

Corporate Profile

Apple REIT Nine, Inc. is a real estate investment trust (REIT) focused on the acquisition and ownership of income-producing real estate that generates attractive returns for our shareholders. Our hotels operate under the Courtyard® by Marriott®, Fairfield Inn® by Marriott®, Fairfield Inn & Suites® by Marriott®, Marriott® Hotels & Resorts, Residence Inn® by Marriott®, SpringHill Suites® by Marriott®, TownePlace Suites® by Marriott®, Embassy Suites Hotels®, Home2 Suites by Hilton®, Homewood Suites by Hilton®, Hilton®, Hilton Garden Inn®, Hampton Inn® and Hampton Inn & Suites® brands. As of November 9, 2011, the Apple REIT Nine portfolio consisted of 87 hotels with 11,106 guestrooms in 27 states and 110 parcels of land leased to a third party.

Mission

Apple REIT Nine, Inc. is a premier real estate investment company committed to providing maximum value for our shareholders.

COVER: COURTYARD, BRISTOL, VA

This quarterly report contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include: the availability and terms of financing; changes in national, regional and local economies and business conditions; competitors within the hotel industry; the outcome of current and future litigation and regulatory proceedings or inquiries; and the ability of the company to implement its acquisition strategy and operating strategy and to manage planned growth.

In addition, the timing and amounts of distributions to common shareholders are within the discretion of the company's board of directors. Although the company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate; therefore, there can be no assurance that such statements included in this quarterly report 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 the company or any other person that the results or conditions described in such statements or the objectives and plans of the company will be achieved.

"Courtyard® by Marriott," "Fairfield Inn® by Marriott," "Fairfield Inn & Suites® by Marriott," "Marriott®," "Residence Inn® by Marriott," "SpringHill Suites® by Marriott" and "TownePlace Suites® by Marriott" are each a registered trademark of Marriott International, Inc. or one of its affiliates. All references to "Marriott" mean Marriott International and all of its affiliates and subsidiaries, and their respective officers, directors, agents, employees, accountants and attorneys. Marriott is not responsible for the content of this correspondence, whether relating to the hotel information, operating information, financial information, Marriott's relationship with Apple REIT Nine, Inc. or otherwise. Marriott is not involved in any way whether as an "issuer" or "underwriter" or otherwise in the Apple REIT Nine offering and receives no proceeds from the offering. Marriott has not expressed any approval or disapproval regarding this correspondence, and the grant by Marriott of any franchise or other rights to Apple REIT Nine shall not be construed as any expression of approval or disapproval. Marriott has not assumed and shall not have any liability in connection with this report.

"Embassy Suites Hotels®," "Hampton Inn®," "Hampton Inn & Suites®," "Hilton®," "Hilton Garden Inn®," "Home2 Suites by Hilton®," and "Homewood Suites by Hilton®" are each a registered trademark of Hilton Worldwide or one of its affiliates. All references to "Hilton" mean Hilton Worldwide and all of its affiliates and subsidiaries, and their respective officers, directors, agents, employees, accountants and attorneys. Hilton is not responsible for the content of this correspondence, whether relating to hotel information, operating information, financial information, Hilton's relationship with Apple REIT Nine, Inc., or otherwise. Hilton is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Apple REIT Nine offering and receives no proceeds from the offering. Hilton has not expressed any approval or disapproval regarding this correspondence, and the grant by Hilton of any franchise or other rights to Apple REIT Nine shall not be construed as any expression of approval or disapproval. Hilton has not assumed and shall not have any liability in connection with this report.

Market Diversity

STATE / CITY	Portfolio of hotels
ALABAMA	Dothan, Troy
ALASKA	Anchorage
ARIZONA	Chandler (2), Phoenix (2), Tucson (2)
ARKANSAS	Rogers (2)
CALIFORNIA	Clovis (2), Santa Ana, San Bernardino, Santa Clarita (4)
COLORADO	Pueblo
FLORIDA	Fort Lauderdale, Miami, Orlando (2), Panama City, Panama City Beach, Tampa
GEORGIA	Albany
IDAHO	Boise
ILLINOIS	Mettawa (2), Schaumburg, Warrenville
INDIANA	Indianapolis, Mishawaka
LOUISIANA	Alexandria, Baton Rouge, Lafayette (2), West Monroe
MARYLAND	Silver Spring
MASSACHUSETTS	Andover
MICHIGAN	Novi
MINNESOTA	Rochester

