

## **Choice Hotels Reports Second Quarter 2010 Diluted EPS of \$0.45, Domestic Unit Growth of 2.6%**

PRNewswire-FirstCall  
SILVER SPRING, Md.

Choice Hotels International, Inc., today reported the following highlights for second quarter 2010:

- Adjusted diluted earnings per share ("EPS") for second quarter 2010 were \$0.45 compared to \$0.44 for the same period of the prior year. Diluted EPS were \$0.45 for second quarter 2010 compared to \$0.42 for second quarter 2009. Adjusted diluted EPS for second quarter 2009 exclude certain special items, as described below, totaling \$0.02.
- Excluding special items, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") were \$45.7 million for the three months ended June 30, 2010, compared to \$42.0 million for the same period of 2009. Operating income for the three months ended June 30, 2010 and 2009 was \$43.6 million and \$38.1 million, respectively.
- Franchising revenues increased 2% from \$66.9 million for the three months ended June 30, 2009 to \$68.4 million for the same period of 2010. Total revenues for the three months ended June 30, 2010 increased 5% compared to the same period of 2009.
- Adjusted selling, general and administrative ("SG&A") costs for the second quarter 2010 totaled \$22.9 million which represented a 9% decline from the same period of the prior year. Adjusted SG&A costs exclude special items totaling (\$0.1) million and \$1.9 million for the three months ended June 30, 2010 and 2009, respectively.
- Interest and other investment income (loss) for the three months ended June 30, 2010 declined by approximately \$4.3 million from the same period of the prior year primarily due to the decline in the fair value of investments held in the company's non-qualified employee benefit plans during the current period compared to an appreciation in the fair value of these investments in the same period of the prior year.
- Domestic unit and room growth increased 2.6 percent and 2.2 percent, respectively, from June 30, 2009.
- Domestic system-wide revenue per available room ("RevPAR") increased 0.3% for the second quarter of 2010 compared to the same period of 2009 as occupancy rate increases of 130 basis points were partially offset by a 2.2% decline in average daily rates.
- The effective royalty rate increased 6 basis points to 4.32% for the three months ended June 30, 2010 compared to 4.26% for the same period of the prior year.
- The company executed 62 new domestic hotel franchise contracts for the three months ended June 30, 2010, a decline of 47% compared to the 118 contracts executed in the same period of the prior year.
- The number of domestic hotels under construction, awaiting conversion or approved for development declined 29% from June 30, 2009 to 586 hotels representing 47,056 rooms; the worldwide pipeline declined 27% from June 30, 2009 to 683 hotels representing 55,782 rooms.

"We're pleased to report positive domestic RevPAR for the first time since the second quarter of 2008, due in large part to gains in occupancy and a gradually improving average daily rate environment from this year's first quarter," said Stephen P. Joyce, president and chief executive officer. "We expect RevPAR to continue to show improvement for the remainder of

the year, however we believe the hotel transaction environment will remain difficult and thus continue to adversely impact our franchise sales results. We are squarely focused on enhancing our ability to deliver reservations to our franchisees' hotels and strengthening our range of centralized support services designed to enhance our franchisees' profitability."

## Special Items

During the three and six months ended June 30, 2010, the company recorded employee termination benefits charges (reversals) of approximately (\$0.1) million and \$0.2 million, respectively. These amounts did not have an effect on the reported diluted EPS for the periods reported.

During the three and six months ended June 30, 2009, the company recorded employee termination benefits of approximately \$0.4 million and \$0.8 million, respectively. During the three and six months ended June 30, 2009, the company also recorded a \$1.5 million charge related to the sublease of a portion of its office space. These special items represent diluted EPS of \$0.02 for both the three and six months ended June 30, 2009.

## Outlook for 2010

The company's third quarter 2010 diluted EPS is expected to be \$0.57. The company expects full-year 2010 diluted EPS to be between \$1.70 and \$1.72. Adjusted EBITDA for full-year 2010 are expected to be between \$167.5 million and \$170 million. These estimates include the following assumptions:

- The company expects net domestic unit growth ranging from 1% to 2% in 2010;
- RevPAR is expected to increase approximately 6% for third quarter of 2010 and range from flat to an increase of 2% for full-year 2010;
- The effective royalty rate is expected to increase 6 basis points for full-year 2010;
- All figures assume the existing share count and an effective tax rate of 35.8% for the third quarter and full-year 2010;
- Projections assume that the company's existing credit facility remains in place for full-year 2010.

## Use of Free Cash Flow

The company has historically used its free cash flow (cash flow from operations less capital expenditures) to return value to shareholders, primarily through share repurchases and dividends.

For the six months ended June 30, 2010 the company paid \$21.9 million of cash dividends to shareholders. The current quarterly dividend rate per common share is \$0.185, subject to declaration by our board of directors.

During the six months ended June 30, 2010, the company purchased approximately 0.2 million shares of its common stock at an average price of \$31.75 for a total cost of \$6.9 million under the share repurchase program and has authorization to purchase up to an additional 3.6 million shares under this program. No shares were repurchased under the repurchase program during the three months ended June 30, 2010. We expect to continue making repurchases in the open market and through privately negotiated transactions, subject to market and other conditions. No minimum number of share repurchases has been fixed. Since Choice announced its stock repurchase program on June 25, 1998, the company has repurchased 43.1 million shares of its common stock for a total cost of \$1 billion through June 30, 2010. Considering the effect of a two-for-one stock split in October 2005, the

company had repurchased 76.1 million shares through June 30, 2010 under the share repurchase program at an average price of \$13.33 per share.

Our Board previously authorized us to enter into programs which permit us to offer financing, investment and guaranty support to qualified franchisees as well as to acquire and resell real estate to incent franchise development for certain brands in top markets. Recent market conditions have resulted in an increase in opportunities to incent development under these programs. As a result, during the six months ended June 30, 2010, the Company has advanced approximately \$10.2 million pursuant to these programs (of which \$5 million has been repaid to the Company subsequent to June 30, 2010). In addition, during the three-months ended June 30, 2010 a \$1.0 million loan guarantee issued in 2007 related to the development of a Cambria franchise expired. Subsequent to June 30, 2010 and through July 27, 2010, the Company advanced an additional \$7.6 million under these programs.

Over the next several years, we expect to continue to opportunistically deploy capital pursuant to these programs to promote growth of our emerging brands. The amount and timing of the investment in these programs will be dependent on market and other conditions. Our current expectation is that our annual investment in these programs will range from \$20 million to \$40 million. Notwithstanding these programs, the company expects to continue to return value to its shareholders through a combination of share repurchases and dividends, subject to market and other conditions.

#### Conference Call

Choice will conduct a conference call on Wednesday, July 28, 2010 at 10:00 a.m. EDT to discuss the company's second quarter 2010 results. The dial-in number to listen to the call is 1-866-730-5770, and the access code is 71416248. International callers should dial 1-857-350-1594 and enter the access code 71416248. The conference call also will be Webcast simultaneously via the company's Web site, [www.choicehotels.com](http://www.choicehotels.com). Interested investors and other parties wishing to access the call via the Webcast should go to the Web site and click on the Investor Info link. The Investor Information page will feature a conference call microphone icon to access the call.

The call will be recorded and available for replay beginning at 1:00 p.m. EDT on July 28, 2010 through August 27, 2010 by calling 1-888-286-8010 and entering access code 10540629. The international dial-in number for the replay is 617-801-6888, access code 10540629. In addition, the call will be archived and available on [www.choicehotels.com](http://www.choicehotels.com) via the Investor Info link.

#### About Choice Hotels

Choice Hotels International, Inc. franchises more than 6,000 hotels, representing more than 490,000 rooms, in the United States and more than 35 other countries and territories. As of June 30, 2010, more than 580 hotels are under construction, awaiting conversion or approved for development in the United States, representing more than 47,000 rooms, and approximately 100 hotels, representing approximately 8,700 rooms, are under construction, awaiting conversion or approved for development in 20 other countries and territories. The company's Comfort Inn, Comfort Suites, Quality, Sleep Inn, Clarion, Cambria Suites, MainStay Suites, Suburban Extended Stay Hotel, Econo Lodge and Rodeway Inn brands serve guests worldwide. In addition, via its Ascend Collection membership program, travelers in the United States, Canada and the Caribbean have upscale lodging options at historic, boutique and unique hotels.

