

ALLIED HOTEL PROPERTIES INC.

Immediate Release

November 8, 2000

ALLIED HOTEL PROPERTIES ANNOUNCES THIRD QUARTER 2000 FINANCIAL RESULTS

Vancouver, B.C. – Allied Hotel Properties Inc. (“Allied”, stock symbol AHP) has reported its financial results for the nine months ended September 30, 2000.

Revenues were \$59.9 million and gross profit was \$33.0 million for the nine months ending September 30, 2000, increasing by 22% from \$49.1 million and 17% from \$28.2 million, respectively, from the prior year period. Operating income of \$5.8 million was reported for the period, a decrease of 7% from \$6.3 million for the same period in 1999. The hospitality industry is historically cyclical, with average daily rates increasing for the third quarter from the first and second quarters. A strike at two of the Company’s hotels during the peak summer months had a negative impact on operating income. As a result, the third quarter of the year generated operating income of \$4.8 million compared to \$5.3 million for the third quarter of 1999.

Net loss for the period was \$2.3 million (2¢ per share), an increase of 13% compared to \$2.1 million (3¢ per share) for the first nine months of 1999. Higher interest expense and the strike at two hotels were primarily responsible for the increased loss.

Effective January 1, 2000, Allied adopted the new Canadian Institute of Chartered Accountants (“CICA”) new standard for accounting for income taxes. This standard was adopted retroactively without restating the financial statements of any prior periods. As a result, the company recorded an increase in retained earnings, with a corresponding increase in future income tax asset (net), of \$5.7 million as at January 1, 2000. This new policy also resulted in a significant recovery of future income taxes in the first nine months.

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:

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.

Unaudited Consolidated Balance Sheets
September 30, 2000 and December 31, 1999
Expressed in thousands of dollars

	2000		1999
	(Unaudited)		(Audited)
Assets			
Current assets:			
Cash and cash equivalents	\$ 673	\$	948
Accounts receivable	6,086		2,629
Income tax recoverable	-		202
Future income tax	90		-
Inventories	1,100		1,033
Prepaid expenses	603		450
Land held for resale	13,800		13,800
	22,352		19,062
Income-producing properties	175,245		178,555
Future income tax	11,044		-
Investments	1,339		1,359
Deferred costs, net of amortization	1,346		1,324
	\$ 211,326	\$	200,300
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 16,312	\$	11,024
Tax payable	215		-
Future income tax	1,108		-
Current portion of deferred revenue	134		228
Current portion of long-term debt	18,348		12,828
Current portion of capital lease obligation	403		403
	36,520		24,483
Due to affiliated companies	11,417		6,279
Deferred revenue	1,832		1,932
Long-term debt	132,012		143,300
Capital lease obligation	1,091		1,172
Deferred income tax	-		711
Future income tax	3,725		-
Non-controlling interest	5,346		6,655
	191,943		184,532
Shareholders' equity:			
Share capital	28,831		28,642
Deficit	(9,448)		(12,874)
	19,383		15,768
	\$ 211,326	\$	200,300

ALLIED HOTEL PROPERTIES INC.

Unaudited Consolidated Statement of Deficit

September 30, 2000 and December 31, 1999

Expressed in thousands of dollars

	2000	1999
	(Unaudited)	(Audited)
Deficit, beginning of period		
As previously stated	12,874	8,533
Adjustment to reflect changes in accounting for income taxes	5,753	–
Adjustment to reflect changes in accounting for depreciation	–	488
As restated	7,121	8,045
Net loss	2,327	4,829
Deficit, end of period	\$ 9,448	\$ 12,874

ALLIED HOTEL PROPERTIES INC.

Unaudited Consolidated Statement of Operations
Expressed in thousands of dollars

	Three months ended September 30		Nine months ended September 30	
	2000	1999	2000	1999
Revenues:				
Rooms	\$ 17,302	\$ 16,558	\$ 41,399	\$ 35,742
Food and beverage	4,823	3,910	14,835	10,403
Other	1,219	781	3,623	2,912
	<u>23,344</u>	<u>21,249</u>	<u>59,857</u>	<u>49,057</u>
Cost of sales:				
Rooms	4,661	4,047	12,548	10,126
Food and beverage	4,386	3,430	13,164	9,618
Other	395	386	1,185	1,075
	<u>9,442</u>	<u>7,863</u>	<u>26,897</u>	<u>20,819</u>
Gross profit	13,902	13,386	32,960	28,238
Operating expenses:				
Selling, general and administrative	5,991	4,796	17,445	13,096
Management fees	377	396	1,255	1,506
Taxes and insurance	1,392	1,075	4,390	3,399
Depreciation and amortization	1,334	1,793	4,024	3,965
	<u>9,094</u>	<u>8,060</u>	<u>27,114</u>	<u>21,966</u>
Operating income	4,808	5,326	5,846	6,272
Other expenses / (income):				
Interest on long-term debt	3,665	2,520	10,470	7,450
Equity in loss / (income) of investee	29	(20)	21	(45)
Other	—	(3)	—	158
	<u>3,694</u>	<u>2,497</u>	<u>10,491</u>	<u>7,563</u>
Income / (loss) before income tax and non-controlling interest	1,114	2,829	(4,645)	(1,291)
Income tax expense / (recovery):				
Current	68	44	250	54
Future	508	—	(2,118)	—
Reduction of future income tax asset	—	—	49	—
	<u>576</u>	<u>44</u>	<u>(1,819)</u>	<u>54</u>
Income / (loss) before non-controlling interest	538	2,785	(2,826)	(1,345)
Non-controlling interest	(55)	(986)	499	(712)
Net income (loss)	\$ 593	\$ 1,799	\$ (2,327)	\$ (2,057)