



华住酒店集团

成就美好生活



China Lodging Group, Limited  
Fourth Quarter and Full Year 2013 Results

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 (“Hua Zhu” or 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.

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**Section I:**

Strategy Overview *by CEO*

Section II:

Operational Highlights *by COO*

Section III:

Financial Highlights *by CFO/CSO*

Section IV:

Q & A

# Positioned for Success: Continuous Product Innovation to Meet Upgrade Trends



# Positioned for Success: Hotel Group with “Online Genes”



# Positioned for Success: Active Digital Engagement to Reach Customers

## Loyalty Program



> 15million members;  
 > 80% room nights  
 contributed by members

## Mobile Booking



Our fast-growing  
 booking channel

## Social Media



Room booking  
 through social media  
 now available



# Positioned for Success: Enhancing The Hua Zhu Experience Through New CRM Platform

## Observe



Big Data

Customer Labeling

## Listen



Textual Analysis

Customer Preference

## Interact



Participation

Experience

Section I: Company Overview *by CEO*

**Section II:** Operational Highlights *by COO*

Section III: Financial Highlights *by CFO/CSO*

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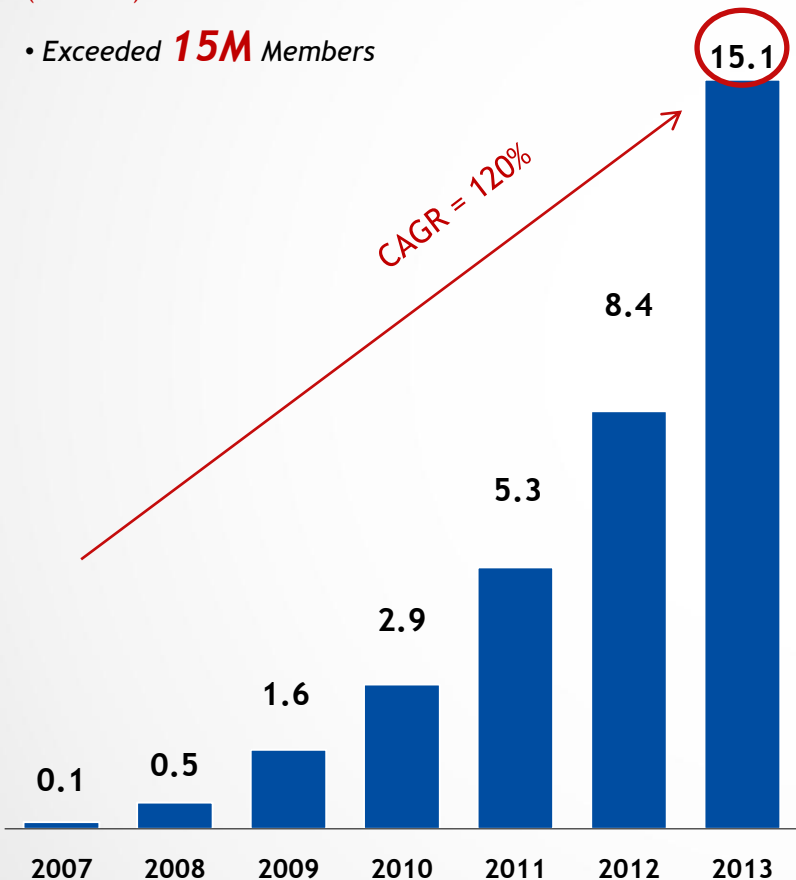


# Fast-growing Membership with Young Demographics

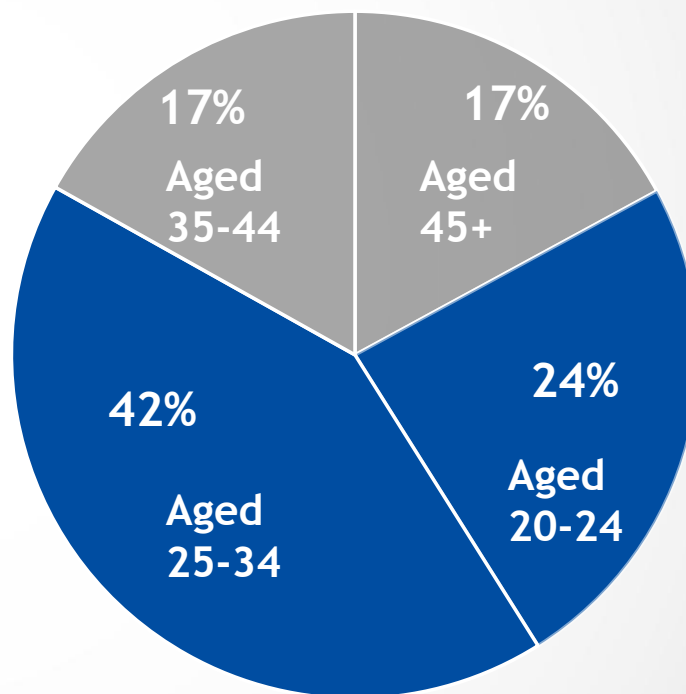
## Robust Growth of Loyalty Program

(Millions)

