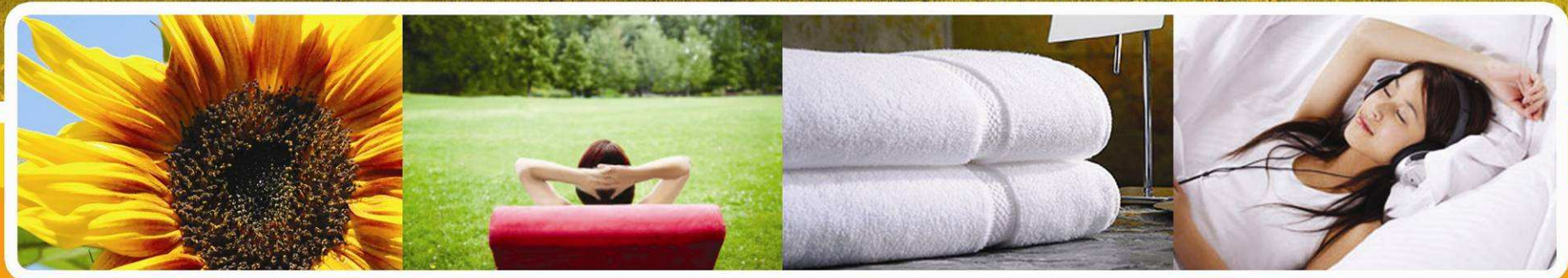




7 Days Group Holdings Limited

Investor Presentation

March 2012





- 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. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements and including, among other things, 7 Days Group’s revenue guidance for the first quarter of 2012 and business forecast for 2012 including the expected number of hotel to be opened, Company’s business strategies, its ability to leverage economies of scale and its ability to achieve strict cost controls and to deliver continued growth. 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 managed hotels in its chain, causing the Company’s operating results to fluctuate and making them difficult to predict.
- Other factors that could cause forward-looking statements to differ materially from actual future events or results include risks and uncertainties related to: uncertainties associated with factors typically affecting the lodging industry, including changes in economic conditions, adverse weather conditions, natural disasters or outbreaks of serious contagious diseases in markets where the Company has a presence; uncertainties regarding the Company’s ability to respond to competitive pressures; uncertainties regarding the Company’s ability to manage its expected growth; uncertainties regarding the Company’s ability to continue its growth and achieve profitability; risks associated with the Company’s limited operating history and historical operating losses, uncertainties regarding the Company’s ability to fund its working capital needs; uncertainties regarding its ability to successfully and timely identify, secure or operate additional hotel properties. The financial information contained in this release should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s 2010 Annual Report on Form 20-F filed with the SEC on May 4, 2011 and is available on the SEC’s website at www.sec.gov. For a discussion of other important factors that could adversely affect the Company’s business, financial condition, results of operations and prospects, see “Risk Factors” beginning on page 7 of the Company’s 2010 Annual Report on Form 20-F. The Company’s actual results of operations for the fourth quarter and fiscal year of 2011 are not necessarily indicative of its operating results for any future periods. Any projections in this release are based on limited information currently available to the Company, which is subject to change. Although such projections and the factors influencing them will likely be changed, the Company will not necessarily update the information. Such information speaks only as of the date of this release.





Company Overview

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Growth Strategies

Financial and Operational Highlights

Appendix



Fast-growing National Economy Hotel Market Leader



2nd largest national economy hotel chain*

- 944 hotels in total (411 leased-and-operated hotels and 533 managed hotels)
- 94,684 rooms in operation



No. 1 in growth in terms of single brand hotel chain expansion:

- Highest number of new hotels opened in 2010 and 2011



No. 1 in member loyalty programs:

- Over 33.8 mm members
- Highest room night contribution from members: 99%



No. 1 in e-Commerce platforms:

- Website has highest internet traffic ranking
- Highest online booking ratio



The ONLY with a single brand strategy in economy hotel sector



FY2014 target: 2,000 hotels in operation



Industry Honors:

“No.1 Brand Influence in Economy Hotel ”

--China Brand Power Index, 2012

“Best Economy Hotel Chain in China”