Additional corporate information may be found on the Choice Hotels International, Inc. Web site, which may be accessed at [www.choicehotels.com](http://www.choicehotels.com).

## Forward-Looking Statements

Certain matters discussed in this press release constitute forward-looking statements within the meaning of the federal securities law. Generally, our use of words such as "expect," "estimate," "believe," "anticipate," "will," "forecast," "plan", "project," "assume" or similar words of futurity identify statements that are forward-looking and that we intend to be included within the Safe Harbor protections provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are based on management's current beliefs, assumptions and expectations regarding future events, which in turn are based on information currently available to management. Such statements may relate to projections of the company's revenue, earnings and other financial and operational measures, company debt levels, payment of stock dividends, and future operations, among other matters. We caution you not to place undue reliance on any such forward-looking statements. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors.

Several factors could cause actual results, performance or achievements of the company to differ materially from those expressed in or contemplated by the forward-looking statements. Such risks include, but are not limited to, changes to general, domestic and foreign economic conditions; operating risks common in the lodging and franchising industries; changes to the desirability of our brands as viewed by hotel operators and customers; changes to the terms or termination of our contracts with franchisees; our ability to keep pace with improvements in technology utilized for reservations systems and other operating systems; fluctuations in the supply and demand for hotels rooms; and our ability to manage effectively our indebtedness. These and other risk factors are discussed in detail in the Risk Factors section of the company's Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission on March 1, 2010. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## Statement Concerning Non-GAAP Financial Measurements

Adjusted diluted EPS, adjusted EBITDA, adjusted SG&A, franchising revenues and adjusted franchising margins are non-GAAP financial measurements. This information should not be considered as an alternative to any measure of performance as promulgated under accounting principles generally accepted in the United States ("GAAP"), such as diluted earnings per share, operating income, total revenues and operating margins. The company's calculation of these measurements may be different from the calculations used by other companies and therefore comparability may be limited. The company has included an exhibit accompanying this release that reconciles these measures to the comparable GAAP measurement. We discuss management's reasons for reporting these non-GAAP measures below.

**Earnings Before Interest, Taxes, Depreciation and Amortization:** EBITDA reflects earnings excluding the impact of interest expense, tax expense, depreciation and amortization. Our management considers EBITDA to be an indicator of operating performance because it can be used to measure our ability to service debt, fund capital expenditures, and expand our business. EBITDA is a commonly used measure of performance in our industry. In addition, it is used by analysts, lenders, investors and others, as well as by us, to facilitate comparisons between the company and its competitors because it excludes certain items that can vary widely across different industries or among companies within the same industry.

**Franchising Revenues and Margins:** The company reports franchising revenues and margins which exclude marketing and reservation revenues and hotel operations. Marketing and reservation activities are excluded from revenues and operating margins since the company is contractually required by its franchise agreements to use these fees collected for

marketing and reservation activities. Cumulative reservation and marketing fees not expended are recorded as a payable on the company's financial statements and are carried over to the next fiscal year and expended in accordance with the franchise agreements. Cumulative marketing and reservation expenditures in excess of fees collected for marketing and reservation activities are recorded as a receivable on the company's financial statements. In addition, the company has the contractual authority to require that the franchisees in the system at any given point repay the company for any deficits related to marketing and reservation activities. Hotel operations are excluded since they do not reflect the most accurate measure of the company's core franchising business. These non-GAAP measures are a commonly used measure of performance in our industry and facilitate comparisons between the company and its competitors.

Adjusted Diluted EPS, Adjusted EBITDA, Adjusted SG&A and Adjusted Franchising Margins: The company's management also uses adjusted diluted EPS, adjusted EBITDA, adjusted SG&A and adjusted franchising margins which exclude employee termination benefits for the three and six months June 30, 2010 and 2009 as well as a loss on the sublease of a portion of the Company's office space during the three and six months ended June 30, 2009. The company utilizes these non-GAAP measures to enable investors to perform meaningful comparisons of past, present and future operating results and as a means to emphasize the results of on-going operations.

Choice Hotels, Choice Hotels International, Comfort Inn, Comfort Suites, Quality, Sleep Inn, Clarion, Cambria Suites, MainStay Suites, Suburban Extended Stay Hotel, Econo Lodge, Rodeway Inn and Ascend Collection are proprietary trademarks and service marks of Choice Hotels International.

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Choice Hotels International, Inc.  
Exhibit 1  
Consolidated Statements of Income  
(Unaudited)

|  | Three Months Ended June 30, |          |          |       |
|--|-----------------------------|----------|----------|-------|
|  | 2010                        | 2009     | Variance |       |
|  |                             |          | \$       | %     |
|  | ----                        | ----     | ---      | ---   |
| (In thousands, except per share amounts) |                             |          |          |       |
| REVENUES:                                |                             |          |          |       |
| Royalty fees                             | \$57,443                    | \$54,929 | \$2,514  | 5%    |
| Initial franchise and relicensing fees   | 2,655                       | 3,993    | (1,338)  | (34%) |
| Procurement services                     | 6,611                       | 6,772    | (161)    | (2%)  |
| Marketing and reservation                | 80,389                      | 75,296   | 5,093    | 7%    |
| Hotel operations                         | 1,109                       | 1,179    | (70)     | (6%)  |
| Other                                    | 1,641                       | 1,174    | 467      | 40%   |
|  | -----                       | -----    | ---      | ---   |
| Total revenues                           | 149,848                     | 143,343  | 6,505    | 5%    |

OPERATING

## EXPENSES:

|                                     |         |         |         |       |
|-------------------------------------|---------|---------|---------|-------|
| Selling, general and administrative | 22,824  | 27,076  | (4,252) | (16%) |
| Depreciation and amortization       | 2,220   | 2,032   | 188     | 9%    |
| Marketing and reservation           | 80,389  | 75,296  | 5,093   | 7%    |
| Hotel operations                    | 808     | 829     | (21)    | (3%)  |
|                                     |         | ---     | ----    |       |
| Total operating expenses            | 106,241 | 105,233 | 1,008   | 1%    |
| Operating income                    | 43,607  | 38,110  | 5,497   | 14%   |

## OTHER INCOME AND EXPENSES, NET:

|   |       |         |       |        |
|---|-------|---------|-------|--------|
| Interest expense                            | 675   | 1,265   | (590) | (47%)  |
| Interest and other investment (income) loss | 1,103 | (3,173) | 4,276 | (135%) |
| Equity in net income of affiliates          | (195) | (225)   | 30    | (13%)  |
| Total other income and expenses, net        | 1,583 | (2,133) | 3,716 | (174%) |
|   | ----- | -----   | ----- |        |

|                            |          |          |         |       |
|----------------------------|----------|----------|---------|-------|
| Income before income taxes | 42,024   | 40,243   | 1,781   | 4%    |
| Income taxes               | 15,013   | 14,740   | 273     | 2%    |
|                            | -----    | ---      | ---     |       |
| Net income                 | \$27,011 | \$25,503 | \$1,508 | 6%    |
|                            | =====    | =====    | =====   | ===== |

Weighted average shares outstanding-basic

|        |        |
|--------|--------|
| 59,592 | 60,467 |
| =====  | =====  |

Weighted average shares outstanding-diluted

|        |        |
|--------|--------|
| 59,676 | 60,598 |
| =====  | =====  |

Basic earnings per share

|        |        |        |       |
|--------|--------|--------|-------|
| \$0.45 | \$0.42 | \$0.03 | 7%    |
| =====  | =====  | =====  | ===== |

Diluted earnings per share

|        |        |        |       |
|--------|--------|--------|-------|
| \$0.45 | \$0.42 | \$0.03 | 7%    |
| =====  | =====  | =====  | ===== |

