



**RED LION®**  
HOTELS

December 8, 2005

## **Red Lion Hotels Corporation Updates Asset Sales; Announces Recent Transactions**

SPOKANE, WA, December 8, 2005 – Red Lion Hotels Corporation (NYSE:RLH) today announced that it has completed the sale of the Crescent Court commercial complex in Spokane, Washington, generating gross proceeds of \$19.8 million. To date, sales closings under the Company's property disposition plan have yielded aggregate gross proceeds of approximately \$46.4 million, and have resulted in the payoff of approximately \$18.1 million in debt.

The company also announced that it now has non-contingent agreements in place for the sale of the Red Lion Hotel Yakima Gateway in Yakima, Washington, scheduled to close in the fourth quarter of 2005, and for the sale of the Executive Court portion of the WestCoast Ridpath Hotel in Spokane, Washington, which is expected to close in the first quarter of 2006. The Company expects to receive gross proceeds from these two transactions of approximately \$7.8 million, and there is no outstanding debt on either hotel.

The Red Lion Hotel Hillsboro, in Hillsboro Oregon, continues to be under a contingent sales agreement and the company expects to close its sale in the first quarter of 2006.

Colliers International Hotels continues to list for sale the Red Lion Hotel Idaho Falls, the WestCoast Outlaw Hotel in Kalispell, Montana and the balance of the WestCoast Ridpath Hotel in Spokane, Washington. These are the remaining hotel properties for sale under Red Lion's reinvestment plan, which originally identified 11 non-core hotel properties and a commercial office building that would be sold in order to fund a \$40 million facility improvement program designed to rejuvenate and revitalize the Red Lion brand.

Arthur M. Coffey, President and Chief Executive Officer, commented, "Our disposition plan is on target and cash proceeds from sales are being used to renovate and enhance our Red Lion hotels. Our overall renovation plan continues to be on target for completion by mid-2006."

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

Red Lion Hotels Corporation (NYSE: RLH) is a hospitality and leisure company primarily engaged in the ownership, management, development and franchising of upper mid-scale, full service hotels under its Red Lion® brand. The RLH hotel network is comprised of 66 hotels located in 11 states and one Canadian province, with more than 11,600 rooms and 564,000 square feet of meeting space. The company also operates an entertainment and event ticket distribution business and a real estate business that develops, manages and brokers sales and leases of commercial real estate. The company is headquartered in Spokane, WA. For more information, please visit our website at [www.redlion.com](http://www.redlion.com).

This press release contains forward-looking statements within the meaning of federal securities law, including statements concerning plans, objectives, goals, strategies, projections of future events or performance and underlying assumptions (many of which are based, in turn, upon further assumptions). The forward-looking statements in this press release are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those expressed. Such risks and uncertainties include, among others, economic cycles; international conflicts; changes in future demand and supply for hotel rooms; competitive conditions in the lodging industry; relationships with franchisees and properties; impact of government regulations; ability to obtain financing; changes in energy, healthcare, insurance and other operating expenses; ability to sell non-core assets; ability to locate lessees for rental property and managing and leasing properties owned by third parties; dependency upon the ability and experience of executive officers and ability to retain or replace such officers as well as other matters discussed in the company's annual report on Form 10-K for the 2004 fiscal year and in other documents filed by the company with the Securities and Exchange Commission.

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