

Choice Hotels International Increases Dividend 15 Percent

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SILVER SPRING, Md.

Choice Hotels International, Inc. today announced that its Board of Directors has approved a 15 percent increase in the company's quarterly cash dividend on the company's common stock from \$0.13 to \$0.15 per share, effective with the dividend payable on October 20, 2006, to shareholders of record on October 6, 2006. The increase will result in an annual dividend of \$0.60 per share, which is a 15 percent increase from the previous dividend per share of \$0.52 per annum.

"This is the third consecutive year the company has increased its quarterly dividend," said Charles A. Ledsinger, Jr., vice chairman and CEO. "Not only is the increase a key component of our strategy to maximize the value we deliver to our shareholders, it also reflects our confidence in our business model, our strong financial position and cash-generating capabilities, and outlook for the future," Ledsinger added.

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.

SOURCE: Choice Hotels International, Inc.

CONTACT: David White, Chief Financial Officer, +1-301-592-5117, or Anne Madison, Vice President, Corporate Communications, +1-301-592-6723, both of Choice Hotels International, Inc.

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

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