



华住酒店集团

成就美好生活



China Lodging Group (HTHT.US)

2016 Q1 Earnings

May 12, 2016

Company Highlights

Operational and Financial Review

Q & A

Appendix

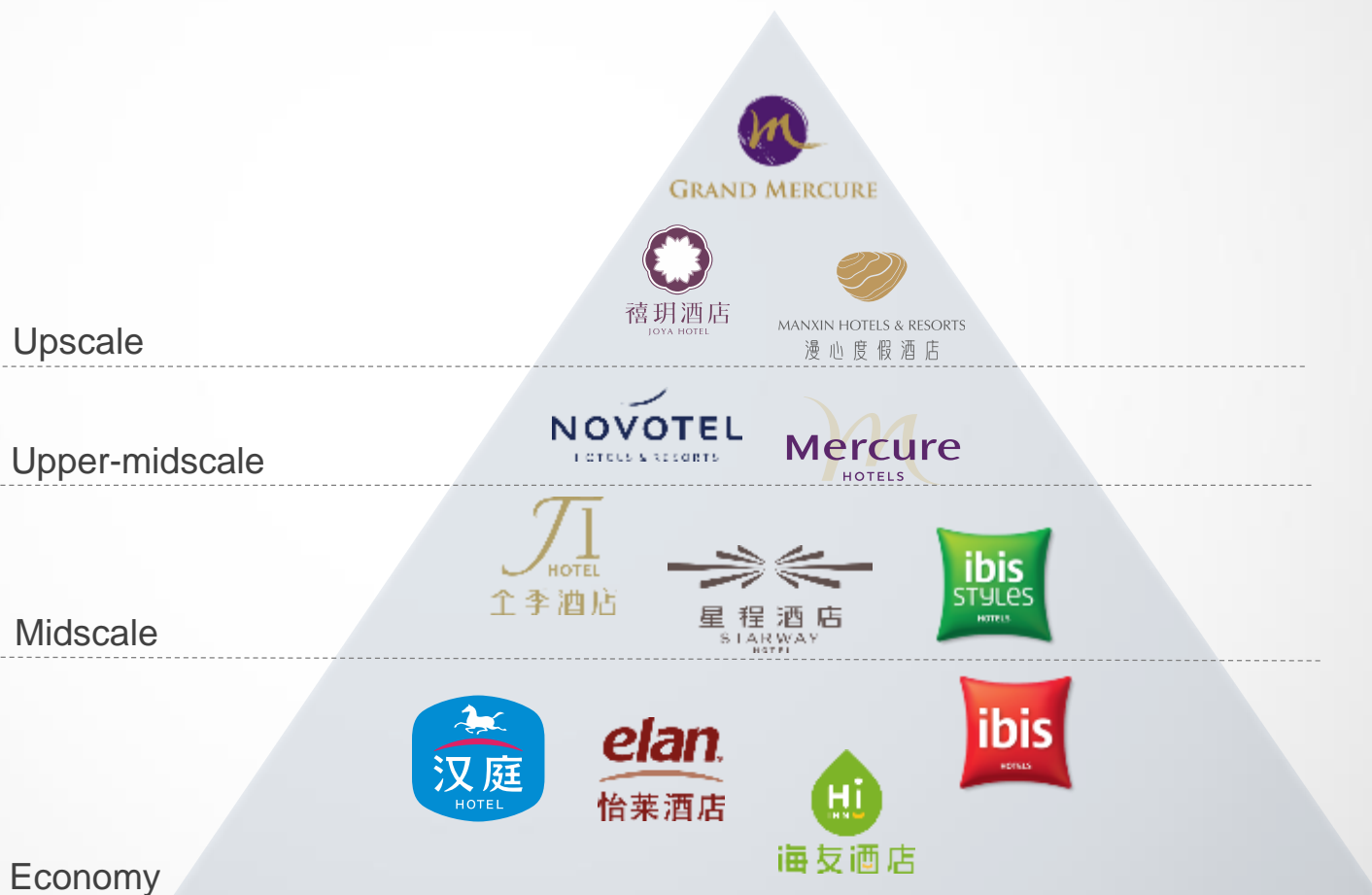
Founded in **2005**

12 brands

2,989 hotels

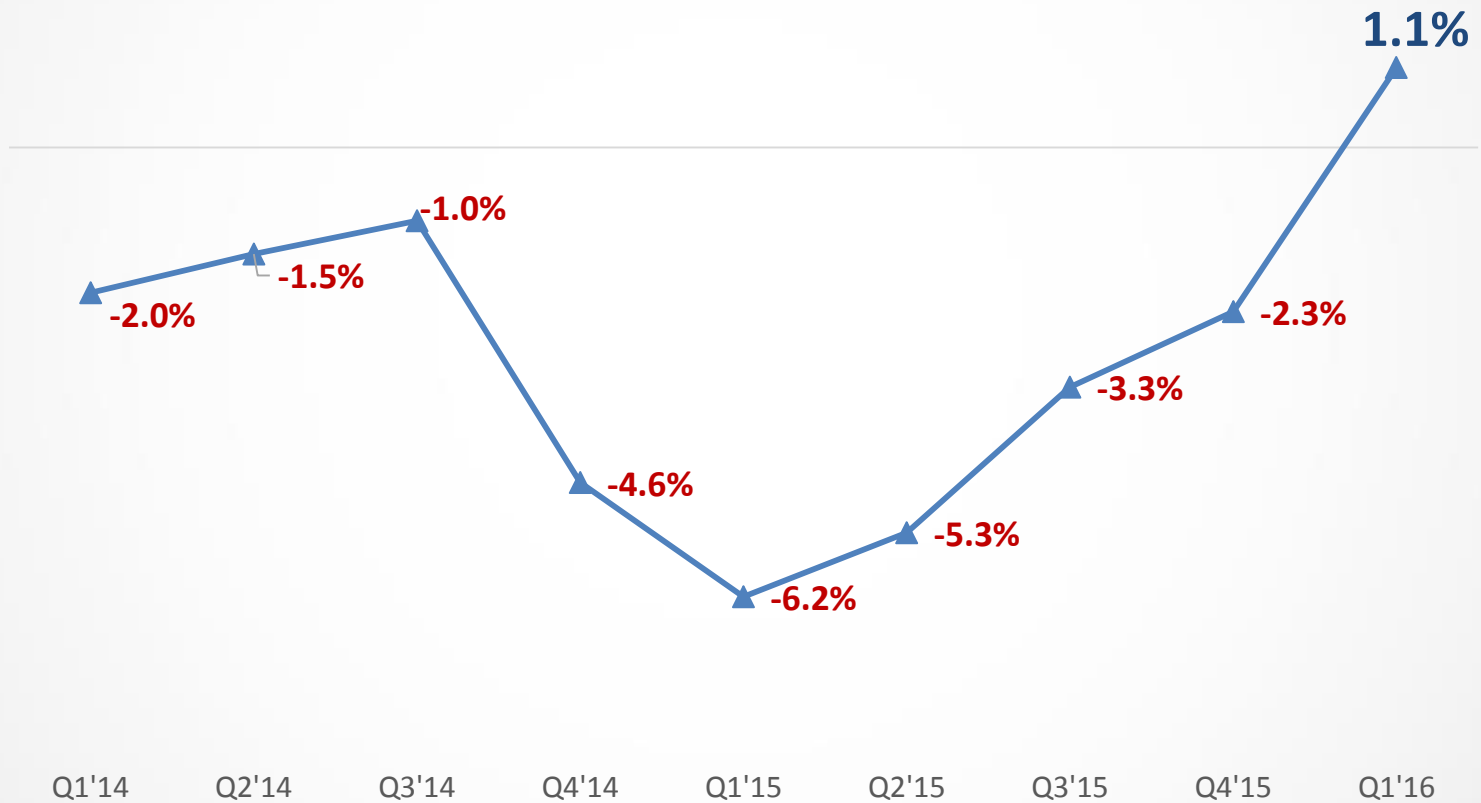
304,428 rooms

356 cities

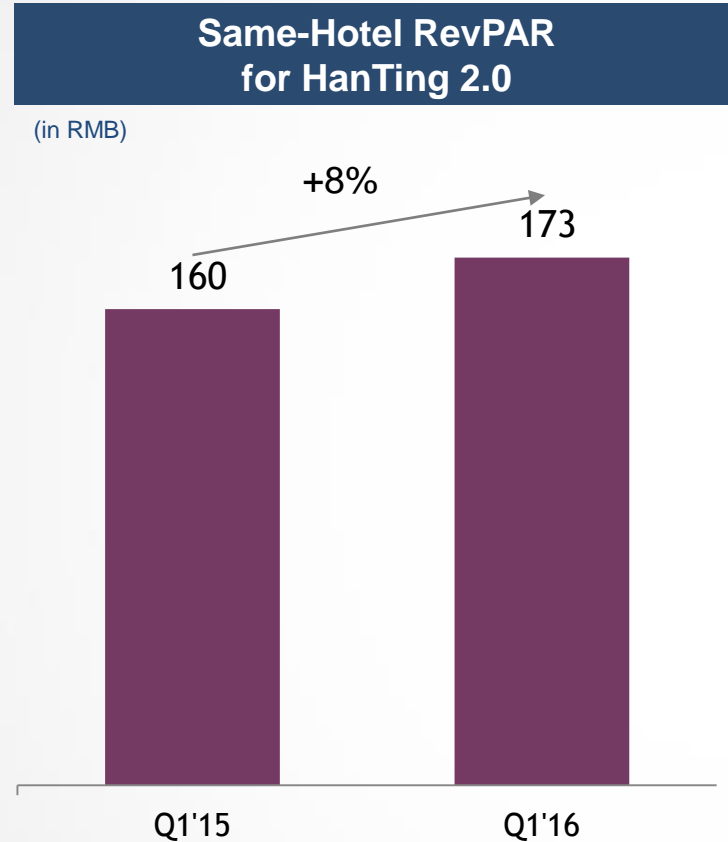


- Strengthen and differentiate HANTING
- Continue FAST expansion
- Further boost DIRECT sales

Quarterly Blended RevPAR Year-over-Year Growth (Q1'14-Q1'16)

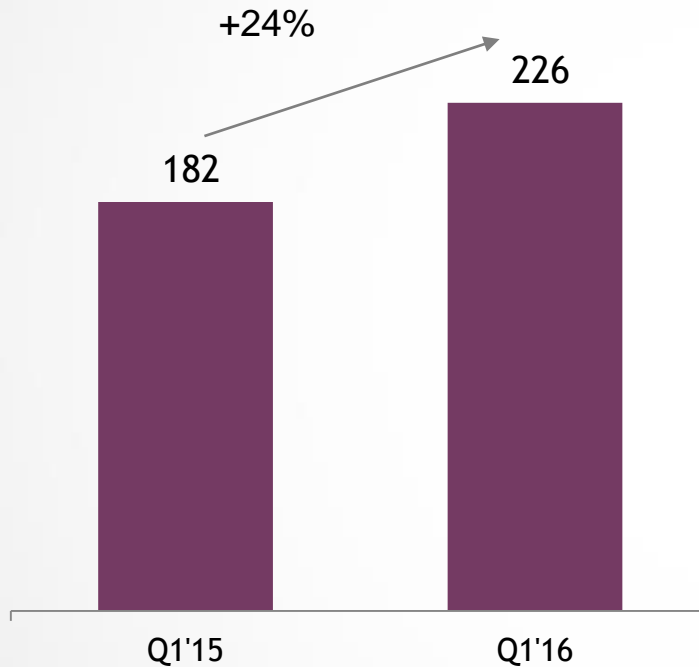