• Exceeded **15M** Members

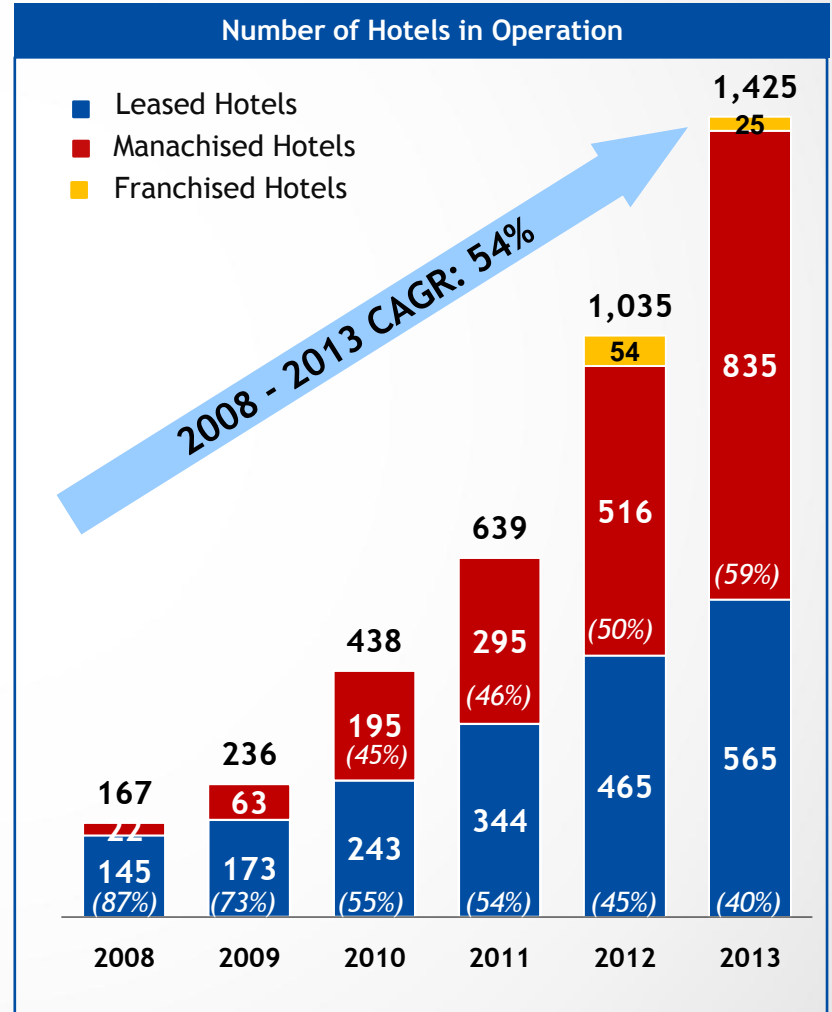
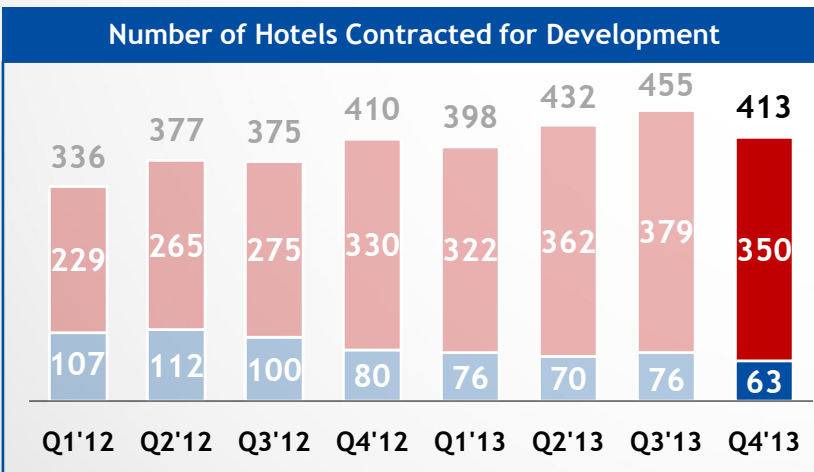
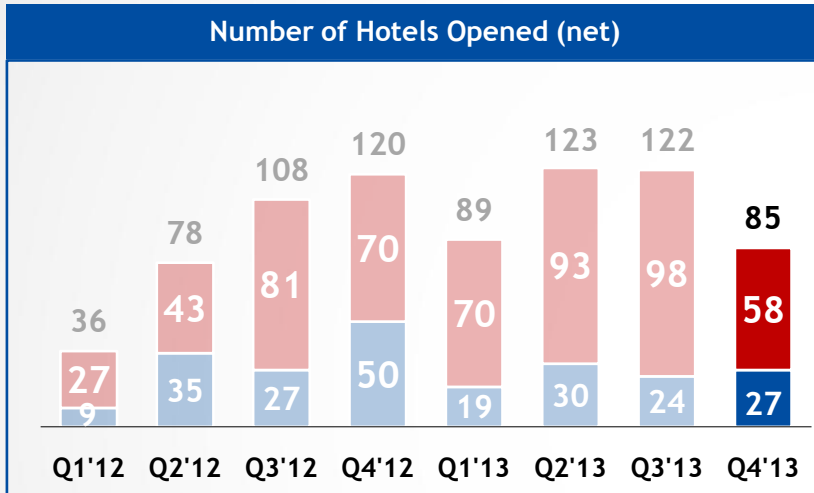