-- China Travel Service Award 2010

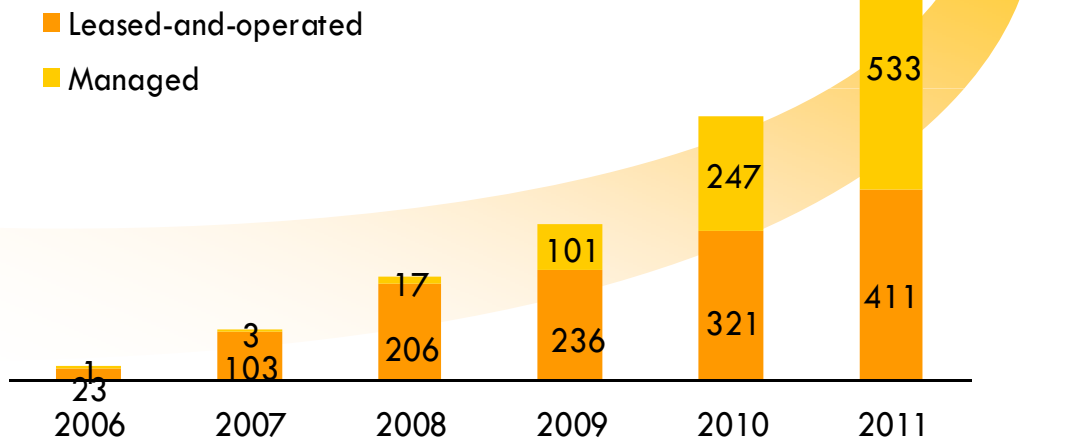
* In terms of both number of hotels and number of hotel rooms in China by December 31, 2011



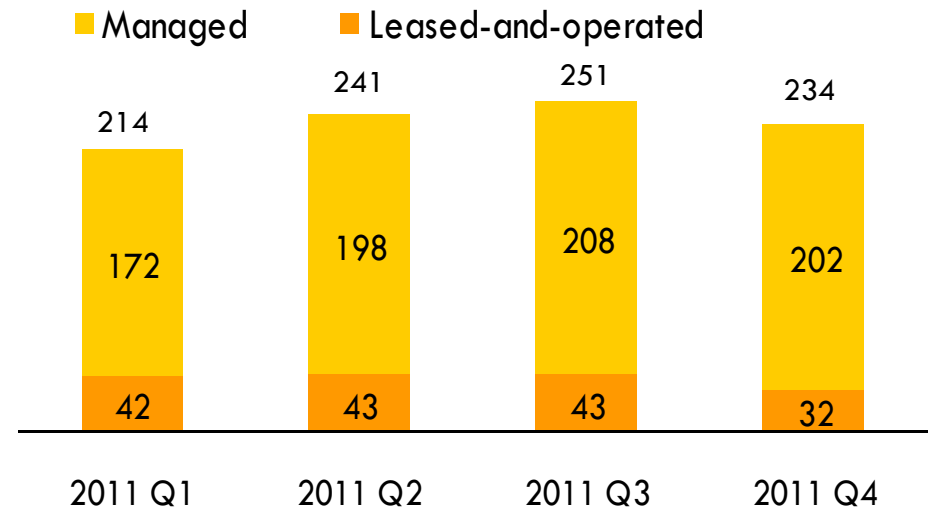
Fastest Growing Economy Hotel Chain With Robust Pipeline



2006 - Present Number of Hotels in Operation



Robust Pipeline



2006 2007 2008 2009 2010 2011

Cities covered

7	20	33	54	89	141
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Members

~0.2m	~2m	~6m	~10m	~16.5m	~33.8m
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* By number of hotels in operation





