

Choice Hotels International Enters into Master Franchising Agreement in Ireland with Kasterlee Limited

PRNewswire-FirstCall
SILVER SPRING, Md.

Choice Hotels International, Inc. today announced that it has entered into a ten-year master franchising agreement with Ireland-based Kasterlee Limited for the right to license and develop Choice's Clarion, Quality and Comfort brands in Ireland. Prior to acquiring the master franchising rights directly from Choice, Kasterlee operated Choice's brands in Ireland under an area representative agreement with Real Hotel Group (formerly CHE Hotel Group), which previously held the master franchise rights in Ireland.

The current portfolio in Ireland consists of 21 Comfort, Quality and Clarion branded hotels in markets including Dublin, Cork, Galway and Limerick. Master franchising duties held by Kasterlee will be assumed by its subsidiary, Cordelle Enterprises Limited. Concurrent with the execution of this master franchise agreement, Kasterlee Limited, doing business as Choice Hotels Ireland, announced it had sold its ownership interest in 11 Comfort Inn and Quality Hotels to a consortium of investors led by TVC Holdings plc, which assumed the franchise agreements for these hotels. Cordelle Enterprises Limited is now the franchisor for these 11 properties.

"We are very pleased to enter into this agreement with Kasterlee as the organization has been a very strong steward and operator of our brands in Ireland since 1998," said Mark Pearce, vice president, international operations, Choice Hotels International. "Over the past decade, Kasterlee has developed a very well-segmented market presence for Choice's brands while establishing a strong reputation as a leading provider of exemplary accommodations in the three-star and four-star segments. We are very confident about Kasterlee's ability to continue to grow Choice's market presence in Ireland. We look forward to building upon an already strong relationship with Kasterlee's talented leadership team to meet our shared objectives of brand strength, guest satisfaction and system growth."

Choice Hotels International also confirmed that neither Kasterlee nor any of its affiliates has the rights to franchise the Clarion brand outside of Ireland.

About Choice Hotels

Choice Hotels International franchises more than 5,400 hotels, representing more than 445,000 rooms, in the United States and 38 countries and territories. As of June 30, 2007, 858 hotels are under development in the United States, representing 67,740 rooms, and an additional 85 hotels, representing 8,007 rooms, are under development in more than 20 countries and territories. The company's Cambria Suites, Comfort Inn, Comfort Suites, Quality, Clarion, Sleep Inn, Econo Lodge, Rodeway Inn, MainStay Suites and Suburban Extended Stay Hotel brands serve guests worldwide.

Additional corporate information may be found on Choice Hotels' Internet site, which may be accessed at <http://www.choicehotels.com/>

Cambria Suites, Comfort Inn, Comfort Suites, Quality, Clarion, Sleep Inn, MainStay Suites, Suburban Extended Stay Hotel, Econo Lodge, and Rodeway Inn

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