## Young generation is our main target customer

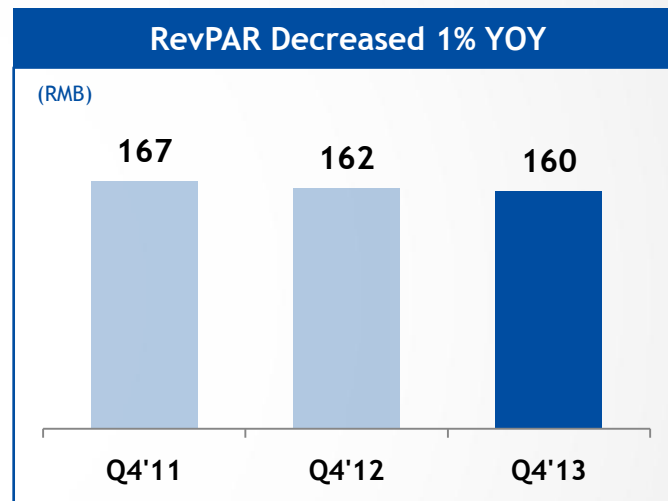
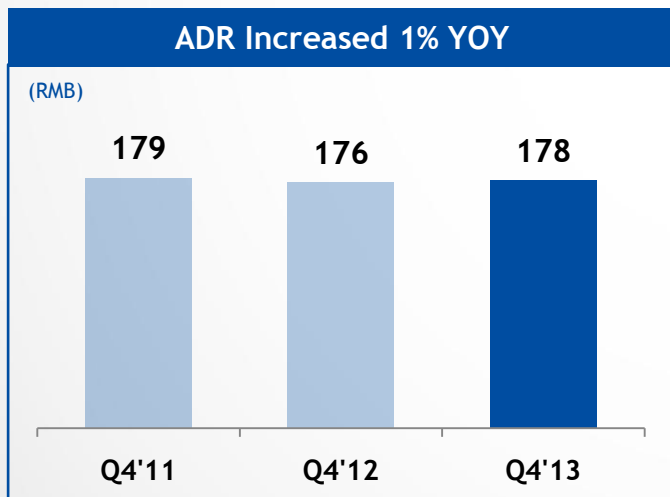
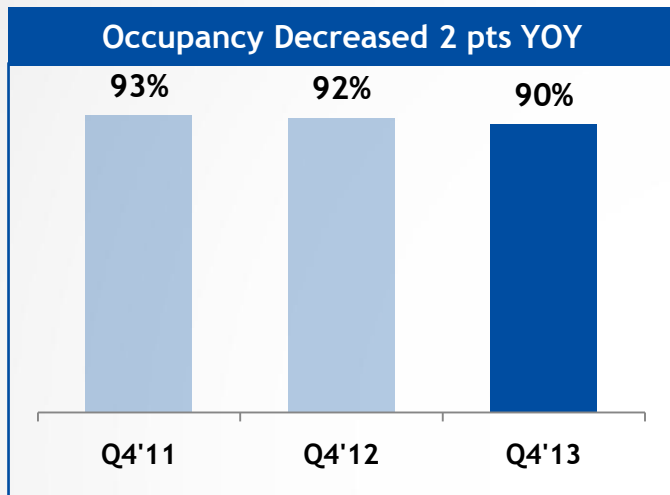


