



# China Lodging Group, Limited

Third Quarter 2012 Results  
November 5, 2012



# Safe Harbor Statement

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 hotels, managed hotels, and franchised 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.



your home on the journey

# Agenda

**Section I:**

**Strategy Overview** *by CEO*

Section II:

Operating and Financial Highlights *by CFO*

Section III:

Q & A

# Hanting's Strategic Focuses

## Our Strategic Focuses Are:

- To Build **Multiple Brands**,
- To **Expand Fast**,
- To Be **Customers' Favorite**, and
- To Achieve **Leading Profitability**

**Through Our People**



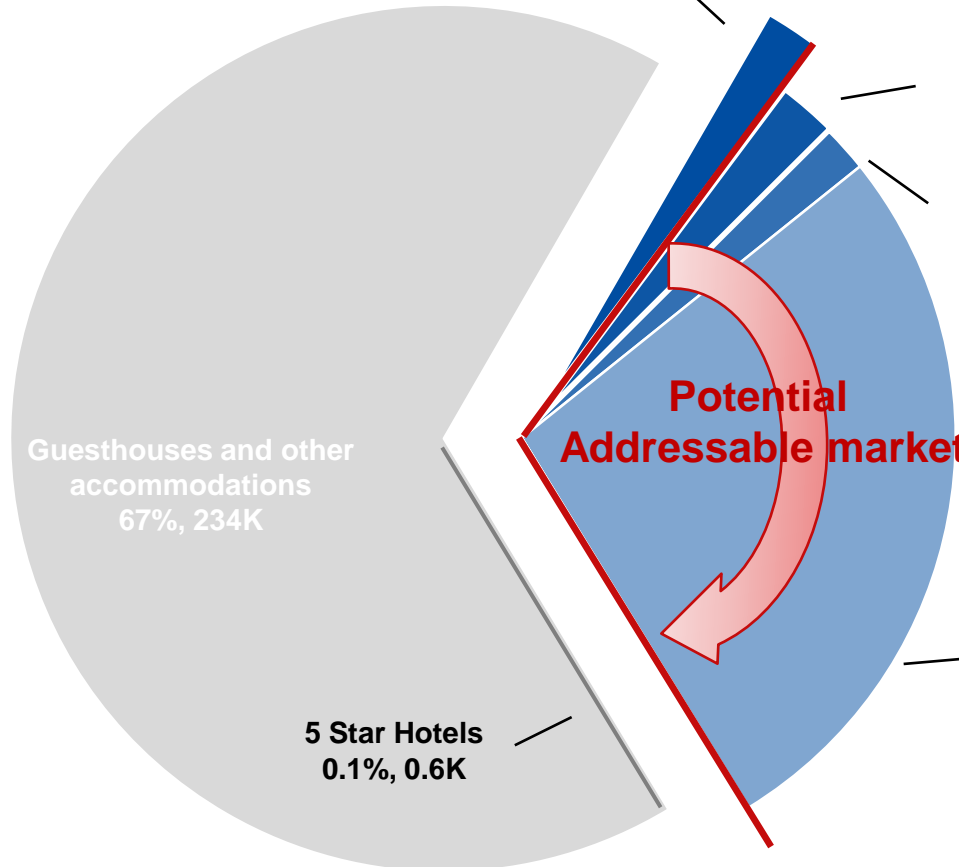
your home on the journey

# Multiple Brands: Meet Growing Needs and Consolidate Market

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

HTHT Brands

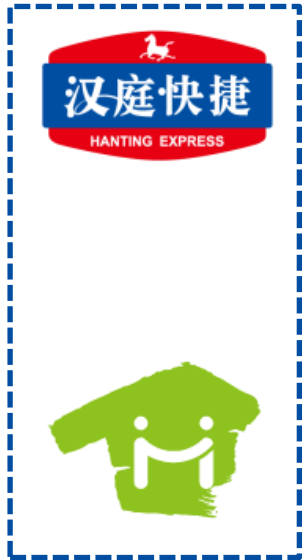
Branded Hotel Chains (economy and mid-scale), 1.9%, 7K