Six Months Ended June 30,

| -----    |      |     |     |
|----------|------|-----|-----|
| Variance |      |     |     |
| 2010     | 2009 | \$  | %   |
| ----     | ---- | --- | --- |

(In thousands,

except per share  
amounts)

#### REVENUES:

|  |          |          |         |       |
|--|----------|----------|---------|-------|
| Royalty fees                                 | \$98,464 | \$98,370 | \$94    | 0%    |
| Initial franchise<br>and relicensing<br>fees | 4,567    | 6,642    | (2,075) | (31%) |
| Procurement<br>services                      | 9,856    | 10,162   | (306)   | (3%)  |
| Marketing and<br>reservation                 | 139,229  | 137,338  | 1,891   | 1%    |
| Hotel operations                             | 1,976    | 2,297    | (321)   | (14%) |
| Other  | 3,177    | 2,692    | 485     | 18%   |
|  | -----    | -----    | ---     | ---   |
| Total revenues                               | 257,269  | 257,501  | (232)   | (0%)  |

#### OPERATING EXPENSES:

|   |         |         |         |      |
|---|---------|---------|---------|------|
| Selling, general<br>and<br>administrative | 44,640  | 48,537  | (3,897) | (8%) |
| Depreciation and<br>amortization          | 4,392   | 4,147   | 245     | 6%   |
| Marketing and<br>reservation              | 139,229 | 137,338 | 1,891   | 1%   |
| Hotel operations                          | 1,564   | 1,614   | (50)    | (3%) |
|   | -----   | -----   | ---     | ---  |
| Total operating<br>expenses               | 189,825 | 191,636 | (1,811) | (1%) |

Operating income 67,444 65,865 1,579 2%

#### OTHER INCOME AND EXPENSES, NET:

|   |       |         |         |        |
|---|-------|---------|---------|--------|
| Interest expense                                  | 1,296 | 2,805   | (1,509) | (54%)  |
| Interest and<br>other investment<br>(income) loss | 26    | (2,341) | 2,367   | (101%) |
| Equity in net<br>income of<br>affiliates          | (548) | (443)   | (105)   | 24%    |
| Total other<br>income and<br>expenses, net        | 774   | 21      | 753     | 3586%  |
|   | ---   | ---     | ---     | ---    |

|                               |          |          |       |       |
|-------------------------------|----------|----------|-------|-------|
| Income before<br>income taxes | 66,670   | 65,844   | 826   | 1%    |
| Income taxes                  | 23,866   | 24,033   | (167) | (1%)  |
|                               | -----    | -----    | ---   | ---   |
| Net income                    | \$42,804 | \$41,811 | \$993 | 2%    |
|                               | =====    | =====    | ===== | ===== |

Weighted average  
shares  
outstanding-  
basic

59,553 60,499  
=====

Weighted average  
shares  
outstanding-  
diluted

59,639 60,708  
=====

Basic earnings  
per share

\$0.72 \$0.69 \$0.03 4%  
=====

|                               |        |        |        |       |
|-------------------------------|--------|--------|--------|-------|
| Diluted earnings<br>per share | \$0.72 | \$0.69 | \$0.03 | 4%    |
|                               | =====  | =====  | =====  | ===== |

Choice Hotels International, Inc.                      Exhibit 2  
Consolidated Balance Sheets

(In thousands, except per share  
amounts)

|  |                  |                         |
|--|------------------|-------------------------|
|  | June 30,<br>2010 | December<br>31,<br>2009 |
|  | ----             | ----                    |
|  | (Unaudited)      |                         |

ASSETS

|   |           |           |
|---|-----------|-----------|
| Cash and cash equivalents                             | \$70,926  | \$67,870  |
| Accounts receivable, net                              | 50,342    | 41,898    |
| Deferred income taxes                                 | 7,980     | 7,980     |
| Other current assets                                  | 20,982    | 10,114    |
|   | -----     | -----     |
| Total current assets                                  | 150,230   | 127,862   |
| Fixed assets and intangibles, net                     | 136,763   | 133,999   |
| Receivable --marketing and<br>reservation fees        | 58,508    | 33,872    |
| Investments, employee benefit plans,<br>at fair value | 20,868    | 20,931    |
| Other assets  | 23,839    | 23,373    |
|   | -----     | -----     |
| Total assets  | \$390,208 | \$340,037 |
|   | -----     | -----     |

LIABILITIES AND SHAREHOLDERS' DEFICIT

|  |           |           |
|--|-----------|-----------|
| Accounts payable and accrued expenses                  | \$73,177  | \$70,933  |
| Deferred revenue                                       | 57,226    | 51,765    |
| Revolving credit facility                              | 291,100   | -         |
| Deferred compensation & retirement<br>plan obligations | 2,461     | 2,798     |
| Other current liabilities                              | 17,648    | 6,310     |
|  | -----     | -----     |
| Total current liabilities                              | 441,612   | 131,806   |
| Long-term debt   | -         | 277,700   |
| Deferred compensation & retirement<br>plan obligations | 33,348    | 34,956    |
| Other liabilities                                      | 12,283    | 9,787     |
|  | -----     | -----     |
| Total liabilities                                      | 487,243   | 454,249   |
|  | -----     |           |
| Common stock, \$0.01 par value                         | 596       | 595       |
| Additional paid-in-capital                             | 89,130    | 90,731    |
| Accumulated other comprehensive income<br>(loss)       | (850)     | 333       |
| Treasury stock, at cost                                | (871,211) | (870,302) |
| Retained earnings                                      | 685,300   | 664,431   |
|  | -----     | -----     |
| Total shareholders' deficit                            | (97,035)  | (114,212) |
|  | -----     |           |



|  |           |           |
|--|-----------|-----------|
| Total liabilities and<br>shareholders' deficit | \$390,208 | \$340,037 |
| -----  | -----     |           |

Choice Hotels International, Inc. Exhibit 3  
Consolidated Statements of Cash Flows  
(Unaudited)

| (In thousands)  | Six Months Ended<br>June 30, |          |
|---|------------------------------|----------|
|   | 2010                         | 2009     |
|   | ----                         | ----     |
| CASH FLOWS FROM OPERATING ACTIVITIES:   |                              |          |
| Net income  | \$42,804                     | \$41,811 |
| Adjustments to reconcile net income to net<br>cash provided<br>by operating activities: |                              |          |
| Depreciation and amortization   | 4,392                        | 4,147    |
| Provision for bad debts   | 1,637                        | 743      |
| Non-cash stock compensation and other<br>charges  | 5,297                        | 6,601    |
| Non-cash interest and other (income) loss   | 307                          | (2,107)  |
| Dividends received from equity method<br>investments                                    | 148                          | 488      |
| Equity in net income of affiliates  | (548)                        | (443)    |
| Changes in assets and liabilities, net of<br>acquisitions:                              |                              |          |
| Receivables   | (10,061)                     | (1,774)  |
| Receivable -marketing and reservation<br>fees, net                                      | (17,996)                     | (19,513) |
| Accounts payable  | 9,043                        | 1,523    |
| Accrued expenses  | (6,601)                      | (7,167)  |
| Income taxes payable/receivable   | 11,492                       | 20,093   |
| Deferred income taxes   | (55)                         | -        |
| Deferred revenue  | 5,475                        | 6,083    |
| Other assets  | (4,307)                      | 1,574    |
| Other liabilities   | 577                          | (3,685)  |
|   | ---                          | -----    |
| NET CASH PROVIDED BY OPERATING ACTIVITIES   | 41,604                       | 48,374   |
|   | -----                        | -----    |
| CASH FLOWS FROM INVESTING ACTIVITIES:   |                              |          |
| Investment in property and equipment  | (12,249)                     | (4,989)  |
| Acquisitions, net of cash acquired  | (466)                        | -        |
| Purchases of investments, employee benefit<br>plans                                     | (1,204)                      | (2,464)  |
| Proceeds from sales of investments,<br>employee benefit plans                           | 836                          | 1,171    |
| Issuance of notes receivable  | (8,008)                      | (1,329)  |
| Collections of notes receivable   | 37                           | 125      |
| Other items, net  | (361)                        | (246)    |
|   | ----                         | ----     |
| NET CASH USED IN INVESTING ACTIVITIES   | (21,415)                     | (7,732)  |
|   | -----                        | -----    |
| CASH FLOWS FROM FINANCING ACTIVITIES:   |                              |          |

