

ALLIED HOTEL PROPERTIES INC.

Immediate Release

April 5, 2001

ALLIED HOTEL PROPERTIES ANNOUNCES 2000 FINANCIAL RESULTS

Vancouver, B.C. – Allied Hotel Properties Inc. (“Allied”, stock symbol AHP) has reported its financial results for the year ended December 31, 2000.

Revenues were \$77.1 million and gross profit was \$40.6 million for the year, up from revenues of \$65.3 million and gross profit of \$36.0 million for the previous year. Operating expenses totalled \$35.6 million, resulting in operating income of \$5.0 million, the same as the prior year. Operating income was negatively impacted by labour action at two of the Company’s hotels in the summer of 2000. The Company took a write-down of \$2.5 million in the carrying value of land held for resale which, was sold subsequent to the year-end, contributing to a net loss for the year of \$8.6 million.

Subsequent to the year-end Allied entered into a binding agreement to sell two-thirds of its interest in the Holiday Inn Vancouver Downtown Hotel. This sale is consistent with Allied’s strategy of diversifying its hotel exposure into markets other than the Greater Vancouver hotel market where a majority of the company’s hotels are located. The transaction will result in the payment of \$8 million to Allied upon closing of the sale, expected to occur no later than September 30, 2001, and lead to other opportunities with the purchaser which is a substantial offshore group with interest in the Canadian hospitality business.

Allied’s Annual General Meeting of shareholders will be held at 10 am on Monday, June 4, 2001 in the York Room, Crowne Plaza Hotel Georgia, Vancouver, B.C.

Allied is a growth oriented hotel ownership and management company with hotel 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, Delta Vancouver Suites, Delta Pacific Resort & Conference Centre, 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

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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, 2000 and 1999
(in thousands of dollars)

	2000	1999
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,638	\$ 948
Accounts receivable	2,846	2,831
Inventories	798	1,033
Prepaid expenses	276	450
Land held for resale	11,326	13,800
Future income taxes	503	—
	19,387	19,062
Income-producing properties	174,432	178,555
Investments	1,319	1,359
Deferred costs, net of amortization	1,454	1,324
Future income taxes	6,433	—
	\$ 203,025	\$ 200,300
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 15,441	\$ 11,024
Current portion of deferred revenue	216	228
Current portion of long-term debt	17,853	12,828
Current portion of capital lease obligation	482	403
Future income taxes	14	—
	34,006	24,483
Deferred revenue	1,799	1,932
Long-term debt	133,458	143,300
Capital lease obligation	894	1,172
Due to affiliated companies	13,279	6,279
Future income taxes	3,605	—
Deferred income taxes	—	711
Non-controlling interest	5,053	6,655
	192,094	184,532
Shareholders' equity:		
Share capital	29,868	28,642
Deficit	(18,937)	(12,874)
	10,931	15,768
	\$ 203,025	\$ 200,300

ALLIED HOTEL PROPERTIES INC.

Consolidated Statements of Operations and Deficit

Years ended December 31, 2000 and 1999
(in thousands of dollars)

	2000	1999
Revenues:		
Rooms	\$ 51,470	\$ 45,133
Food and beverage	20,722	15,977
Other	4,954	4,170
	77,146	65,280
Cost of sales:		
Rooms	16,657	13,602
Food and beverage	18,347	14,205
Other	1,557	1,463
	36,561	29,270
Gross profit	40,585	36,010
Operating expenses:		
Selling, general and administrative	22,601	18,667
Management fees	1,731	1,970
Taxes and insurance	5,713	4,995
Depreciation and amortization	5,506	5,409
	35,551	30,941
Operating income	5,034	5,069
Other expenses (income):		
Interest on long-term debt	11,304	10,488
Other interest	2,055	281
Equity in (income) loss of investees	40	(5)
Provision for diminution in value of land held for resale	2,474	—
	15,872	10,763
Loss before income taxes and non-controlling interest	10,838	5,694
Income taxes (recovery):		
Current	(44)	(341)
Future	(1,264)	—
Deferred	—	(131)
	(1,308)	(472)
Loss before non-controlling interest	9,530	5,222
Non-controlling interest	(931)	(393)
Net loss	8,599	4,829
Deficit, beginning of year		
As previously stated	12,874	8,045
Adjustment to reflect changes in accounting for Income taxes	(2,536)	—
As restated	10,338	8,045
Deficit, end of year	\$ 18,937	\$ 12,874