



RED LION®
HOTELS

May 7, 1999

Cavanaugh's Hospitality Corporation Announces Launch Of TicketsWest.Com

SPOKANE, WA -- Cavanaugh's Hospitality Corporation (NYSE:CVH), a lodging, entertainment and management services company, today announced the launch of www.TicketsWest.com, an Internet ticketing service offering consumers up-to-the-minute information on live entertainment and the ability to make real-time ticket purchases of the best available seats to events through the website. The launch will start with the sale of Riverdance, available now, and Neil Diamond tickets, available May 17, in Spokane, Washington. New events will continually be added. TicketsWest.com will also be adding the capability to purchase hotel accommodations, entertainment/hotel packages, and a vast array of other services in a user-friendly manner, providing immediate confirmation of ticket purchases with seat locations.

"We are creating an environment in which people can plan and purchase travel, lodging and entertainment through one source," said Jack Lucas, Vice President, Entertainment Services, Cavanaugh's Hospitality Corporation. "Whether it be airline or rental car, or dinner, concert, sporting, and family events, or hotel accommodations, we want to make the experience simple, quick and enjoyable." Revenues for TicketsWest.com will be generated from diverse sources. Ticketing transactions, hotel reservations and advertising will make up the bulk of these revenues. "A broad range of businesses will benefit from the economic impact of TicketsWest.com," said Lucas. "It will enable smaller businesses who would otherwise find it difficult to access electronic commerce to attract people to their services. Local restaurants, for example, will be able to have an Infosite within TicketsWest.com that will direct people who are looking for an event to their business to make reservations before or after they attend the show. The amount of information that can be accessed by the consumer will be much broader than what can be presented in a newspaper, television or radio advertisement. The consumer is starting to look to the Internet first as a source of information and entertainment." Jupiter Communications forecasts consumer online spending growth of 269% year over year to \$7.0 billion in 1998, increasing to \$12.0 billion in 1999, \$18.4 billion in 2000, \$27.0 billion in 2001 and \$41.0 billion in 2002, for a five-year compound annual growth rate of 74%.

TicketsWest.com will serve communities and venues primarily located in the United States and Canada. The format of the site will be an easy to use environment that will be updated daily, often throughout the day, making it informative to users over and over again. "In this day people need to spend their time efficiently, and that means not having to go to three different sources to find a restaurant, buy a ticket to an event, and get a hotel accommodation. Here you will be able to find all these things from one interactive source," said Donald Barbieri, Chairman and CEO. "One stop shopping is what it is really all about."

The TicketsWest.com site was developed under contract by Aurora Development Group of Spokane, Washington and the Cavanaugh's Information Systems Department. The ticketing software used is the Select-A-Seat Entertainment Ticketing System. As previously announced, the Company purchased a perpetual license and the right to develop and modify the Select-a-Seat software for use in any form of commerce that the Company chooses to develop.

Cavanaugh's Hospitality Corporation serves the Northwest with 3,933 full-service hotel rooms in 19 hotels, including 47 restaurants and lounges and 196,900 square feet of meeting space. 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. In addition, Cavanaugh's provides entertainment services through G&B Select-a-Seat, a 20-outlet computerized ticket company, and Cavanaugh's Entertainment, a Broadway and special event presenting company. TicketsWest.com is a new division of Cavanaugh's Entertainment.

SOURCE Cavanaugh's Hospitality Corporation ("Company"). 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 and acquisition of hotels, the availability of capital to finance growth, and the historical cyclicity of the lodging industry, the early development stage of the Company's TicketsWest 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 & Exchange Commission. The Company's actual results could differ materially from these statements.