|  |          |          |  |
|--|----------|----------|--|
| Net borrowings pursuant to revolving credit facility                 | 13,400   | 19,700   |  |
| Excess tax benefits from stock-based compensation                    | 12       | 2,033    |  |
| Purchase of treasury stock   | (9,242)  | (36,350) |  |
| Dividends paid   | (21,924) | (22,321) |  |
| Proceeds from exercise of stock options                              | 1,315    | 4,603    |  |
|  | -----    | -----    |  |
| NET CASH USED IN FINANCING ACTIVITIES                                | (16,439) | (32,335) |  |
|  | -----    | -----    |  |
| Net change in cash and cash equivalents                              | 3,750    | 8,307    |  |
| Effect of foreign exchange rate changes on cash and cash equivalents | (694)    | 823      |  |
| Cash and cash equivalents at beginning of period                     | 67,870   | 52,680   |  |
|  | -----    | -----    |  |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD                           | \$70,926 | \$61,810 |  |
|  | =====    | =====    |  |

CHOICE HOTELS INTERNATIONAL, INC. Exhibit 4  
SUPPLEMENTAL OPERATING INFORMATION  
DOMESTIC HOTEL SYSTEM  
(UNAUDITED)

For the Six Months Ended June 30,  
2010\*

|                                  | Average<br>Daily<br>Rate | Occupancy | RevPAR  |  |
|----------------------------------|--------------------------|-----------|---------|--|
|                                  | ----                     | -----     | -----   |  |
| Comfort Inn                      | \$73.44                  | 49.5%     | \$36.33 |  |
| Comfort Suites                   | 81.05                    | 50.5%     | 40.92   |  |
| Sleep                            | 66.93                    | 47.3%     | 31.68   |  |
| Midscale without Food & Beverage | 74.48                    | 49.4%     | 36.79   |  |
|                                  | -----                    | ----      | -----   |  |
| Quality                          | 64.10                    | 42.6%     | 27.31   |  |
| Clarion                          | 72.34                    | 39.1%     | 28.27   |  |
| Midscale with Food & Beverage    | 65.80                    | 41.8%     | 27.52   |  |
|                                  | -----                    | ----      | -----   |  |
| Econo Lodge                      | 51.21                    | 40.7%     | 20.87   |  |
| Rodeway                          | 47.06                    | 40.7%     | 19.14   |  |
|                                  | -----                    | ----      | -----   |  |
| Economy                          | 49.95                    | 40.7%     | 20.34   |  |
|                                  | -----                    | ----      | -----   |  |
| MainStay                         | 64.20                    | 59.3%     | 38.06   |  |
| Suburban                         | 38.47                    | 62.4%     | 24.01   |  |
| Extended Stay                    | 45.47                    | 61.5%     | 27.98   |  |
|                                  | -----                    | ----      | -----   |  |
| Total                            | \$67.31                  | 46.0%     | \$30.98 |  |
|                                  | =====                    | =====     | =====   |  |

For the Six Months Ended June  
30, 2009\*

|                                     | Average<br>Daily<br>Rate | Occupancy | RevPAR  |  |
|-------------------------------------|--------------------------|-----------|---------|--|
|                                     | ----                     | -----     | -----   |  |
| Comfort Inn                         | \$75.01                  | 50.5%     | \$37.90 |  |
| Comfort Suites                      | 85.14                    | 51.2%     | 43.56   |  |
| Sleep                               | 68.94                    | 49.6%     | 34.20   |  |
| Midscale without Food &<br>Beverage | 76.57                    | 50.5%     | 38.70   |  |
|                                     | -----                    | ----      | -----   |  |
| Quality                             | 66.15                    | 43.3%     | 28.64   |  |
| Clarion                             | 75.98                    | 40.5%     | 30.76   |  |
| Midscale with Food & Beverage       | 68.10                    | 42.7%     | 29.08   |  |
|                                     | -----                    | ----      | -----   |  |
| Econo Lodge                         | 52.68                    | 40.3%     | 21.24   |  |
| Rodeway                             | 50.41                    | 40.0%     | 20.16   |  |
|                                     | -----                    | ----      | -----   |  |
| Economy                             | 52.03                    | 40.2%     | 20.93   |  |
|                                     | -----                    | ----      | -----   |  |
| MainStay                            | 70.90                    | 55.3%     | 39.19   |  |
| Suburban                            | 42.76                    | 53.9%     | 23.05   |  |
| Extended Stay                       | 50.68                    | 54.3%     | 27.51   |  |
|                                     | -----                    | ----      | -----   |  |
| Total                               | \$69.57                  | 46.5%     | \$32.37 |  |
|                                     | =====                    | =====     | =====   |  |

Change

|                                     | Average<br>Daily<br>Rate | Occupancy | RevPAR |  |
|-------------------------------------|--------------------------|-----------|--------|--|
|                                     | ----                     | -----     | -----  |  |
| Comfort Inn                         | (2.1%) (100) bps         | (4.1%)    |        |  |
| Comfort Suites                      | (4.8%) (70) bps          | (6.1%)    |        |  |
| Sleep                               | (2.9%) (230) bps         | (7.4%)    |        |  |
| Midscale without Food &<br>Beverage | (2.7%) (110) bps         | (4.9%)    |        |  |
|                                     | -----                    | ----      | -----  |  |
| Quality                             | (3.1%) (70) bps          | (4.6%)    |        |  |
| Clarion                             | (4.8%) (140) bps         | (8.1%)    |        |  |
| Midscale with Food & Beverage       | (3.4%) (90) bps          | (5.4%)    |        |  |
|                                     | -----                    | ----      | -----  |  |
| Econo Lodge                         | (2.8%) 40 bps            | (1.7%)    |        |  |
| Rodeway                             | (6.6%) 70 bps            | (5.1%)    |        |  |
|                                     | -----                    | ----      | -----  |  |

|               |         |          |        |
|---------------|---------|----------|--------|
| Economy       | (4.0%)  | 50 bps   | (2.8%) |
|               | -----   | ---      | -----  |
| MainStay      | (9.4%)  | 400 bps  | (2.9%) |
| Suburban      | (10.0%) | 850 bps  | 4.2%   |
| Extended Stay | (10.3%) | 720 bps  | 1.7%   |
|               | -----   | ---      | ---    |
| Total         | (3.2%)  | (50) bps | (4.3%) |
|               | =====   | ====     | =====  |

\* Operating statistics represent hotel operations from December through May

For the Three Months Ended  
June 30, 2010\*

|                                  | Average<br>Daily<br>Rate | Occupancy | RevPAR  |  |
|----------------------------------|--------------------------|-----------|---------|--|
|                                  | ----                     | -----     | -----   |  |
| Comfort Inn                      | \$75.22                  | 55.9%     | \$42.04 |  |
| Comfort Suites                   | 82.40                    | 56.9%     | 46.88   |  |
| Sleep                            | 68.54                    | 53.3%     | 36.51   |  |
| Midscale without Food & Beverage | 76.13                    | 55.8%     | 42.44   |  |
|                                  | -----                    | ----      | -----   |  |
| Quality                          | 65.93                    | 48.0%     | 31.62   |  |
| Clarion                          | 74.37                    | 44.2%     | 32.85   |  |
| Midscale with Food & Beverage    | 67.70                    | 47.1%     | 31.89   |  |
|                                  | -----                    | ----      | -----   |  |
| Econo Lodge                      | 52.44                    | 45.7%     | 23.95   |  |
| Rodeway                          | 48.32                    | 44.8%     | 21.63   |  |
|                                  | -----                    | ----      | -----   |  |
| Economy                          | 51.20                    | 45.4%     | 23.24   |  |
|                                  | -----                    | ----      | -----   |  |
| MainStay                         | 65.04                    | 66.3%     | 43.09   |  |
| Suburban                         | 39.51                    | 65.8%     | 25.98   |  |
| Extended Stay                    | 46.65                    | 65.9%     | 30.74   |  |
|                                  | -----                    | ----      | -----   |  |
| Total                            | \$69.01                  | 51.7%     | \$35.69 |  |
|                                  | =====                    | =====     | =====   |  |