**66%** customers are <34 years old

# Hotel Openings Beyond Expectation, thanks to the Accelerated Expansion from Manachise Business



# Q4 RevPAR Decreased 1% YOY

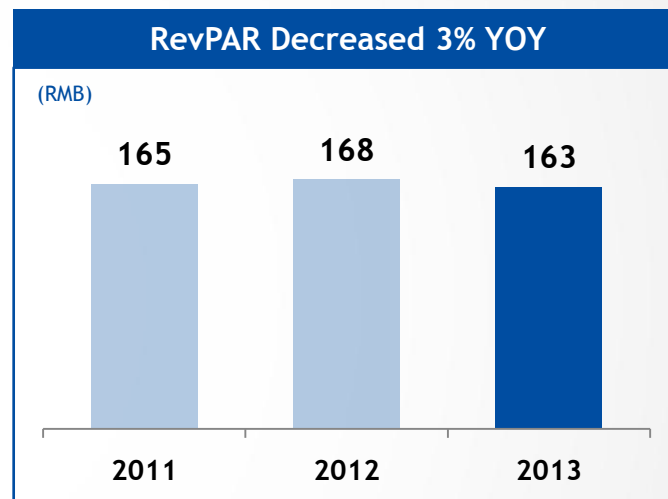
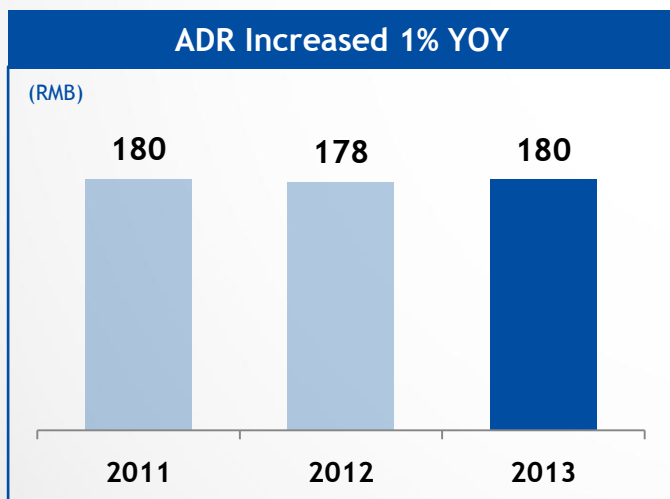
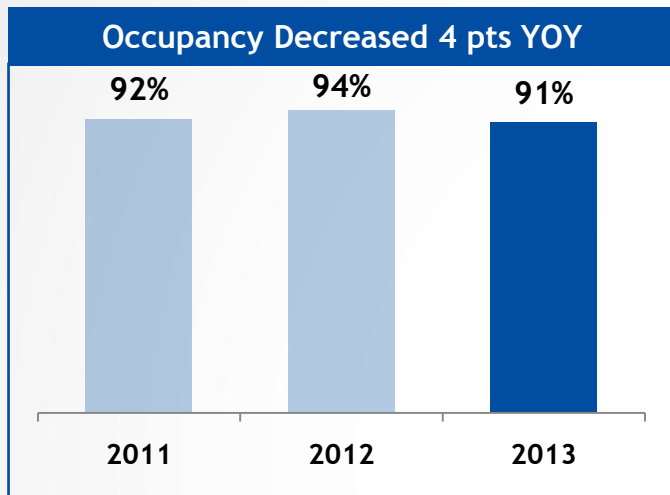


