



Sotherly Hotels Inc. Announces Dividend Tax Treatment

Company Release - 2/2/2017 2:35 PM ET

WILLIAMSBURG, Va., Feb. 02, 2017 (GLOBE NEWSWIRE) – Sotherly Hotels Inc. (NASDAQ:SOHO) (the “Company”) today announced the estimated income tax classification of the Company’s 2016 distributions on its common shares (CUSIP #83600C103) and preferred shares (CUSIP #83600C301). The income tax classification of the 2016 distributions as it is expected to be reported on Form 1099-DIV is set forth in the following table:

Type of Dividend	Record Date	Payment Date	Per Common Share	Ordinary Dividend	Return of Capital
Common	12/15/2015	01/11/2016	0.080000	0.058836	0.021164
Common	03/15/2016	04/11/2016	0.085000	0.062513	0.022487
Common	06/15/2016	07/11/2016	0.090000	0.066190	0.023810
Common	09/15/2016	10/11/2016	0.095000	0.069867	0.025133
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			0.350000	0.257406	0.092594
			100.0000%	73.5446%	26.4554%
Type of Dividend	Record Date	Payment Date	Per Common Share	Ordinary Dividend	Return of Capital
Preferred	09/30/2016	10/17/2016	0.211111	0.155260	0.055850
Preferred	12/30/2016	01/17/2017	0.500000	0.367723	0.132277
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			0.711111	0.522983	0.188127
			100.0000%	73.5446%	26.4554%

No portion of the dividends declared in 2016 represented foreign taxes or qualified dividend income. Record holders of the Company's common shares who received any of the dividends specified in the table above will receive an Internal Revenue Service (IRS) Form 1099-DIV from American Stock Transfer & Trust Company, the Company's dividend paying agent. The Form 1099-DIV will report the dividends paid with respect to 2016. Shareholders whose shares are held in "street name" will receive an IRS Form 1099 from the bank, brokerage firm or other nominee holding their shares. The common share dividend declared for shareholders of record as of December 15, 2016, and payable on January 11, 2017, will be reported on shareholders' IRS Form 1099-DIV for the 2017 tax year.

The information in the table above is based on the preliminary results of work on the tax filings of the Company and is subject to correction or adjustment when the filings are completed. No material change in these classifications is expected. The tax information above should not be construed as tax advice and is not a substitute for careful tax planning and analysis. Shareholders are encouraged to consult with their own tax advisors regarding the specific federal, state, local, foreign and other tax consequences of ownership of the common shares of Sotherly Hotels Inc. and the specific tax treatment of distributions therefrom.

About Sotherly Hotels Inc.

Sotherly Hotels Inc. is a self-managed and self-administered lodging REIT focused on the acquisition, renovation, upbranding and repositioning of upscale and upper-upscale full-service hotels in the Southern United States. Currently, the Company's portfolio consists of investments in twelve hotel properties, comprising 3,011 rooms, and an interest in the Hyde Resort & Residences, a 400-unit luxury condo-hotel. Most of the Company's properties operate under the Hilton Worldwide, InterContinental Hotels Group and Marriott International, Inc. brands. Sotherly Hotels Inc. was organized in 2004 and is headquartered in Williamsburg, Virginia. For more information, please visit www.sotherlyhotels.com.



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