Company Overview

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Growth Strategies

Financial and Operational Highlights

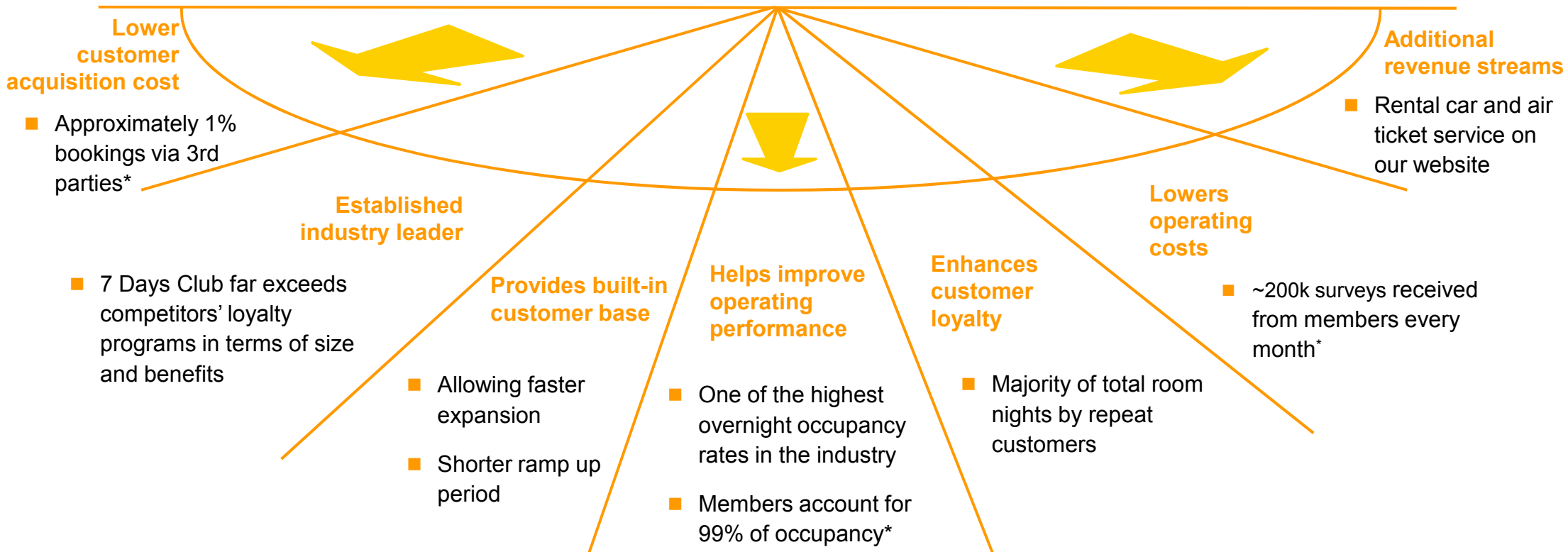
Appendix



Largest Membership Base Provides Competitive Advantages



Largest and most effective membership base: 33.8 Million Members*



* As of 2011 Q4





Most
convenient
eCommerce
platform

- Offering 5 electronic reservation channels
- Best in class online payment experiences

Most
effective
eCommerce
platform

- Highest online booking ratio
- Dynamic interactions among members

Most
innovative
eCommerce
platform

- First to provide real time room statistics
- Customized items available for online sales
- First budget hotel chain to introduce SNS on company website



High online traffic:
No. 1 in industry



Most active platform:
Provide SNS, air ticket, rental car, and many other features



Provides further opportunity to:
Control cost; business expansion; generate other revenue stream

Proprietary Integrated IT System: Considered Best-in-Class



Industry Cost Leader with Higher Operational Efficiency

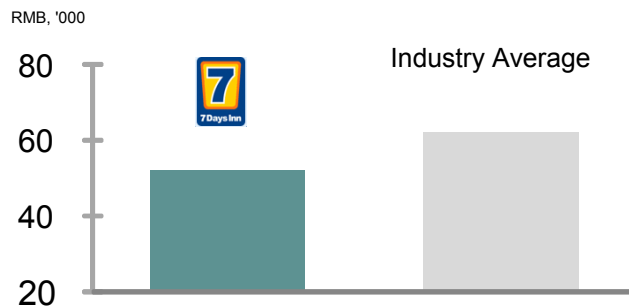


Our distinguished competencies in membership program, eCommerce and information technology, as well as our unique ability to interact directly with our customers ensures high level of efficiency in both hotel and headquarter operations:

LOWER conversion costs

- Streamlined product design
- Modular fixtures and furnishings
- Lower Cap-ex per room