Weight of hotels in operation in tier-1 cities

Q4'11	Q4'12	Q4'13
48%	41%	39%

Figures excluding franchised Starway hotels

# Full-year RevPAR Decreased 3% due to Soft Economy and City Mix Shift

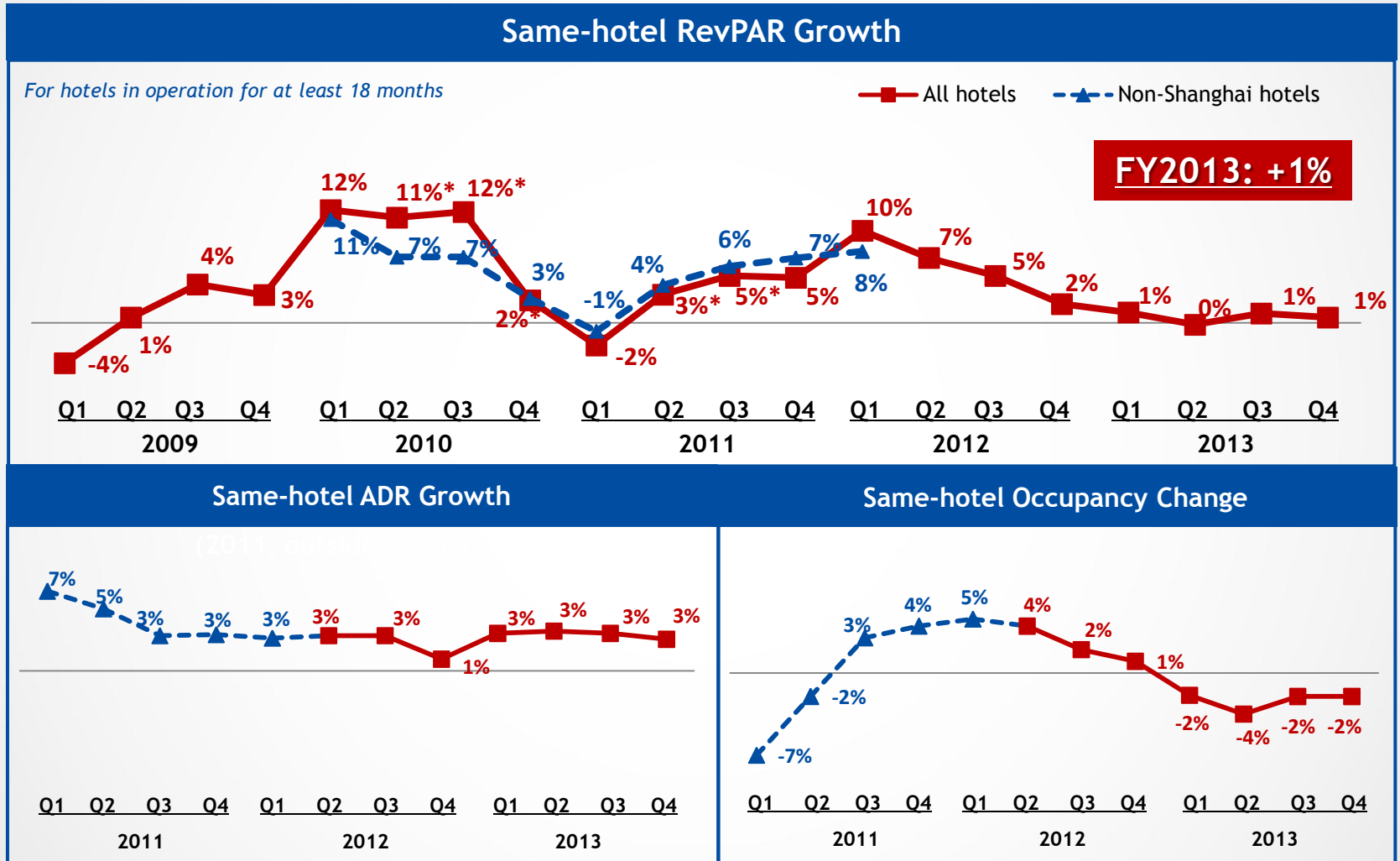


Weight of hotels in operation in tier-1 cities

Year	2011	2012	2013
Weight	48%	41%	39%

Figures excluding franchised Starway hotels

# Q4 and Full Year Same-hotel RevPAR Improved by 1% due to Strong Leisure Demand Momentum



\* Normalized for Shanghai Expo

Figures excluding franchised Starway hotels

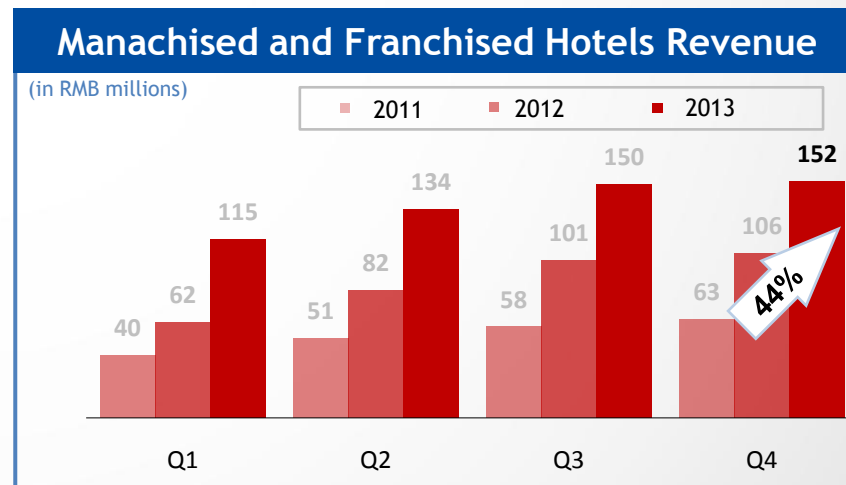
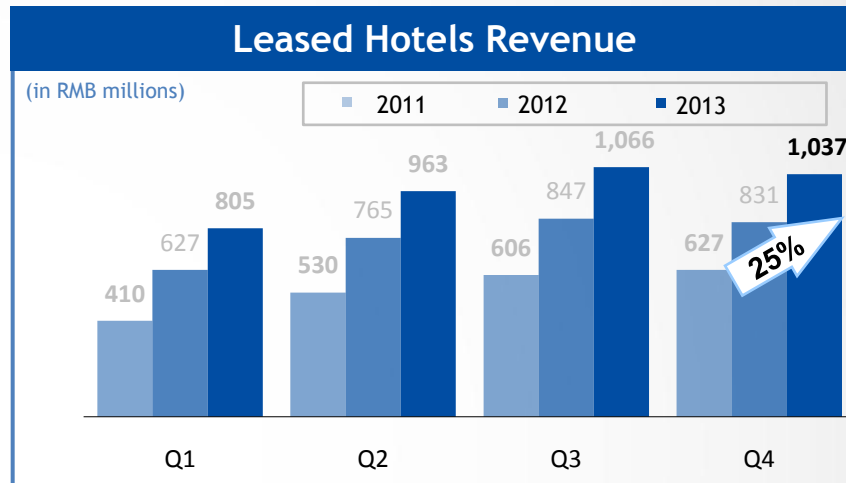
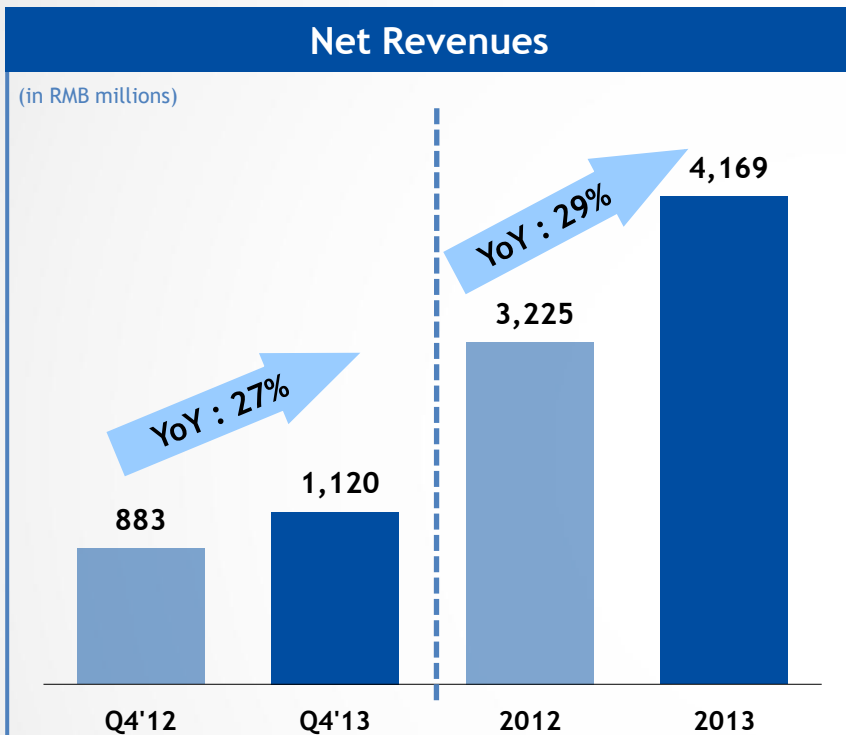
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# Net Revenues: Q4 +27% YOY, FY +29%; In Line with High-end of Guidance

