U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR (15)d OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000
OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period _____ to _____

Commission file number 001-13957

WESTCOAST HOSPITALITY CORPORATION

(Exact name of registrant as specified in its charter)

Washington	91-1032187
State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

201 W. North River Drive, Suite 100, Spokane, WA 99201
(Address of principal executive office)

(509) 459-6100
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

As of July 31, 2000, there were 12,949,573 shares of the Registrant's common stock outstanding.

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WESTCOAST HOSPITALITY CORPORATION

Form 10-Q
For the Quarter Ended June 30,2000

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Part I - Financial Information

ITEM 1. FINANCIAL STATEMENTS

WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
December 31, 1999 and June 30, 2000
(in thousands, except share data)

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	December 31, 1999	June 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,357	$ 2,373
Accounts receivable	7,548	8,460
Income taxes refundable	--	547
Inventories	1,110	1,059
Prepaid expenses and deposits	883	1,450
Total current assets	13,898	13,889
Property and equipment, net	243,237	243,545
Intangible assets, net	29,613	29,314
Other assets, net	22,384	22,340
Total assets	$309,132	$309,088
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,739	$ 2,832
Accrued payroll and related benefits	3,024	2,526
Income taxes payable	457	--
Accrued interest payable	721	838
Other accrued expenses	8,994	7,193
Long-term debt, due within one year	7,445	2,211
Capital lease obligations, due within one year	623	560
Total current liabilities	26,003	16,160
Long-term debt, due after one year	57,516	54,230
Notes payable to bank	101,263	113,000
Capital lease obligations, due after one year	1,103	923
Deferred income taxes	15,617	15,106
Minority interest in partnerships	2,798	2,792
Total liabilities	204,300	202,211

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WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED BALANCE SHEETS (UNAUDITED), CONTINUED
December 31, 1999 and June 30, 2000
(in thousands, except share data)

	December 31, 1999	June 30, 2000
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - 5,000,000 shares authorized, $0.01 par value, -0- shares issued and outstanding	$ --	$ --
Common stock - 50,000,000 shares authorized, $0.01 par value; 12,925,276 and 12,937,726 shares issued and outstanding	129	129
Additional paid-in capital	83,761	84,014
Retained earnings	20,942	22,734
Total stockholders' equity	104,832	106,877
Total liabilities and stockholders' equity	$309,132	$309,088

The accompanying notes are an integral part of the consolidated financial statements.

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WESTCOAST HOSPITALITY CORPORATION

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) for the three and six months ended June 30, 1999 and 2000

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	2000	1999	2000
Revenues:				
Hotels and Restaurants	$ 24,872	$ 28,629	$ 43,852	$ 51,137
Franchise, Central Services and Development	--	831	--	1,727
TicketsWest.com	482	1,066	1,159	2,482
Real Estate Division	2,551	2,333	4,917	4,649
Corporate Services	73	172	197	244
	27,978	33,031	50,125	60,239
Operating expenses:				
Direct:				
Hotels and Restaurants	17,256	20,419	32,574	38,804
Franchise, Central Services and Development	--	311	--	559
TicketsWest.com	412	1,111	742	2,225
Real Estate Division	1,100	1,147	2,230	2,243
Corporate Services	45	91	104	135
Depreciation and amortization:				
Hotels and Restaurants	1,484	1,886	2,944	3,773
Franchise, Central Services and Development	--	100	--	200
TicketsWest.com	17	90	34	166
Real Estate Division	333	330	668	656
Corporate Services	136	213	254	382
Total direct expenses	20,783	25,698	39,550	49,143
Undistributed corporate expenses	435	579	895	1,178
Total expenses	21,218	26,277	40,445	50,321
Operating income	6,760	6,754	9,680	9,918
Other income (expense):				
Interest expense	(2,340)	(3,719)	(4,620)	(7,233)
Interest income	91	77	146	129
Other income	4	9	10	13
Conversion expenses	--	(13)	--	(13)
Equity in investments	--	15	--	22
Minority interest in partnerships	(105)	(60)	(55)	(2)

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WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
for the three and six months ended June 30, 1999 and 2000
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	2000	1999	2000
Income before income taxes, extraordinary item and cumulative effect of accounting change	$ 4,410	$ 3,063	$ 5,161	$ 2,834
Income tax provision	1,397	1,124	1,653	1,042
Income before extraordinary item and cumulative effect of change in accounting principle	3,013	1,939	3,508	1,792
Extraordinary expense, net of income tax benefit	--	--	(10)	--
Cumulative effect of change in accounting principle, net of income tax benefit	--	--	(133)	--
Net income	$ 3,013	$ 1,939	$ 3,365	$ 1,792
Income per share -- basic and diluted:				
Income before extraordinary item and cumulative effect of change in accounting principle	$ 0.24	$ 0.15	$ 0.28	$ 0.14
Extraordinary item	--	--	--	--
Cumulative effect of change in accounting principle	--	--	(0.01)	--
Net income per share	$ 0.24	$ 0.15	$ 0.27	$ 0.14
Weighted-average common shares outstanding -- basic	12,690	12,946	12,676	12,939
Weighed-average common shares outstanding -- diluted	13,067	13,242	13,062	13,235

The accompanying notes are an integral part of the consolidated financial statements.