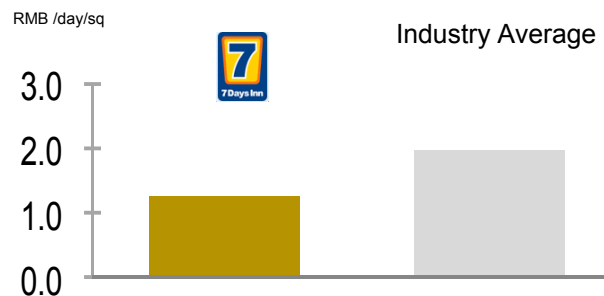
Conversion Cost Per Room*



LOWER rent per room

- Target existing properties in prime area
- Largest membership base allows the flexibility to select slightly off-main-street buildings
- Efficient use of real estate

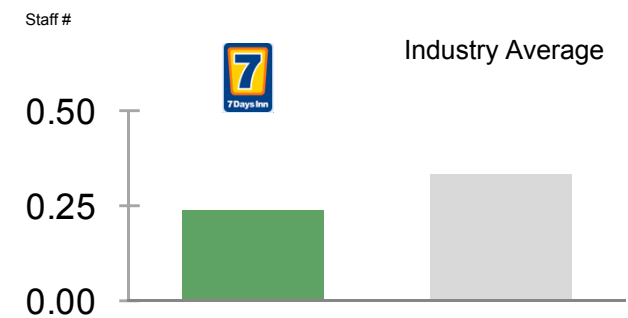
Rent Cost*



LOWER staff costs

- Lean operations while maintaining high customer satisfaction
- Performance-oriented incentive program

Staff-to-Room*



*source: 2009 China economy hotel survey





- **Deliver a Great Customer Experience**
 - **Focus on Guests' Core Needs**
 - **Bring More Value to Members**

Clean/comfortable

- Frequent customer surveys to gauge feedback, select and prioritize customers' key needs
- Best-in-class bed & showers
- 99% of customers satisfied with cleanliness

Direct sales and value-oriented pricing

- 99% of room nights sold to members
- Cultivates customer loyalty
- Stable operating performance & reduced risk of expanding at high speed

Offer happy and DIY service for customers

- Friendly environment
- Leading e-commerce platform allows more self service choice
- Enhances member stickiness



Unique Business Model Leads to Faster Growth



- ✓ **Largest membership base with improved brand recognition and growing presence in new markets**
- ✓ **Best-in-class IT infrastructure and industry leading e-Commerce system**
- ✓ **Well-designed and executed hiring and in-house training program + incentive scheme**
- ✓ **Managed hotel model provides the best alignment of interest with owners and most attractive terms**
- ✓ **Single brand strategy, with highly standardized and efficient hotel operations**