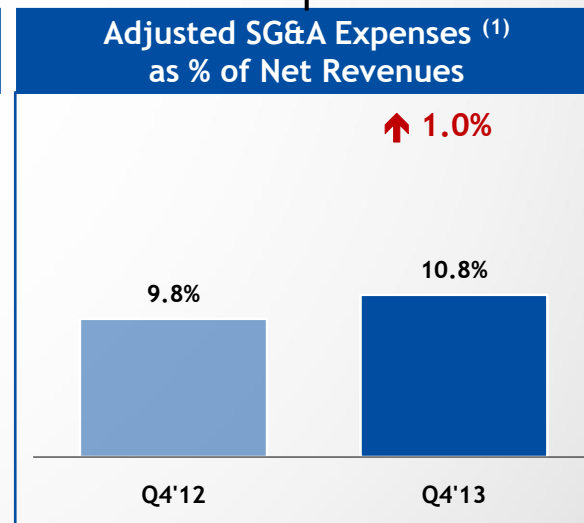
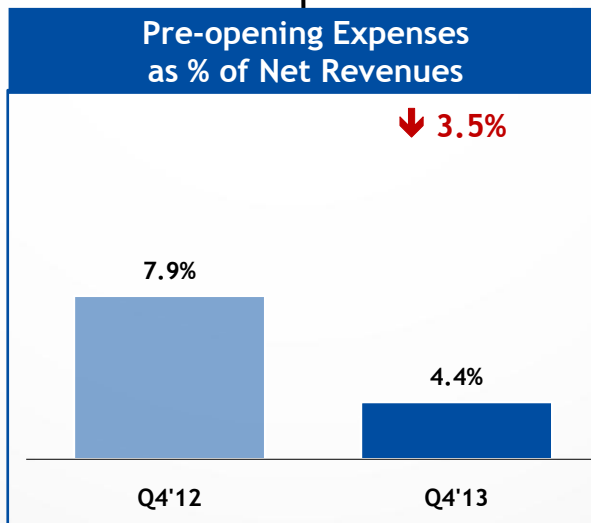
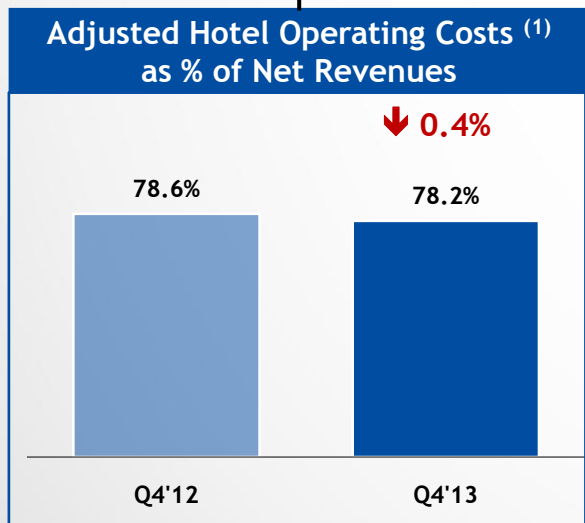
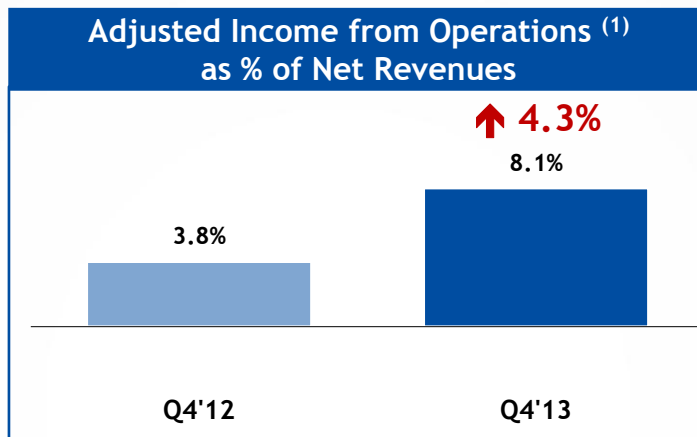