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WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
for the six months ended June 30, 1999 and 2000 (in thousands)

	1999	2000
Operating activities:		
Net income	$ 3,365	$ 1,792
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,899	5,177
Minority interest in partnerships	55	2
Equity in investments	--	(22)
Loss on disposal of equipment	--	13
Extraordinary item	10	--
Cumulative effect of change in accounting principle	133	--
Deferred income taxes	252	--
Compensation expense related to stock issuance	165	165
Change in:		
Accounts receivable	(1,333)	(912)
Inventories	(83)	51
Prepaid expenses and deposits	(1,037)	(567)
Income taxes receivable/payable	1,553	(1,515)
Accounts payable	4,245	(1,907)
Accrued payroll and related benefits	1,064	(498)
Accrued interest payable	(831)	117
Other accrued expenses	(1,649)	(2,078)
Net cash provided by (used in) operating activities	9,808	(182)
Investing activities:		
Additions to property and equipment	(5,619)	(4,341)
Cash paid for acquisition of property and equipment or subsidiaries, net of cash received	--	(133)
Issuance of note receivable	(225)	--
Other, net	(535)	72
Net cash used in investing activities	(6,379)	(4,402)
Financing activities:		
Proceeds from note payable to bank	8,680	15,137
Repayment of note payable to bank	(7,180)	(3,400)
Repayment of long-term debt	(832)	(8,520)
Principal payments on capital lease obligations	(332)	(330)
Additions to deferred financing costs	(421)	(367)
Distribution to minority interest	(28)	(8)
Proceeds from issuance of common stock under employee stock purchase plan	--	88
Net cash provided by (used in) financing activities	(113)	2,600

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WESTCOAST HOSPITALITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
for the six months ended June 30, 1999 and 2000 (in thousands)

	1999	2000
Change in cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	$3,316	$(1,984)
Cash and cash equivalents at beginning of period	4,267	4,357
Cash and cash equivalents at end of period	$7,583	$ 2,373
Supplemental disclosure of cash flow information:		
Noncash investing and financing activities:		
Acquisition of property through assumption of capital leases	$ --	$ 87
Acquisition of property through issuance of debt or issuance of note payable	250	277
Acquisition of equipment through cancellation of note receivable	225	--
Conversion of operating partnership units To common stock	1,559	--

The accompanying notes are an integral part of the consolidated financial statements.

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WESTCOAST HOSPITALITY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. QUARTERLY INFORMATION:

The unaudited consolidated financial statements included herein have been prepared by WestCoast Hospitality Corporation (the Company) pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as permitted by such rules and regulations. The balance sheet as of December 31, 1999 has been compiled from the audited balance sheet as of such date. The Company believes that the disclosures included herein are adequate; however, these consolidated statements should be read in conjunction with the financial statements and the notes thereto for the year ended December 31, 1999 previously filed with the SEC on Form 10-K.

In the opinion of management, these unaudited consolidated financial statements contain all of the adjustments (normal and recurring in nature) necessary to present fairly the consolidated financial position of the Company at June 30, 2000 and the consolidated results of operations for the three and six months ended June 30, 2000 and 1999 and cash flows for the six months ended June 30, 2000 and 1999. The results of operations for the periods presented may not be indicative of those which may be expected for a full year.

2. ORGANIZATION:

At June 30, 1999, the Company controlled and operated (through ownership or lease with purchase option agreements) 19 hotel properties. As of June 30, 2000, the Company had ownership interests and operated 24 hotel properties, managed an additional 9 properties and franchised an additional 13 properties, totaling 46 hotels in 9 states, including Alaska, Arizona, California, Hawaii, Idaho, Montana, Oregon, Utah and Washington. Additionally, the Company provides computerized ticketing for entertainment events and arranges Broadway and other entertainment event productions. Also, during the second quarter of 1999, the Company launched TicketsWest.com, an Internet ticketing service offering consumers up-to-the-minute information

