



# China Lodging Group, Limited

Fourth Quarter and Full Year 2011 Results  
March 7, 2012





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Statements in this presentation contain "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, including, among others, those relating to China Lodging Group, Limited (the "Company")'s beliefs as to the growth of the Chinese economy and the hotel industry and the factors driving expected growth, the Company's growth strategy and expansion plan, and the competitive advantage and expected execution of its hotel pipeline development and business model. These forward-looking statements are not historical facts but instead represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. The Company's actual results and financial condition and other circumstances may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. In particular, the Company's operating results for any period are impacted significantly by the mix of leased-and-operated hotels and franchised-and-managed hotels in its chain, causing the Company's operating results to fluctuate and making them difficult to predict.

Because forward-looking statements are subject to risks and uncertainties, we caution you not to place undue reliance on any forward-looking statements. All written or oral forward-looking statements by the Company or persons acting on its behalf are qualified by these cautionary statements.

The Company undertakes no obligation to publicly update or revise any forward-looking statements or other information or data contained in this presentation, whether to reflect any change in its expectations with respect to such statements or any change in events, conditions or circumstances on which any such statements are based or otherwise.



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# Agenda

**Section I:**

**Results and Strategy Overview**

Section II:

Operating and Financial Highlights

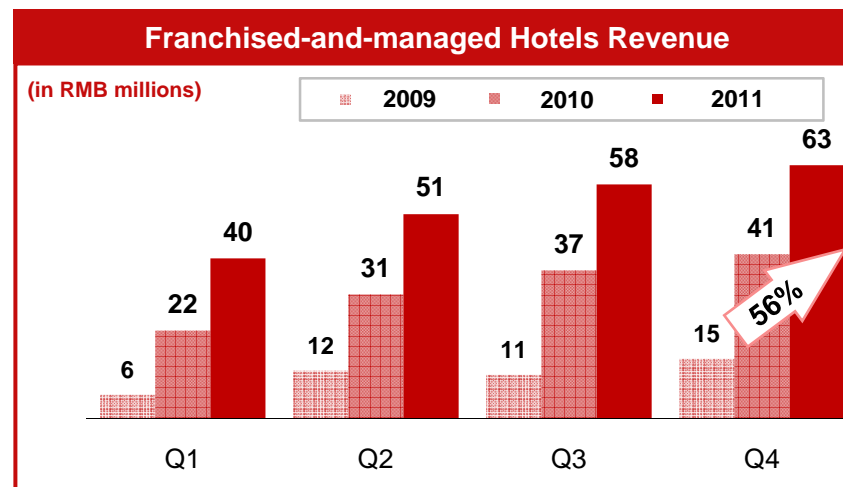
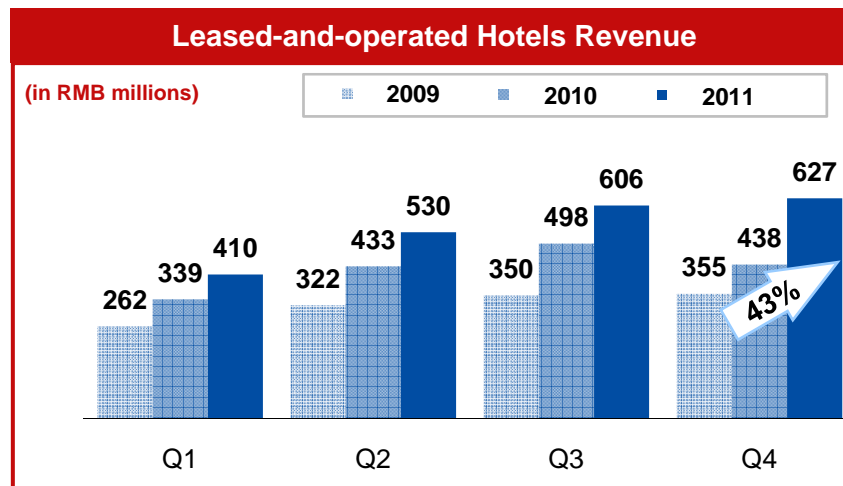
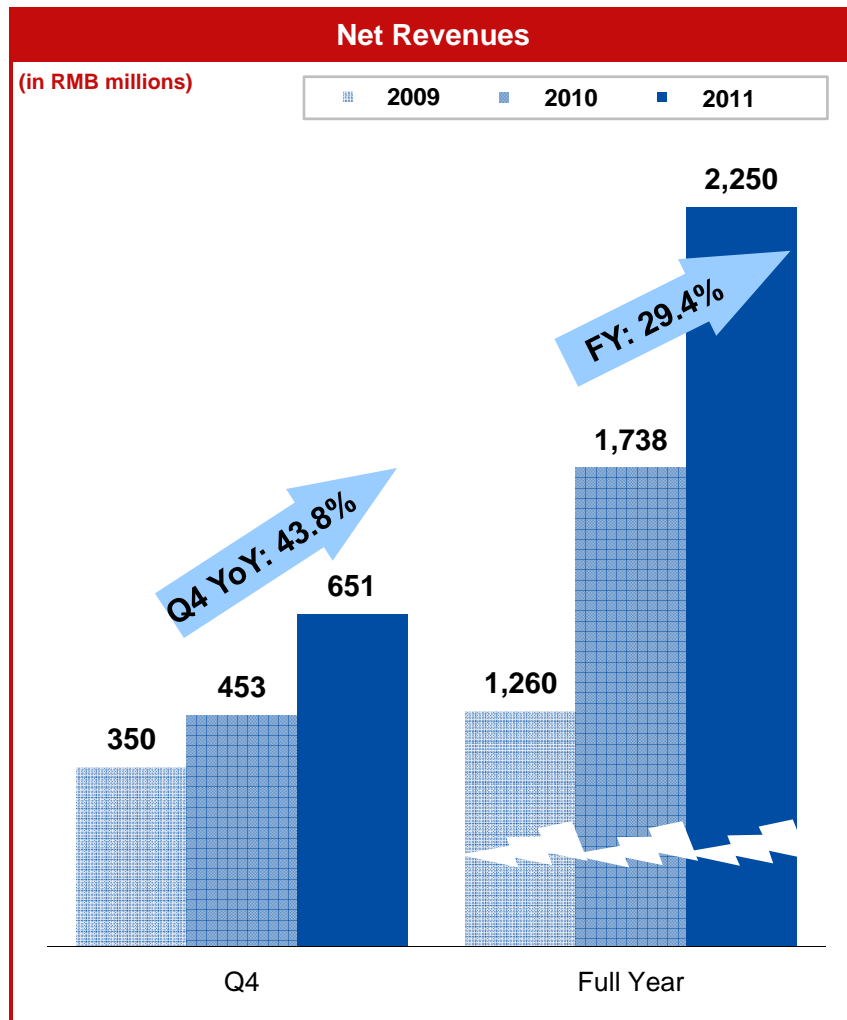
Section III:

Q & A

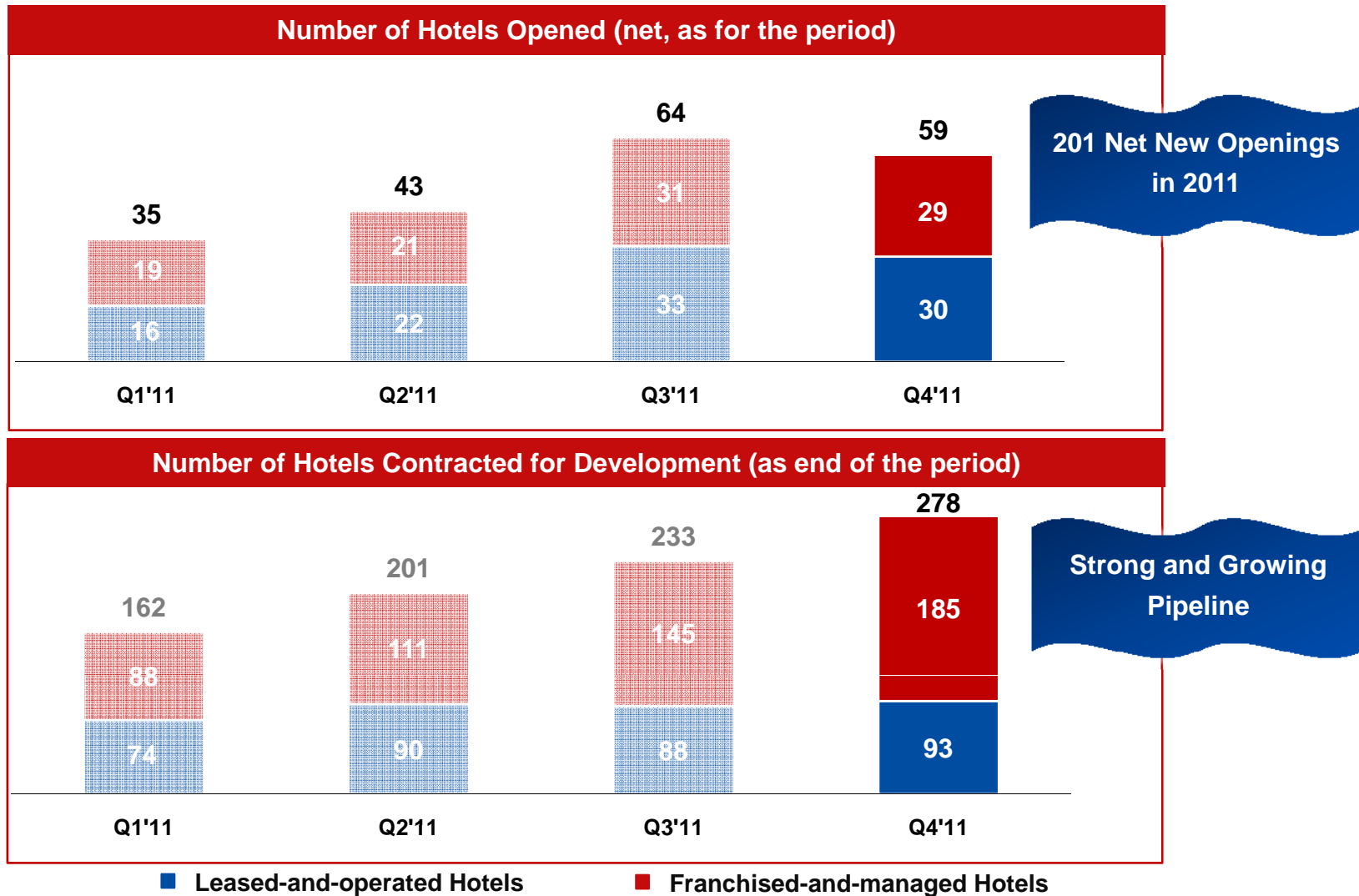


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# Net Revenues YOY Growth Met Guidance: Q4: +43.8%; Full Year: +29.4%



