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HOTELS

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Cavanaugh's Hospitality Corporation Closes On Transaction With Westcoast Hotels, Inc.

SPOKANE, WA * Cavanaugh's Hospitality Corporation (NYSE:CVH), a lodging, entertainment and real estate services company, announced today that it has completed the acquisition of Seattle-based WestCoast Hotels, Inc. The final adjusted purchase price, which is a combination of cash and assumption of debt, is approximately \$61.4 million. Due to changes in the structure of the transaction between the initial announcement and the closing, there will be changes in the financial projections which will reduce revenues, EBITDA (earnings before interest, taxes, depreciation and amortization) and assumed debt, although net earnings are expected to be unchanged. Cavanaugh's now owns, manages or markets 46 hotels with 8,766 rooms in nine western states, including Alaska, Arizona, California, Hawaii, Idaho, Montana, Oregon, Utah and Washington.

During 2000, Cavanaugh's intends to re-brand 18 of its 19 properties to WestCoast Hotels and change the name of the Company from Cavanaugh's Hospitality Corporation to WestCoast Hospitality Corporation. "We are looking forward to taking the best components of Cavanaugh's and WestCoast and moving forward to create a stronger brand and overall Company with a reach that now extends throughout the Western United States," said Donald K. Barbieri, Chairman, President and CEO, Cavanaugh's Hospitality Corporation. "We now have a new vehicle of growth, through fee-based management and franchise revenues, which is less capital intensive, as well as a brand name that we feel is very understandable and marketable."

Hotel and Motel Management and Hotels magazines recently named WestCoast Hotels in the "Top 20 Management Companies in the U.S.". Cavanaugh's management believes the locations and physical characteristics of the two chains compliment each other well and fulfills a goal of Cavanaugh's to increase the Company's presence along the Interstate 5 corridor and in first tier cities.

Cavanaugh's corporate headquarters and call-center operations will remain in Spokane, Washington.

Cavanaugh's Hospitality Corporation serves the Northwest with 8,766 hotel rooms in 46 hotels. Cavanaugh's provides entertainment services through TicketsWest.com*, which encompasses a computerized ticket company with operations in Washington, Oregon, Idaho, Montana and Colorado, and Cavanaugh's Entertainment, a Broadway and special event presenting company.

TicketsWest.com* services are available through its website, at www.TicketsWest.com, stand-alone outlets and a 24-hour toll free call center. G&B Real Estate Services is the real estate division of Cavanaugh's Hospitality Corporation and owns 590,000 square feet of Company commercial real estate and manages 3.4 million square feet of Company and third party owned commercial real estate, and 2,000 units of third party owned apartment and condominium properties. More information on Cavanaugh's can be found on the Internet at www.Cavanaugh's.com.

This release contains forward looking statements which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including those concerning the future products and activities of the Company. Investors are cautioned that all forward looking statements involve risks and uncertainties, including without limitation, risks relating to the operation of hotels, the availability of capital to finance growth, disruptions in service due to construction, the historical cyclical nature of the lodging industry, the integration of acquisitions, including WestCoast Hotels, the early development stage of the Company's TicketsWest.com* product and its dependence on increased ticket sales, the unpredictability and potential fluctuations in future revenues and operating results, as well as the other matters disclosed in the documents filed by the Company with the Securities and Exchange Commission. The Company's actual results could differ materially from these statements. SOURCE: Cavanaugh's Hospitality Corporation ("Company").