3-4 Star Hotels  
2.3%, 8K

1-2 Star Hotels  
1.7%, 6K

Other Hotels  
27.0%, 95K

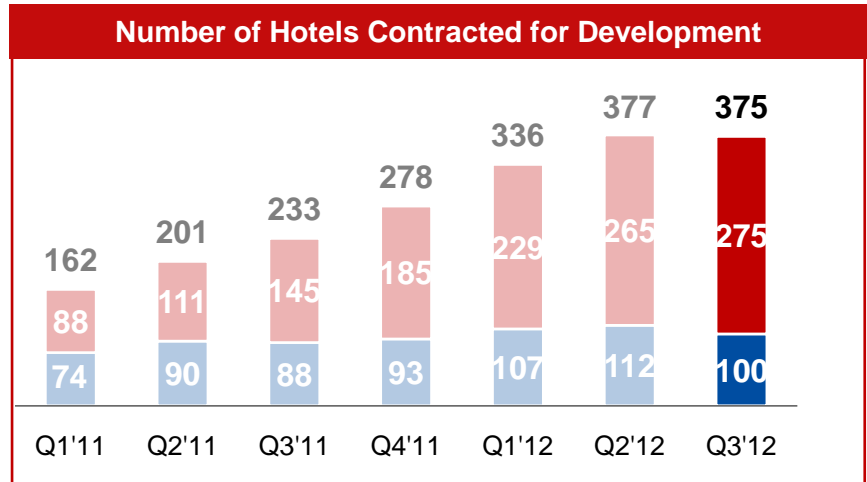
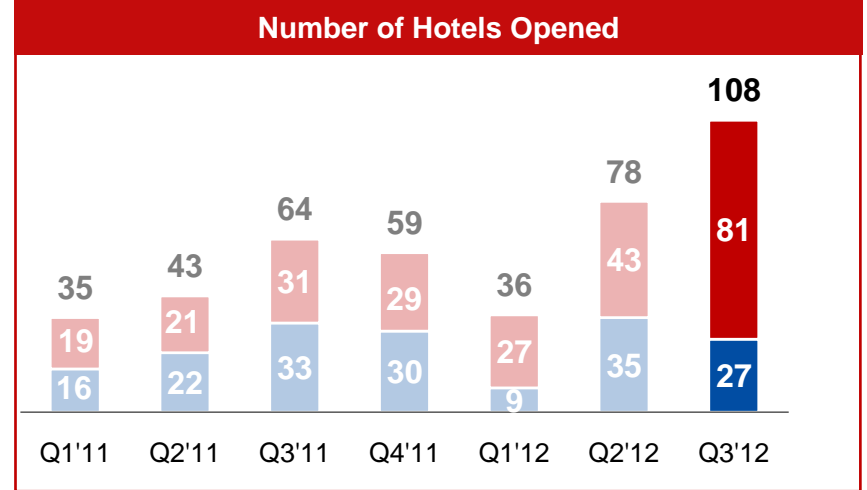
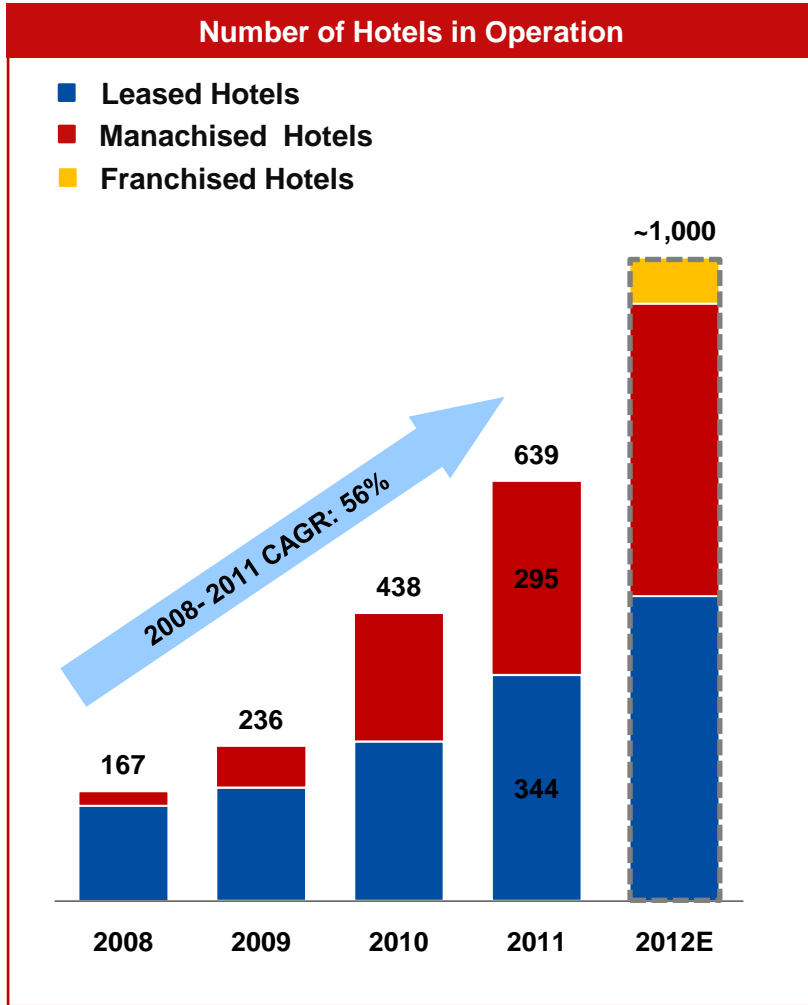


Source: Inntie, Euromonitor International, China National Bureau of Statistics, CNTA