Accelerated Pace of Hotel Openings





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Growth Strategies

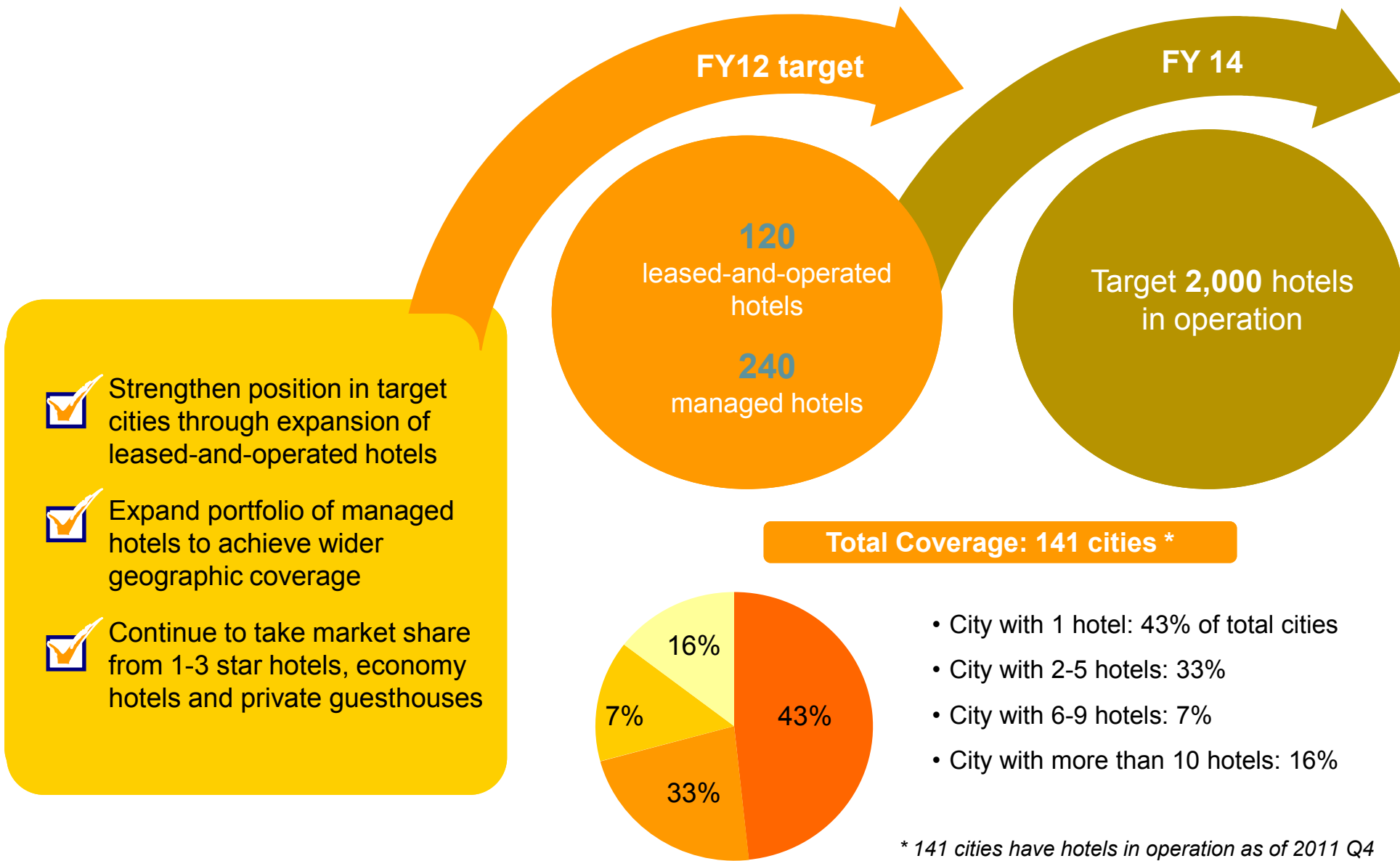
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Financial and Operational Highlights

Appendix



7 Days Inn's Long Term Growth Strategies



Strategic Focus on Expansion of Managed Hotel Portfolio



Continued execution of rapid expansion strategy

- Key strategic focus since 2010
- Rapid expansion to date has exceeded expectations
- Expansion supported by industry-leading membership system and e-commerce platform
- Increasing penetration of rapidly growing Tier 3-4 cities in China

- 2012 managed hotels opening target: 240
- Near- to mid-term target:
 - **70%-30%** managed hotel vs. leased & operated hotel opening ratio

Consistent quality and robust operating system attracts new partners

- “Q+ service certification”: First economy hotel services certification program in China
- Identify and evaluate the core demands and needs of economy hotels’ guests
- Certifications accessible online; increased transparency providing greater choice

- Maximize customers’ satisfaction
- Ensures high standards across 7 Days Inn network
- Increased confidence in 7 Days brand and supports ROI
 - Additional value-add for managed hotel partners





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Industry Overview

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Financial and Operational Highlights **15**

