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Choice Hotels International, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Patrick Scholes – Friedman, Billings, Ramsey & Co.

Patrick Scholes – Friedman, Billings, Ramsey & Co.

On your quarterly RevPAR guidance and your full year RevPAR guidance you know when I look at it for how its implied for the back half of the year it looks like you have more conservative expectations than from what we've heard from some of the competitors in their outlooks. Can you just walk me through your thoughts on your expectations for the back half of the year?

Stephen P. Joyce

Let's start with the fact of easier comparisons, we actually turned negative right after Memorial Day last year and then that relative amount of negative RevPAR declined through the back half of the year to have the fourth quarter at the 77 that it was at. So, simply by the fact that we were in that negative environment in the year, we believe that even holding on a current basis that we're going to see better results.

The other is that in our markets we have seen a less sharp decline than is being experienced by the broader industry and we're also anticipating that as things turn up the folks that we service will probably be the quickest to recover. So, based on all of those, we have arrived sort of at the forecast that we've got.

Obviously, it is easy in this environment to debate where things will be but in general while we believe the situation is serious and we have seen in the last several months a series of declines, we are also watching very carefully our day-by-day, week-by-week performance and we are reasonably comfortable given the visibility there is that that call is a reasonable call given current performance and then given the comparisons that will be done in the back end of the year.

Patrick Scholes – Friedman, Billings, Ramsey & Co.

I guess that covered most of my question but I was just curious because basically what I had been hearing or had been implied in some other conference calls is that fourth quarter '09 some companies were potentially looking for flat RevPAR where if I back out your first quarter expectation of -12 and match that up with your full year -10, it would imply that you're expecting worse than flat. Just any thoughts on that?

Stephen P. Joyce

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