your home on the journey

# Fast Expansion: Accelerated Manachised Expansion and Solid Leased Growth





your home on the journey

# Multiple Brands: Thoughtful Room Designs That Supply Quality Within Budget



Hanting Express



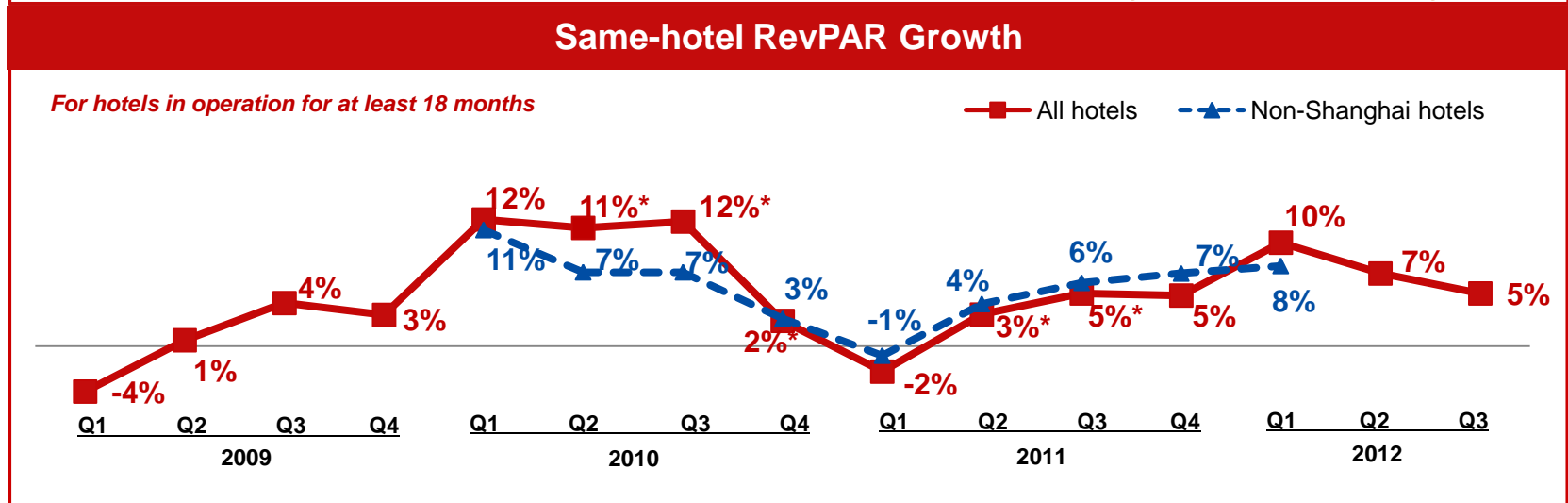
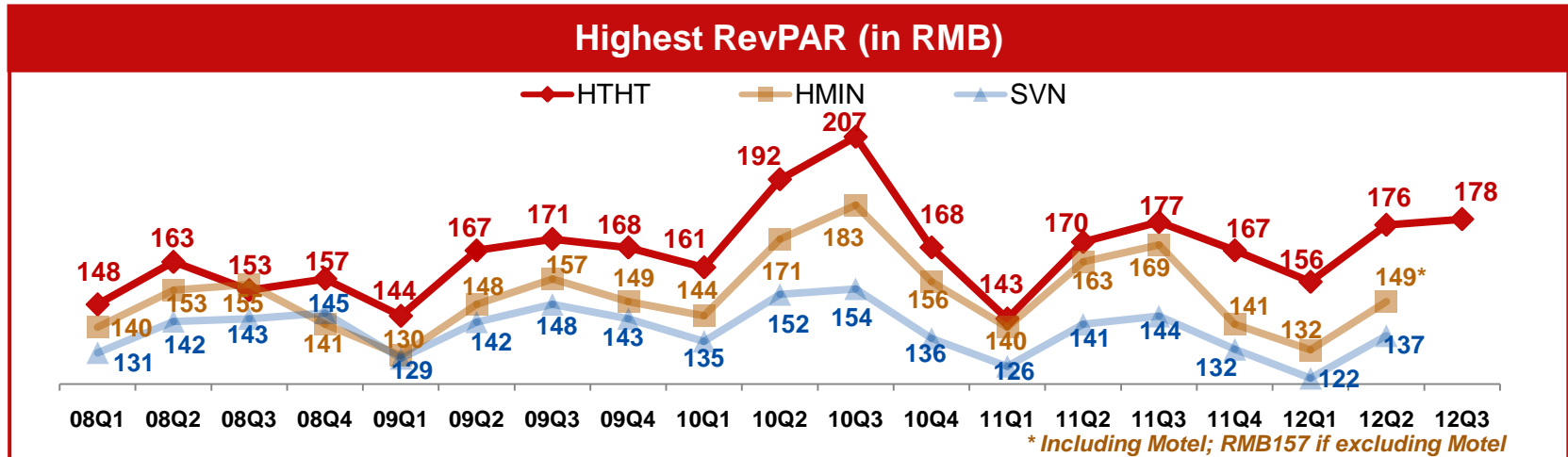
Seasons



Hi Inn



# Customers' Favorite: Growing Same-Hotel RevPAR With Steady Price Appreciation



\* Normalized for Shanghai Expo  
Figures excluding franchised Starway hotels



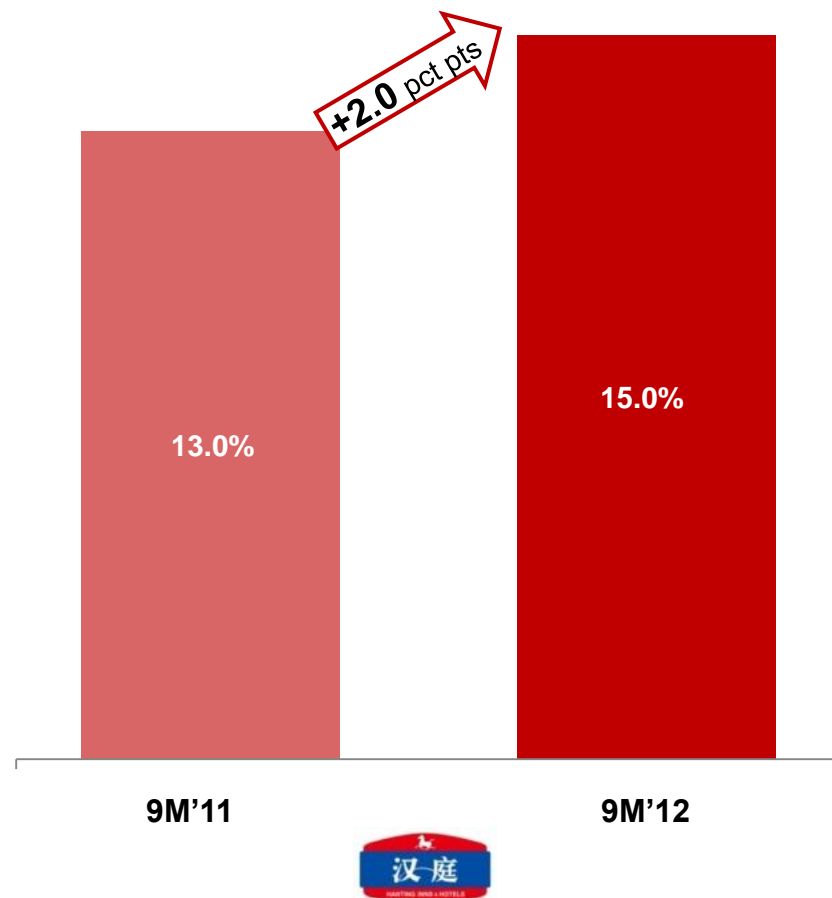
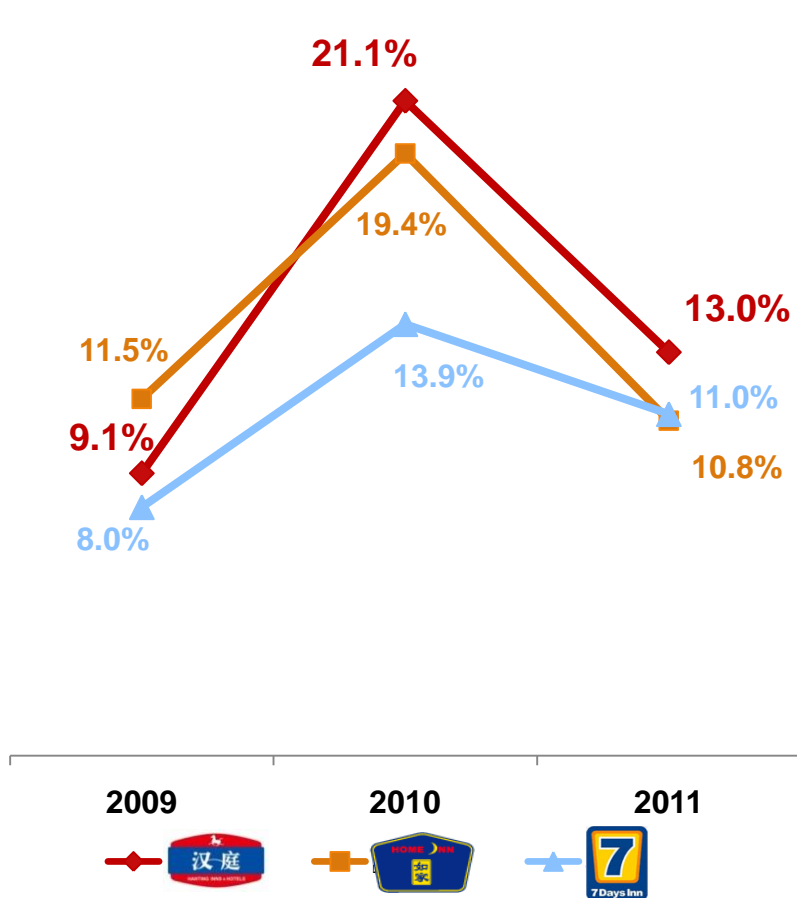