## Manachised and Franchised Hotels Revenue as % of Total Revenues

Q4'12	Q4'13	2012	2013
12%	13%	10%	12%

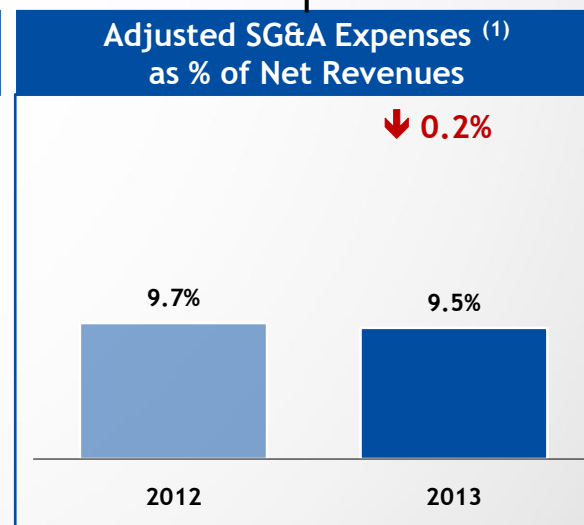
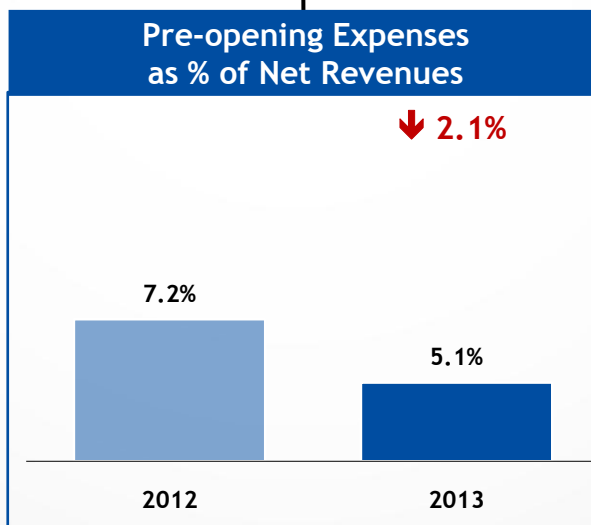
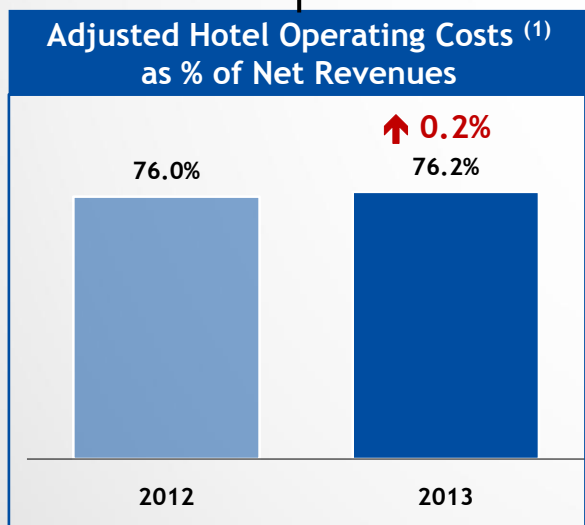
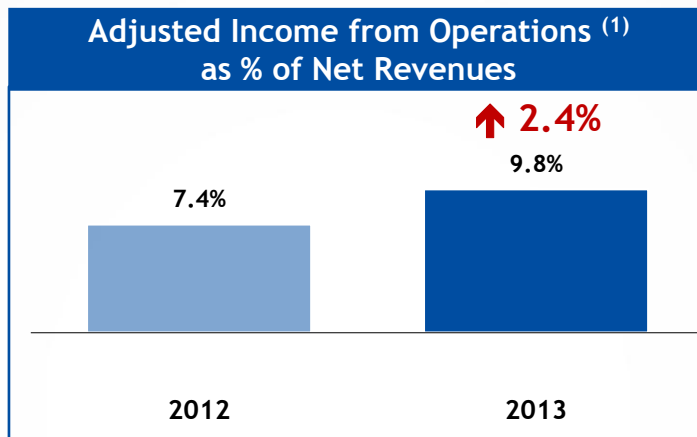