Upgraded HanTing 2.0 Delivers Significant Same Hotel RevPAR Increase



18% of HanTing brand hotel rooms inventories were under HanTing 2.0 model as of Q1 2016

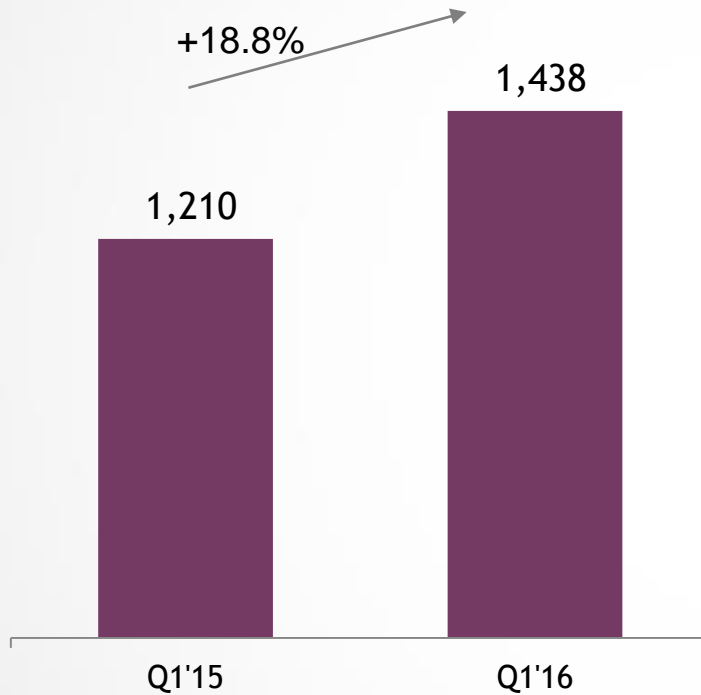
Hotels Added (net)



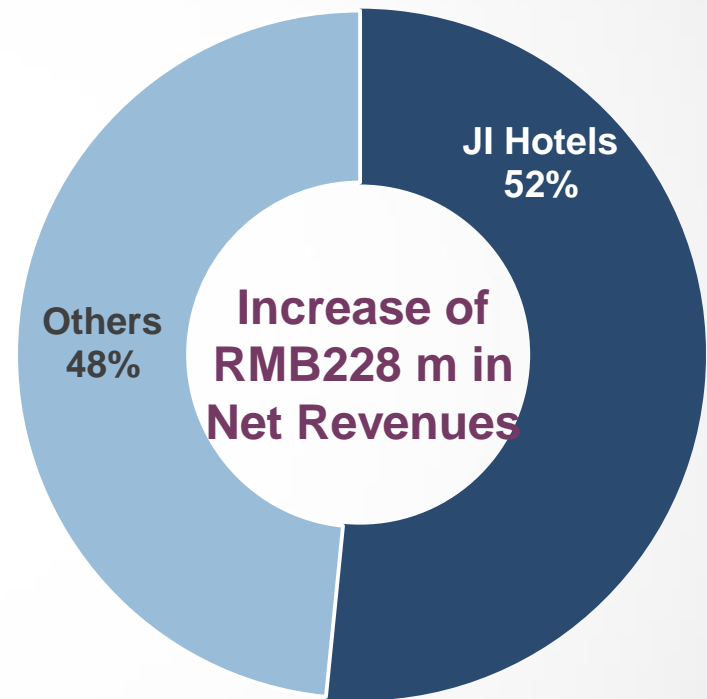
- Network expansion through both organic growth and alliance in 2016 Q1
 - 129 net new hotels under China Lodging's brands
 - 97 new hotels under Accor's brands (incl. 96 hotels merged post transaction in Jan 2016)

Net Revenues

(in RMB millions)

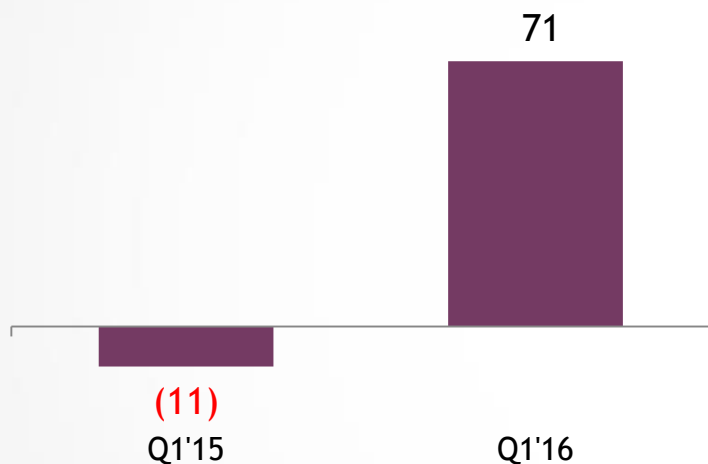


Breakdown of Incremental Revenue Growth (Q1'16 vs Q1'15)