your home on the journey

# Leading Profitability: Highest, and Growing Operating Margin<sup>(1)</sup>

Income from Operations (excl. pre-opening expenses) as % of Net Revenues (Full Year Data)

Income from Operations (excl. pre-opening expenses) as % of Net Revenues (Q1+Q2+Q3)



(1) Calculated as Income from Operations (excl. pre-opening expenses) as % of Net Revenues, based on public data



your home on the journey

# Agenda

Section I:

Strategy Overview *by CEO*

**Section II:**

**Operating and Financial Highlights** *by CFO*

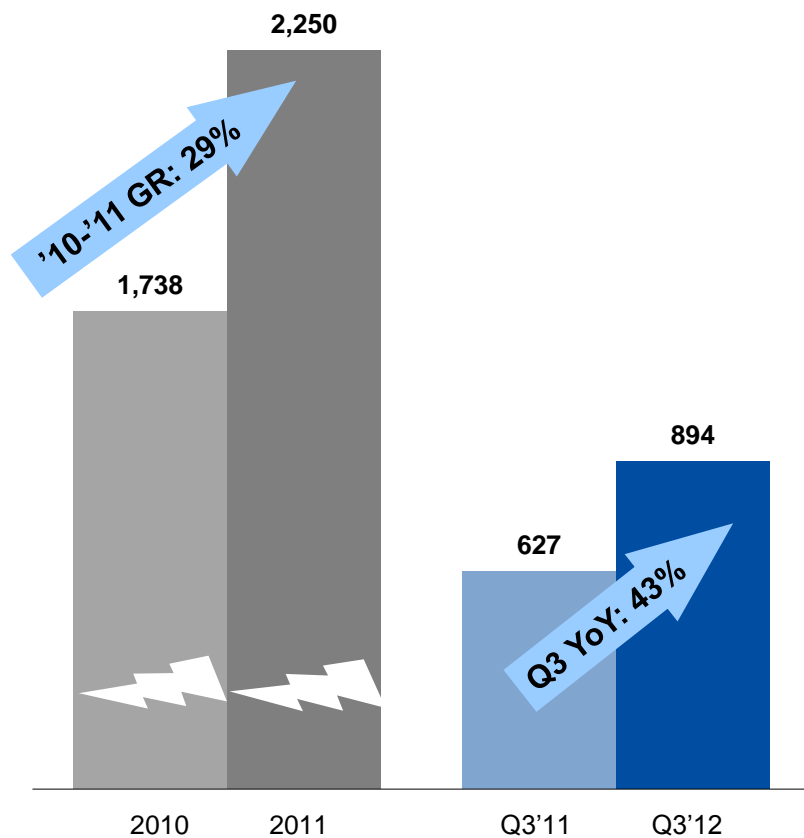
Section III:

Q & A

# Q3 Net Revenues Exceeded Guidance: +43% YOY

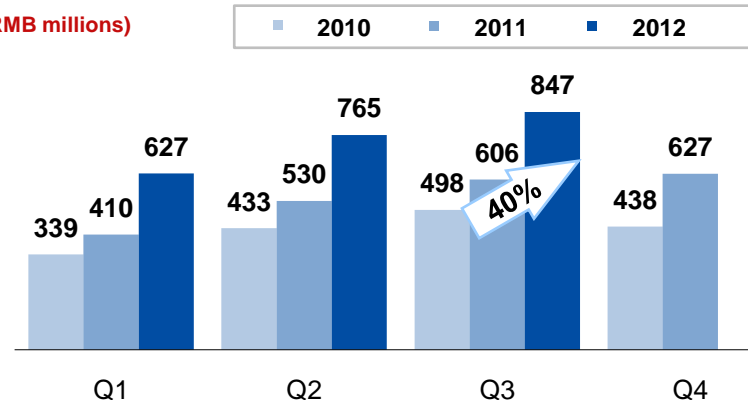
## Net Revenues

(in RMB millions)