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2. ORGANIZATION, CONTINUED:

on live entertainment and the ability to make real-time ticket purchases to events through the website. The Company owns and manages ticketing operations in Colorado, Idaho, Montana, Oregon and Washington. The Company also leases retail and office space in buildings owned by the Company and manages residential and commercial properties for others in Idaho, Montana and Washington. The Company's operations are segregated into four operating segments: (1) Hotels and Restaurants, (2) TicketsWest.com (e-commerce entertainment), (3) Real Estate Division and (4) Franchise, Central Services and Development.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

In April 1998, Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-up Activities" was issued. The SOP requires that all costs of start-up activities and organization costs be expensed as incurred. The Company adopted the provisions of SOP 98-5 on January 1, 1999 and reported the change as a cumulative effect of an accounting change in the consolidated statement of operations. The adoption of SOP 98-5 resulted in the cumulative effect of an accounting change of $133,000, which is net of $68,000 of income taxes, being recognized during the six months ended June 30, 1999.

4. LONG-TERM DEBT AND LINE OF CREDIT:

In May 1998, the Company obtained an $80 million revolving secured credit facility with a consortium of banks. In February 1999, the credit facility was increased to $100 million. In December 1999, in connection with the WestCoast Hotels Inc. acquisition, the credit facility was amended to increase the total amount available under the facility to $120 million. The credit facility is collateralized by certain property and requires that the Company maintain certain financial ratios, minimum levels of cash flows and restricts the payment of dividends. Any outstanding borrowings bear interest based on the prime rate or LIBOR, plus 180 to 325 basis points depending on the total funded debt levels. The credit facility matures in May

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4. LONG-TERM DEBT AND LINE OF CREDIT, CONTINUED:

2003. At June 30, 2000, $113 million is outstanding under the credit facility. The Company was in compliance with all required covenants at June 30, 2000.

During the quarter ended March 31, 1999, the Company paid off certain debt prior to its maturity date. Deferred loan fees associated with this debt of $15,000 has been written off and reported as an extraordinary item, net of a $5,000 income tax benefit.

5. BUSINESS SEGMENTS:

The Company has four operating segments: (1) Hotels and Restaurants;
(2) TicketsWest.com (e-commerce entertainment); (3) Real Estate Division and (4) Franchise, Central Services and Development. The Franchise, Central Services and Development segment represents the franchise and marketing division of the Company, which was acquired with the WestCoast Hotels, Inc. purchase in December 1999. Therefore no amounts are reported for this segment for the six months ended June 30, 1999. Corporate services and other consists primarily of miscellaneous revenues and expenses, cash and cash equivalents, certain receivables and certain property and equipment, which are not specifically associated with an operating segment.

TicketsWest.com has significant inter-segment revenues, which are eliminated in the consolidated financial statements. Management reviews and evaluates the operations of TicketsWest.com including the inter-segment revenues. Therefore, the total revenues, including inter-segment revenues are included in the segment information below. Management reviews and evaluates the operating segments exclusive of interest expense. Therefore, interest expense is not allocated to the segments.

Selected information with respect to the segments is as follows (in thousands):

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5. BUSINESS SEGMENTS, CONTINUED:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	2000	1999	2000
Revenues:				
Hotels and Restaurants	$ 24,872	$ 28,629	$ 43,852	$ 51,137
Franchise, Central Services and Development	--	831	--	1,727
TicketsWest.com	681	1,355	1,538	3,102
Less: inter-segment revenues	(199)	(289)	(379)	(620)
Real Estate Division	2,551	2,333	4,917	4,649
Corporate Services and other	73	172	197	244
	$ 27,978	$ 33,031	$ 50,125	$ 60,239
Operating income:				
Hotels and Restaurants	$ 6,132	$ 6,324	$ 8,334	$ 8,560
Franchise, Central Services and Development	--	420	--	968
TicketsWest.com	53	(135)	383	91
Real Estate Division	1,118	856	2,019	1,750
Corporate Services and other	(543)	(711)	(1,056)	(1,451)
	$ 6,760	$ 6,754	$ 9,680	$ 9,918

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6. EARNINGS PER SHARE:

The following table presents a reconciliation of the numerators and denominators used in the basic and diluted EPS computations (in thousands, except per share amounts). Also shown is the number of stock options that would have been considered in the diluted EPS computation if they were not anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	2000	1999	2000
Numerator:				
Income before extraordinary item and cumulative effect of change in accounting principle	$ 3,013	$ 1,939	$ 3,508	$ 1,792
Extraordinary item	--	--	(10)	--
Cumulative effect of accounting change	--	--	(133)	--
Net income - basic	3,013	1,939	3,365	1,792
Income effect of dilutive OP units	87	31	98	16
Net income - diluted	$ 3,100	$ 1,970	$ 3,463	$ 1,808
Denominator:				
Weighted-average shares outstanding - basic	12,690	12,946	12,676	12,939
Effect of dilutive OP units	377	296	386	296
Effect of dilutive common stock options	(A)	(A)	(A)	(A)
Weighted-average shares outstanding -diluted	13,067	13,242	13,062	13,235
Earnings per share - basic and diluted:				
Income per share before extraordinary item and cumulative effect of change in accounting principle	$ 0.24	$ 0.15	$ 0.28	$ 0.14
Extraordinary item	--		nil	
Cumulative effect of accounting change	--	--	(0.01)	--
Net income per share - basic and diluted	$ 0.24	$ 0.15	$ 0.27	$ 0.14

(A) At June 30, 1999 and 2000, 1,000,385 and 1,034,645 stock options were outstanding, respectively. The effects of the shares which would be issued upon the exercise of these options have been excluded from the calculation of diluted earnings per share for the three and six months ended June 30, 1999 and 2000 because they are anti-dilutive.

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WESTCOAST HOSPITALITY CORPORATION
ITEM II. QUARTERLY INFORMATION: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

GENERAL

The following discussion and analysis addresses the results of operations for the Company for the three and six months ended June 30, 2000 and 1999. The following should be read in conjunction with the unaudited Consolidated Financial Statements and the notes thereto. In addition to historical information, the following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ significantly from those anticipated in these forward-looking statements as a result of certain factors, including those discussed in "Risk Factors" and elsewhere in the Form 10-K filed by the Company for the year ended December 31, 1999, and in the Form S-3 filed by the Company on February 14, 2000.

The Company's revenues are derived primarily from the Hotels and reflect revenue from rooms, food and beverage, third party management contracts, and other sources, including telephone, guest services, banquet room rentals, gift shops and other amenities. Hotel revenues accounted for 86.7% of total revenue in the three months ended June 30, 2000 and increased 15.1% from $24.9 million in 1999 to $28.6 million in 2000. This increase was primarily the result of the addition of the acquisition of WestCoast Hotels Inc., which had an effective date of December 31, 1999. The balance of the Company's revenues is derived from its Franchise, Central Services and Development, TicketsWest.com, Real Estate Division, and Corporate Services divisions. These revenues are generated from franchise fees, ticket distribution handling fees, Internet services, real estate management fees, sales commissions and rents. In 1999, Franchise, Central Services and Development was not an operating segment of the Company and was added as a business segment with the acquisition of WestCoast Hotels Inc. Franchise, Central Services and Development accounted for 2.5% of the Company's revenue for the three months ended June 30, 2000, TicketsWest.com accounted for 3.2% and Real Estate Division accounted for 7.1% of total revenues for the period.

As is typical in the hospitality industry, REVPAR, ADR and occupancy levels are important performance measures. The Company's operating strategy is focused on enhancing revenue and operating margins by increasing REVPAR, ADR, occupancy and operating efficiencies of the Hotels. These performance measures are impacted by a variety of factors including national, regional and local economic conditions, degree of competition with other hotels in

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their respective market areas and, in the case of occupancy levels, changes in travel patterns.

For the year ended December 31, 1999, the Company redefined its operating segments as (1) Hotels and Restaurants; (2) TicketsWest.com (e-commerce and entertainment); (3) Real Estate Division, and (4) Franchise, Central Services and Development. The Franchise, Central Services and Development segment represents the franchise and marketing division of the Company, which was acquired with the WestCoast Hotels, Inc. purchase. Due to the timing of the WestCoast Hotels, Inc. acquisition, this segment had identifiable assets and capital expenditures at December 31, 1999, but no operations were reported until 2000. During 1999, the Company also identified most selling, general and administrative costs, property operating costs and depreciation and amortization expenses that were previously undistributed to the segments as costs of the respective segments. Accordingly, the presentations of the consolidated statements of operations for all periods presented have been reclassified to reflect the 1999 classifications.