Income from Operations

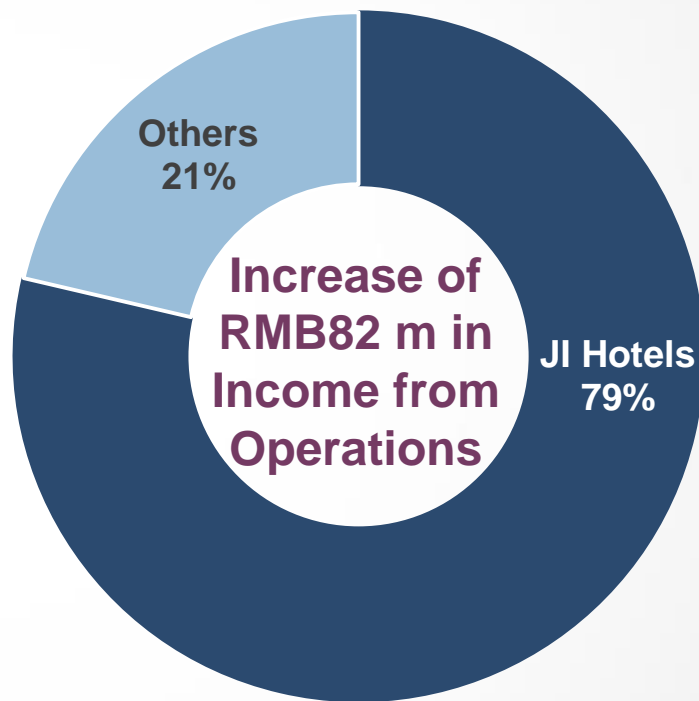
(in RMB millions)



Operating margin (0.9%)

4.9%

Breakdown of Incremental Income from Operations Growth (Q1'16 vs Q1'15)



Operating margin = income from operations / net revenues

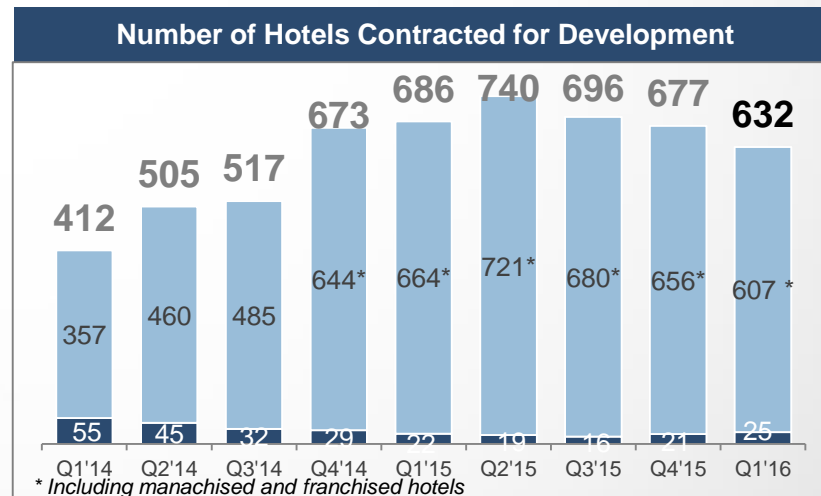
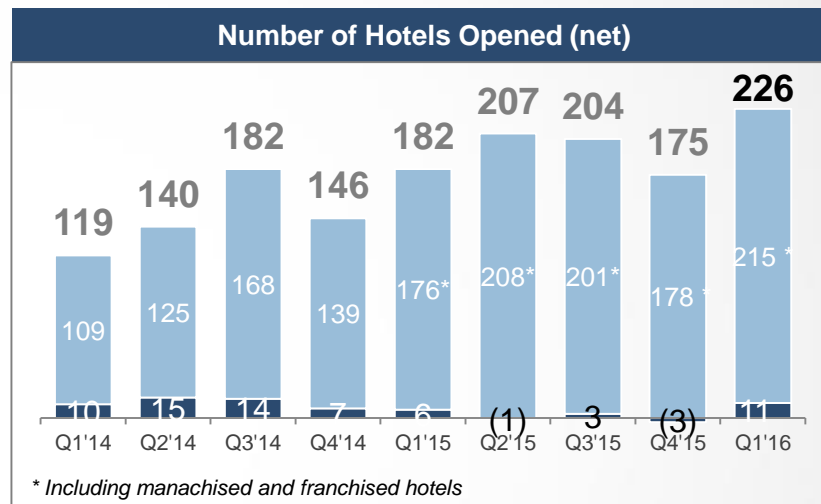
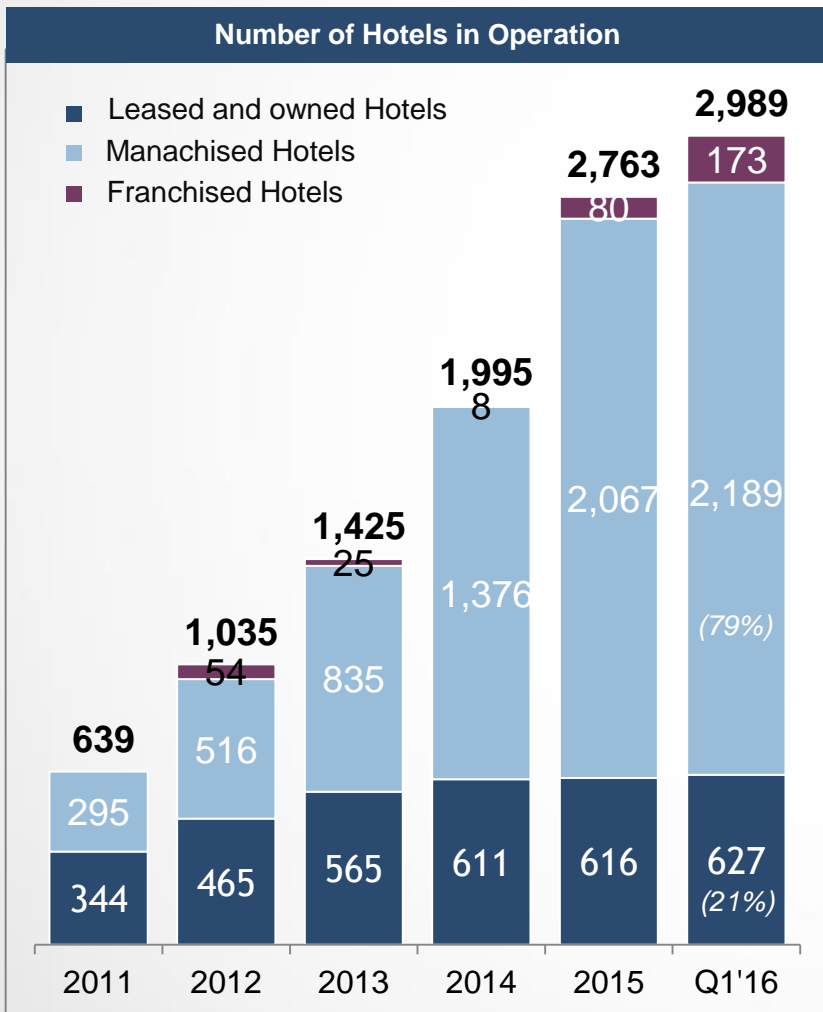
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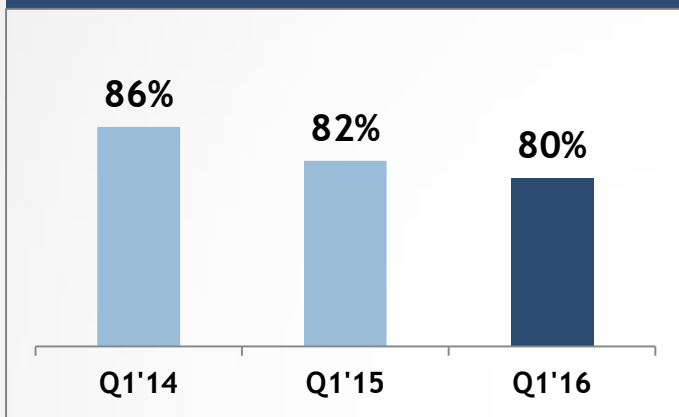
Hotel Network Continues Robust Growth, Mainly Driven by Manachise and Franchise