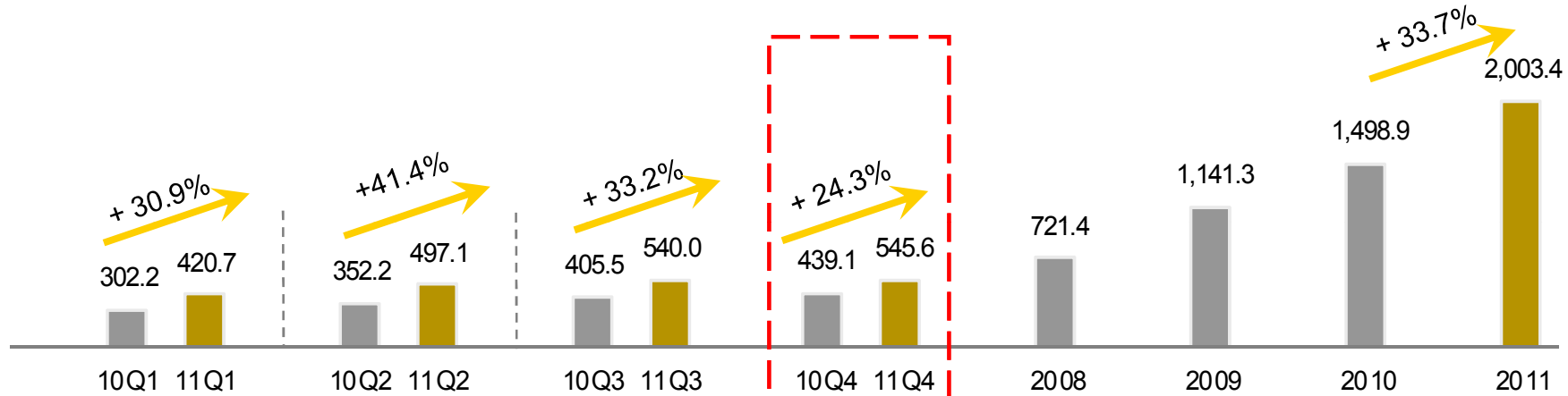
Appendix



Strong Growth

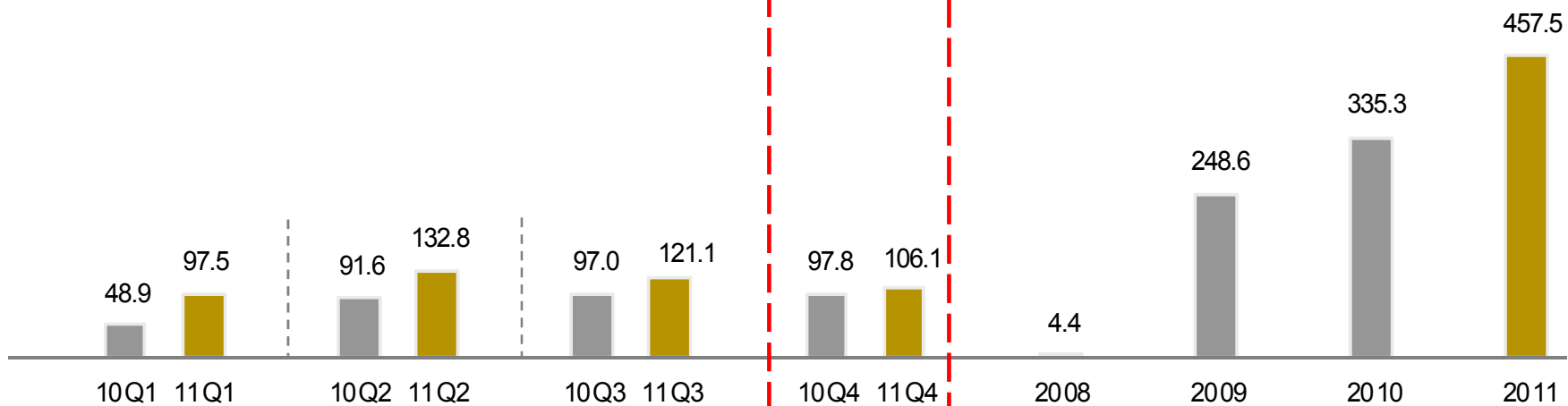


Total Net Revenue (RMB mm)