# Solid Execution of Expansion Plan





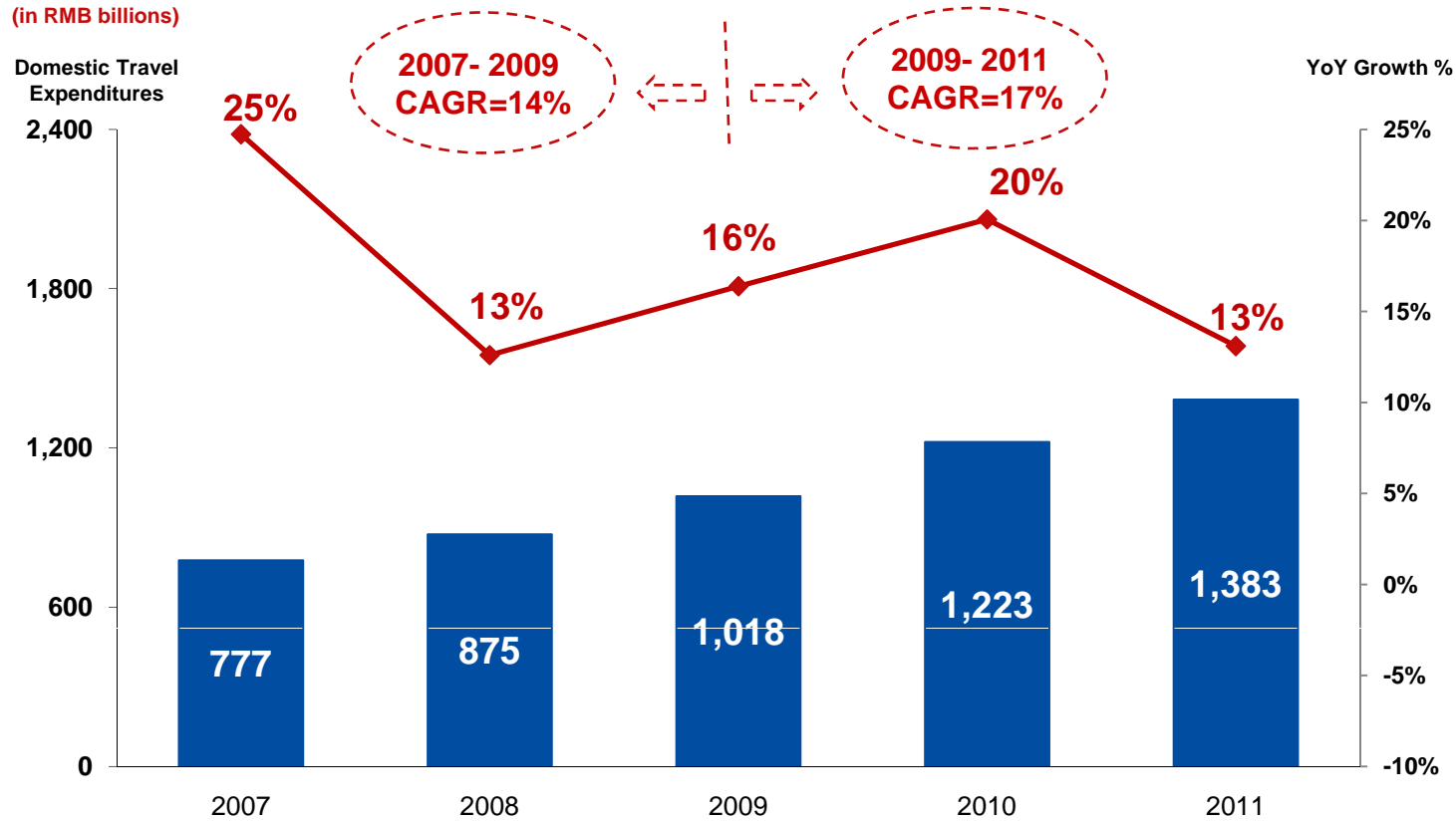
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# China's Travel Demand Continued to Grow Fast

## Domestic Travel Expenditures Growth

(in RMB billions)

Domestic Travel Expenditures







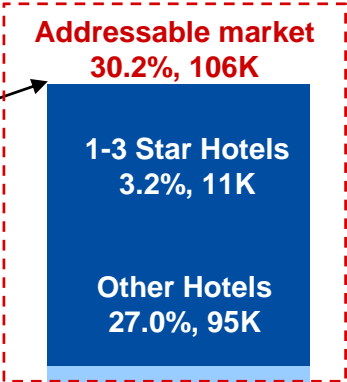
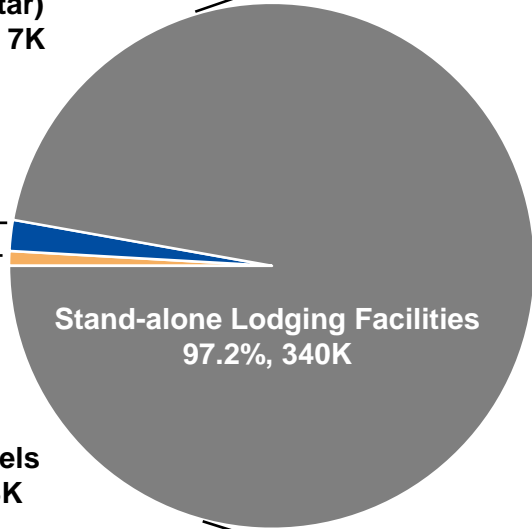
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# Huge Potential for Branded Hotel Chains to Take Shares from Other Segments

**2011 Travel Accommodation in China**  
(Total outlets = 100%, 350K)

**Branded Hotel Chains (<4 Star)**  
1.9%, 7K

**4-5 Star Hotels**  
0.9%, 3K



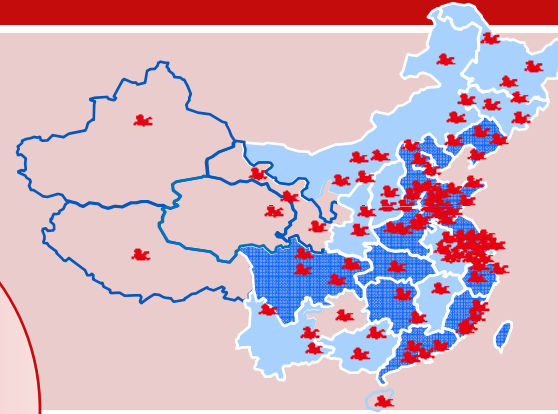
Source: InnTie, Euromonitor International, China National Bureau of Statistics, CNTA