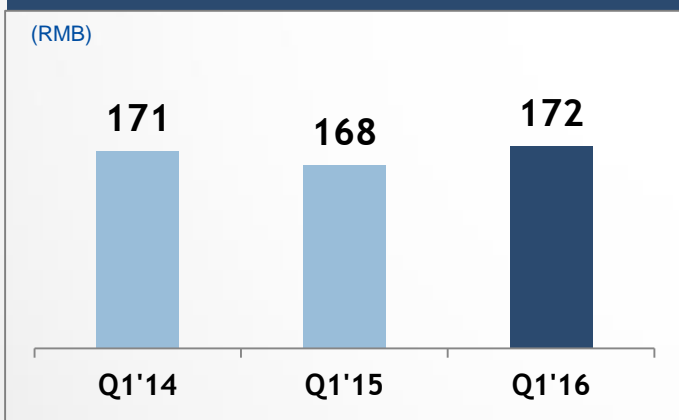
Note: In Q1 2016, 96 Accor hotels were merged to China Lodging's platform due to strategic alliance.

Q1 RevPAR Increased 1.1% YOY

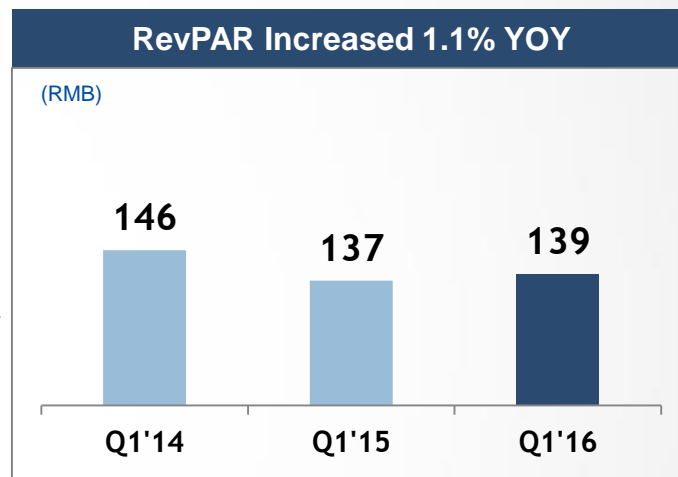
Occupancy Decreased 1.1 points YOY



ADR Increased 2.5% YOY



RevPAR Increased 1.1% YOY



Weight of hotel rooms in 1st- and 2nd-tier cities

Q1'14	Q1'15	Q1'16
77.1%	76.8%	76.3%

Weight of hotel rooms in midscale and upscale segment

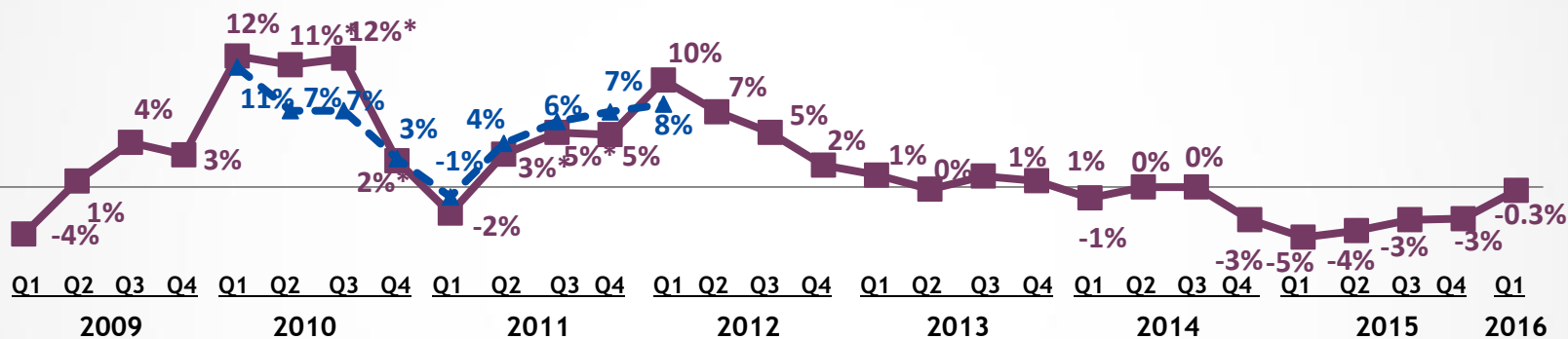
Q1'14	Q1'15	Q1'16
9.3%	12.1%	15.1%

Q1 Same-hotel RevPAR Stabilized

Same-hotel RevPAR Growth

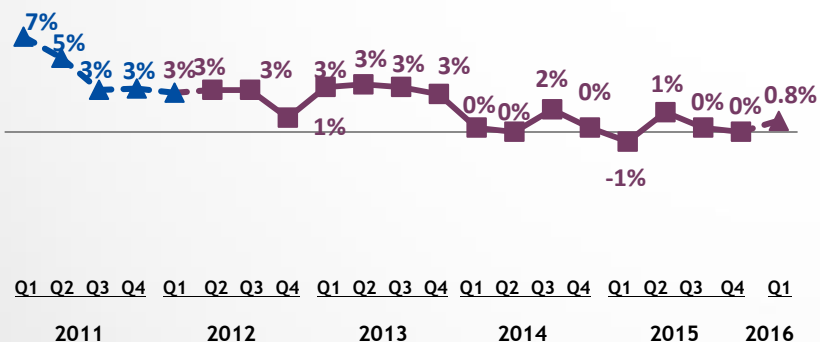
For hotels in operation for at least 18 months

■ All hotels ▲ Non-Shanghai hotels

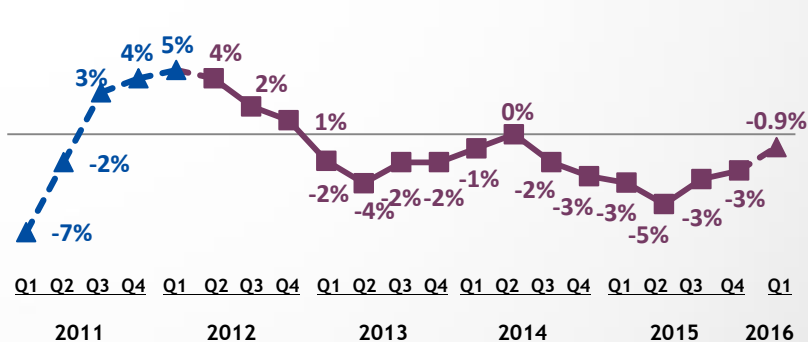


Same-hotel ADR Growth

(2011 = 100)