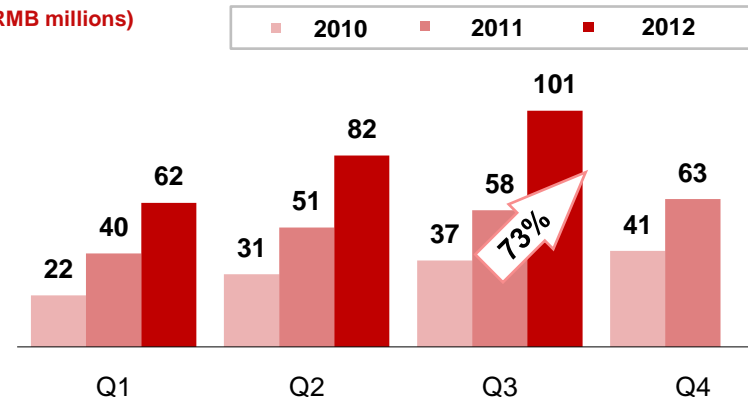
## Leased Hotels Revenue

(in RMB millions)

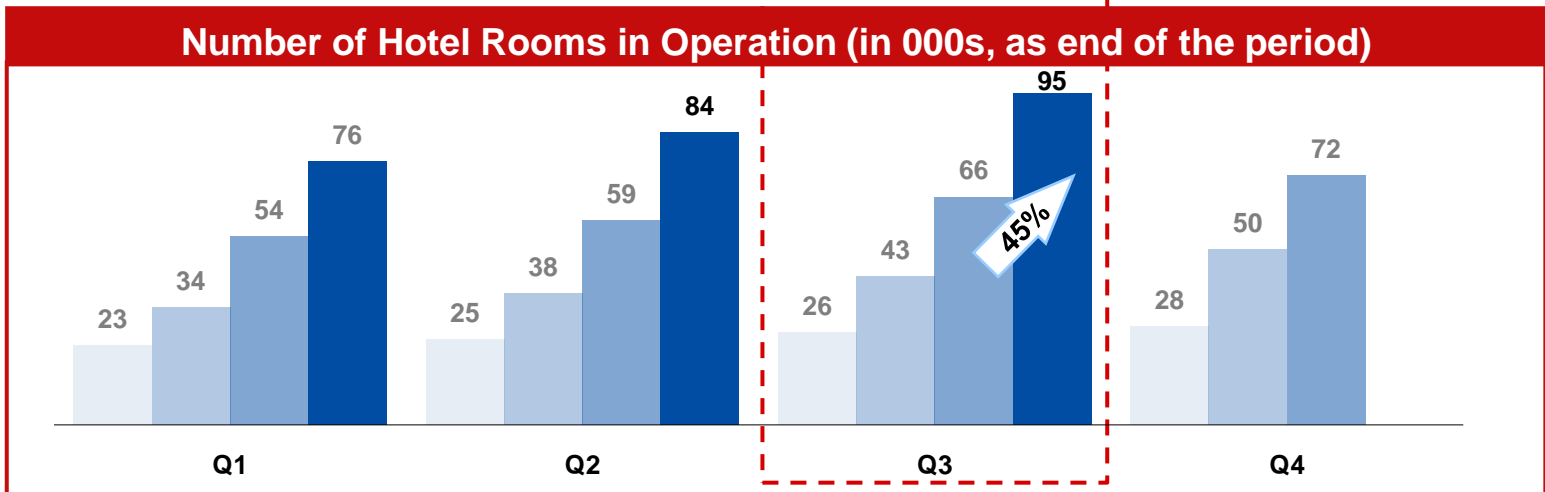
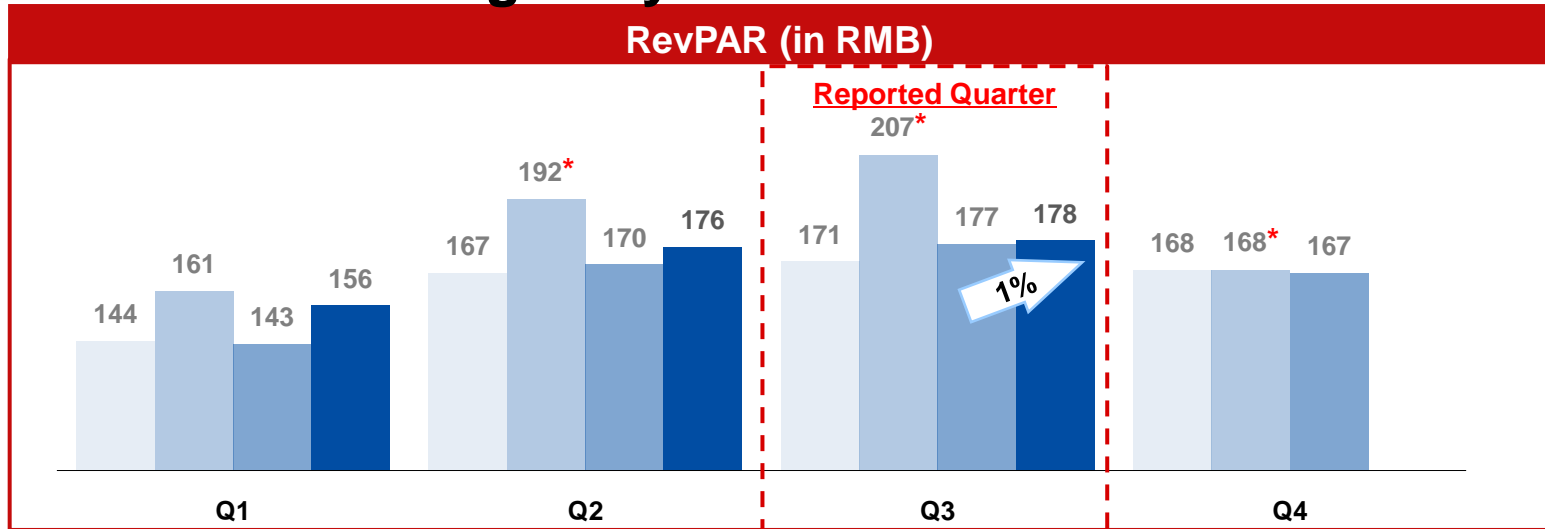