The following table sets forth-selected items from the consolidated statements of operations as a percent of total revenues and certain other selected data:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	2000	1999	2000
Revenues				
Hotels & Restaurants	88.9%	86.7%	87.5%	84.9%
Franchise, Central Services & Development	0.0	2.5	0.0	2.9
TicketsWest.com	1.7	3.2	2.3	4.1
Real Estate Division	9.1	7.1	9.8	7.7
Corporate Services & Other	0.3	0.5	0.4	0.4
Total Revenues	100.0%	100.0%	100.0%	100.0%
Direct Operating Expenses	74.3%	77.8%	78.9%	81.6%
Undistributed Corporate Operating Expense	1.6	1.8	1.8	2.0
Operating Income	24.2	20.4	19.3	16.5
Interest Expense	8.4	11.3	9.2	12.0
Income Tax Provision	5.0	3.4	3.3	1.7
Net income	10.8%	5.9%	6.7%	3.0%
Hotel Statistics (1)				
Hotels open at end of period	19	46	19	46
Available Rooms	3,940	8,789	3,940	8,789
REVPAR (2)(3)	$ 56.18	$ 59.50	$ 51.36	$ 53.25
ADR (4)	$ 86.10	$ 88.42	$ 84.26	$ 86.19
Occupancy (5)	65.2%	67.3%	60.9%	61.8%

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(1) Hotel statistics for the three and six months ended June 30, 2000, are presented for Combined Hotels. Combined Hotels means Hotels owned, managed, or franchised by the Company in the current period. June 1999 data is stated on a pro forma same store basis.
(2) REVPAR represents the total room revenues divided by total available rooms, net of rooms out of service due to significant renovations.
(3) Rooms, which were under renovation, were excluded from REVPAR and average occupancy percentage. Due to the short duration of renovation, in the opinion of management, excluding these rooms did not have a material impact on REVPAR and average occupancy percentage.
(4) ADR represents total room revenues divided by the total number of rooms occupied by hotel guests on a paid basis.
(5) Average occupancy percentage represents total rooms occupied divided by total available rooms. Total available rooms represents the number of rooms available multiplied by the number of days in the reported period.

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RESULTS OF OPERATIONS

COMPARISON OF THREE MONTHS ENDED JUNE 30, 2000 TO THE THREE MONTHS ENDED JUNE 30, 1999

Total revenues increased $5.0 million, or 18.1%, from $28.0 million in 1999 to $33.0 million in 2000. This increase is attributed primarily to revenue generated from the acquisition of WestCoast Hotels Inc. on December 31, 1999, and the acquisition of Oregon Ticket Company d.b.a. Fastixx, and Colorado Neighborhood Box Office.

Total hotel and restaurant revenues increased $3.7 million, or 15.1%, from $24.9 million in 1999 to $28.6 million in 2000. Combined Hotel ADR increased $2.32, or 2.7%, from $86.10 in 1999 to $88.42 in 2000. Combined Hotel REVPAR increased $3.32, or 5.9%, from $56.18 in 1999 to $59.50 in 2000. The Company completed the acquisition of WestCoast Hotels, Inc., effective December 31, 1999 which adds 258,055 room nights under ownership, and 1,511,830 room nights which the Company has management or franchise contracts annually. Due to the timing of the WestCoast Hotels, Inc. acquisition, it did not affect 1999 operating results.

Franchise, Central Services and Development revenues were $0.8 million for the quarter and was a new operating segment in 2000.

TicketsWest.com revenues increased $0.6 million, or 121.1%, from $0.5 million in 1999 to $1.1 million in 2000. TicketsWest.com revenue increased primarily from increased shows presented by the Company, increased attendance at entertainment events and the addition of revenue from the expansion of the Company through the acquisition of Fastixx, Colorado Neighborhood Box Office, and the expansion of Internet services and fees.

Real Estate Division revenue decreased $218 thousand, or 8.6%, from $2.6 million in 1999 to $2.3 million in 2000 primarily from lease contracts termination and renewal timing in the Company's office and retail buildings.

Direct operating expenses increased $ 4.9 million, or 23.7 %, from $20.8 million in 1999 to $25.7 million in 2000, primarily due to the increase in the number of hotel guests served, the addition of WestCoast Hotels Inc. operating expenses and assimilation costs. This represents an increase in direct operating expenses as a percentage of total revenues from 74.3 % in 1999 to 77.8% in 2000

Total undistributed corporate operating expenses increased $0.1 million, or 32.9%, from $0.4 million in 1999 to $0.6 million in 2000. Total undistributed corporate operating expenses as a percentage of total revenues increased 0.2 % from 1.6% in 1999 to 1.8 % in 2000.

Operating income was $6.8 million in both periods. As a percentage of total revenues, operating income decreased from 24.2 % in 1999 to 20.4 % in 2000. This decrease is primarily due to the increase in direct operating expenses associated with the assimilation and acquisition of WestCoast Hotels Inc..

Interest expense increased $1.4 million, or 59.0%, from $2.3 million in 1999 to $3.7 million in 2000. This increase is primarily related to

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borrowings associated with the acquisition of WestCoast Hotels Inc. and an increase in the weighted average interest rate charged the Company for its variable interest debt.