# Reiterate Core Strategy

## Focus on Customer Experience



## Grow Fast in Unit & Revenue

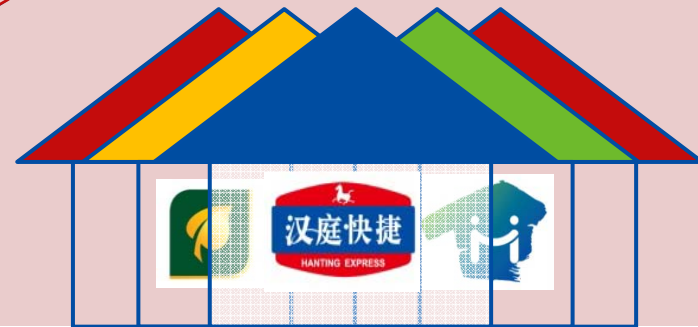


## Invest in Human Resources



Sustainable  
Growth of  
Shareholder  
Value

## Establish Multiple Brands







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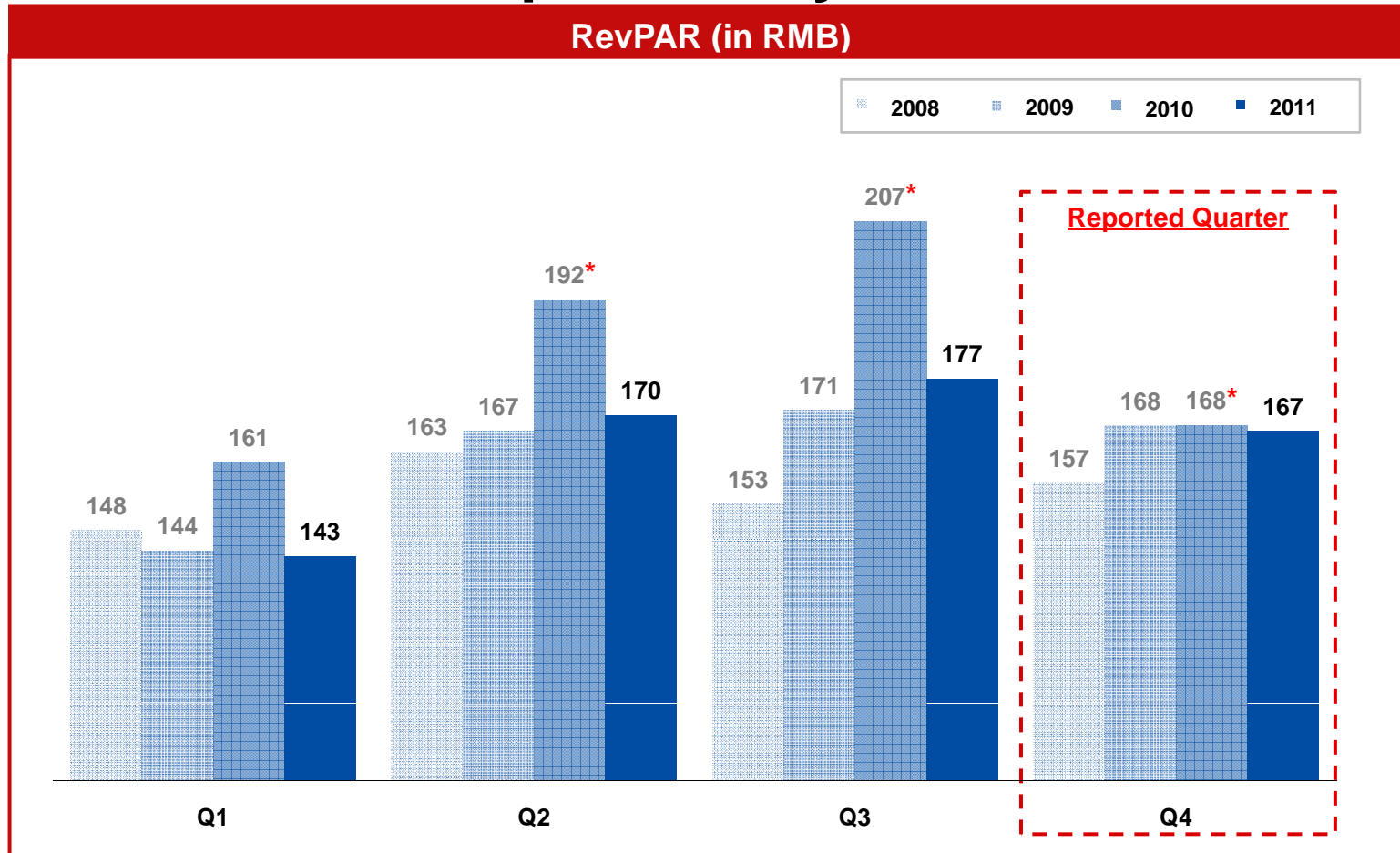
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# All Hotels RevPAR: Stable From 2009 and 2010 Despite of City Mix Shift