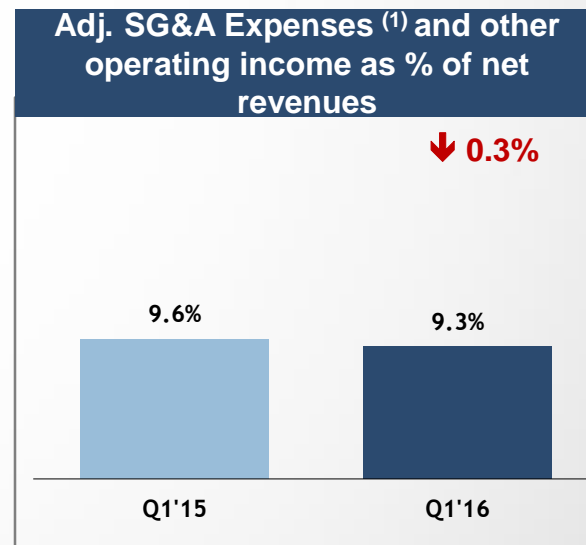
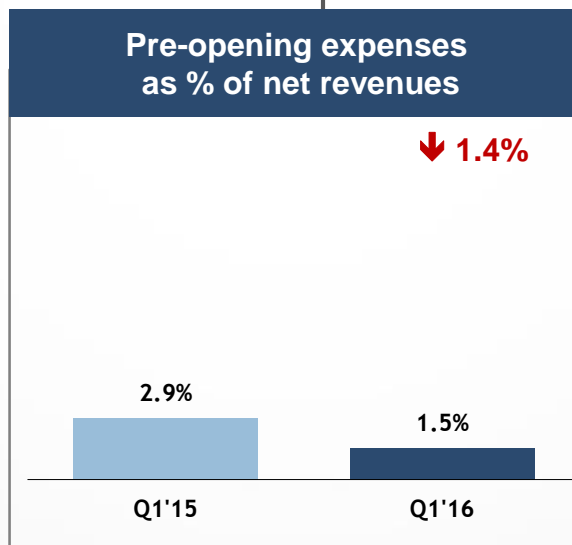
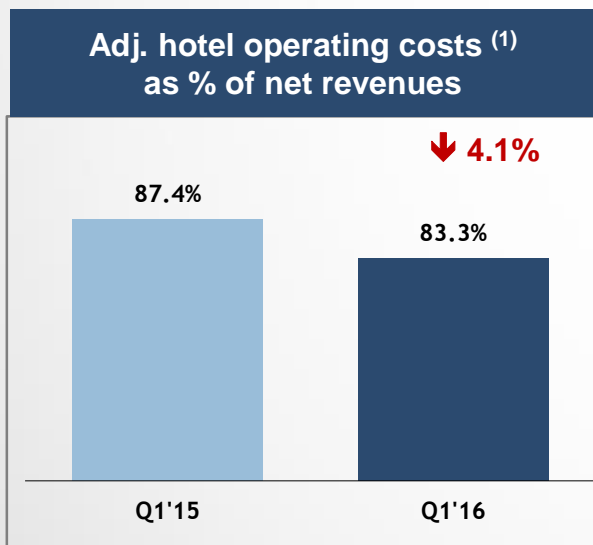
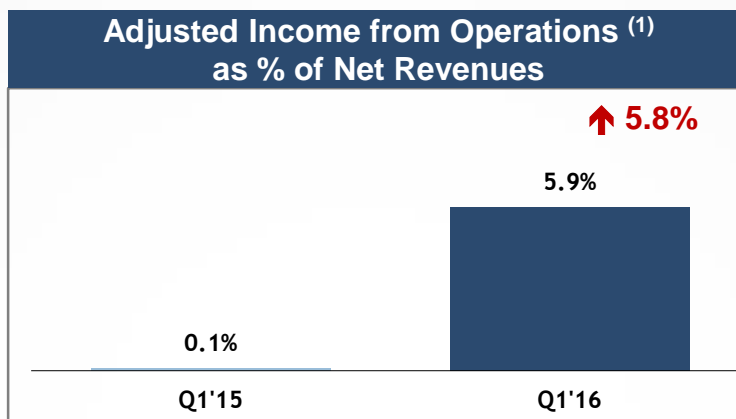


Same-hotel Occupancy Change



* Normalized for Shanghai Expo

Adjusted Operating Margin Increased 5.8 Pts

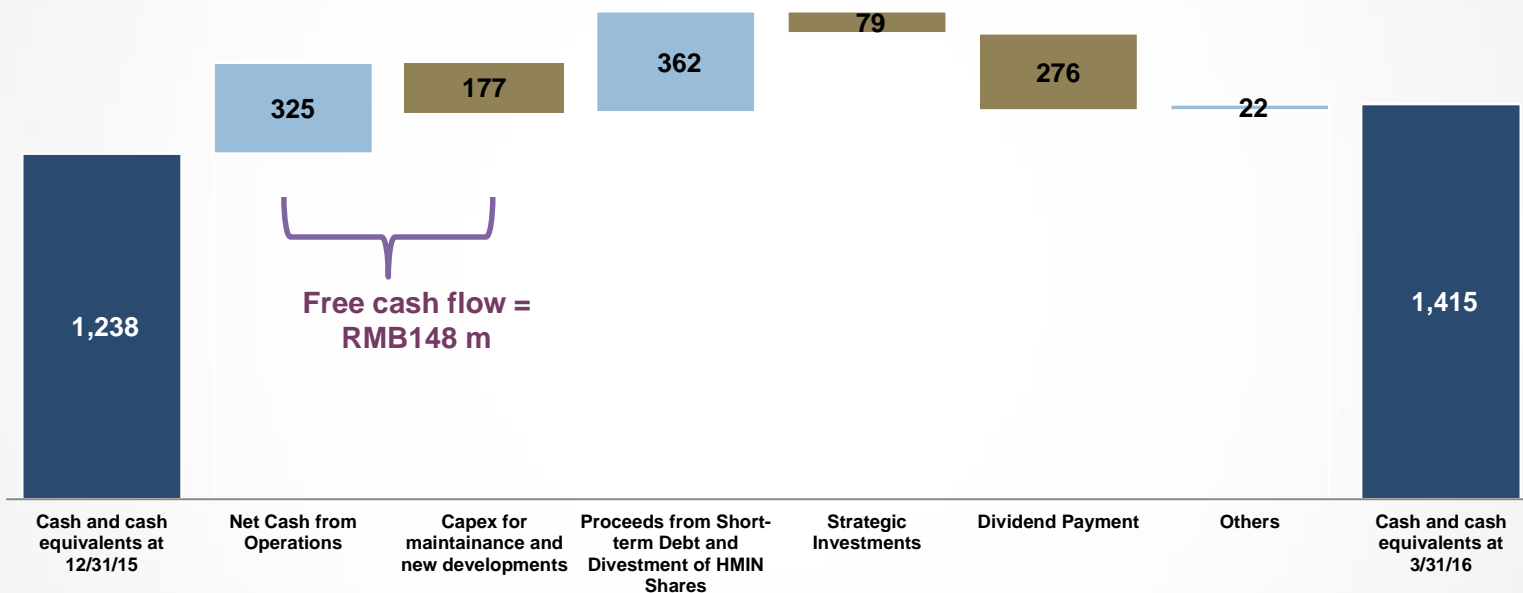


(1) Excluding share-based compensation expenses.

Capital Allocation Supported by Continuing Strong Cash Flow Generation

Abundant Funding Resource for Expansion

(in RMB millions)



- Strategic investments mainly refer to equity investment in apartment and shared office businesses
- China Lodging bought Home Inns ADSs from open market in 2015, recouped RMB 79 million through partial disposal and recognized a gain of RMB13 million in Q1, 2016
- In Feb 2016, China Lodging paid a special dividend of RMB 276 million to shareholders, which was already announced in Dec 2015

Capture Growth Opportunities in Apartment & Shared Office Sectors through Investment

- As of 3/31/2016, China Lodging has accumulatively invested RMB 130 million into apartment and shared office sectors
- Apartment and shared office sectors are still at early stage, highly fragmented but with sizable market potential
- Leverage China Lodging's know-how from hotels, such as brand building, network development and operation
- Expect to create synergy among hotel, apartment and shared office, in terms of site acquisition and yield management