Income tax provision declined 19.5 %, from $1.4 million in 1999 to $1.1 million in 2000, due to the decrease in income before taxes. The effective income tax provision rate was 31.7 % and 36.7 % for 1999 and 2000,respectively.

Net income decreased $1.1 million, or 35.7%, from $3.0 million in 1999 to $1.9 million in 2000. Earnings per share before extraordinary item and cumulative effect of accounting change, decreased from $0.24 in 1999 to $0.15 in 2000.

COMPARISON OF SIX MONTHS ENDED JUNE 30, 2000 TO THE SIX MONTHS ENDED JUNE 30, 1999

Total revenues increased $10.1 million, or 20.2%, from $50.1 million in 1999 to $60.2 million in 2000. This increase is attributed primarily to revenue generated from the acquisition of WestCoast Hotels Inc. on December 31, 1999, the acquisition of Oregon Ticket Company d.b.a. Fastixx, and Colorado Neighborhood Box Office.

Total hotel and restaurant revenues increased $7.3 million, or 16.6%, from $43.9 million in 1999 to $51.1 million in 2000. Combined Hotel ADR increased $1.93, or 2.3%, from $84.26 in 1999 to $86.19 in 2000. Combined Hotel REVPAR increased $1.89, or 3.7%, from $51.36 in 1999 to $53.25 in 2000. The Company completed the acquisition of WestCoast Hotels, Inc., effective December 31, 1999 which adds 258,055 room nights under ownership, and 1,511,830 room nights which the Company has management or franchise contracts annually. Due to the timing of the WestCoast Hotels, Inc. acquisition, it did not affect 1999 operating results.

Franchise, Central Services and Development revenues were $1.7 million for the six months and was a new operating segment in 2000.

TicketsWest.com revenues increased $1.3 million, or 114.1%, from $1.2 million in 1999 to $2.5 million in 2000. TicketsWest.com revenue increased primarily from increased shows presented by the Company, increased attendance at entertainment events and the addition of revenue from the expansion of the Company through the acquisition of Fastixx, Colorado Neighborhood Box Office, and the expansion of Internet services and fees.

Real Estate Division revenue decreased $268 thousand, or 5.4%, from $4.9 million in 1999 to $4.6 million in 2000 primarily from lease contracts termination and renewal timing in the Company's office and retail buildings.

Direct operating expenses increased $ 9.6 million, or 24.3 %, from $39.5 million in 1999 to $49.1 million in 2000, primarily due to the increase in the number of hotel guests served, the addition of WestCoast Hotels Inc. operating expenses and assimilation costs. This represents

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an increase in direct operating expenses as a percentage of total revenues from 78.9 % in 1999 to 81.6% in 2000

Total undistributed corporate operating expenses increased $0.3 million, or 31.7%, from $0.9 million in 1999 to $1.2 million in 2000. Total undistributed corporate operating expenses as a percentage of total revenues increased 0.2 % from 1.8% in 1999 to 2.0 % in 2000.

Operating income increased $0.2 million, or 2.5%, from $9.7 million in 1999 to $9.9 million in 2000. As a percentage of total revenues, operating income decreased from 19.3 % in 1999 to 16.5% in 2000. This decrease is primarily due to the increase in direct operating expenses associated with the assimilation and acquisition of WestCoast Hotels Inc..

Interest expense increased $2.6 million, or 56.6%, from $4.6 million in 1999 to $7.2 million in 2000. This increase is primarily related to borrowings associated with the acquisition of WestCoast Hotels Inc. and an increase in the weighted average interest rate charged the Company for its variable interest debt.

Income tax provision declined 37.0%, from $1.7 million in 1999 to $1.0 million in 2000, due to the decrease in income before taxes. The effective income tax provision rate was 32.0% and 36.7% for 1999 and 2000 respectively.

Net income decreased $1.6 million, or 46.7%, from $3.4 million in 1999 to $1.8 million in 2000. Earnings per share before extraordinary item and cumulative effect of accounting change, decreased from $0.28 in 1999 to $0.14 in 2000.

LIQUIDITY AND CAPITAL RESOURCES

Historically, the Company's principal sources of liquidity have been cash on hand, cash generated by operations and borrowings under an $100.0 million revolving credit facility. Cash generated by operations in excess of operating expenses is used for capital expenditures and to reduce amounts outstanding under the Revolving Credit Facility. The Company has increased the Revolving Credit Facility to $120 million effective January 3, 2000. Hotel acquisitions, development and expansion have been and will be financed through a combination of internally generated cash, borrowing under credit facilities, and the issuance of Common Stock or OP Units.