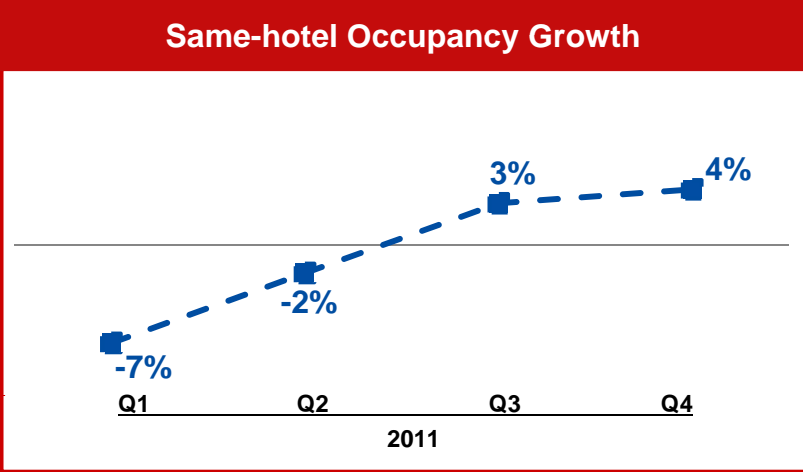
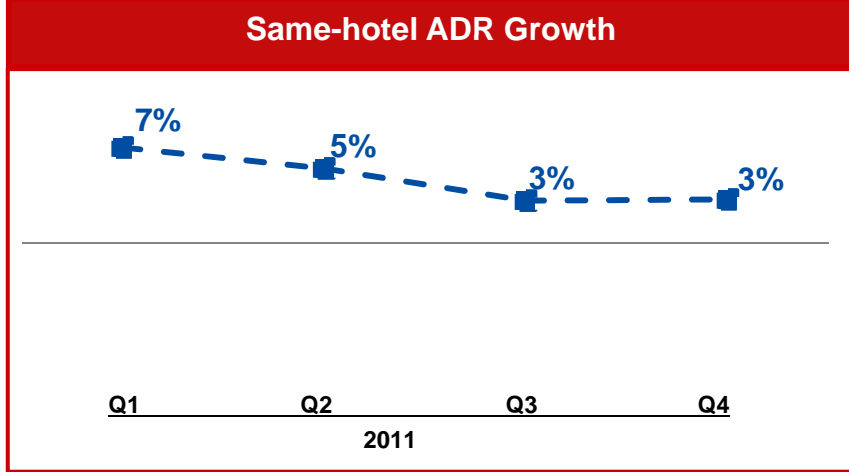
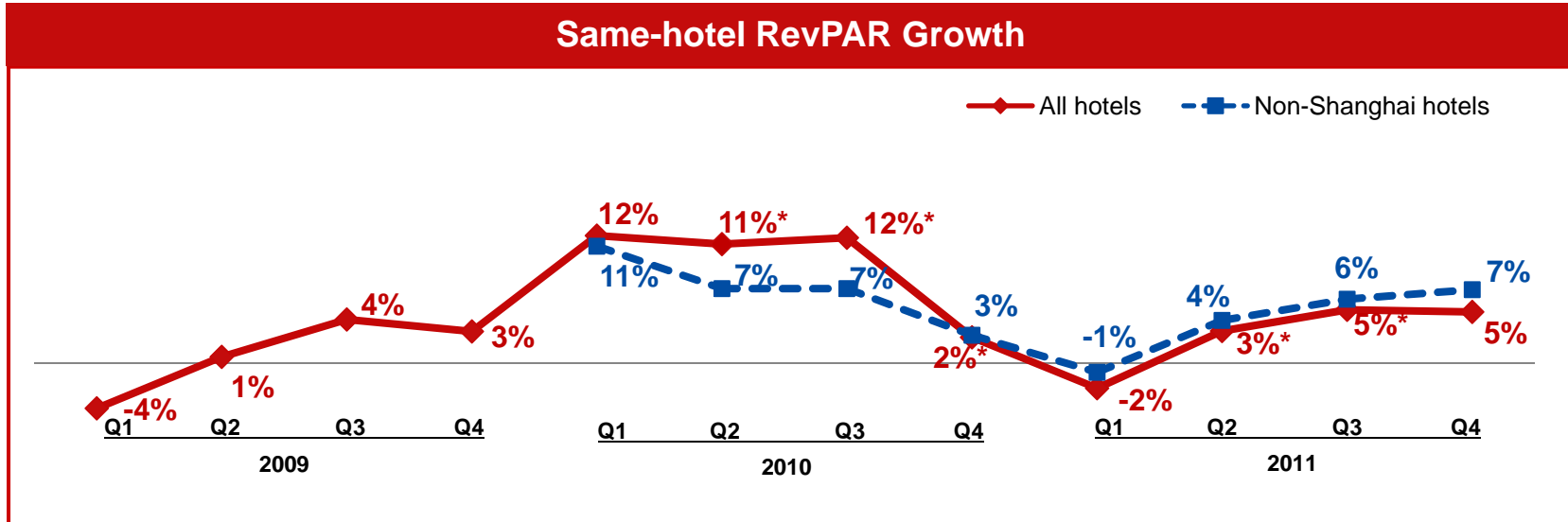


\* Favorably impacted by Shanghai Expo in 2010



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# Q4 Same-Hotel RevPAR Appreciated 5% for All Hotels, and 7% outside of Shanghai