For the Three Months Ended  
June 30, 2009\*

|             | Average<br>Daily<br>Rate | Occupancy | RevPAR  |
|-------------|--------------------------|-----------|---------|
|             | ----                     | -----     | -----   |
| Comfort Inn | \$75.86                  | 55.0%     | \$41.72 |

|                                  |         |       |         |  |
|----------------------------------|---------|-------|---------|--|
| Comfort Suites                   | 85.67   | 55.0% | 47.12   |  |
| Sleep                            | 70.10   | 54.1% | 37.94   |  |
| Midscale without Food & Beverage | 77.38   | 54.9% | 42.46   |  |
|                                  | ----    | ----  | ----    |  |
| Quality                          | 67.27   | 47.3% | 31.83   |  |
| Clarion                          | 77.52   | 43.8% | 33.96   |  |
| Midscale with Food & Beverage    | 69.29   | 46.6% | 32.28   |  |
|                                  | ----    | ----  | ----    |  |
| Econo Lodge                      | 53.54   | 43.5% | 23.30   |  |
| Rodeway                          | 51.07   | 42.8% | 21.87   |  |
|                                  | ----    | ----  | ----    |  |
| Economy                          | 52.83   | 43.3% | 22.89   |  |
|                                  | ----    | ----  | ----    |  |
| MainStay                         | 70.76   | 59.7% | 42.25   |  |
| Suburban                         | 42.89   | 55.7% | 23.90   |  |
| Extended Stay                    | 51.05   | 56.8% | 29.02   |  |
|                                  | ----    | ----  | ----    |  |
| Total                            | \$70.53 | 50.4% | \$35.58 |  |
|                                  | =====   | ===== | =====   |  |

#### Change

-----

#### Average

Daily

Rate    Occupancy    RevPAR

---    -----    -----

|                                  |        |           |        |
|----------------------------------|--------|-----------|--------|
| Comfort Inn                      | (0.8%) | 90 bps    | 0.8%   |
| Comfort Suites                   | (3.8%) | 190 bps   | (0.5%) |
| Sleep                            | (2.2%) | (80) bps  | (3.8%) |
| Midscale without Food & Beverage | (1.6%) | 90 bps    | (0.0%) |
|                                  | -----  | ---       | -----  |
| Quality                          | (2.0%) | 70 bps    | (0.7%) |
| Clarion                          | (4.1%) | 40 bps    | (3.3%) |
| Midscale with Food & Beverage    | (2.3%) | 50 bps    | (1.2%) |
|                                  | -----  | ---       | -----  |
| Econo Lodge                      | (2.1%) | 220 bps   | 2.8%   |
| Rodeway                          | (5.4%) | 200 bps   | (1.1%) |
|                                  | -----  | ---       | -----  |
| Economy                          | (3.1%) | 210 bps   | 1.5%   |
|                                  | -----  | ---       | ---    |
| MainStay                         | (8.1%) | 660 bps   | 2.0%   |
| Suburban                         | (7.9%) | 1,010 bps | 8.7%   |
| Extended Stay                    | (8.6%) | 910 bps   | 5.9%   |
|                                  | -----  | ---       | ---    |
| Total                            | (2.2%) | 130 bps   | 0.3%   |
|                                  | =====  | =====     | =====  |

\* Operating statistics represent hotel operations from March through May

|  | For the Quarter<br>Ended<br>6/30/2010 | 6/30/2009 | For the Six Months<br>Ended<br>6/30/2010 | 6/30/2009 |
|--|---------------------------------------|-----------|--|-----------|
| System-wide<br>effective<br>royalty rate | 4.32%                                 | 4.26%     | 4.33%                                    | 4.26%     |

CHOICE HOTELS INTERNATIONAL, INC. Exhibit 5  
SUPPLEMENTAL HOTEL AND ROOM SUPPLY DATA  
(UNAUDITED)

|                                     | June 30, 2010 |         | June 30, 2009 |         |
|-------------------------------------|---------------|---------|---------------|---------|
|                                     | Hotels        | Rooms   | Hotels        | Rooms   |
| Comfort Inn                         | 1,446         | 113,677 | 1,461         | 114,531 |
| Comfort Suites                      | 621           | 48,200  | 576           | 45,056  |
| Sleep                               | 392           | 28,586  | 376           | 27,576  |
| Midscale without Food &<br>Beverage | 2,459         | 190,463 | 2,413         | 187,163 |
| Quality                             | 984           | 88,453  | 941           | 86,675  |
| Clarion                             | 175           | 25,188  | 163           | 23,444  |
| Midscale with Food &<br>Beverage    | 1,159         | 113,641 | 1,104         | 110,119 |
| Econo Lodge                         | 785           | 48,543  | 796           | 49,596  |
| Rodeway                             | 381           | 21,473  | 362           | 20,840  |
| Economy                             | 1,166         | 70,016  | 1,158         | 70,436  |
| MainStay                            | 36            | 2,798   | 37            | 2,866   |
| Suburban                            | 63            | 7,608   | 64            | 7,657   |
| Extended Stay                       | 99            | 10,406  | 101           | 10,523  |
| Ascend Collection                   | 32            | 2,646   | 22            | 1,444   |
| Cambria Suites                      | 21            | 2,453   | 14            | 1,540   |
| Domestic Franchises                 | 4,936         | 389,625 | 4,812         | 381,225 |
| International Franchises            | 1,138         | 100,858 | 1,102         | 98,603  |
| Total Franchises                    | 6,074         | 490,483 | 5,914         | 479,828 |

Variance  
-----

|                                  | Hotels | Rooms        | %      |        |  |  |
|----------------------------------|--------|--------------|--------|--------|--|--|
|                                  | -----  | -----        | ---    | ---    |  |  |
| Comfort Inn                      |        | (15) (854)   | (1.0%) | (0.7%) |  |  |
| Comfort Suites                   |        | 45 3,144     | 7.8%   | 7.0%   |  |  |
| Sleep                            |        | 16 1,010     | 4.3%   | 3.7%   |  |  |
| Midscale without Food & Beverage |        | 46 3,300     | 1.9%   | 1.8%   |  |  |
|                                  | ---    | ---          | ---    | ---    |  |  |
| Quality                          |        | 43 1,778     | 4.6%   | 2.1%   |  |  |
| Clarion                          |        | 12 1,744     | 7.4%   | 7.4%   |  |  |
| Midscale with Food & Beverage    |        | 55 3,522     | 5.0%   | 3.2%   |  |  |
|                                  | ---    | ---          | ---    | ---    |  |  |
| Econo Lodge                      |        | (11) (1,053) | (1.4%) | (2.1%) |  |  |
| Rodeway                          |        | 19 633       | 5.2%   | 3.0%   |  |  |
|                                  | ---    | ---          |        |        |  |  |
| Economy                          |        | 8 (420)      | 0.7%   | (0.6%) |  |  |
|                                  | ---    | ---          | ---    | ---    |  |  |
| MainStay                         |        | (1) (68)     | (2.7%) | (2.4%) |  |  |
| Suburban                         |        | (1) (49)     | (1.6%) | (0.6%) |  |  |
| Extended Stay                    |        | (2) (117)    | (2.0%) | (1.1%) |  |  |
|                                  | ---    | ---          | ---    | ---    |  |  |
| Ascend Collection                |        | 10 1,202     | 45.5%  | 83.2%  |  |  |
| Cambria Suites                   |        | 7 913        | 50.0%  | 59.3%  |  |  |
|                                  | ---    | ---          | ---    | ---    |  |  |
| Domestic Franchises              |        | 124 8,400    | 2.6%   | 2.2%   |  |  |
| International Franchises         |        | 36 2,255     | 3.3%   | 2.3%   |  |  |
|                                  | ---    | ---          | ---    | ---    |  |  |
| Total Franchises                 |        | 160 10,655   | 2.7%   | 2.2%   |  |  |
|                                  | ===    | =====        | ===    | ===    |  |  |

