Home Inns & Hotels Management Inc.
A Leading Economy Hotel Chain in China

June 2012
This presentation does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Home Inns & Hotels Management Inc. (“Home Inns” or the “Company”) in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Specifically, this presentation does not constitute a “prospectus” within the meaning of the U.S. Securities Act of 1933, as amended.

This presentation has been prepared by the Company solely for use at the investor presentation. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, advisors or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

This presentation contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” “intends,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

Participants agree not to photograph, copy or otherwise reproduce these materials in any form or pass on these materials to any other person for any purpose.
## Company Overview

### Mission
- To become the leader within the Chinese hotel industry providing lodging services to the general public

### Company
- A leading economy hotel chain in China by number of hotels and geographic coverage
- A consistent product and high-quality services catering to value-conscious business and leisure travel individual

### Growth
- Founded in 2002; 10 hotels in 4 cities at the end of 2003
- 1,479 hotels in 219 cities as of March 31, 2012 under 3 brands
- RMB 3.96 billion (US$ 629.1 million) gross revenue in year 2011

### Awards
- International Franchisor of the Year 2010 by FLA (Singapore)
- China’s Most Popular Brand in Green Economy Hotels in 2010
- Official status of Well-Known Trademark within China in 2008
- Annual Golden Pillow Award for Best Brand in Economy Hotels in China consecutively from 2005 through 2010
Established Leadership with Broad National Coverage and Early Mover Advantage

1,479 hotel locations in 219 cities across China as of March 31, 2012

1 218 additional hotels contracted (72 leased-and-operated hotels and 146 franchised-and-managed hotels) as of March 31, 2012
Core Product

A Value Proposition

Standardized Yet Differentiated Product

In-Room Facilities
- Comfortable bed, free broadband, cold and hot drinking water supply, 24x7 in-room hot water

Other Amenities
- Basic meals, business center, vending machine, etc.

Look & Feel
- Consistent design, appearance, color scheme, decoration, lighting

Significant Brand Recognition as a Leader in the Economy Hotel Chain Sector

- Comfort
- Warmth
- Convenience
- Cleanliness
- Value
Market Potential

Increasing Domestic Business and Leisure Travel Drive Long-Term Growth

Number of Domestic Trips\(^{(1)}\)

\begin{align*}
\text{(mm person-times)} & \quad \text{CAGR} = 12.7\% \\
2001 & \quad 784 \\
2011 & \quad 2,600
\end{align*}

Total Spending on Domestic Travel\(^{(1)}\)

\begin{align*}
\text{(RMB bn)} & \quad \text{CAGR} = 18.4\% \\
2001 & \quad 352 \\
2011 & \quad 1,900
\end{align*}

Ongoing Demand Shift to Economy Hotels

- Capturing previous 1-3 star hotels market
- Rapid growth in Chinese travel market drives new demand

(1) Source: Blue Book of China’s Tourism (No.4)
As of 2009, there were approximately 4 million rooms in the lodging industry in China.

As of Sept 30, 2011, there were 6,643 economy hotels in China.

Economy hotels do not participate in star-rating system.

Source:
(1) Ministry of Commerce of China; China National Tourism Administration
(2) http://www.inn.net.cn
**Healthy Sustainable Long-Term Growth**

- Expand footprint and deepen penetration and capitalize on early-mover advantage
- Attract, train, retain and continuously develop all levels of people in the organization
- Implement multi-brand strategy and strengthen customer loyalty and brand awareness
- Enhance information infrastructure to support operational excellence
- Balance growth and profitability with discipline and productivity focus
Business Model

**Balanced approach in continued market expansion and penetration**

**Leased-and-Operated**
- Home Inns leases property from a 3rd party, invests in hotel conversion CapEx, ongoing R&M and pays rent
- Typical lease term is 10-20 years with fixed rental amount and nominal escalations
- Home Inns retains revenues and profits from hotel operations after expenses

**Franchised-and-Managed**
- Franchisee owns or secures property and invests in conversion CapEx and ongoing R&M
- Home Inns franchises brand and manages the hotel
- Home Inns earns a one-time initial fee and ongoing franchise and management fee
- Franchisee retains profits after fees and expenses

<table>
<thead>
<tr>
<th></th>
<th>Number of Hotels (1)</th>
<th>Revenue Contribution (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leased-and-Operated</strong></td>
<td>702</td>
<td>89.8%</td>
</tr>
<tr>
<td><strong>Franchised-and-Managed</strong></td>
<td>777</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