STATE / CITY	Portfolio of hotels
MISSISSIPPI	Hattiesburg
MISSOURI	Kansas City, St. Louis (2)
NEW JERSEY	Mt. Laurel, West Orange
NORTH CAROLINA	Charlotte, Durham, Fayetteville, Holly Springs, Jacksonville
OHIO	Cleveland/Twinsburg
OKLAHOMA	Oklahoma City
PENNSYLVANIA	Malvern, Collegeville, Pittsburgh
TENNESSEE	Jackson (2), Johnson City, Nashville
TEXAS	Arlington, Austin (5), Austin/Round Rock, Beaumont, Dallas, Dallas/Allen (2), Dallas/Duncanville, Dallas/Lewisville, Fort Worth, Frisco, Grapevine, Houston, Irving, Texarkana
UTAH	Salt Lake City
VIRGINIA	Alexandria, Bristol, Manassas

CORPORATE HEADQUARTERS

814 East Main Street
 Richmond, Virginia 23219
 (804) 344-8121
 (804) 344-8129 FAX
www.applereitnine.com

INVESTOR INFORMATION

For additional information about the company, please contact: Kelly Clarke,
 Director of Investor Services
 (804) 727-6321 or
kclarke@applereit.com



Dear Shareholder



GLADE M. KNIGHT

I am pleased to report that the Apple REIT Nine, Inc. portfolio of hotels achieved for the three- and nine-month periods ending September 30, 2011, an average occupancy of 72 percent and 71 percent, an average daily rate (ADR) of \$107 and \$108, and revenue per available room (RevPAR) of \$78 and \$76, respectively. Our hotels are diversified across 27 states and although the strength of recovery and ramp-up have varied by market, we are generally very pleased with the performance of our hotels during this initial stage of ownership. Despite minimal improvement in our nation's economy since the recession, hotel industry analysts report increases in demand for hotel rooms due in part to the relatively small number of new hotels entering the supply side. As these lodging fundamentals further improve, we are optimistic operations among our hotels will continue to strengthen.

Modified funds from operations (MFFO) for the three- and nine-month periods ending September 30, 2011, totaled \$31.8 million, or \$0.17 per share, and \$93.2 million, or \$0.51 per share. Based on current trends within our markets, we remain on track to achieve anticipated MFFO for the year ending December 31, 2011, of \$112 to \$125 million, or approximately \$0.61 to \$0.68 per share, and net income of approximately \$59 to \$72 million, or \$0.32 to \$0.39 per share. The annualized distribution rate is \$0.88 per share. We closely monitor our annualized distribution rate, taking into account varying economic cycles and capital improvements as well as current and projected hotel performance, and may make adjustments as needed, based on available cash resources.

Since the time of Apple REIT Nine's first distribution payment through September 30, 2011, we have paid approximately \$309 million to shareholders—\$2.93 per share—and achieved MFFO of approximately \$191 million and net income of approximately \$91 million.^(A) The Company has strategically invested approximately \$28 million in capital improvements, maintaining the exceptional quality for which the Marriott® and Hilton® brands are known, and today our balance sheet remains among the strongest in our industry, with approximately six percent debt as compared to our total initial capitalization.

The Company currently owns 410 acres of land in the Ft. Worth, TX area that includes 110 sites that are leased to a third party for the production of natural gas. As we continually monitor the profitability of our real estate in an effort to maximize shareholder value, with the approval of our Board of Directors, we have entered into an agreement for the potential sale of these sites at a return that based on current profitability would otherwise take several years to achieve. Certain conditions must be met before the transaction will be completed. If the Company is successful in this transaction, our remaining portfolio would reflect our core strategy of outstanding hospitality assets.

On October 6, 2011, the Company acquired a new 124-room TownePlace Suites® by Marriott® in Tucson, Arizona. With this purchase, our hospitality portfolio includes 87 hotels with 11,106 guestrooms in 27 states. With 43 acquisitions in 2010 and 10 acquisitions plus one new hotel opening in 2011, I believe Apple REIT Nine has entered the lodging marketplace at an opportune time. Thank you for your investment in our Company.