## Manachised and Franchised Hotels Revenue

(in RMB millions)



# Blended RevPAR: Q3 YOY +1%, on a Hotel Room Base Enlarged by 45%

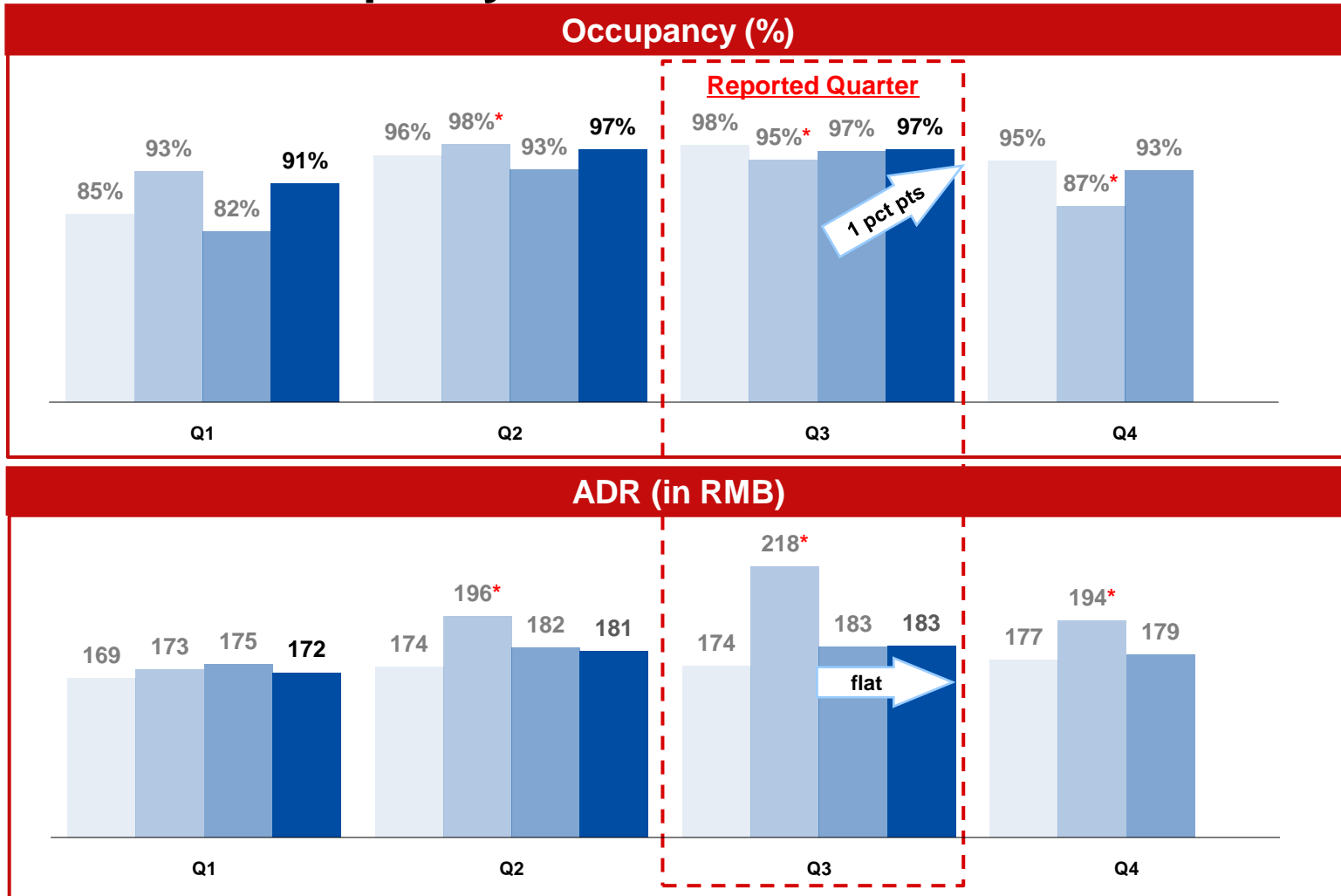


\* Favorably impacted by Shanghai Expo in 2010

Figures excluding franchised Starway hotels



# YOY RevPAR Improvement Mainly Driven by Occupancy



\* Favorably impacted by Shanghai Expo in 2010

Figures excluding franchised Starway hotels

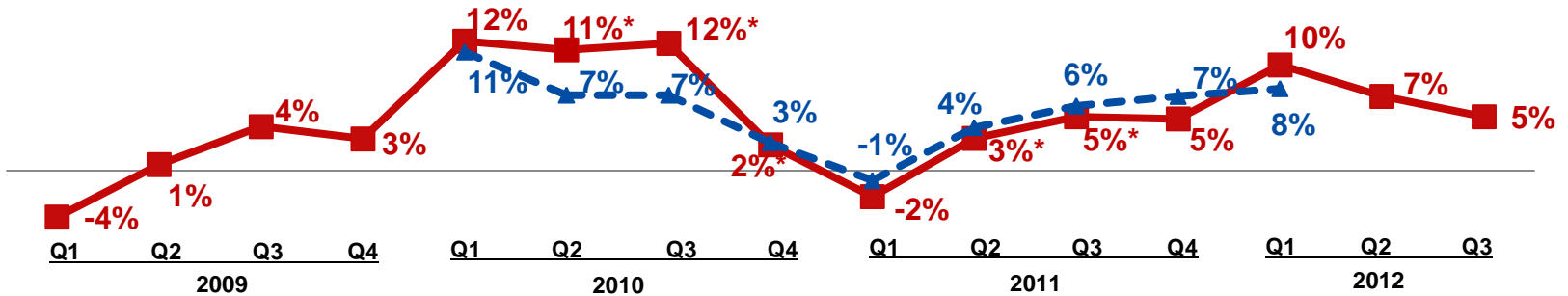


# Q3 Same-Hotel RevPAR Appreciated 5% Across China

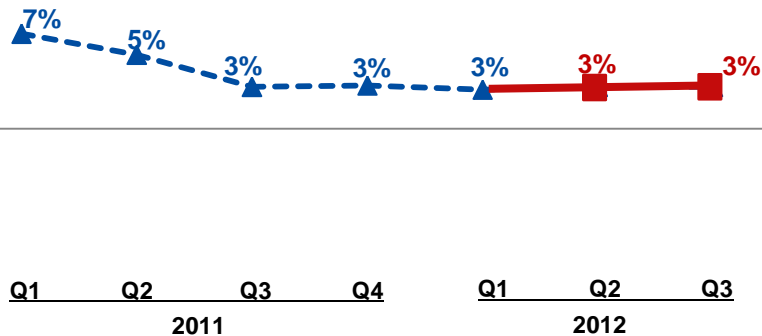