Exhibit 6  
CHOICE HOTELS INTERNATIONAL, INC.  
SUPPLEMENTAL INFORMATION BY BRAND  
DEVELOPMENT RESULTS -- DOMESTIC NEW HOTEL CONTRACTS  
(UNAUDITED)

For the Six Months Ended  
June 30, 2010  
-----

|                                  | New<br>Construction | Conversion | Total |    |
|----------------------------------|---------------------|------------|-------|----|
|                                  | -----               | -----      | ---   |    |
| Comfort Inn                      | 3                   | 13         | 16    |    |
| Comfort Suites                   | 8                   | 1          | 9     |    |
| Sleep                            | 2                   | -          | 2     |    |
| Midscale without Food & Beverage | 13                  | 14         | 27    |    |
|                                  | ---                 | ---        | ---   |    |
| Quality                          | 1                   | 31         | 32    |    |
| Clarion                          | -                   | 6          | 6     |    |
| Midscale with Food & Beverage    |                     | 1          | 37    | 38 |
|                                  | ---                 | ---        | ---   |    |

|                       |     |     |     |
|-----------------------|-----|-----|-----|
| Econo Lodge           | -   | 22  | 22  |
| Rodeway               | 1   | 19  | 20  |
| Economy               | 1   | 41  | 42  |
| ---                   | --- | --- |     |
| MainStay              | 3   | -   | 3   |
| Suburban              | 1   | -   | 1   |
| Extended Stay         | 4   | -   | 4   |
| ---                   | --- | --- |     |
| Ascend Collection     | -   | 3   | 3   |
| Cambria Suites        | 3   | -   | 3   |
| ---                   | --- | --- |     |
| Total Domestic System | 22  | 95  | 117 |
| ===                   | === | === |     |

For the Six Months Ended  
June 30, 2009

|                                     | New<br>Construction | Conversion | Total |    |
|-------------------------------------|---------------------|------------|-------|----|
| -----                               | -----               | -----      |       |    |
| Comfort Inn                         | 2                   | 15         | 17    |    |
| Comfort Suites                      | 5                   | 1          | 6     |    |
| Sleep                               | 7                   | 2          | 9     |    |
| Midscale without Food &<br>Beverage | 14                  | 18         | 32    |    |
| ---                                 | ---                 | ---        |       |    |
| Quality                             | 2                   | 64         | 66    |    |
| Clarion                             | -                   | 14         | 14    |    |
| Midscale with Food & Beverage       |                     | 2          | 78    | 80 |
| ---                                 | ---                 | ---        |       |    |
| Econo Lodge                         | -                   | 29         | 29    |    |
| Rodeway                             | 1                   | 28         | 29    |    |
| Economy                             | 1                   | 57         | 58    |    |
| ---                                 | ---                 | ---        |       |    |
| MainStay                            | 1                   | 1          | 2     |    |
| Suburban                            | 2                   | -          | 2     |    |
| Extended Stay                       | 3                   | 1          | 4     |    |
| ---                                 | ---                 | ---        |       |    |
| Ascend Collection                   | -                   | 2          | 2     |    |
| Cambria Suites                      | 2                   | -          | 2     |    |
| ---                                 | ---                 | ---        |       |    |
| Total Domestic System               | 22                  | 156        | 178   |    |
| ===                                 | ===                 | ===        |       |    |

% Change



|                                     | New<br>Construction | Conversion | Total       |
|-------------------------------------|---------------------|------------|-------------|
| Comfort Inn                         | 50%                 | (13%)      | (6%)        |
| Comfort Suites                      | 60%                 | 0%         | 50%         |
| Sleep                               | (71%)               | (100%)     | (78%)       |
| Midscale without Food &<br>Beverage | (7%)                | (22%)      | (16%)       |
| Quality                             | (50%)               | (52%)      | (52%)       |
| Clarion                             | NM                  | (57%)      | (57%)       |
| Midscale with Food & Beverage       |                     | (50%)      | (53%) (53%) |
| Econo Lodge                         | NM                  | (24%)      | (24%)       |
| Rodeway                             | 0%                  | (32%)      | (31%)       |
| Economy                             | 0%                  | (28%)      | (28%)       |
| MainStay                            | 200%                | (100%)     | 50%         |
| Suburban                            | (50%)               | NM         | (50%)       |
| Extended Stay                       | 33%                 | (100%)     | 0%          |
| Ascend Collection                   | NM                  | 50%        | 50%         |
| Cambria Suites                      | 50%                 | NM         | 50%         |
| Total Domestic System               | 0%                  | (39%)      | (34%)       |
|                                     | ===                 | =====      | =====       |

For the Three Months Ended  
June 30, 2010

|                                     | New<br>Construction | Conversion | Total |
|-------------------------------------|---------------------|------------|-------|
| Comfort Inn                         | 2                   | 5          | 7     |
| Comfort Suites                      | 6                   | 1          | 7     |
| Sleep                               | -                   | -          | -     |
| Midscale without Food &<br>Beverage | 8                   | 6          | 14    |
| Quality                             | -                   | 20         | 20    |
| Clarion                             | -                   | 3          | 3     |
| Midscale with Food & Beverage       | -                   | -          | 23 23 |
| Econo Lodge                         | -                   | 12         | 12    |
| Rodeway                             | -                   | 8          | 8     |
| Economy                             | -                   | 20         | 20    |
| MainStay                            | 1                   | -          | 1     |
| Suburban                            | -                   | -          | -     |
| Extended Stay                       | 1                   | -          | 1     |

|                       |     |     |     |
|-----------------------|-----|-----|-----|
| Ascend Collection     | -   | 1   | 1   |
| Cambria Suites        | 3   | -   | 3   |
|                       | --- | --- | --- |
| Total Domestic System | 12  | 50  | 62  |
|                       | === | === | === |

For the Three Months Ended  
June 30, 2009

|                                     | New<br>Construction | Conversion | Total |    |
|-------------------------------------|---------------------|------------|-------|----|
|                                     | -----               | -----      | ----- |    |
| Comfort Inn                         | 2                   | 8          | 10    |    |
| Comfort Suites                      | 4                   | -          | 4     |    |
| Sleep                               | 5                   | 2          | 7     |    |
| Midscale without Food &<br>Beverage | 11                  | 10         | 21    |    |
|                                     | ---                 | ---        | ---   |    |
| Quality                             | 1                   | 41         | 42    |    |
| Clarion                             | -                   | 8          | 8     |    |
| Midscale with Food & Beverage       |                     | 1          | 49    | 50 |
|                                     | ---                 | ---        | ---   |    |
| Econo Lodge                         | -                   | 20         | 20    |    |
| Rodeway                             | -                   | 21         | 21    |    |
| Economy                             | -                   | 41         | 41    |    |
|                                     | ---                 | ---        | ---   |    |
| MainStay                            | 1                   | -          | 1     |    |
| Suburban                            | 2                   | -          | 2     |    |
| Extended Stay                       | 3                   | -          | 3     |    |
|                                     | ---                 | ---        | ---   |    |
| Ascend Collection                   | -                   | 2          | 2     |    |
| Cambria Suites                      | 1                   | -          | 1     |    |
|                                     | ---                 | ---        | ---   |    |
| Total Domestic System               | 16                  | 102        | 118   |    |
|                                     | ===                 | ===        | ===   |    |