The Company's short-term capital needs include food and beverage inventory, payroll and the repayment of interest expense on outstanding mortgage indebtedness. Historically, the Company has met these needs through internally generated cash. The Company's long-term capital needs include funds for property acquisitions, scheduled debt maturities and renovations and other non-recurring capital improvements. The Company anticipates meeting its future long-term capital needs through the additional debt financing secured by the Hotels, by unsecured private or public debt offerings or by additional equity offerings or the issuances of OP Units, along with cash generated from internal operations.

At June 30, 2000, the Company had $2.4 million in cash and cash equivalents. The Company has made extensive capital expenditures over the last three years, $6.2 million, $123.6 million, $63.3 million and $4.3 million in owned and joint venture properties in 1997, 1998, 1999, and the

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six months ended June 30, 2000 respectively. These expenditures included guest room, lounge and restaurant renovations, public area refurbishment, telephone and computer system upgrades, tenant improvements, property acquisitions, construction, and corporate expenditures and were funded from the initial public offering, issuance of operating partnership units, operating cash flow and debt. The Company establishes reserves for capital replacement in the amount of 4.0% of the prior year's actual gross hotel income to maintain the Hotels at acceptable levels. Acquired hotel properties have a separate capital budget for purchase, construction, renovation, and branding costs. Capital expenditures planned for Hotels in 2000 are expected to be approximately $8.4 million. Management believes the consistent renovation and upgrading of the Hotels and other properties is imperative to its long-term reputation and customer satisfaction.

To fund its acquisition program and meet its working capital needs, the Company has a Revolving Credit Facility. The Revolving Credit Facility has a term ending May 2003 and an annualized fee for the unutilized portion of the facility. The Company selects from four different interest rates when it draws funds: the lender's prime rate or one, three, or six month LIBOR plus the applicable margin of 180 to 325 basis points, depending on the Company's ratio of EBITDA-to-total funded debt. The Revolving Credit Facility allows for the Company to draw funds based on the trailing 12 months performance on a pro forma basis for both acquired and owned properties. Funds from the Revolving Credit Facility may be used for acquisitions, renovations, construction and general corporate purposes. The Company believes the funds available under the Revolving Credit Facility and additional debt instruments will be sufficient to meet the Company's near term growth plans. The Operating Partnership is the borrower under the Revolving Credit Facility. The obligations of the Operating Partnership under the Revolving Credit Facility are fully guaranteed by the Company. Under the Revolving Credit Facility, the Company is permitted to grant new deeds of trust on any future acquired properties. Mandatory prepayments are required to be made in various circumstances including the disposition of any property, or future acquired property, by the Operating Partnership.

The Revolving Credit Facility contains various representations, warranties, covenants and events of default deemed appropriate for a Credit Facility of similar size and nature. Covenants and provisions in the definitive credit agreement governing the Revolving Credit Facility include, among other things, limitations on: (i) substantive changes in the Company's and Operating Partnership's current business activities, (ii) liquidation, dissolution, mergers, consolidations, dispositions of material property or assets involving the Company and its affiliates or their assets, as the case may be, and acquisitions of property or assets of others, (iii) the creation or existence of deeds of trust or other liens on property or assets, (iv) the addition or existence of indebtedness, including guarantees and other contingent obligations, (v) loans and advances to others and investments in others, (vi) redemption of subordinated debt, (vii) amendment or modification of certain material documents or of the Articles in a manner adverse to the interests of the lenders under the Revolving Credit Facility, (viii) payment of dividends or distributions on the Company's capital stock, and (ix) maintenance of certain financial ratios. Each of the covenants described above provides for certain ordinary course of business and other exceptions. If the Company breaches any of these covenants and does not obtain a waiver of that breach, the breach will constitute an event of default under the

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Revolving Credit Facility. At June 30, 2000, the Company had $113.0 million outstanding under the Revolving Credit Facility and was in compliance with all required covenants. The Revolving Credit Facility restricted the Company from paying any dividends as of June 30, 2000.

In addition to the Revolving Credit Facility, as of June 30, 2000, the Company had debt and capital leases outstanding of approximately $57.9 million consisting of primarily variable and fixed rate debt secured by individual properties.

The Company believes that cash generated by operations will be sufficient to fund the Company's operating strategy for the foreseeable future, and that any remaining cash generated by operations, together with capital available under the Revolving Credit Facility (subject to the terms and covenants to be included therein) and additional debt financing, will be adequate to fund the Company's growth strategy in the near term. Thereafter, the Company expects that future capital needs, including those for property acquisitions, will be met through a combination of net cash provided by operations, borrowings and additional issuances of Common Stock or OP Units.

