

Choice Hotels Reports First Quarter 2008 Diluted EPS Of \$0.30, Domestic Unit Growth Of 6%  
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Choice Hotels International, Inc., (NYSE:CHH) today reported the following highlights for first quarter 2008

Diluted earnings per share ("EPS") for first quarter 2008 increased 25% to \$0.30 compared to \$0.24 in the same period of the prior year. First quarter 2007 results included termination benefits expense totaling \$3.7 million (approximately \$0.03 diluted EPS) resulting from the separation from service of certain executive officers during that period.

Domestic unit growth increased 6.0 percent in first quarter 2008.

Operating income increased 24% to \$34.1 million for first quarter 2008 compared to \$27.4 million for first quarter 2007. Earnings before interest, taxes and depreciation ("EBITDA") increased 22% to \$36.1 million for first quarter 2008, compared to \$29.5 million for first quarter 2007. Operating income and EBITDA for first quarter 2007 both include the termination benefits expense described above.

Franchising revenues and total revenues both increased 12% for first quarter 2008 compared to the same period in 2007.

Franchising margins for first quarter 2008 were 56.9% compared to 51.0% for the same period in 2007. First quarter 2007 franchising margins reflect the impact of the \$3.7 million of termination benefits described above.

Domestic system-wide revenue per available room (RevPAR) increased 2.7% for first quarter 2008.

New domestic hotel franchise contracts executed in first quarter 2008 were 133, up 20% over the prior year.

The number of domestic hotels under construction, awaiting conversion or approved for development increased 18% to 986 hotels representing 79,276 rooms, the worldwide pipeline increased 20% to 1,082 hotels representing 87,597 rooms.

"During our first quarter, the fundamental strength of our business model was evident as robust unit growth drove increased revenues and profitability," said Charles A. Ledsinger, Jr., vice chairman and chief executive officer. "We were also very fortunate to have brought into the organization three experienced executives in Steve Joyce, president and chief operating officer, Chris Malone, chief marketing officer, and Sandy Michel, general counsel, all of whom have significant franchising backgrounds. Their talents, combined with the strength of our current leadership team, position Choice for continued growth and success."

#### **Outlook for 2008**

The company's second quarter 2008 diluted EPS is expected to be \$0.47. The company expects full year 2008 diluted EPS of \$1.87. Earnings before interest, taxes, depreciation and amortization ("EBITDA") for full-year 2008 are expected to be approximately \$205.5 million. These estimates include the following assumptions.

The company expects net domestic unit growth of approximately 5% in 2008,

RevPAR is expected to increase approximately 1.5% for second quarter 2008 and approximately 2% for full-year 2008,

The effective royalty rate is expected to increase 4 basis points for full-year 2008,

All figures assume the existing share count and an effective tax rate of 37% for second quarter 2008 and 36.7% for full year 2008,

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