating to the tender 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 as of April 30, 2014.
- During 2Q 2014 the Company did not acquire properties. The Company sold 13 properties for a total of \$233.3 million.
- On August 11, 2014, Xenia Hotels and Resorts, Inc. a wholly-owned subsidiary of Inland American, formerly known as Inland American Lodging Group, Inc., filed a preliminary registration statement with the SEC related to its potential Spin-Off into a new, publicly-traded lodging REIT. If the proposed Spin-Off is consummated, Xenia would become a self-managed REIT and apply to list its shares of common stock on the New York Stock Exchange, under the symbol "XHR".
- The REIT's Cash to Total Assets ratio increased to 4.3% as of 2Q 2014 compared to 3.0% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio decreased to 50.9% as of 2Q 2014 compared to 53.7% as of 2Q 2013.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$106.5 million of its variable rate debt as of June 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 \$223.5 million for the six months ended June 30, 2014. The distributions paid for the six months ended June 30, 2014 were funded from cash flow from operations of \$198.9 million, distributions from unconsolidated joint ventures and gains on sale of properties.