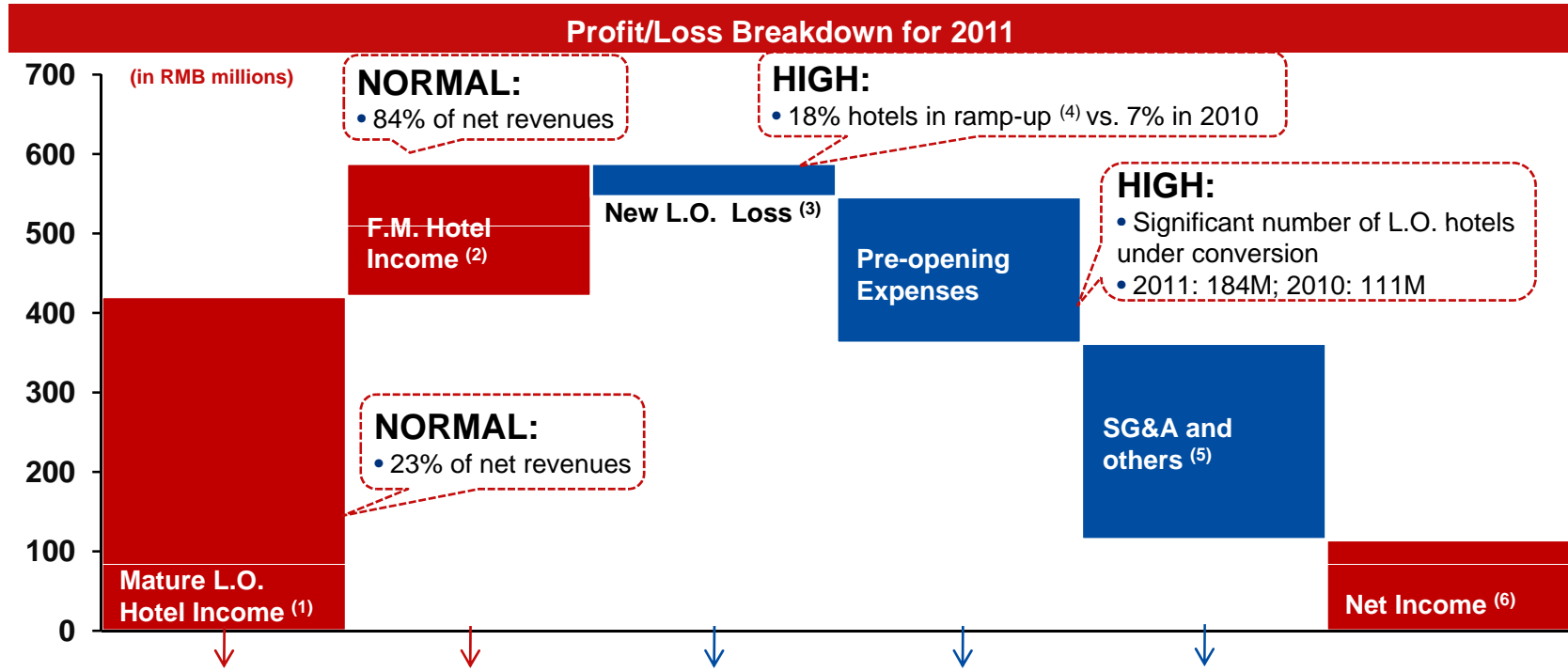


\* Normalized for Shanghai Expo



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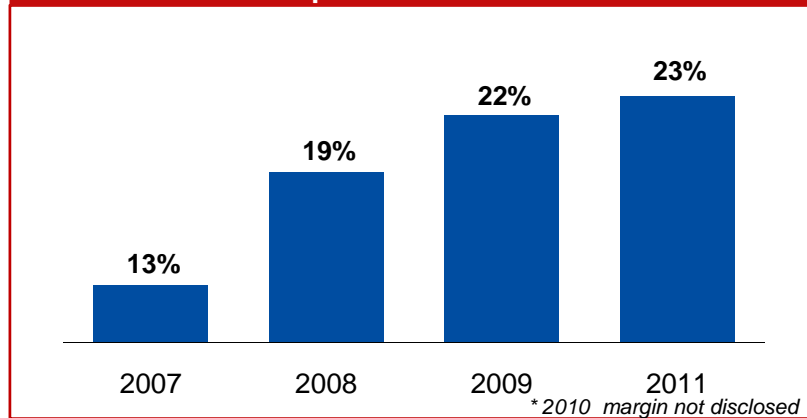
# 2011 Results: Solid Underlying Profitability With Investment in Expansion



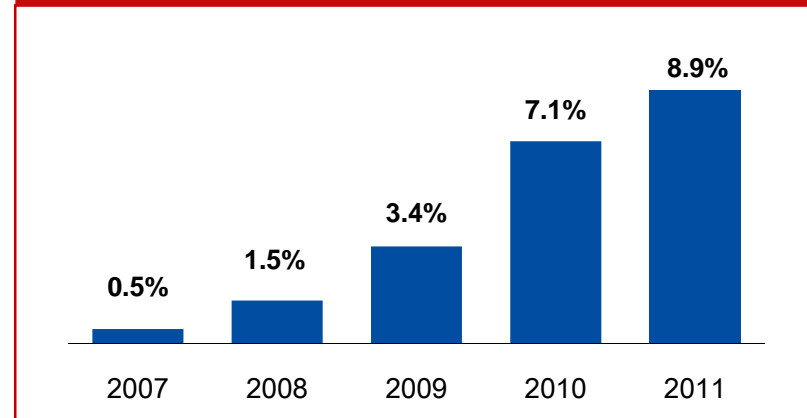
(1): Hotel income from leased-and-operated hotels in operation more than 6 months  
 (2): Hotel income from franchised-and-managed hotels in operation  
 (3): Hotel loss from leased-and-operated hotels in operation less than 6 months  
 (4): Room nights available for sale from L.O. hotels < 6 months as of total  
 (5): Including net interest expense, foreign exchange gain, other income, income tax benefit, and minority interest  
 (6): Attributable to the Company