SEASONALITY

The lodging industry is seasonal in nature, with the months from May through October generally accounting for a greater portion of annual revenues than the months from November through April. For example, for the year ended December 31, 1999, our revenues in the first through fourth quarters were 20.1%, 25.4%, 30.7% and 23.8%, respectively, of our total revenue for such year and our net income for the first through fourth quarters was 4.4%, 37.5%, 48.9% and
9.2%, respectively, of our total net income for that year. Quarterly earnings also may be adversely affected by events beyond our control, such as extreme weather conditions, economic factors and other considerations affecting travel.

INFLATION

The effect of inflation, as measured by fluctuations in the Consumer Price Index, has not had a material impact on the Company's revenues or net income during the periods under review.

YEAR 2000 ASSESSMENT

The "Year 2000 problem" arose because many existing computer programs use only the last two digits to refer to a year. Therefore, these computer programs do not properly recognize a year that begins with "20" instead of the familiar "19". If not corrected, many computer applications could fail or create erroneous results.

The Company completed its assessment, modification or replacement of systems, which it determined would not be compliant prior to December 31, 1999. We have not experienced any significant system failures from the Year 2000 problem and do not anticipate any significant problems will arise in the future. The costs to complete the evaluation, modifications, and replacement of systems not compliant with the Year 2000 were not significant. The main system that was replaced was the Company's payroll system, which had been scheduled to be replaced for reasons other than the Year 2000 problem.

Due to the complexity of the various computer systems, problems may

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still arise related to the Year 2000 problem that have not been exposed or anticipated. The risks associated with these potential system failures are difficult to measure. The Company cannot guarantee that its efforts will prevent all consequences and also relies on third party vendors to correct any problems in their systems, which could affect the Company.

NEW ACCOUNTING PRONOUNCEMENTS

In April 1998, Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-up Activities" was issued. The SOP requires that all costs of start-up activities and organization costs be expensed as incurred. The Company adopted the provisions of SOP 98-5 on January 1, 1999 and reported the change as a cumulative effect of an accounting change in the consolidated statement of operations. The adoption of SOP 98-5 resulted in a charge to operations of $133,000, which is net of $68,000 of income taxes.

Part II - Other Information

ITEMS 1, 2, 3 and 5 of Part II are omitted from this report, as they are not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the annual meeting of shareholders on May 22, 2000, the following actions were taken:

Total Outstanding Shares: 12,937,726

1. Election of Directors

Name	Votes For	PCT	Votes Against	Votes Abstained
Peter F. Stanton	10,154,554	78.5%	1,160,144	
Stephen R. Blank	10,154,054	78.5%	1,160,644	
Thomas M. Barbieri	10,154,554	78.5%	1,160,144	
Rodney D. Olson	10,154,554	78.5%	1,160,144	

2. Amendment to increase shares available under 1998 Stock Incentive Plan.

Votes For	PCT	Votes Against	Votes Abstained
9,785,160	75.6%	1,221,485	108,053

3. Ratification of PricewaterhouseCoopers LLP as independent auditors for the year ending December 31, 2000.

Votes For	PCT	Votes Against	Votes Abstained
11,303,611	87.4%	8,855	2,232

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed for the three months ended June 30, 2000.

The Company filed a report on Form 8-K on January 19, 2000 for the acquisition of the stock of WestCoast Hotels Inc.

The Company filed a report of Form 8-Ka on March 20, 2000 that provided the pro forma financial information for the acquisition of the stock of WestCoast Hotels Inc.

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WESTCOAST HOSPITALITY CORPORATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the registrant and in the capacities stated and on the date indicated.

WESTCOAST HOSPITALITY CORPORATION
(Registrant)

Date: August 14, 2000 *By: /s/ Arthur M. Coffey*

Arthur M. Coffey, Executive Vice President and Chief Financial Officer

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ARTICLE 5

PERIOD TYPE	YEAR
FISCAL YEAR END	DEC 31 2000
PERIOD END	JUN 30 2000
CASH	2,373
SECURITIES	0
RECEIVABLES	8,510
ALLOWANCES	(50)
INVENTORY	1,059
CURRENT ASSETS	13,889
PP&E	295,253
DEPRECIATION	(51,708)
TOTAL ASSETS	309,088
CURRENT LIABILITIES	16,160
BONDS	168,153
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	129
OTHER SE	106,748
TOTAL LIABILITY AND EQUITY	309,088
SALES	60,239
TOTAL REVENUES	60,239
CGS	49,143
TOTAL COSTS	50,322
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	7,233
INCOME PRETAX	2,834
INCOME TAX	1,042
INCOME CONTINUING	1,792
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	1,792
EPS BASIC	0.14
EPS DILUTED	0.14

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