## Same-hotel RevPAR Growth

For hotels in operation for at least 18 months

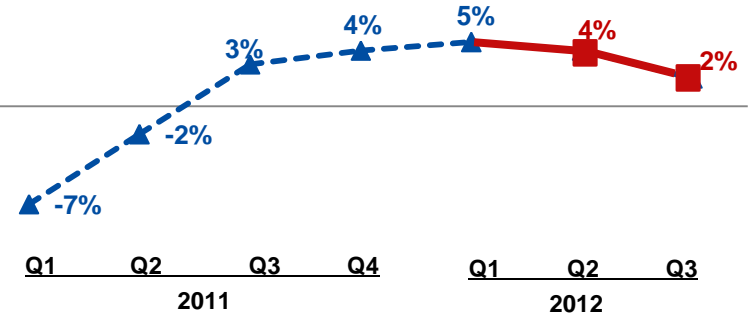
■ All hotels    ▲ Non-Shanghai hotels



## Same-hotel ADR Growth



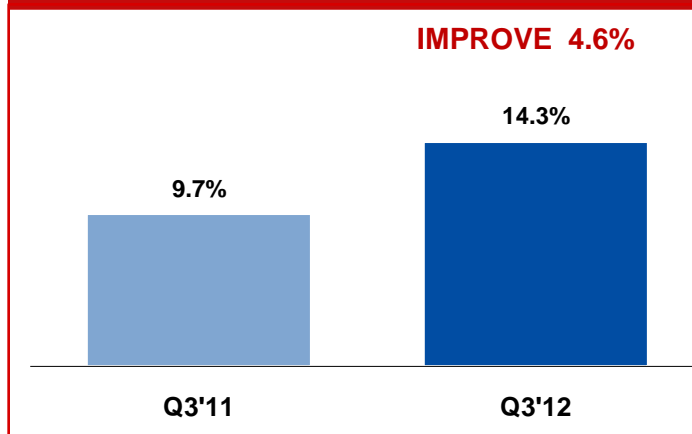
## Same-hotel Occupancy Growth



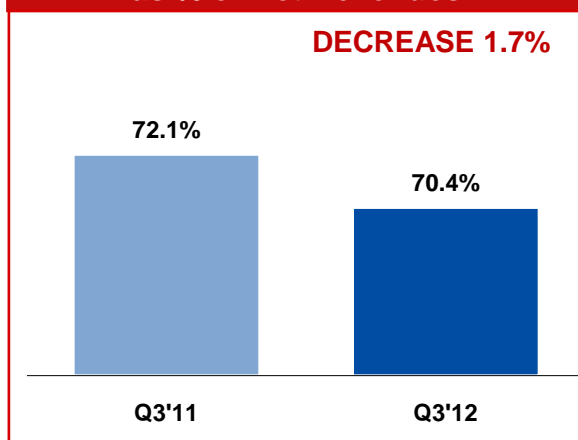
\* Normalized for Shanghai Expo  
Figures excluding franchised Starway hotels

# Q3'12 EBIT Margin Improved 4.6 Percent Points

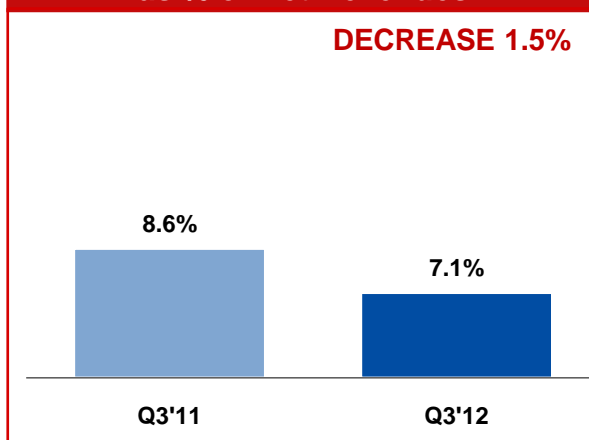
## Adjusted Income from Operations <sup>(1)</sup> as % of Net Revenues



