

## **Choice Hotels International Announces Companywide Reorganization for Greater Growth and Agility Company Moves to a Brand-Centric Organizational Structure**

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SILVER SPRING, Md.

The executive leadership team of Choice Hotels International, Inc., today announced that the company has reorganized to a brand-centric structure in order to drive systemwide growth, strategic agility and financial performance over the long term. The new organizational structure consists of brand- category management teams, which include the company's upscale and extended stay market brands (Cambria Suites, MainStay Suites and Suburban Extended Stay Hotels), mid-market brands (Comfort Inn, Comfort Suites and Sleep Inn), full-service market brands and international operations (Quality Inn, Clarion, Clarion Collection and the company's international division), and the economy market brands (Econo Lodge and Rodeway Inn).

These category-specific brand divisions are responsible for brand strategy, operations, sales and service, and are supported by strategic services and centralized business units providing global support in the areas of business intelligence, marketing, information technology, hotel property performance, product innovation, and hotel procurement services.

"These changes support our efforts to build a high-performance organization and position us to leverage our brand equity and core strengths in order to take advantage of opportunities for further growth, innovation and leadership in the lodging industry," said Joseph M. Squeri, president and COO. "Our brand centric approach fully integrates our brands and our business strategies and allows our brand teams to place singular focus on understanding, anticipating and meeting the unique needs of key customer segments across all touch points," Squeri added.

In support of this reorganization, the following members of Choice's management team will provide broad oversight and leadership over the company's 10 brands:

\* David Pepper (formerly senior vice president, franchise growth and performance) has been named to the newly created position of division president, Cambria Suites and extended stay market brands, which currently include Cambria Suites, MainStay Suites and Suburban Extended Stay.

\* Janna Morrison (formerly senior vice president, customer care and technology services) has been named to the newly created position of division president, mid-market brands, which include Comfort Inn, Comfort Suites and Sleep Inn.

\* Bruce Haase (formerly senior vice president, international) has been named division president, select market brands (which include Quality and Clarion) and international operations.

\* Kevin Bradt (formerly senior director, economy brands) has been named division president, economy market brands, which include Econo Lodge and Rodeway Inn.

In addition, the following members of Choice's management team will provide leadership and oversight for the company's strategic services and centralized business units:

\* Wayne Wielgus will continue to lead the company's marketing strategies as executive vice president and chief marketing officer, providing oversight for marketing services, including revenue growth, frequent

traveler loyalty programs, eCommerce, intermediary marketing, and advertising.

- \* Dave Goldberg (formerly senior vice president, brand value) has been named senior vice president, brand solutions. In his new role, he will be responsible for driving new product and service innovations to increase profit opportunities for the company's franchised hotels, enhance the guest experience, and build greater brand equity for the company's portfolio of hotels. Such product and service innovations include those related to hotel design, hotel openings, and the company's business to business procurement services for Choice's franchised hotels.
- \* Dan Head will continue in his position as senior vice president, business intelligence and strategy, providing oversight for strategic initiatives and information technology. In addition, he will take on the added responsibility of providing technology-related property systems support to the company's franchised hotels.
- \* Alexandra Jaritz (formerly vice president, franchise operations) has been named to the newly created position of vice president, property level performance. In her new role, Alexandra will focus on initiatives to drive hotel property performance, including oversight for quality assurance, revenue management, and training.
- \* Aaron Katz (formerly vice president, brand value) has been named to the newly created position of vice president, development and real estate operations. In his new role, Aaron will manage the company's development marketing efforts, including relicensings and business development analytics, and work with the real estate development function to seek opportunities to strategically grow the business.

"By taking a more holistic approach to brand management, we will be able to leverage the collective strength of our brands, as well as build collaboration across the entire organization in order to improve the speed and quality of our decision-making," said Charles A. Ledsinger, vice chairman and CEO. "I am confident that the combination of our high-caliber management teams, sound business strategies and newly aligned brand organization will enable us to take advantage of the many opportunities for growth and innovation in the industry for the benefit of our shareholders, franchisees, hotel guests and associates," said Ledsinger.

## About Choice Hotels

Choice Hotels International franchises more than 5,200 hotels, representing more than 430,000 rooms, in the United States and more than 40 countries and territories. As of June 30, 2006, 687 hotels are under development in the United States, representing 53,765 rooms, and an additional 65 hotels, representing 5,993 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/>.

## Forward-Looking Statements

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities law. Such statements are based on management's beliefs, assumptions and expectations, which in turn are based on information currently available to management. Actual performance and results could differ from those expressed in or contemplated by the forward-looking statements due to a number of risks, uncertainties and other factors, many of which are beyond Choice's ability to predict or control. The company's Form 10-K for the year ended December 31, 2005

details some of the important risk factors that you should review.

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, Inc.

First Call Analyst:  
FCMN Contact: david\_peikin@choicehotels.com

SOURCE: Choice Hotels International

CONTACT: Anne Madison, Vice President, Corporate Communications, +1-301-592-6723, or David Peikin, Senior Director, Corporate Communications, +1-301-592-6361, both of Choice Hotels International, Inc.

Web site: <http://www.choicehotels.com/>

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