



FOR IMMEDIATE RELEASE  
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### **Apple REIT Eight, Inc. Reports Results for the Third Quarter of 2011**

**Richmond – November 14, 2011** – Apple REIT Eight, Inc. (“Apple Eight”), a real estate investment trust (REIT) that owns 51 Marriott®- and Hilton®-branded hotels, has reported results of operations for the third quarter of 2011 on its form 10-Q filed with the Securities and Exchange Commission (SEC). Apple Eight encourages the review of all of the Company’s filings with the SEC, including the third quarter 2011 10-Q, which are available online at [www.applereiteight.com](http://www.applereiteight.com) or [www.sec.gov](http://www.sec.gov).

Highlights include:

- Funds from operations (FFO) for the third quarter of 2011 totaled \$16.1 million, or \$0.17 per share, an increase of four percent as compared to FFO achieved during the same period of 2010 of \$14.5 million, or \$0.15 per share, excluding a \$1.1 million net gain on debt extinguished in the third quarter of 2011. For the nine-month period ending September 30, 2011, FFO totaled \$36.8 million, or \$0.39 per share, an increase of approximately three percent as compared to results from the same period last year, excluding a \$3 million one-time gain on sale of stock in the first quarter of 2010 and a \$1.1 million net gain on debt extinguished in the third quarter of 2011.<sup>1</sup>
- Net income was \$7.1 million for the third quarter of this year, or \$0.08 per share, as compared to \$5.7 million, or \$0.06 per share for the same period in 2010. Net income for the nine-month period ending September 30, 2011 was \$9.8 million, or \$0.10 per share, as compared to \$11.5 million, or \$0.12 per share, for the same nine-month period of 2010.
- For the three- and nine-month periods ending September 30, 2011, our hotels reported an average occupancy of 78 percent and 74 percent, average daily rate (ADR) of \$118 and \$113, and revenue per available room (RevPAR) of \$92 and \$84, respectively. As compared to results for the same nine-month period of 2010, the average occupancy rate was up approximately three percent, ADR increased by approximately one percent and RevPAR was up by approximately four percent.
- At September 30, 2011, Apple Eight’s debt level was less than 23 percent of the Company’s total initial capitalization, which is well below industry averages. In October 2011, the Company strategically repositioned a portion of this debt into a more long-term, effective structure. In the third quarter of 2011, the Company successfully renegotiated and reinstated or extinguished all of the loans that had been placed with a special servicer earlier this year. The Company strategically defaulted on these loans in an effort to increase shareholder value. Net savings were in excess of \$1 million.
- The Company’s Board of Directors decreased the annualized distribution rate from \$0.77 per share to \$0.55 per share. This decrease began with Apple Eight’s July 15, 2011 distribution payment.

#### **About Apple REIT Eight, Inc.**

Apple REIT Eight, Inc. is a real estate investment trust (REIT) focused on the ownership of hotels that generate attractive returns for our shareholders. Our hotels operate under the Courtyard® by Marriott®, Fairfield Inn & Suites® by Marriott®, Renaissance® Hotels, Residence Inn® by Marriott®, SpringHill Suites® by Marriott®, TownePlace Suites® by Marriott®, Marriott® Hotels & Resorts, Homewood Suites by Hilton®, Hilton Garden Inn®, Hampton Inn® and Hampton Inn & Suites® brands. Our portfolio consists of 51 hotels, containing a total of 5,910 guestrooms in 19 states. Apple Eight is a premier real estate investment company committed to providing maximum value for our shareholders. David Lerner Associates, Inc. served as the managing broker dealer in the sales of the Company’s shares.

## Disclosures

Certain statements contained in this press release other than historical facts may be considered forward-looking statements. These forward-looking statements are predictions and generally can be identified by use of statements that include phrases such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “foresee,” “looking ahead,” “is confident,” “should be,” “will,” “predicted,” “likely” or other words or phrases of similar import. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Apple Eight to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the ability of Apple Eight to implement its operating strategy; Apple Eight’s ability to manage planned growth; the outcome of current and future litigation and regulatory proceedings or inquiries; changes in economic cycles, and competition within the hotel industry. Although Apple Eight believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore there can be no assurance that such statements included in this press release will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by Apple Eight or any other person that the results or conditions described in such statements or the objectives and plans of Apple Eight will be achieved. In addition, Apple Eight’s qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code. Certain factors that could cause actual results to differ materially from these forward-looking statements are listed from time to time in Apple Eight’s SEC reports, including, but not limited to, in the section entitled “Item 1A. Risk Factors” in the Annual Report on Form 10-K filed by Apple Eight with the SEC on March 11, 2011. Any forward-looking statement speaks only as of the date of this news release and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise.

<sup>4</sup>Funds from operations (FFO) is defined as net income (computed in accordance with generally accepted accounting principles – GAAP) excluding gains and losses from sales of depreciable property plus depreciation and amortization. The Company considers FFO in evaluating operating performance and believes FFO should be considered along with, but not as an alternative to, net income and cash flows as a measure of the Company’s activities in accordance with GAAP. FFO is not necessarily indicative of cash available to fund cash needs.

Below is a reconciliation of FFO to net income as reported in the Company’s third quarter 2011 10-Q:

(in thousands except per share amounts)	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Net Income	\$ 7,137	\$ 5,661	\$ 9,802	\$ 11,461
Depreciation of real estate owned	8,961	8,791	26,990	26,190
Funds from operations (FFO)	<u>\$ 16,098</u>	<u>\$ 14,452</u>	<u>\$ 36,792</u>	<u>\$ 37,651</u>
Net income per share	\$ 0.08	\$ 0.06	\$ 0.10	\$ 0.12
FFO per share	\$ 0.17	\$ 0.15	\$ 0.39	\$ 0.40

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