## Key Margin Drivers

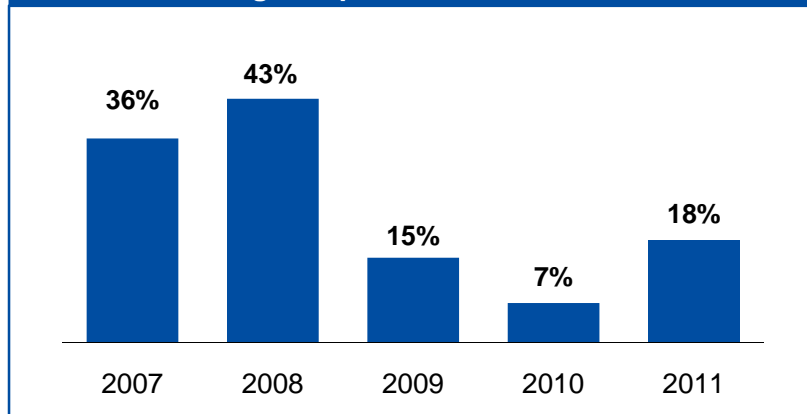
**Mature L.O. Hotel Income as % Net Revenues:  
Improved from 2009**



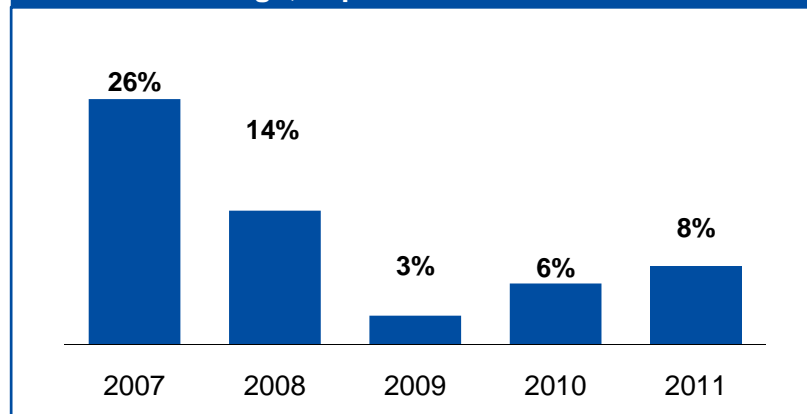
**F.M. Hotels Revenue as % of Total Revenues:  
Continued to Increase**



**Weight of New L.O. Hotels (1):  
High, Expected to Decrease**



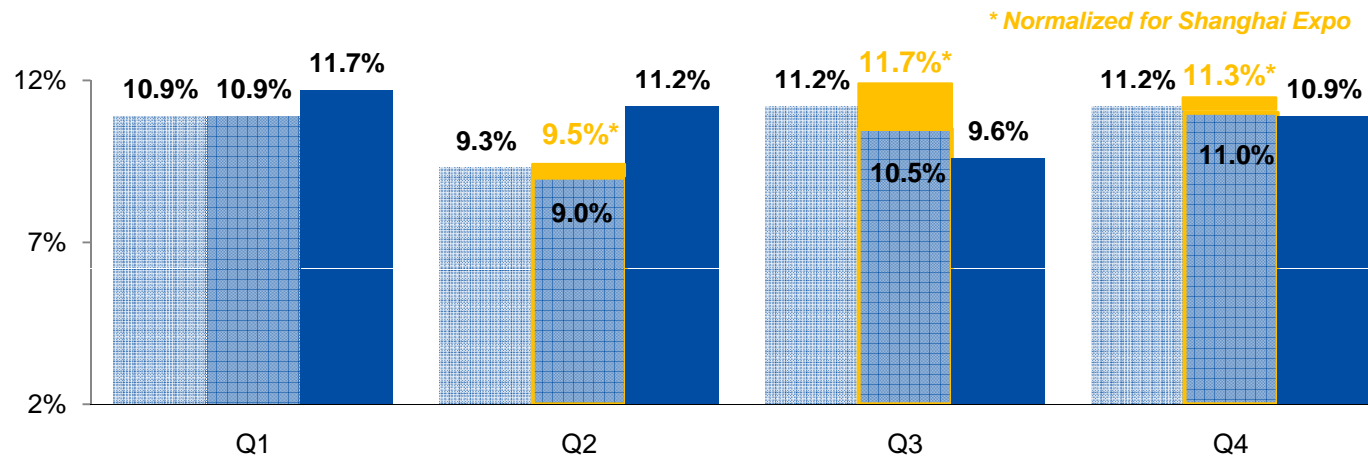
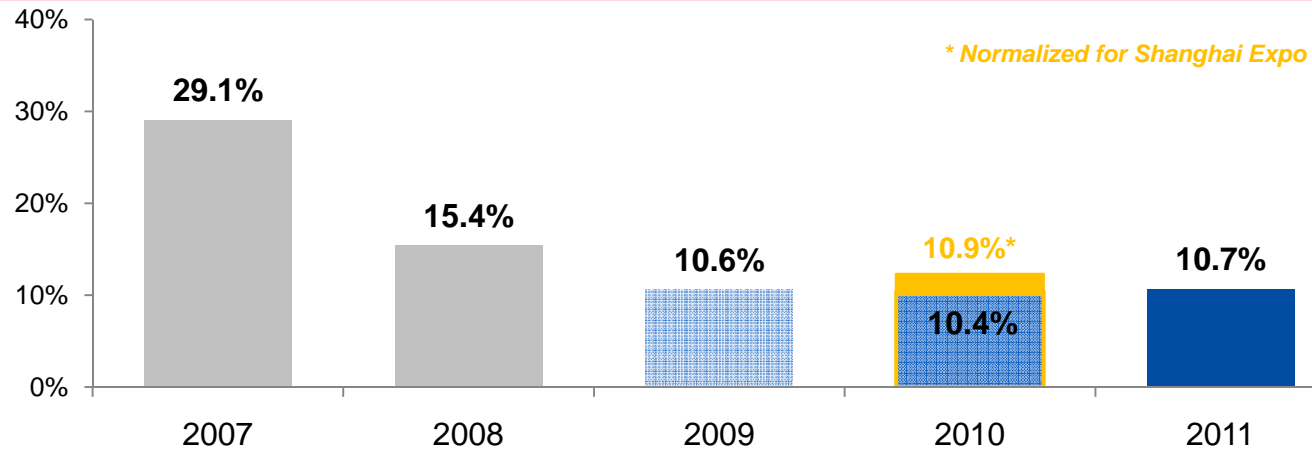
**Pre-opening Expenses as % of Net Revenues:  
High, Expected to Decrease**



