

## Choice Hotels International and Real Hotel Company Sign Agreement Transferring Franchising Operation in United Kingdom to Choice

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Choice Hotels International, Inc. (NYSE:CHH) today announced the execution of a definitive agreement transferring franchising operations from Real Hotel Group plc to Choice for its Comfort, Quality, Sleep and Clarion brand hotels in the United Kingdom on January 31, 2008.

At that time, the master franchise agreement between Choice and Real Hotel Group for the United Kingdom will be terminated and the existing franchise agreements will be assigned to a Choice subsidiary.

As a result of the agreement, Choice will directly operate the franchise in the United Kingdom now consisting of 78 properties from the headquarters in London. This transaction follows Choice's fourth quarter 2006 acquisition of the franchising operations for the European countries of Austria, Belgium, France, Spain, Germany, Italy, the Czech Republic and Switzerland.

"The acquisition of the United Kingdom franchising operation is another element of our strategy to maximize our growth opportunities across Europe," said Mark Pearce, vice president, international operations, Choice Hotels International. "Choice is one of Europe's leading lodging companies, with over 500 hotels throughout the continent, and in the past year, we have focused our efforts on developing and implementing a number of pan-European marketing programs. The United Kingdom market will play a key role in our efforts to enhance brand awareness across the continent while providing our franchisees the centralized support and services that will help them increase property-level performance and profitability."

This acquisition is not expected to have a material impact on the Company's results of operations, cash flows or financial condition. For 2008, incremental revenues expected as a result of transitioning from a master franchising to direct franchising business model will be substantially offset by direct franchising costs associated with the acquired businesses. In addition, these acquisitions do not result in incremental international franchise system units or rooms on-line.

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