(1) As of March 31, 2012
(2) Per result of the First quarter of 2012 operations
Ample Opportunities Still Exist for Expansion

Basic Criteria:
- Provincial capitals or equivalent cities
- Population of over 1,000,000
- Annual GDP Per Capita above 1,500 USD

Replicable, Standard Process Run by Experienced Teams

Leased-and-Operated Hotels
- Hotel Conversion
- Appoint General Manager
- Hire and Train Hotel Staff
- 4 - 6 months

Franchised-and-Managed Hotels
- Supervise in Hotel Conversion
- Appoint General Manager
- Assist in Hiring and Training Hotel Staff

250 ~220 cities targeted
Operations Control Programs

Well-integrated, Centrally Managed and Locally Executed

Training and Advancement
- Home Inns Academy
- Multi-channel pipeline for qualified GMs
- E-Learning platform open to all employees

Quality Assurance Programs
- Consistent measures for “hardware” and “software”
- Scheduled inspections and “secret customers” programs
- Quality score cards tie to KPI

Performance-based Incentives
- Comprehensive and result-driven KPIs
- Integrated with planning & measurement cycle
- Dynamically aligned with corporate directives

Budgeting and Monitoring
- Detailed hotel-level budget and operation plan
- Real time online monitoring and analyses
- Weekly status reviews with city/regional managers
Operations Control Programs (Cont’d)

Proprietary, Integrated, Efficient and Scalable Hotel Management Platform

Central Reservation System (CRS)  
Call centers and internet orders processing

Customer Relationship Management System (CRM)  
Member information database and analytics

Property Management System (PMS)  
Room rates and inventory control synchronized with CRS and CRM

Management Reporting System  
Real-time central repository and reporting of operating data
People

Seasoned Management Team with Breadth and Depth of Experience in Hospitality, Consumer and Other Industries

David Sun
CEO, 2004
- 10 years of prior experience in consumer industry
- Former vice president of operations for B&Q China, a subsidiary of Kingfisher

Huiping Yan
CFO, 2009
- 20 years of prior experience in accounting and corporate financial management
- Spent 11 years at General Electric in both the United States and Asia

Jason Zong
COO, 2006
- 10 years of prior experience in consumer industry
- Former Operation Vice President and General Manager of the east region of B&Q China

May Wu
CSO1, 2006
- 11 years of prior experience in consulting and investment in the lodging and consumer sectors
- Former First Vice President at Schroeder Investment Management, North America

Motivated and Well-Trained Employees

Career-oriented Training at Home Inns Academy and On-the-Job
Internal Promotion and Career Development Opportunities
Performance-based Bonus and Share-based Compensation

(1) Chief Strategy Officer
Customers

**Favorable Channel Mix**

**Room Nights Stayed by Customer Channel**

- **CRS Non-member Booking**: 1%
- **CRS Member Booking**: 10%
- **Others**: 13%
- **Travel Intermediary**: 9%
- **Corporate Contract**: 11%
- **Walk-In**: 12%
- **Member Booking Directly**: 44%

- **54% of nights** are booked directly by members.

**Strong Brand Loyalty**

**Growth of “Active” Membership**

- **Home Inns**:
  - 2005: 105
  - 2006: 200
  - 2007: 522
  - 2008: 1,284
  - 2009: 2,520
  - 2010: 3,801
  - 2011: 5,100
  - 1Q12: 7,900

- **Motel168**;
  - 2005: 2,500

**Notes:**

1. As of March 31, 2012
2. “Active” means stayed at Home Inns at least once within two years
**Number of hotels**

- **Franchised-and-managed hotels**
- **Leased-and-operated hotels**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of cities</th>
<th>Franchised-and-managed hotels</th>
<th>Leased-and-operated hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2004</td>
<td>8</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>2005</td>
<td>22</td>
<td>68</td>
<td>14</td>
</tr>
<tr>
<td>2006</td>
<td>39</td>
<td>134</td>
<td>40</td>
</tr>
<tr>
<td>2007</td>
<td>66</td>
<td>266</td>
<td>71</td>
</tr>
<tr>
<td>2008</td>
<td>94</td>
<td>471</td>
<td>145</td>
</tr>
<tr>
<td>2009</td>
<td>120</td>
<td>616</td>
<td>226</td>
</tr>
<tr>
<td>2010</td>
<td>146</td>
<td>818</td>
<td>364</td>
</tr>
<tr>
<td>2011</td>
<td>212</td>
<td>1426</td>
<td>698</td>
</tr>
<tr>
<td>1Q2012</td>
<td>219</td>
<td>1479</td>
<td>777</td>
</tr>
</tbody>
</table>