Sincerely,

Glade M. Knight,
Chairman and Chief Executive Officer

Statements of Operations (Unaudited)

(In thousands except statistical data)	Three months ended Sept. 30, 2011	Three months ended Sept. 30, 2010	Nine months ended Sept. 30, 2011	Nine months ended Sept. 30, 2010
REVENUES				
Room revenue	\$ 78,302	\$ 40,028	\$ 221,240	\$ 96,373
Other revenue	7,366	3,754	20,858	9,512
Total hotel revenue	\$ 85,668	\$ 43,782	\$ 242,098	\$ 105,885
EXPENSES				
Direct operating expense	\$ 21,992	\$ 11,845	\$ 61,317	\$ 29,160
Other hotel operating expenses	32,593	16,446	90,683	41,294
General and administrative	1,753	1,425	5,298	4,500
Acquisition related costs	75	4,626	4,423	10,126
Depreciation	12,311	7,334	35,787	18,725
Interest expense, net	1,310	263	3,043	567
Total expenses	\$ 70,034	\$ 41,939	\$ 200,551	\$ 104,372
NET INCOME				
Income from continuing operations	\$ 15,634	\$ 1,843	\$ 41,547	\$ 1,513
Income from discontinued operations	5,128	4,716	14,560	14,145
Net income	\$ 20,762	\$ 6,559	\$ 56,107	\$ 15,658
Income from continuing operations per share	\$ 0.08	\$ 0.02	\$ 0.23	\$ 0.02
Income from discontinued operations per share	0.03	0.03	0.08	0.11
Net income per share	\$ 0.11	\$ 0.05	\$ 0.31	\$ 0.13
MODIFIED FUNDS FROM OPERATIONS (A)				
Net income	\$ 20,762	\$ 6,559	\$ 56,107	\$ 15,658
Depreciation of real estate owned	12,511	7,934	37,187	20,483
Funds from operations	\$ 33,273	\$ 14,493	\$ 93,294	\$ 36,141
Straight-line rental income	(1,533)	(1,546)	(4,625)	(4,557)
Acquisition related costs	75	4,626	4,423	10,126
Modified FFO	\$ 31,815	\$ 17,573	\$ 93,092	\$ 41,710
FFO per share	\$ 0.18	\$ 0.10	\$ 0.51	\$ 0.29
Modified FFO per share	\$ 0.17	\$ 0.12	\$ 0.51	\$ 0.34
WEIGHTED-AVERAGE SHARES OUTSTANDING				
	182,769	144,264	182,337	124,054
OPERATING STATISTICS				
Occupancy	72%	70%	71%	67%
Average daily rate	\$ 107	\$ 104	\$ 108	\$ 103
RevPAR	\$ 78	\$ 73	\$ 76	\$ 69
Number of hotels	86	54		
Distributions per share	\$ 0.22	\$ 0.22	\$ 0.66	\$ 0.66

Balance Sheet Highlights (Unaudited)

(In thousands)	September 30, 2011	December 31, 2010
ASSETS		
Investment in real estate, net	\$1,454,865	\$1,461,922
Real estate held for sale	157,020	0
Cash and cash equivalents	61,402	224,108
Other assets	57,094	59,912
Total assets	\$1,730,381	\$1,745,942
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes payable	\$ 124,880	\$ 99,649
Other liabilities	13,828	12,254
Total liabilities	138,708	111,903
Total shareholders' equity	1,591,673	1,634,039
Total liabilities & shareholders' equity	\$1,730,381	\$1,745,942

(A) 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. Modified funds from operations (MFFO) excludes rental revenue earned, but not received during the period or (straight-line rent) and costs associated with the acquisition of real estate. The company considers FFO and MFFO in evaluating property acquisitions and its operating performance and believes that FFO and MFFO 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 and MFFO are not necessarily indicative of cash available to fund cash needs. The difference in net income and MFFO from January 2008 through September 2011 is depreciation of real estate owned of approximately \$86 million, acquisition related costs of approximately \$29 million and straight-line rental income of \$15 million.

The financial information furnished reflects all adjustments necessary for a fair presentation of financial position at September 30, 2011, and the results of operations for the interim periods ended September 30, 2011. Such interim results are not necessarily indicative of the results that can be expected for the full year. The accompanying financial statements should be read in conjunction with the audited financial statements and related notes appearing in the Apple REIT Nine, Inc. 2010 Annual Report.



FROM LEFT TO RIGHT, TOP TO BOTTOM: TOWNEPLACE SUITES, TUCSON, AZ; COURTYARD, ALEXANDRIA, LA; SPRINGHILL SUITES, ALEXANDRIA, VA; HILTON GARDEN INN, SCHAUMBURG, IL; RESIDENCE INN, SAN BERNARDINO, CA; HAMPTON INN & SUITES, ARLINGTON, TX