



**RED LION®**  
HOTELS

January 18, 2011

## **Red Lion Hotels Announces Plan for Strategic Sale of Two Hotel Properties**

*(Spokane, WA, January 18, 2011)* - Red Lion Hotels Corporation (NYSE: RLH) has announced plans to offer for sale its Red Lion Hotel Fifth Avenue, located in Seattle, and its Red Lion Hotel Denver Southeast. Red Lion plans to structure the Seattle transaction to continue the hotel's operation under the Red Lion brand, managed by Red Lion.

"We are working with our financial advisor, CSCA Capital Advisors, as part of a strategic plan to enhance and expand the Red Lion brand, strengthen the company financially and increase shareholder value," said Jon E. Eliassen, President and Chief Executive Officer of Red Lion Hotels. "The sale of these properties will allow us to unlock real estate value through selective reduction of asset ownership. Proceeds will be used to restructure our balance sheet, including paying down debt."

Eliassen added, "The completion of these transactions will create the financial flexibility to refinance and reposition our hotels as the market rebounds. As we make further investments in the Red Lion brand, the company will be even better positioned to grow through franchising."

The 297-room Red Lion Hotel on Fifth Avenue is located in the heart of downtown Seattle just a few blocks from Pike Place Market and the Washington State Convention Center. The public sale process will be handled by Chris Burdett of CB Richard Ellis Hotels (CBRE).

"The Red Lion Hotel is uniquely located in downtown Seattle, and with the market's high barriers to entry and demand for institutional grade assets in Seattle, I expect this listing to get significant and immediate attention," said Burdett.

Red Lion Hotels announced during its November 2010 earnings call that Red Lion Hotel Denver Southeast would be listed for sale and that the company prefers to maintain the hotel's Red Lion affiliation, either as a managed or franchised property. Hospitality Real Estate Counselors (HREC) in Denver has since listed the property.

The company's brokers will be available to discuss the asset sales at the Americas Lodging Investment Summit (ALIS) in San Diego January 24-26, 2011.

### **About Red Lion Hotels Corporation:**

Red Lion Hotels Corporation is a hospitality and leisure company primarily engaged in the ownership, operation and franchising of midscale full, select and limited service hotels under its Red Lion® brand. As of September 30, 2010, the RLH hotel network was comprised of 43 hotels located in eight states and one Canadian province, with 8,384 rooms and 419,987 square feet of meeting space. The company also owns and operates an entertainment and event ticket distribution business. For more information, please visit the company's website at [c.com](http://c.com).

### **About CSCA Capital Advisors, LLC:**

Founded in 1999, CSCA offers a broad range of investment banking services, including corporate advisory and capital raising services, to REITs and other real estate intensive industries including healthcare and hospitality. For more information, please visit [www.cscapitaladvisors.com](http://www.cscapitaladvisors.com).