# Q4 Operating Margin Improved 4.3 Pts



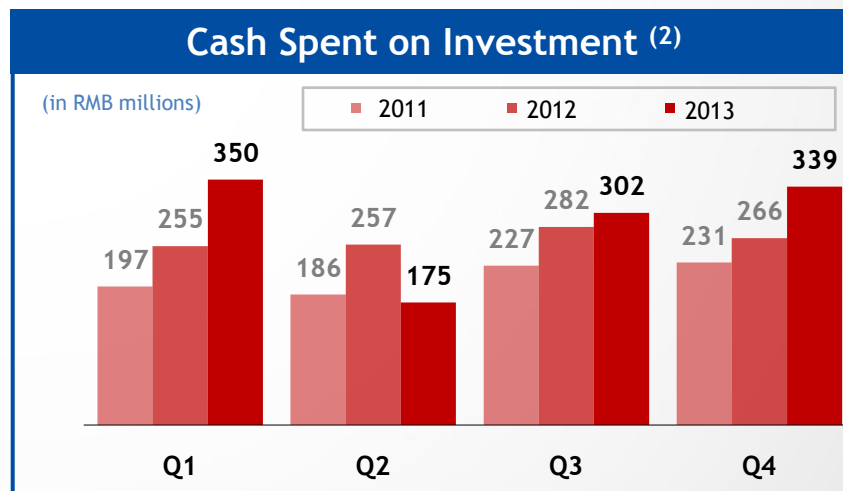
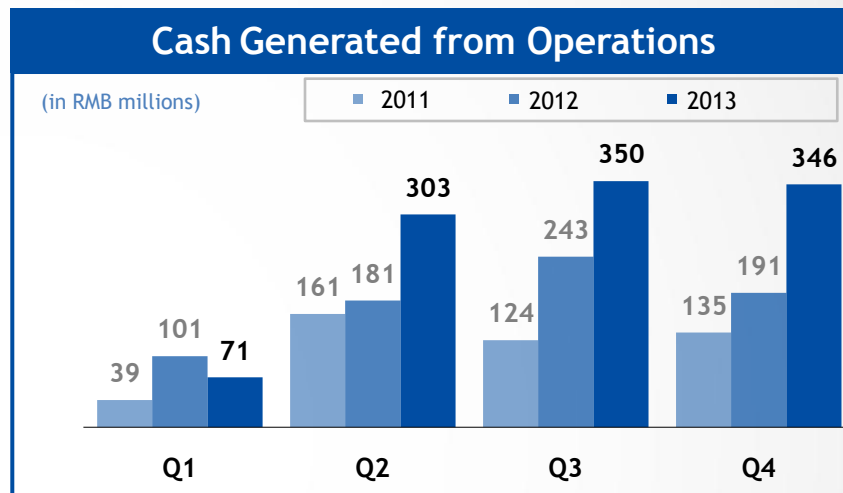
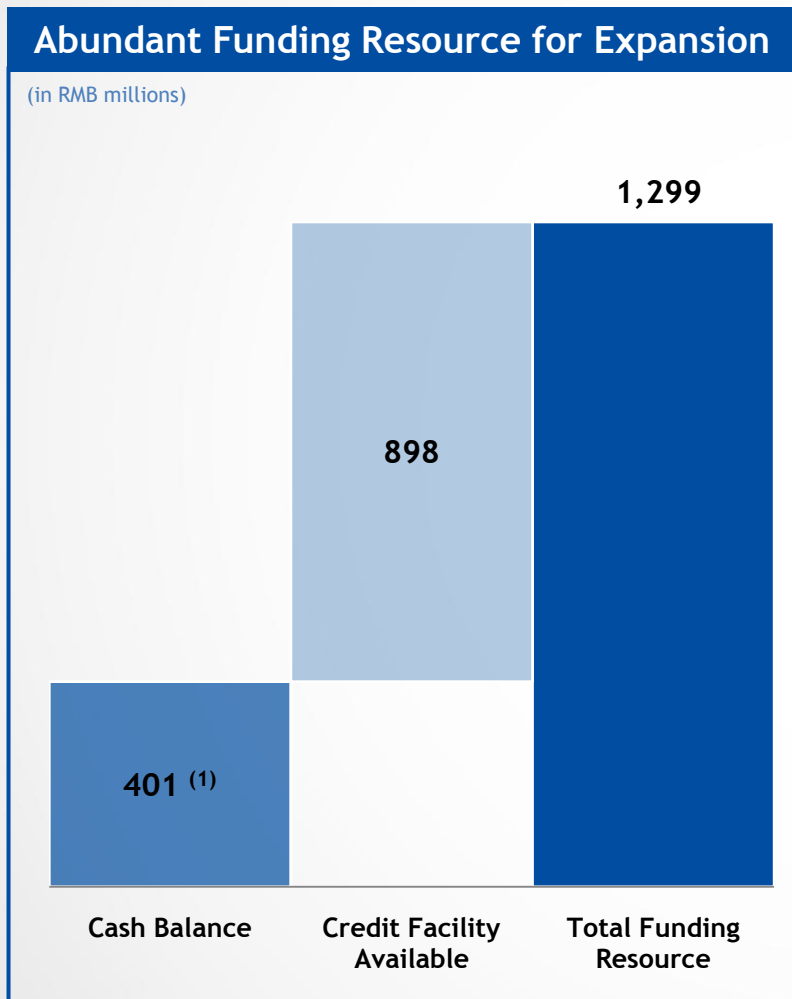
(1) Excluding share-based compensation expenses.

# FY Operating Margin Improved 2.4 Pts



(1) Excluding share-based compensation expenses.

# Cash Position Remained Strong with a Net Cash Inflow of RMB7m in Q4'13



(1) Calculated as cash and cash equivalent, restricted cash, short-term investment.

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

- To add 420 - 450 hotels, with 50 to 60 leased hotels and 370 to 390 franchised hotels
  - 80% for economy hotels
  - 20% for midscale hotels
- Q1'14 net revenues to grow 19% to 21% year-over-year growth
- Full year 2014 net revenues to grow 20% to 23%

# Q & A