**3yr CAGR**
- Franchised-and-managed hotels: 44.7%
- Leased-and-operated hotels: 71.2%

**Key performance indicators**

- **RevPAR**
  - High: 183
  - Low: 130
  - Avg.: 155

- **Occupancy %**
  - High: 97.0%
  - Low: 80.7%
  - Avg.: 90.1%

- **ADR**
  - High: 189
  - Low: 158
  - Avg.: 171
Performance (Cont’d)

Stable Average Daily Rates, Occupancy Rates and RevPAR

Like-for-Like Performance Comparison
All Hotels in Operation for At Least 18 Months During the Quarter, excluding Motel 168

<table>
<thead>
<tr>
<th>Number of Hotels</th>
<th>536</th>
<th>569</th>
<th>607</th>
<th>626</th>
<th>663</th>
<th>716</th>
<th>565(1)</th>
<th>598(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter End</td>
<td>4Q</td>
<td>4Q</td>
<td>1Q</td>
<td>1Q</td>
<td>2Q</td>
<td>2Q</td>
<td>3Q</td>
<td>3Q</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy</td>
<td>95%</td>
<td>93%</td>
<td>92%</td>
<td>90%</td>
<td>98%</td>
<td>97%</td>
<td>98%</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td>98%</td>
<td>97%</td>
<td>98%</td>
<td>98%</td>
<td>93%</td>
<td>92%</td>
<td>89%</td>
<td>89%</td>
</tr>
<tr>
<td>ADR (RMB)</td>
<td>161</td>
<td>174</td>
<td>159</td>
<td>166</td>
<td>177</td>
<td>175</td>
<td>189</td>
<td>182</td>
</tr>
<tr>
<td></td>
<td>173</td>
<td>182</td>
<td>173</td>
<td>176</td>
<td>167</td>
<td>170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RevPAR (RMB)</td>
<td>153</td>
<td>163</td>
<td>147</td>
<td>149</td>
<td>173</td>
<td>170</td>
<td>185</td>
<td>179</td>
</tr>
<tr>
<td></td>
<td>162</td>
<td>163</td>
<td>149</td>
<td>151</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RevPAR change (YoY)</td>
<td>10</td>
<td>2</td>
<td>-3</td>
<td>-6</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

(1) Excluding World Expo-impacted hotels in Shanghai
Financial Highlights

**Strong Cash Generation**

<table>
<thead>
<tr>
<th>(RMB mm except Earnings per ADS in RMB Yuan)</th>
<th>2009</th>
<th>2010</th>
<th>1Q11</th>
<th>2011(1)</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from Leased-and-Operated Hotels</td>
<td>2,453.1</td>
<td>2,910.5</td>
<td>687.3</td>
<td>3,559.7</td>
<td>1,127.8</td>
</tr>
<tr>
<td>Revenues from Franchised-and-Managed Hotels</td>
<td>147.5</td>
<td>256.8</td>
<td>69.3</td>
<td>400.0</td>
<td>127.9</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>2,600.6</td>
<td>3,167.3</td>
<td>756.6</td>
<td>3,959.7</td>
<td>1,255.7</td>
</tr>
<tr>
<td>Revenue Growth %</td>
<td>39.0%</td>
<td>21.8%</td>
<td>10.8%</td>
<td>25.0%</td>
<td>66.0%</td>
</tr>
<tr>
<td>Adjusted Income from Operations¹</td>
<td>273.6</td>
<td>583.7</td>
<td>60.0</td>
<td>457.3</td>
<td>9.7</td>
</tr>
<tr>
<td>Operationg Margin %</td>
<td>10.5%</td>
<td>18.4%</td>
<td>8.0%</td>
<td>11.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Adjusted Net Income¹</td>
<td>219.0</td>
<td>466.2</td>
<td>47.5</td>
<td>326.1</td>
<td>-24.6</td>
</tr>
<tr>
<td>Adjusted EBITDA¹</td>
<td>577.5</td>
<td>918.8</td>
<td>152.5</td>
<td>900.2</td>
<td>165.9</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin %</td>
<td>22.2%</td>
<td>29.0%</td>
<td>20.2%</td>
<td>22.7%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Adjusted Earnings per ADS¹</td>
<td>5.41</td>
<td>11.00</td>
<td>1.04</td>
<td>6.92</td>
<td>-0.54</td>
</tr>
</tbody>
</table>