Q2'16 net revenues to grow

12% to 15% year-over-year

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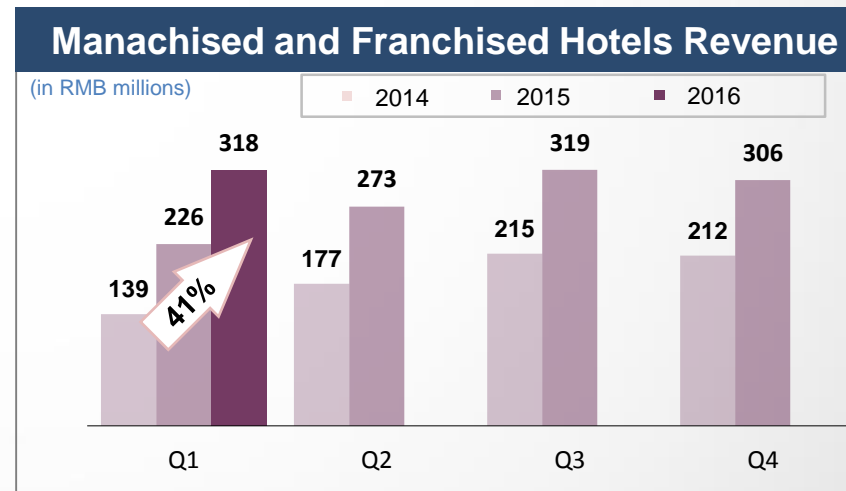
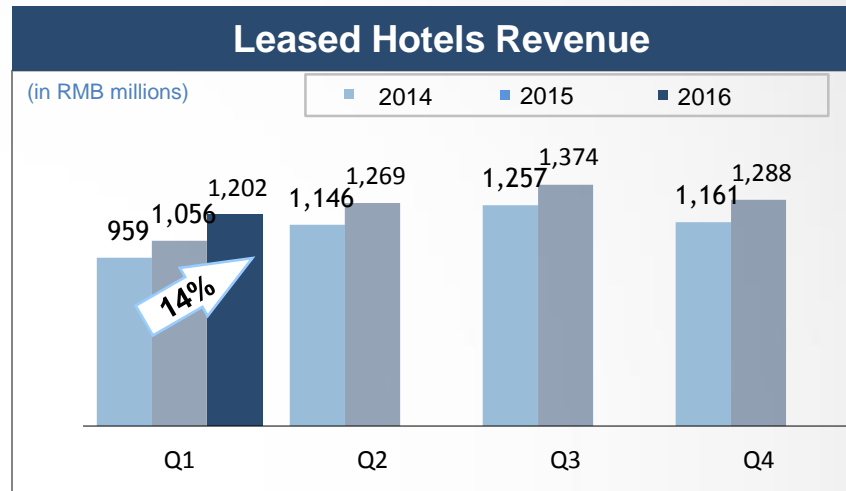
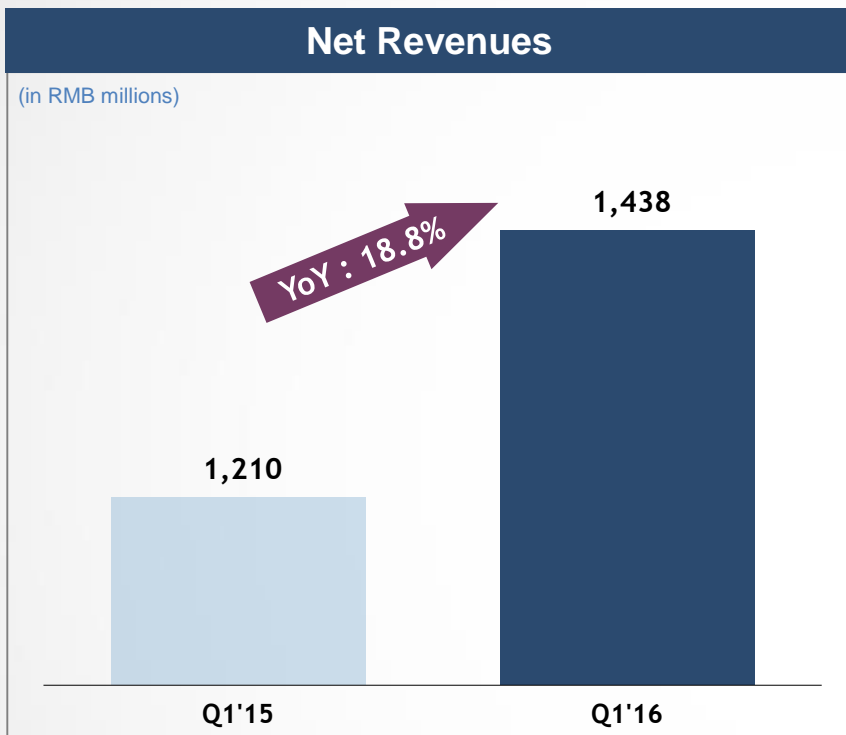
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Net Revenues Increased 18.8%

Exceeding Guidance of 14%-15% Growth



Manachised and Franchised Hotels Revenue as % of Total Revenues

Q1'15	Q1'16
17.7%	20.9%

Transaction summary

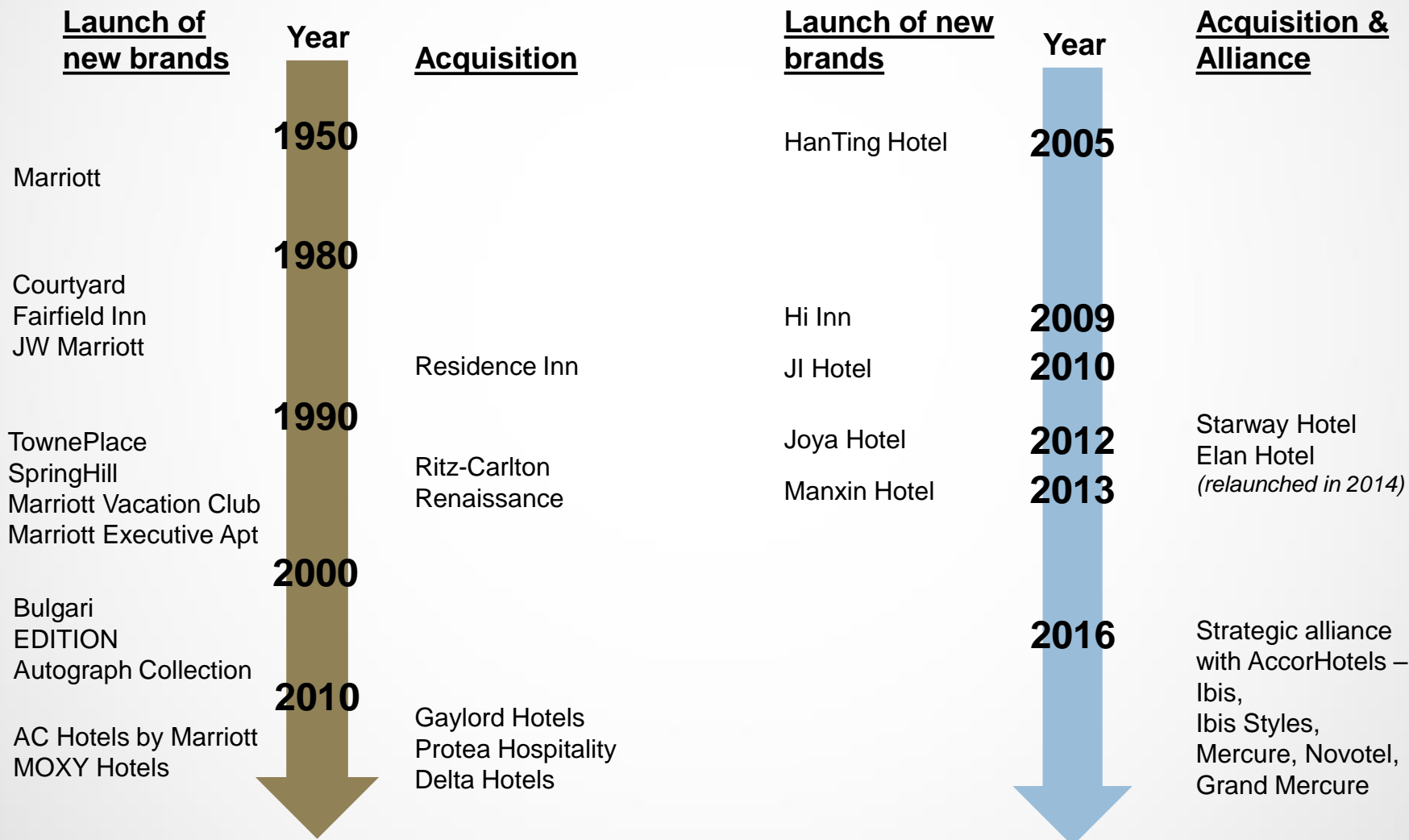
- Master franchisee for Mercure, ibis, ibis styles
- Co-development agreement for Grand Mercure and Novotel
- Non-controlling 28.1% stake in JV for AccorHotels luxury& upscale business in Greater China; 2 out of 5 seats on JV's BOD
- AccorHotels owns 10.8% in China Lodging (9% from new issuance + 1.8% purchased from open market); 1 seat on China Lodging's BOD