(1): Room nights available for sale from leased-and-operated hotels < 6 months as of total

## SG&A% Largely Stable Since 2009

Adjusted SG&A Expenses as % of Net Revenue



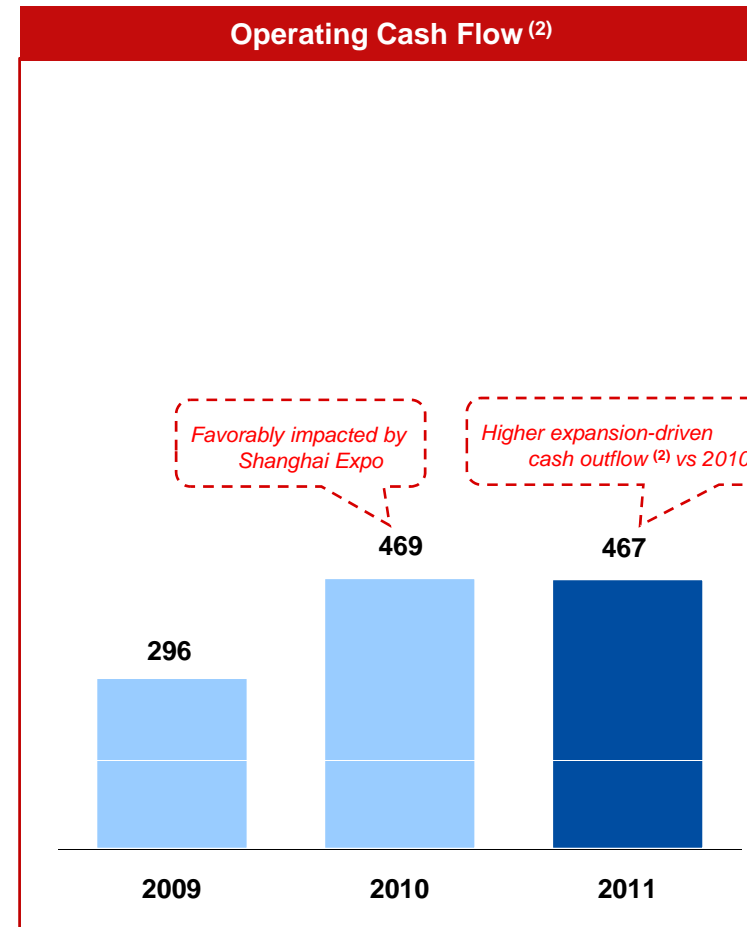
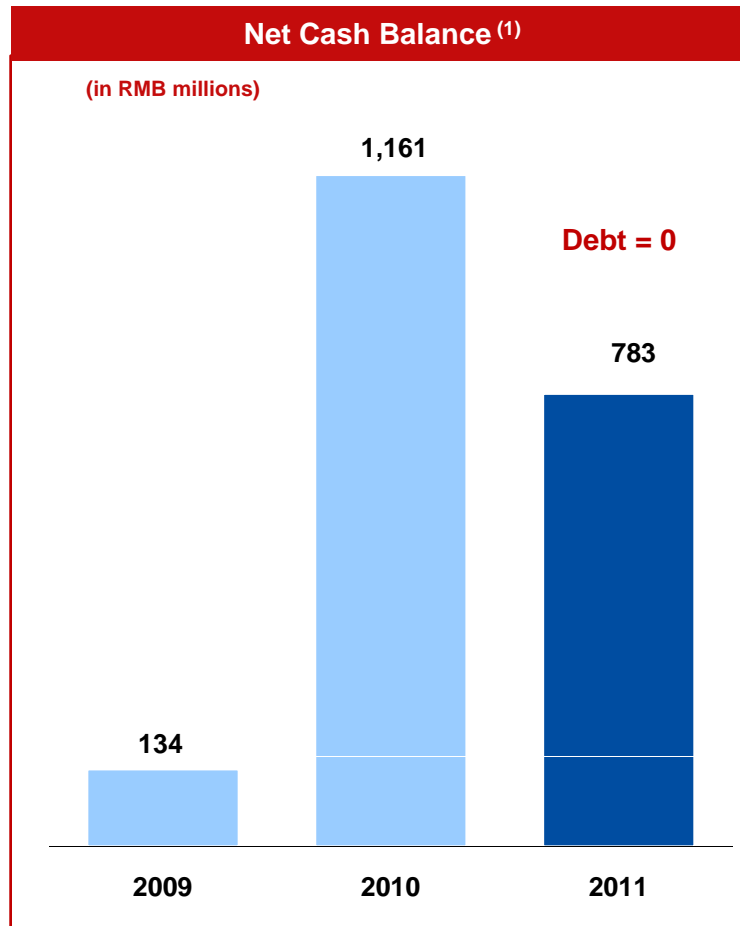
■ 2009 ■ 2010 ■ 2011





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# Strong Net Cash Balance and Operating Cash Flow



(1) Calculated as Cash and Cash Equivalent, Restricted Cash, Short-term Investment less total debt as of period end.

(2) Certain expansion-driven cash outflow such as cash pre-opening exp and lease deposits is reflected in the operating cash flow.



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# Q & A