(1) Exclude share-based compensation expenses, foreign exchange gain/(loss),
gain from repurchase of convertible bonds, issuance cost for convertible notes,
gain/(loss) from fair value change of convertible notes, acquisition expenses and
withholding tax for profit distribution of previous periods, Non-operating expenses -
Loss on change in fair value of interest swap transaction, Integration cost and
Interest expenses -- Upfront fee amortization of term loans

| Operating Cash Flow                                                   | 648.7 | 880.0 | 55.4 | 726.1 | 30.8 |
| Total Capital Expenditures                                           | 250.4 | 546.4 | 123.3 | 909.3 | 170.3 |

(1) Started consolidation of Motel 168's results since Oct 1, 2011
## Financial Highlights (Cont’d)

### Well-Capitalized Balance Sheet

<table>
<thead>
<tr>
<th>(RMB mm)</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>1Q 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>829.6</td>
<td>2,404.2</td>
<td>1,786.0</td>
<td>1,511.8</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>142.5</td>
<td>194.9</td>
<td>560.7</td>
<td>540.8</td>
</tr>
<tr>
<td>Non Current Assets</td>
<td>2,482.9</td>
<td>2,687.1</td>
<td>7,203.1</td>
<td>7,234.5</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,454.9</td>
<td>5,286.1</td>
<td>9,549.8</td>
<td>9,287.1</td>
</tr>
<tr>
<td>Short-term and Long-term Borrowings</td>
<td>-</td>
<td>-</td>
<td>1,512.2</td>
<td>1,510.6</td>
</tr>
<tr>
<td>Convertible Bonds (2007 CB)</td>
<td>363.5</td>
<td>159.4</td>
<td>113.1</td>
<td>113.2</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>809.9</td>
<td>1,144.8</td>
<td>3,065.6</td>
<td>2,855.1</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>-</td>
<td>1,227.6</td>
<td>979.0</td>
<td>1,006.4</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,173.4</td>
<td>2,531.8</td>
<td>5,669.9</td>
<td>5,485.3</td>
</tr>
<tr>
<td>Total Shareholders’ Equity' (1)</td>
<td>2,281.6</td>
<td>2,754.3</td>
<td>3,879.9</td>
<td>3,801.8</td>
</tr>
</tbody>
</table>

(1) includes minority interests
Motel 168 Acquisition Overview

**Transaction**
- On September 30, 2011, Home Inns completed the acquisition of 100% ownership interest of Motel 168 International Holdings Limited (“Motel 168”)
- Motel 168 is the 5th largest economy hotel operator with 295 hotel locations, including 144 leased-and-operated hotel locations, and 151 franchised-and-managed hotel locations in over 80 cities across China.
- Gross revenue of RMB1.7 bn (US$262 mm) in 2010
- Strong presence in key gateway city of Shanghai and affluent Yangtze River Delta region. ~81% of leases have more than 10 years remaining tenure.

**Price**
- US$470 million purchase price, subject to customary price adjustments
  - Approximately US$305 million cash portion will be funded with a combination of cash on hand and a new US$240 million, 4-year term loan with LIBOR-based interest rate
  - 8.15 million new ordinary shares (4.08 million ADS) issued at a price equivalent to a per-ADS price of US$40.37 (each Home Inns' Nasdaq-traded American Depository Share represents two Home Inns’ ordinary shares)
Motel 168 Acquisition Overview (cont’d)

**Rationale**
- To form the largest and most geographically diverse economy hotel operations in China
  - Combined portfolio with 1,299 hotel locations and over 160 thousand guest rooms in approximately 180 cities across China as of Sept 30.
  - Strengthen Home Inns’ presence in key gateway city of Shanghai
  - Attractive leases with pre-2008 rates and long remaining tenure
- Additional growth engine to Home Inns’ existing core budget brand and mid-scale brand furthering Home Inns’ multi-brand strategy
  - Flagship brand “Motel 168” is well known among domestic business and leisure travelers, particularly in Shanghai and eastern coastal regions

**Integration**
- Consolidate Motel 168’s results into Home Inns’ financial reporting starting October 1, 2011
- Retain and operate Motel 168 brand and achieve revenue synergies leveraging Home Inns’ proven operational expertise to further develop the brand
- Integrate back-office and headquarter functions over time to enhance the Group’s total economy of scale
Retain Motel 168 Brand and Improve Performance

- Enhance customer experience
- Revamp sales and marketing program
- Train, empower and reward people

Stabilize, Improve and Grow
Different Cities...The Same Home!

IR Director: Calvin Lau
Email: zcliu@homeinns.com
Tel:+86-21-34019898*2504
english.homeinns.com