% Change

|                                     | New<br>Construction | Conversion | Total  |
|-------------------------------------|---------------------|------------|--------|
|                                     | -----               | -----      | -----  |
| Comfort Inn                         | 0%                  | (38%)      | (30%)  |
| Comfort Suites                      | 50%                 | NM         | 75%    |
| Sleep                               | (100%)              | (100%)     | (100%) |
| Midscale without Food &<br>Beverage | (27%)               | (40%)      | (33%)  |
|                                     | ----                | ----       | ----   |

|                               |        |       |        |
|-------------------------------|--------|-------|--------|
| Quality                       | (100%) | (51%) | (52%)  |
| Clarion                       | NM     | (63%) | (63%)  |
| Midscale with Food & Beverage | (100%) | (53%) | (54%)  |
|                               | -----  | ----- | -----  |
| Econo Lodge                   | NM     | (40%) | (40%)  |
| Rodeway                       | NM     | (62%) | (62%)  |
| Economy                       | NM     | (51%) | (51%)  |
|                               | ---    | ----- | -----  |
| MainStay                      | 0%     | NM    | 0%     |
| Suburban                      | (100%) | NM    | (100%) |
| Extended Stay                 | (67%)  | NM    | (67%)  |
|                               | -----  | ---   | -----  |
| Ascend Collection             | NM     | (50%) | (50%)  |
| Cambria Suites                | 200%   | NM    | 200%   |
|                               | ---    | ---   | ---    |
| Total Domestic System         | (25%)  | (51%) | (47%)  |
|                               | =====  | ===== | =====  |

CHOICE HOTELS INTERNATIONAL, INC.      Exhibit 7  
DOMESTIC HOTEL PIPELINE OF HOTELS UNDER CONSTRUCTION,  
AWAITING CONVERSION OR APPROVED FOR DEVELOPMENT  
(UNAUDITED)

A hotel in the domestic pipeline does not always result in an open and operating hotel due to various factors.

|                                  |               |                  |       |
|----------------------------------|---------------|------------------|-------|
|                                  | June 30, 2010 |                  |       |
|                                  | Units         |                  |       |
|                                  | -----         |                  |       |
|                                  | Conversion    | New Construction | Total |
|                                  | -----         | -----            | ----- |
| Comfort Inn                      | 33            | 69               | 102   |
| Comfort Suites                   | 1             | 136              | 137   |
| Sleep Inn                        | 1             | 101              | 102   |
|                                  | ---           | ---              | ---   |
| Midscale without Food & Beverage | 35            | 306              | 341   |
|                                  | ---           | ---              | ---   |
| Quality                          | 41            | 11               | 52    |
| Clarion                          | 15            | 5                | 20    |
|                                  | ---           | ---              | ---   |
| Midscale with Food & Beverage    | 56            | 16               | 72    |
|                                  | ---           | ---              | ---   |
| Econo Lodge                      | 35            | 2                | 37    |
| Rodeway                          | 26            | 3                | 29    |
|                                  | ---           | ---              | ---   |
| Economy                          | 61            | 5                | 66    |
|                                  | ---           | ---              | ---   |
| MainStay                         | -             | 39               | 39    |
| Suburban                         | -             | 26               | 26    |
|                                  | ---           | ---              | ---   |
| Extended Stay                    | -             | 65               | 65    |

|                   |     |     |     |
|-------------------|-----|-----|-----|
|                   | --- | --- | --- |
| Ascend Collection | 3   | 4   | 7   |
| Cambria Suites    | -   | 35  | 35  |
|                   | --- | --- | --- |
|                   | 155 | 431 | 586 |
|                   | === | === | === |

June 30, 2009

Units

|                                     | New        |              |       |
|-------------------------------------|------------|--------------|-------|
|                                     | Conversion | Construction | Total |
|                                     | -----      | -----        | ----  |
| Comfort Inn                         | 37         | 110          | 147   |
| Comfort Suites                      | 1          | 227          | 228   |
| Sleep Inn                           | 3          | 139          | 142   |
|                                     | ---        | ---          | ---   |
| Midscale without<br>Food & Beverage | 41         | 476          | 517   |
|                                     | ---        | ---          | ---   |
| Quality                             | 57         | 15           | 72    |
| Clarion                             | 25         | 5            | 30    |
|                                     | ---        | ---          | ---   |
| Midscale with<br>Food & Beverage    | 82         | 20           | 102   |
|                                     | ---        | ---          | ---   |
| Econo Lodge                         | 36         | 4            | 40    |
| Rodeway                             | 48         | 2            | 50    |
|                                     | ---        | ---          | ---   |
| Economy                             | 84         | 6            | 90    |
|                                     | ---        | ---          | ---   |
| MainStay                            | -          | 35           | 35    |
| Suburban                            | -          | 32           | 32    |
|                                     | ---        | ---          | ---   |
| Extended Stay                       | -          | 67           | 67    |
|                                     | ---        | ---          | ---   |
| Ascend Collection                   | 2          | 1            | 3     |
| Cambria Suites                      | -          | 48           | 48    |
|                                     | ---        | ---          | ---   |
|                                     | 209        | 618          | 827   |
|                                     | ===        | ===          | ===   |

Variance

|                | New        |              |       |
|----------------|------------|--------------|-------|
|                | Conversion | Construction |       |
|                | -----      | -----        | ----- |
|                | Units      | Units        | %     |
|                | ----       | ----         | ----  |
| Comfort Inn    | (4)        | (41)         | (37%) |
| Comfort Suites | -          | (91)         | (40%) |
| Sleep Inn      | (2)        | (38)         | (27%) |
|                | ---        | ---          | ---   |

|                                     |      |       |       |       |
|-------------------------------------|------|-------|-------|-------|
| Midscale without<br>Food & Beverage | (6)  | (15%) | (170) | (36%) |
|                                     | ---  | ----- | ---   | ----- |
| Quality                             | (16) | (28%) | (4)   | (27%) |
| Clarion                             | (10) | (40%) | -     | 0%    |
|                                     | ---  | ----- | ---   | ----- |
| Midscale with<br>Food & Beverage    | (26) | (32%) | (4)   | (20%) |
|                                     | ---  | ----- | ---   | ----- |
| Econo Lodge                         | (1)  | (3%)  | (2)   | (50%) |
| Rodeway                             | (22) | (46%) | 1     | 50%   |
|                                     | ---  | ----- | ---   | ----- |
| Economy                             | (23) | (27%) | (1)   | (17%) |
|                                     | ---  | ----- | ---   | ----- |
| MainStay                            | -    | NM    | 4     | 11%   |
| Suburban                            | -    | NM    | (6)   | (19%) |
|                                     | ---  | ---   | ---   | ----- |
| Extended Stay                       | -    | NM    | (2)   | (3%)  |
|                                     | ---  | ---   | ---   | ----- |
| Ascend Collection                   | 1    | 50%   | 3     | 300%  |
| Cambria Suites                      | -    | NM    | (13)  | (27%) |
|                                     | ---  | ---   | ----- |       |
|                                     | (54) | (26%) | (187) | (30%) |
|                                     | ===  | ===== | ===== | ===== |

|                                     |       |       |  |  |
|-------------------------------------|-------|-------|--|--|
| Variance                            |       |       |  |  |
| -----                               |       |       |  |  |
| Total                               |       |       |  |  |
| -----                               |       |       |  |  |
| Units                               | %     |       |  |  |
|                                     | ----- | ---   |  |  |
| Comfort Inn                         | (45)  | (31%) |  |  |
| Comfort Suites                      | (91)  | (40%) |  |  |
| Sleep Inn                           | (40)  | (28%) |  |  |
|                                     | ---   | ----- |  |  |
| Midscale without<br>Food & Beverage | (176) | (34%) |  |  |
|                                     | ---   | ----- |  |  |
| Quality                             | (20)  | (28%) |  |  |
| Clarion                             | (10)  | (33%) |  |  |
|                                     | ---   | ----- |  |  |
| Midscale with<br>Food & Beverage    | (30)  | (29%) |  |  |
|                                     | ---   | ----- |  |  |
| Econo Lodge                         | (3)   | (8%)  |  |  |
| Rodeway                             | (21)  | (42%) |  |  |
|                                     | ---   | ----- |  |  |
| Economy                             | (24)  | (27%) |  |  |
|                                     | ---   | ----- |  |  |
| MainStay                            | 4     | 11%   |  |  |
| Suburban                            | (6)   | (19%) |  |  |
|                                     | ---   | ----- |  |  |
| Extended Stay                       | (2)   | (3%)  |  |  |
|                                     | ---   | ----- |  |  |
| Ascend Collection                   | 4     | 133%  |  |  |
| Cambria Suites                      | (13)  | (27%) |  |  |
|                                     | ---   | ----- |  |  |

