



FOR IMMEDIATE RELEASE
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Apple REIT Seven, Inc. Provides Outlook for 2011

Richmond - July 1, 2011 – Apple REIT Seven, Inc. (“Apple Seven”), a real estate investment trust (REIT) that owns 51 Marriott®- and Hilton®-branded hotels, today provided an outlook for the 12-month period ending December 31, 2011. Apple Seven encourages the review of all of the Company’s filings with the Securities and Exchange Commission which are available online at www.applereitseven.com or www.sec.gov.

- The current annualized distribution rate is seven percent, or \$0.77 per share based on an \$11 share price. For the six-month period ending June 30, 2011, the Company paid \$35.3 million in shareholder distributions. Since its inception, Apple Seven has paid \$336.2 million in shareholder distributions, or approximately \$4.38 per share to those who have been shareholders of the Company since the time of the initial closing.
- Since the Apple Seven fund was closed to new investors in July 2007, the Company has received approximately \$98.8 million through its Dividend Reinvestment Program (DRIP) and redeemed approximately \$90.4 million through its Unit Redemption Program.
- Apple Seven paid a total of approximately \$8 million in shareholder redemptions for its regularly scheduled redemption date in April 2011 and plans to pay an additional \$8 million in shareholder redemptions on its next regularly scheduled redemption date of July 20, 2011.
- Since the acquisition of its 51 hotels, the Company has invested approximately \$56 million in capital improvements to the properties.

Based on hotel industry trends, relative to the markets our hotels are located in, Apple Seven anticipates for 2011:

- Revenue per available room (RevPAR) to increase by three-to-seven percent as compared to 2010 results.
- Funds from operations (FFO) for the year ending December 31, 2011 of \$58 to \$63 million, or approximately \$0.63 to \$0.69 per share and net income for the year ended December 31, 2011 of approximately \$24 to \$29 million, or approximately \$0.26 to \$0.31 per share.¹
- Apple Seven expects debt levels to remain at or below \$190 million, or an average debt to total initial capitalization ratio of approximately 17 percent. This amount is well below average debt levels for the hotel industry.

Apple Seven will provide complete financial results in its 10Q which the Company anticipates filing with the Securities and Exchange Commission at the beginning of August 2011.

About Apple REIT Seven, Inc.

Apple REIT Seven, 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® by Marriott®, Fairfield Inn & Suites® by Marriott®, Residence Inn® by Marriott®, SpringHill Suites® by Marriott®, TownePlace Suites® by Marriott®, Marriott® Hotels & Resorts, Homewood Suites by Hilton®, Hilton Garden Inn® and Hampton Inn® brands. Our portfolio consists of 51 hotels, containing a total of 6,426 guestrooms in 18 states. Apple Seven is a premier real estate investment company committed to providing maximum value for our shareholders.

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 Seven 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 Seven to implement its operating strategy; Apple Seven’s ability to manage planned growth; changes in economic cycles, and competition within the hotel industry. Although Apple Seven 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 Seven or any other person that the results or conditions described in such statements or the objectives and plans of Apple Seven will be achieved. In addition, Apple Seven’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 Seven’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 Seven with the SEC on March 8, 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.

⁴Funds 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. The difference in projected FFO and projected net income is projected depreciation of approximately \$33 to \$34 million for the year ending December 31, 2011.

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