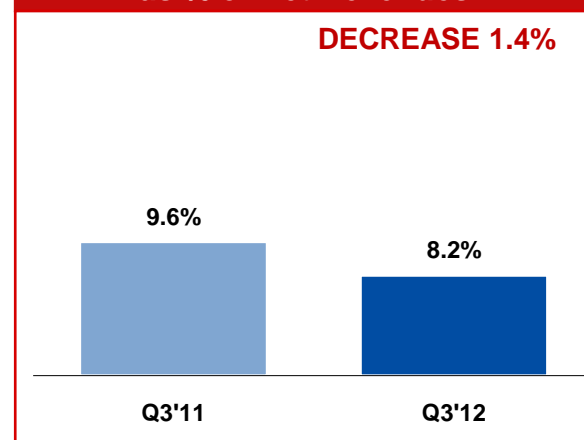
## Adjusted Hotel Operating Costs <sup>(1)</sup> as % of Net Revenues



## Pre-opening Expenses as % of Net Revenues



## Adjusted SG&A Expenses <sup>(1)</sup> as % of Net Revenues

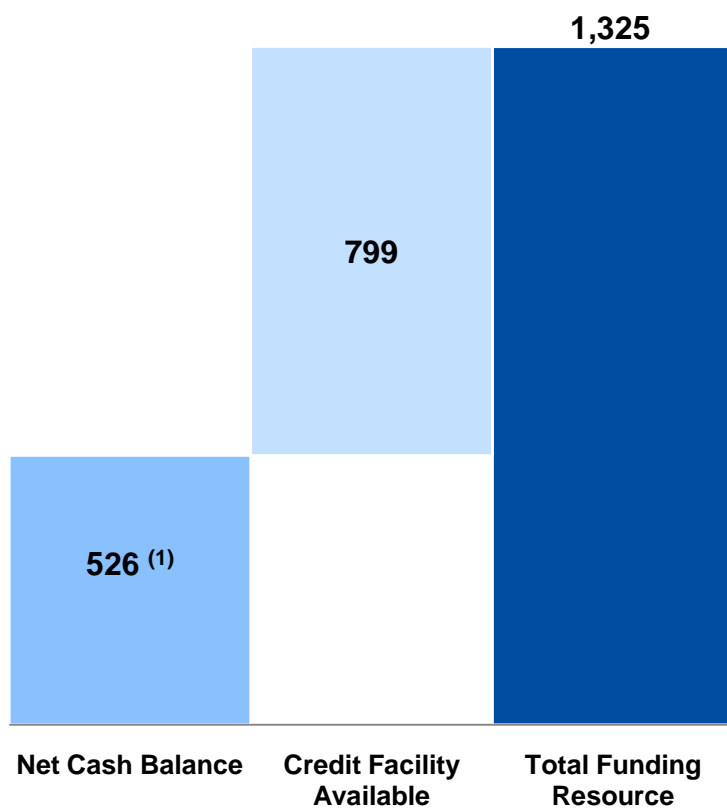


(1) Excluding share-based compensation expenses.

# Cash Balance Remained Strong

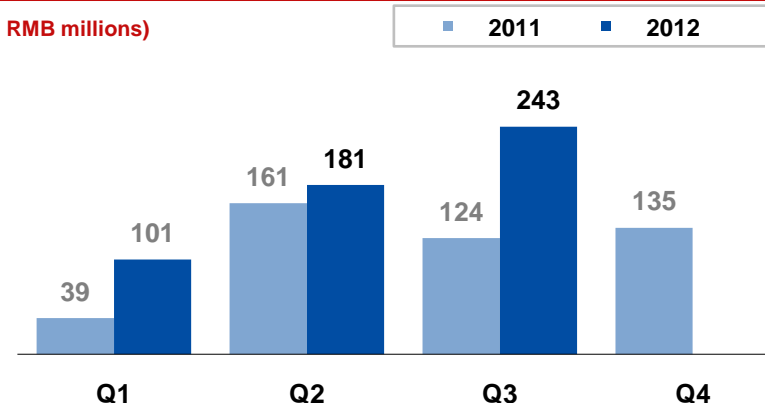
## Abundant Funding Resource for Expansion

(in RMB millions)



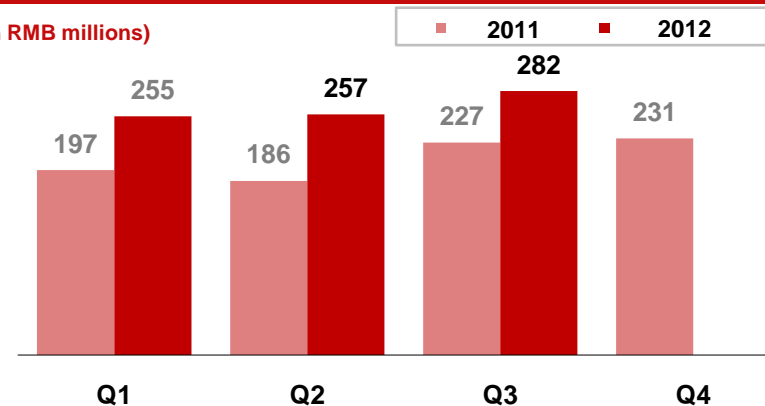
## Cash Generated from Operations

(in RMB millions)



## Cash Spent on Investment<sup>(2)</sup>

(in RMB millions)



(1) Calculated as cash and cash equivalent, restricted cash, short-term investment less total debt as of period end. Bank loan=RMB1M.

(2) Cash spent on the purchase of property and equipment, purchase of intangible assets and acquisitions.



## Guidance for Q4 2012

- Net revenues of RMB825 to 840 million
  - Representing a 27% to 29% growth year-over-year
- Imply full year net revenue growth around 41%, the high-end of previously announced guidance



your home on the journey

# Agenda

Section I:

Strategy Overview *by CEO*

Section II:

Operational and Financial Highlights *by CFO*

**Section III:**

**Q & A**



汉庭连锁酒店  
HANTING INNS & HOTELS

your home on the journey

# Q & A