

ALLIED HOTEL PROPERTIES INC.

Immediate Release

April 15, 2002

ALLIED HOTEL PROPERTIES ANNOUNCES 2001 FINANCIAL RESULTS

Vancouver, B.C. – Allied Hotel Properties Inc. (“Allied”, stock symbol AHP) has reported its financial results for the year ended December 31, 2001.

Revenues were \$71.1 million and gross profit was \$37.4 million for the year, down from revenues of \$77.1 million and gross profit of \$40.6 million for the previous year. The reduction in both revenues and gross profit was due to the sales, noted below, along with the general decline in business experienced after the first quarter of 2001. Operating expenses totalled \$34.6 million, resulting in operating income of \$2.9 million, down from \$5.0 million for the previous year. The Company took a write-down of \$8.4 million in the carrying value of its hotel properties. Loss before income tax and non-controlling interest was \$6.9 million, an improvement over a loss of \$10.8 million in 2000. Loss for the year was \$7.0 million, compared to \$8.6 million for the previous year.

During the year, Allied sold a two-thirds interest in the Holiday Inn Vancouver downtown Hotel along with its 65.2% interest in the Delta Vancouver Suites hotel. These transactions resulted in gains of \$9.6 million and \$2.2 million, respectively. Net proceeds from the sales were used to repay long-term debt and amounts due to affiliated companies.

Subsequent to the year-end Allied entered into a binding agreement to sell its remaining one-third interest in the Holiday Inn Vancouver Downtown Hotel. Payment of \$2.0 million has been received from the purchaser, with the balance due no later than September 30, 2002.

Allied’s Annual General Meeting of Shareholders will be held at 10:00 am on Tuesday, June 11, 2002 in the Queen Anne Room, Crowne Plaza Hotel Georgia, Vancouver, B.C.

Allied is a hotel ownership and management company with properties in Greater Vancouver, Edmonton and Toronto. Its hotel portfolio currently consists of: Crowne Plaza Hotel Georgia, Crowne Plaza Chateau Lacombe, Crowne Plaza Toronto Don Valley Hotel, Vancouver Airport Conference Resort, Delta Vancouver Airport and Holiday Inn Vancouver Downtown Hotel. Interested parties can find further information at www.alliedhotels.com.

On behalf of the Board of Directors:

Ronald G. Erdman (signed)

Mr. Ronald G. Erdman
President and Chief Executive Officer

For more information please contact:

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THE CANADIAN VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT
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ALLIED HOTEL PROPERTIES INC.

Consolidated Balance Sheets

December 31, 2001 and 2000
(in thousands of dollars)

	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	\$ 179	\$ 3,638
Accounts receivable	2,281	2,846
Due from affiliated company	72	–
Inventories	482	799
Prepaid expenses	506	276
Land held for resale	–	11,326
Future income taxes	74	488
	3,594	19,373
Income-producing properties	118,059	174,432
Investments	916	1,319
Deferred costs, net of amortization	390	1,454
Future income taxes	4,566	2,828
	\$ 127,525	\$ 199,406
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,749	\$ 15,441
Current portion of deferred revenue	254	216
Current portion of long-term debt	3,532	17,853
Current portion of capital lease obligation	444	482
	16,979	33,992
Deferred revenue	2,212	1,799
Long-term debt	96,623	133,458
Capital lease obligation	557	894
Due to affiliated companies	–	13,279
Non-controlling interest	819	5,053
	117,190	188,475
Shareholders' equity:		
Share capital	29,868	29,868
Deficit	(19,533)	(18,937)
	10,335	10,931
	\$ 127,525	\$ 199,406

ALLIED HOTEL PROPERTIES INC.

Consolidated Statements of Operations and Deficit

Years ended December 31, 2001 and 2000

(in thousands of dollars)

	2001	2000
Revenues:		
Rooms	\$ 46,352	\$ 51,470
Food and beverage	19,880	20,721
Other	4,906	4,955
	<u>71,138</u>	<u>77,146</u>
Cost of sales:		
Rooms	14,842	16,657
Food and beverage	17,101	18,347
Other	1,774	1,557
	<u>33,717</u>	<u>36,561</u>
Gross profit	37,421	40,585
Operating expenses:		
Selling, general and administrative	22,707	22,601
Management fees	1,617	1,731
Taxes and insurance	4,787	5,713
Depreciation and amortization	5,458	5,506
	<u>34,569</u>	<u>35,551</u>
Operating income	2,852	5,034
Other expenses (income):		
Interest on long-term debt	9,527	11,304
Other interest	1,860	2,054
Equity in (income) loss of investees	(223)	40
Provision for diminution in value of income-producing property	8,400	-
Gain on sale of income producing property	(9,625)	-
Gain on sale of land held for resale	(152)	-
Provision for diminution in value of land held for resale	-	2,474
	<u>9,787</u>	<u>15,872</u>
Loss before income taxes and non-controlling interest	6,935	10,838
Income taxes (recovery):		
Current	172	(44)
Future	1,444	(1,264)
	<u>1,616</u>	<u>(1,308)</u>
Loss before non-controlling interest	8,551	9,530
Non-controlling interest	(1,501)	(931)
Loss for the year	7,050	8,599
Deficit, beginning of year	18,937	10,388
Deemed contribution by related party	(4,250)	-
Deemed contribution by related party	(2,204)	-
Deficit, end of year	<u>\$ 19,533</u>	<u>\$ 18,937</u>