

Choice Hotels Expands Franchise Ownership Among Minorities

Development Deals Grow by 260 Percent from 2003-2005

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Worldwide lodging franchisor Choice Hotels International, Inc. today announced that 2005 was a watershed year for the company's Emerging Markets Division, which is dedicated to the expansion and diversification of the Choice Hotels franchisee base. The division increased development deals by 260 percent from 2003-2005 among target groups, including African Americans, Hispanic/Latino Americans and Native Americans.

"Choice brings a powerful and diverse portfolio to the table for minority entrepreneurs who are interested in nearly any segment of the lodging industry," said Brian Parker, vice president, emerging markets and new business development for Choice Hotels. "With brand offerings from economy to upscale, we are able to provide the right product for the right owner in the right market. This is reflected in the fact that minority franchise agreements executed in 2005 spanned seven Choice brands."

New construction deals accounted for 65 percent of the development deals executed by the Emerging Markets Division in 2005. Franchise contracts were signed for properties in 10 states, ranging from California to New York, and Mississippi to Utah. The franchise contracts covered Choice's Clarion, Comfort Inn, Comfort Suites, Econo Lodge, Quality, Mainstay Suites, and Rodeway Inn brands.

"The fact that 65 percent of our minority deals were for new construction projects reflects the confidence that first-time hoteliers have in Choice and our ability to guide them through the hotel development process," said Naiema Thomas, manager, emerging markets & customer segmentation for the African American market. "Resources that we offer include assistance with market and site selection, a full-service architecture and design team and financial incentives that help make Choice brands a winning proposition. We focus on forging strong relationships and work very hard to demonstrate that the Choice team is behind new franchisees 100 percent."

The Emerging Markets Division differentiates Choice from its competition through creativity and innovation. In 2005, to further assist minority entrepreneurs, Choice launched the Sleep Inn Minority Incentive Program. The program offers feasibility study reimbursement, a 50-percent discount off the Affiliation Fee, a fully forgivable loan for specified hotel-related expenses, a subsidy to cover a portion of the first year's cost of a professional management company and a free copy of Choice's proprietary Profit Manager software, which is used to help manage hotel operations. Choice also celebrated the launch of the Choice Hotels African American Owners Alliance (CHAAOA) and Choice Hotels Hispanic Owners and Managers Alliance (CHHOMA). The Alliances provide a networking venue for franchisees to share best practices, and serve as a platform to recruit new minority owners to the Choice system.

As part of the Emerging Markets Division's goal to educate entrepreneurs on the strength of the lodging industry and value of hotel franchising, the group hosted a series of Minority Hotel Development seminars across the country in 2005. To continue its innovation in 2006, the Emerging Markets group launched http://www.choicenholsfranchise.com/emerging_markets, a website designed exclusively for prospective minority and non-traditional hoteliers.

"The power of the Choice brands along with meaningful incentives, educational forums and the dedicated efforts of the Emerging Markets team are proving to be a very successful combination," said Raul Fuentes, manager, emerging markets & customer segmentation for the Hispanic/Latino community. "We expect growth to continue at a significant pace as we work harder than ever to build a diverse ownership base. We believe firmly that our franchisee base should reflect the diversity of our guests."

In 2003, Choice Hotels established the Emerging Markets and New Business Development Division. The division is dedicated to the expansion and diversification of the Choice Hotels franchisee base through the identification and penetration of untapped customer segments. This division is expressly interested in recruiting minority entrepreneurs and investors or corporations who have no previous experience in the lodging field and are interested in hotel development as a means of asset diversification and wealth building.

About Choice Hotels

Choice Hotels International is one of the world's largest lodging franchisors, marketing more than 5,000 hotels open or under development in more than 40 countries under the Cambria Suites, Clarion, Quality, Comfort Suites, Comfort Inn, Sleep Inn, MainStay Suites, Suburban Extended Stay Hotel, Econo Lodge and Rodeway Inn brand names. For more information on Choice, visit the company's web site at <http://www.choicehotels.com/>.

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