(241)      (29%)  
=====

CHOICE HOTELS INTERNATIONAL, INC.      Exhibit 8  
SUPPLEMENTAL NON-GAAP FINANCIAL INFORMATION  
(UNAUDITED)

CALCULATION OF FRANCHISING  
REVENUES AND ADJUSTED  
FRANCHISING MARGINS

(dollar amounts  
in thousands)

|  | Three Months Ended<br>June 30, |           | Six Months Ended<br>June 30, |           |
|--|--------------------------------|-----------|------------------------------|-----------|
|  | 2010                           | 2009      | 2010                         | 2009      |
| Franchising<br>Revenues:                 |                                |           |                              |           |
| Total Revenues                           | \$149,848                      | \$143,343 | \$257,269                    | \$257,501 |
| Adjustments:                             |                                |           |                              |           |
| Marketing and<br>reservation<br>revenues | (80,389)                       | (75,296)  | (139,229)                    | (137,338) |
| Hotel<br>operations                      | (1,109)                        | (1,179)   | (1,976)                      | (2,297)   |
| Franchising<br>Revenues                  | \$68,350                       | \$66,868  | \$116,064                    | \$117,866 |

Franchising  
Margins:

Operating  
Margin:

|                     |           |           |           |           |
|---------------------|-----------|-----------|-----------|-----------|
| Total Revenues      | \$149,848 | \$143,343 | \$257,269 | \$257,501 |
| Operating<br>Income | \$43,607  | \$38,110  | \$67,444  | \$65,865  |
| Operating<br>Margin | 29.1%     | 26.6%     | 26.2%     | 25.6%     |

Adjusted  
Franchising  
Margin:

|   |          |          |           |           |
|---|----------|----------|-----------|-----------|
| Franchising<br>Revenues                         | \$68,350 | \$66,868 | \$116,064 | \$117,866 |
| Operating<br>Income                             | \$43,607 | \$38,110 | \$67,444  | \$65,865  |
| Employee<br>termination<br>benefits             | (119)    | 399      | 233       | 774       |
| Loss on<br>sublease of<br>office space<br>Hotel | -        | 1,503    | -         | 1,503     |

|                                    |          |          |          |          |
|------------------------------------|----------|----------|----------|----------|
| operations                         | (301)    | (350)    | (412)    | (683)    |
|                                    | \$43,187 | \$39,662 | \$67,265 | \$67,459 |
|                                    | -----    | -----    | -----    | -----    |
| Adjusted<br>Franchising<br>Margins | 63.2%    | 59.3%    | 58.0%    | 57.2%    |
|                                    | ----     | ----     | ----     | ----     |

CALCULATION OF ADJUSTED  
SELLING, GENERAL AND  
ADMINISTRATIVE COSTS

|   |                       |          |                  |          |
|---|-----------------------|----------|------------------|----------|
| (dollar amounts in<br>thousands)                            | Three Months<br>Ended |          | Six Months Ended |          |
|   | June 30,              |          | June 30,         |          |
|   | -----                 |          | -----            |          |
|   | 2010                  | 2009     | 2010             | 2009     |
|   | ----                  | ----     | ----             | ----     |
| Selling, general<br>and<br>administrative<br>costs          | \$22,824              | \$27,076 | \$44,640         | \$48,537 |
| Employee<br>termination<br>benefits                         | 119                   | (399)    | (233)            | (774)    |
| Loss on sublease<br>of office space                         | -                     | (1,503)  | -                | (1,503)  |
| Adjusted Selling,<br>General and<br>Administrative<br>Costs | \$22,943              | \$25,174 | \$44,407         | \$46,260 |
|   | =====                 | =====    | =====            | =====    |

CALCULATION OF ADJUSTED NET INCOME AND  
ADJUSTED DILUTED EARNINGS PER SHARE (EPS)

|   |                       |          |                     |          |
|---|-----------------------|----------|---------------------|----------|
| (In thousands, except per<br>share amounts) | Three Months<br>Ended |          | Six Months<br>Ended |          |
|   | June 30,              |          | June 30,            |          |
|   | -----                 |          | -----               |          |
|   | 2010                  | 2009     | 2010                | 2009     |
|   | ----                  | ----     | ----                | ----     |
| Net Income                                  | \$27,011              | \$25,503 | \$42,804            | \$41,811 |
| Adjustments:                                |                       |          |                     |          |
| Employee termination<br>benefits            | (74)                  | 250      | 146                 | 485      |
| Loss on sublease of<br>office space         | -                     | 941      | -                   | 941      |
|   | ---                   | ---      | ---                 | ---      |
| Adjusted Net Income                         | \$26,937              | \$26,694 | \$42,950            | \$43,237 |
|   | -----                 | -----    | -----               | -----    |

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Weighted average shares<br>outstanding-diluted | 59,676 | 60,598 | 59,639 | 60,708 |
|--|--------|--------|--------|--------|

|                               |        |        |        |        |
|-------------------------------|--------|--------|--------|--------|
| Diluted Earnings Per<br>Share | \$0.45 | \$0.42 | \$0.72 | \$0.69 |
|-------------------------------|--------|--------|--------|--------|

Adjustments:

|                                     |   |      |   |      |
|-------------------------------------|---|------|---|------|
| Employee termination<br>benefits    | - | -    | - | -    |
| Loss on sublease of<br>office space | - | 0.02 | - | 0.02 |

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Adjusted Diluted Earnings<br>Per Share (EPS) | \$0.45 | \$0.44 | \$0.72 | \$0.71 |
|--|--------|--------|--------|--------|

Adjusted EBITDA  
Reconciliation

(in millions)

|   | Q2 2010<br>Actuals | Q2 2009<br>Actuals |
|---|--------------------|--------------------|
| Operating Income (per GAAP)   | \$43.6             | \$38.1             |
| Employee termination benefits   | (0.1)              | 0.4                |
| Loss on sublease of office<br>space   | -                  | 1.5                |
| Depreciation and amortization   | 2.2                | 2.0                |
| Adjusted Earnings before<br>interest, taxes,<br>depreciation & amortization<br>(non-GAAP) | \$45.7             | \$42.0             |
|   | =====              | =====              |

Adjusted EBITDA  
Reconciliation

(in millions)

|  | Six<br>Months<br>Ended<br>June<br>30,<br>2010<br>Actuals | Six Months<br>Ended<br>June 30,<br>2009<br>Actuals | Full-Year<br>2010<br>Outlook |
|--|--|--|------------------------------|
| Operating<br>Income (per<br>GAAP)      | \$67.4   | \$65.9   | \$158.7 - \$161.2            |
| Employee<br>termination<br>benefits    | 0.2  | 0.8  | 0.2                          |
| Loss on<br>sublease of<br>office space | -  | 1.5  | -                            |
| Depreciation<br>and<br>amortization    | 4.4  | 4.1  | 8.6                          |



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|   |        |        |                 |
|---|--------|--------|-----------------|
| Adjusted<br>Earnings<br>before<br>interest,<br>taxes,<br>depreciation &<br>amortization<br>(non-GAAP) | \$72.0 | \$72.3 | \$167.5 - \$170 |
|   | =====  | =====  | =====           |

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<https://media.choicehotels.com/2010-07-27-Choice-Hotels-Reports-Second-Quarter-2010-Diluted-EPS-of-0-45-Domestic-Unit-Growth-of-2-6>