Choice Hotels International Increases Dividend 13 Percent

PRNewswire-FirstCall
SILVER SPRING, Md.

Choice Hotels International today announced that its Board of Directors has approved a 13 percent increase in the company's quarterly cash dividend on the company's common stock from $0.15 to $0.17 per share, effective with the dividend payable on October 19, 2007, to shareholders of record on October 5, 2007. The increase will result in an annual dividend of $0.68 per share, which is a 13 percent increase from the previous dividend per share of $0.60 per annum.

"For the fourth year in a row, we've been able to increase our quarterly dividend, which we view as a key element of building long-term shareholder value," said Charles A. Ledsinger, Jr., vice chairman and chief executive officer, Choice Hotels International. "We remain confident in our long-term growth prospects based upon our mix of new and established brands, continued financial strength, and successful, proven business model."

Forward-Looking Statements

Certain matters discussed in this press release constitute forward-looking statements within the meaning of the federal securities law. Generally, our use of words such as "expect," "estimate," "believe," "anticipate," "will," "forecast," "plan," project," "assume" or similar words of futurity identify statements that are forward-looking and that we intend to be included within the Safe Harbor protections provided by Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are based on management's current beliefs, assumptions and expectations regarding future events, which in turn are based on information currently available to management. Such statements may relate to projections for the company's revenue, earnings and other financial and operational measures, company debt levels, payment of stock dividends, and future operations. We caution you not to place undue reliance on any forward- looking statements, which are made as of the date of this press release. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors.

Several factors could cause actual results, performance or achievements of the company to differ materially from those expressed in or contemplated by the forward-looking statements. Such risks include, but are not limited to, changes to general, domestic and foreign economic conditions; operating risks common in the lodging and franchising industries; changes to the desirability of our brands as viewed by hotel operators and customers; changes to the terms or termination of our contracts with franchisees; our ability to keep pace with improvements in technology utilized for reservations systems and other operating systems; fluctuations in the supply and demand for hotels rooms; and our ability to manage effectively our indebtedness. These and other risk factors are discussed in detail in Risk Factors section of the company's Form 10-K for the year ended December 31, 2006, filed with the Securities and Exchange Commission on March 1, 2007. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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 Comfort Inn, Comfort Suites, Quality, Sleep Inn, Clarion, Cambria Suites, MainStay Suites, Suburban Extended Stay Hotel, Econo Lodge, and Rodeway Inn brands serve guests worldwide.

Additional corporate information may be found on Choice Hotels' Internet site, which may be accessed at

www.choicehotels.com.

Choice Hotels, Choice Hotels International, Cambria Suites, Comfort Inn, Comfort Suites, Quality, Clarion, Sleep Inn, MainStay Suites, Suburban Extended Stay Hotel, Econo Lodge and Rodeway Inn are proprietary trademarks and service marks of Choice Hotels International.

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