Strategic benefits

- Accelerate China Lodging's expansion into mid- and up-scale segments
- Access to a wider customer base of 75 million members combined
- Members benefit from expanded hotel choices with more than 6,500 hotels combined worldwide

Financial impact and development plan

- Accredited to 2016 profit since January
- To develop 350-400 new hotels in China in 5 years

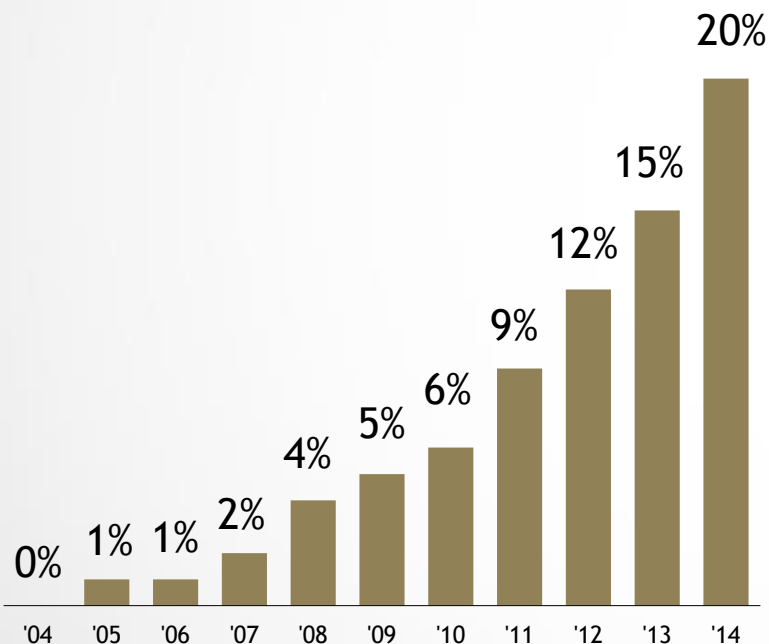


Market Structure of Economy Hotel Segment: Significant Room for Consolidation

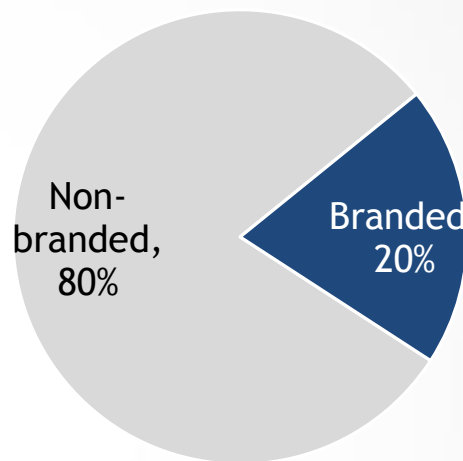
Consolidation has been accelerating...

... but market is still highly fragmented

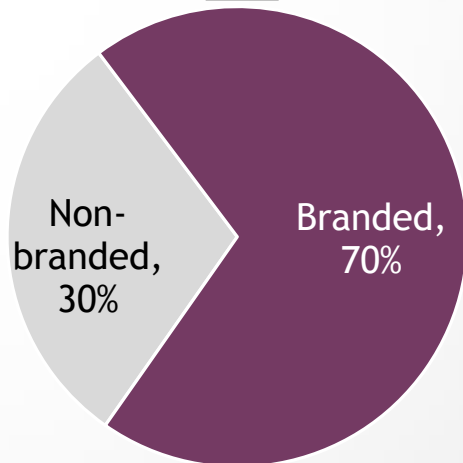
Branded as % of total market



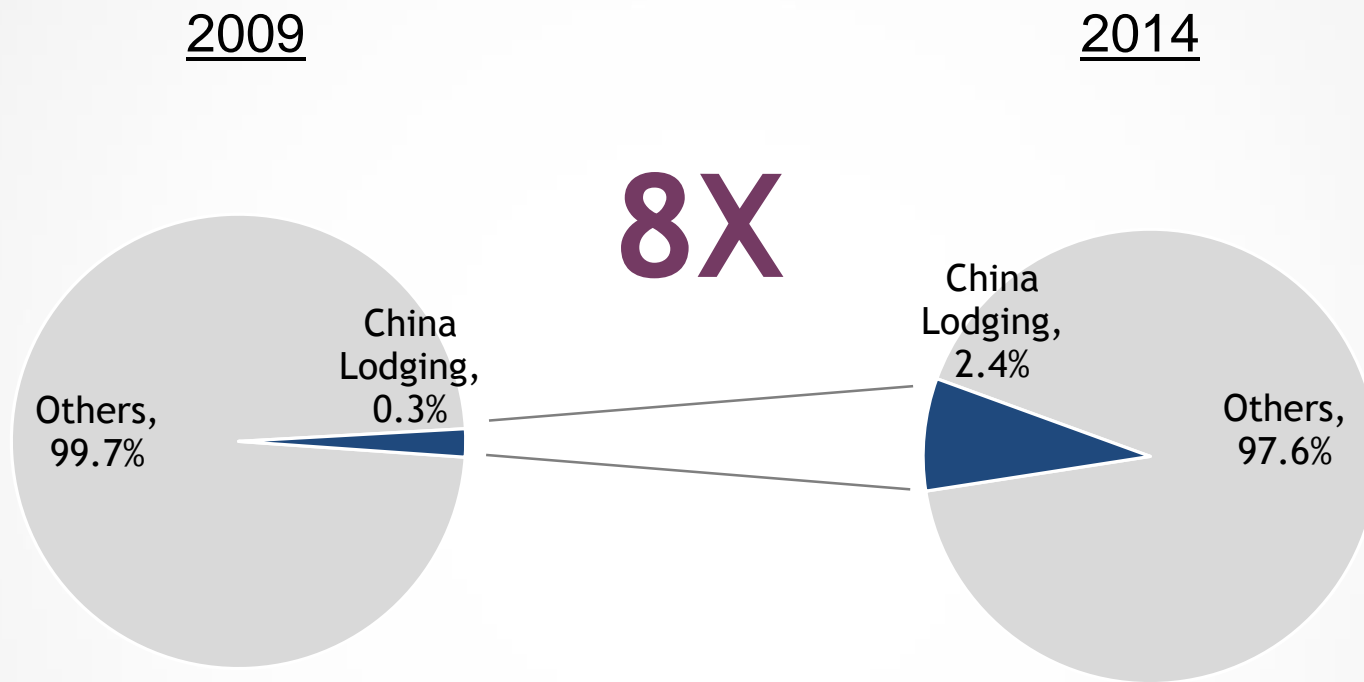
China



U.S.



Albeit small, China Lodging's Share Increased Significantly in Economy Hotel Segment



(Number of Company's economy hotels as % of total economy hotels)

Same-Hotel Operational Data by Segment

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	2014	2015	2014	2015	yoy change	2014	2015	yoy change	2014	2015	yoy change
Economy hotels	1,293	1,293	165	157	-5%	175	176	0%	94%	89%	-5%
Leased hotels	505	505	168	161	-4%	179	181	1%	94%	89%	-5%
Manachised and franchised hotels	788	788	163	154	-6%	172	172	0%	95%	89%	-5%
Midscale and upscale hotels	87	87	240	254	6%	279	302	8%	86%	84%	-2%
Leased hotels	47	47	260	279	7%	296	325	10%	88%	86%	-2%
Manachised and franchised hotels	40	40	209	213	2%	249	261	4%	84%	82%	-2%
Total	1,380	1,380	171	164	-4%	182	185	1%	94%	89%	-5%

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	2014	2015	2014	2015	yoy change	2014	2015	yoy change	2014	2015	yoy change
Economy hotels	1,391	1,391	173	165	-4%	181	180	-1%	95%	92%	-4%
Leased hotels	509	509	174	167	-4%	185	184	0%	94%	91%	-4%
Manachised and franchised hotels	882	882	171	164	-4%	179	177	-1%	96%	92%	-4%
Midscale and upscale hotels	102	102	247	263	6%	283	298	5%	87%	88%	1%
Leased hotels	52	52	272	296	9%	304	324	7%	90%	92%	2%
Manachised and franchised hotels	50	50	214	215	0%	252	258	2%	85%	83%	-2%
Total	1,493	1,493	179	173	-3%	189	190	0%	95%	91%	-3%

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	2014	2015	2014	2015	yoy change	2014	2015	yoy change	2014	2015	yoy change
Economy hotels	1,491	1,491	152	145	-5%	169	167	-1%	90%	87%	-3%
Leased hotels	510	510	156	147	-5%	175	173	-1%	89%	85%	-4%
Manachised and franchised hotels	981	981	149	143	-4%	166	163	-1%	90%	87%	-2%
Midscale and upscale hotels	121	121	224	241	8%	270	282	5%	83%	85%	2%
Leased hotels	58	58	245	276	12%	291	308	6%	84%	90%	5%
Manachised and franchised hotels	63	63	195	196	0%	240	245	2%	81%	80%	-2%
Total	1,612	1,612	158	154	-3%	178	178	0%	89%	86%	-3%

	Number of hotels in operation		Same-hotel RevPAR			Same-hotel ADR			Same-hotel Occupancy		
	As of		For the quarter ended			For the quarter ended			For the quarter ended		
	2015	2016	2015	2016	yoy change	2015	2016	yoy change	2015	2016	yoy change
Economy hotels	1,637	1,637	136	133	-2%	160	160	0%	85%	83%	-1%
Leased hotels	518	518	138	135	-2%	165	165	0%	84%	82%	-2%
Manachised and franchised hotels	1,119	1,119	134	132	-2%	158	157	-1%	85%	84%	-1%
Midscale and upscale hotels	146	146	203	221	9%	256	269	5%	79%	82%	3%
Leased hotels	66	66	225	252	12%	276	293	6%	82%	86%	4%
Manachised and franchised hotels	80	80	178	184	3%	232	237	2%	77%	78%	1%
Total	1,783	1,783	142	142	0%	169	171	1%	84%	83%	-1%

Hotel Breakdown by Brands

	Number of Hotels in Operation			
	As of 12/31/2013	As of 12/31/2014	As of 12/31/2015	As of 3/31/2016
Economy hotels	1,309	1,819	2,453	2,648
HanTing Hotel	1,226	1,648	2,003	2,059
Leased hotels	473	502	495	493
Manachised hotels	753	1,146	1,508	1,566
Hi Inn	83	158	302	332
Leased hotels	41	41	38	38
Manachised hotels	42	117	251	264
Franchised hotels			13	30
Elan Hotel		13	148	169
Manachised hotels		13	128	142
Franchised hotels			20	27
ibis Hotel				82
Leased and owned hotels				12
Manachised hotels				9
Franchised hotels				61
ibis Styles Hotel				6
Manachised hotels				2
Franchised hotels				4
Midscale hotels and upscale hotels	116	176	310	341
Ji Hotel	68	117	186	202
Leased hotels	48	62	75	77
Manachised hotels	20	55	111	125
Starway Hotel	46	55	118	123
Leased hotels	1	3	4	3
Manachised hotels	20	44	67	71
Franchised hotels	25	8	47	49
Joya Hotel	1	3	3	4
Leased hotels	1	2	2	2
Manachised hotels		1	1	2
Manxin Hotels & Resorts	1	1	2	2
Leased hotels	1	1	1	1
Manachised hotels			1	1
Mercure Hotel			1	8
Leased hotels			1	1
Manachised hotels				6
Franchised hotels				1
Novotel Hotel				1
Manachised hotels				1
Grand Mercure Hotel				1
Franchised hotels				1
Total	1,425	1,995	2,763	2,989

Room Breakdown by Brands

	Number of rooms in operation			
	As of 12/31/2013	As of 12/31/2014	As of 12/31/2015	As of 3/31/2016
Economy hotels	138,576	185,959	238,156	258,428
HanTing Hotel	130,747	172,341	205,577	209,319
Leased hotels	54,154	57,306	57,277	56,681
Manachised hotels	76,593	115,035	148,300	152,638
Hi Inn	7,829	12,551	21,340	22,934
Leased hotels	4,422	3,895	3,698	3,575
Manachised hotels	3,407	8,656	16,725	17,482
Franchised hotels			917	1,877
Elan Hotel		1,067	11,239	12,843
Manachised hotels		1,067	9,837	11,009
Franchised hotels			1,402	1,834
ibis Hotel				12,075
Leased and owned hotels				2,330
Manachised hotels				1,824
Franchised hotels				7,921
ibis Styles Hotel				1,257
Manachised hotels				729
Franchised hotels				528
Midscale hotels and upscale hotels	14,303	23,996	40,687	46,000
Ji Hotel	9,106	17,052	27,559	29,751
Leased hotels	6,891	10,260	13,195	13,498
Manachised hotels	2,215	6,792	14,364	16,253
Starway Hotel	4,959	6,321	12,138	12,852
Leased hotels	131	451	604	517
Manachised hotels	2,222	4,939	7,183	7,743
Franchised hotels	2,606	931	4,351	4,592
Joya Hotel	141	515	515	671
Leased hotels	141	315	315	315
Manachised hotels		200	200	356
Manxin Hotels & Resorts	97	108	236	236
Leased hotels	97	108	108	108
Manachised hotels			128	128
Mercure Hotel			239	1,993
Leased hotels			239	239
Manachised hotels				1,476
Franchised hotels				278
Novotel Hotel				306
Manachised hotels				306
Grand Mercure Hotel				191
Franchised hotels				191
Total	152,879	209,955	278,843	304,428



2,059

Hotels
in operation

209,319

Rooms

(as of 3/31/2016)



Elan Hotel: New Brand for More Economy Hotels

elan
怡莱酒店

169

Hotels
in operation

12,843

Rooms

(as of 3/31/2016)





海友酒店

332

Hotels
in operation

22,934

Rooms

(as of 3/31/2016)





88

Hotels
in operation

13,332

Rooms

(as of 3/31/2016)





202

Hotels
in operation

29,751

Rooms

(as of 3/31/2016)



Starway Hotel: Rich in Design and Guaranteed in Quality



123

Hotels
in operation

12,852

Rooms

(as of 3/31/2016)



Novotel: Create a new & valuable midscale hospitality experience



1

Hotels
in operation

306

Rooms

(as of 3/31/2016)



Mercure: A genuine experience, a strong commitment to quality



8

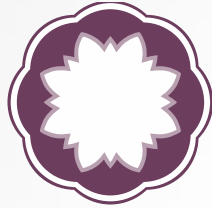
Hotels
in operation

1,993

Rooms

(as of 3/31/2016)





禧玥酒店
JOYA HOTEL

4
Hotels
in operation

671
Rooms

(as of 3/31/2016)



Manxin Hotels & Resorts: Experience A Relaxing and Authentic Holiday



MANXIN HOTELS & RESORTS
漫心度假酒店

2

Hotels
in operation

236

Rooms

(as of 3/31/2016)





GRAND MERCURE

1

Hotels

in operation

191

Rooms

(as of 3/31/2016)





华住酒店集团

成就美好生活