FY2012
top-line
guidance:
28%-32%
YoY

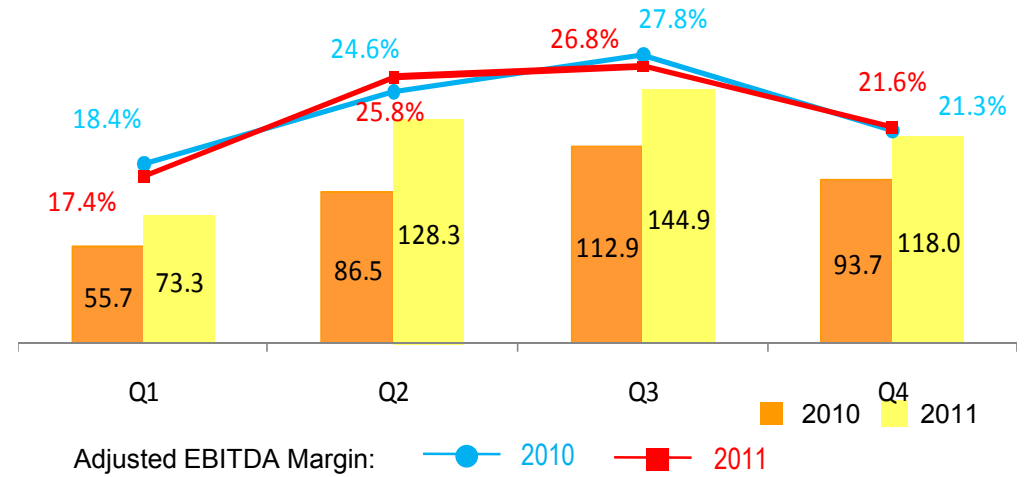
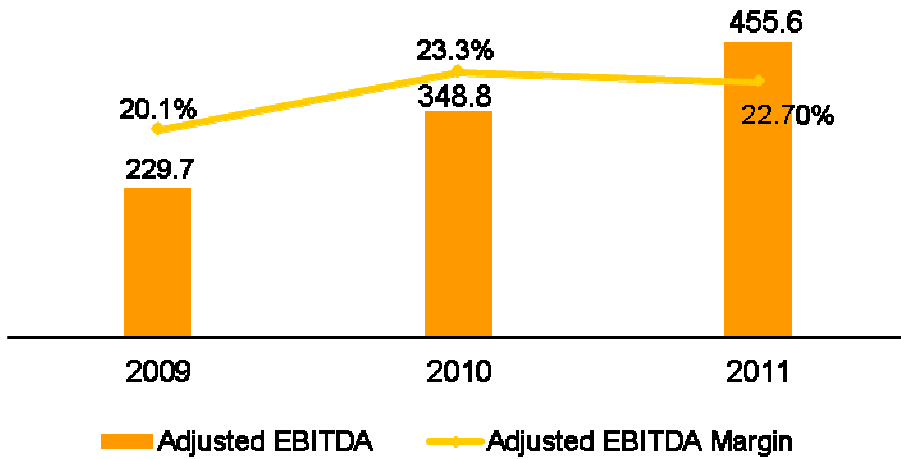
Operating Cash Flow (RMB mm)



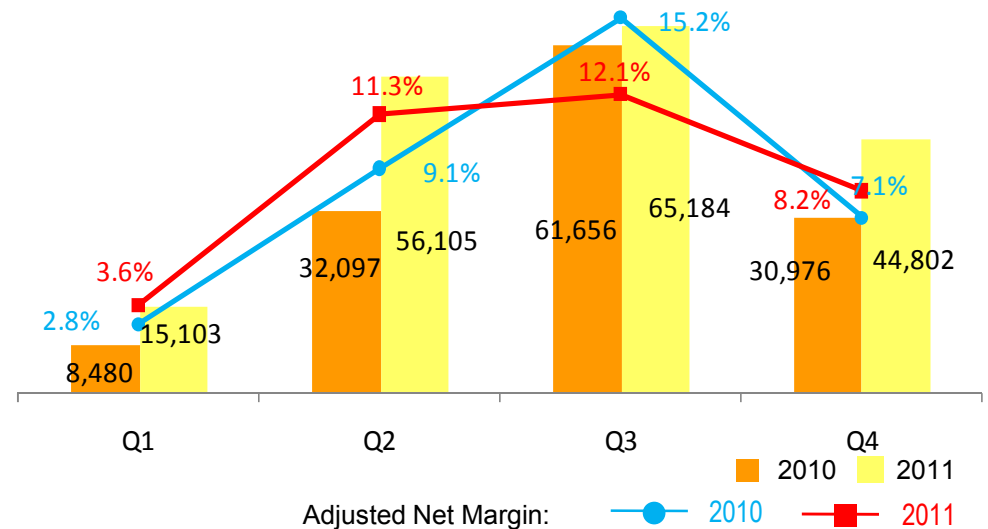
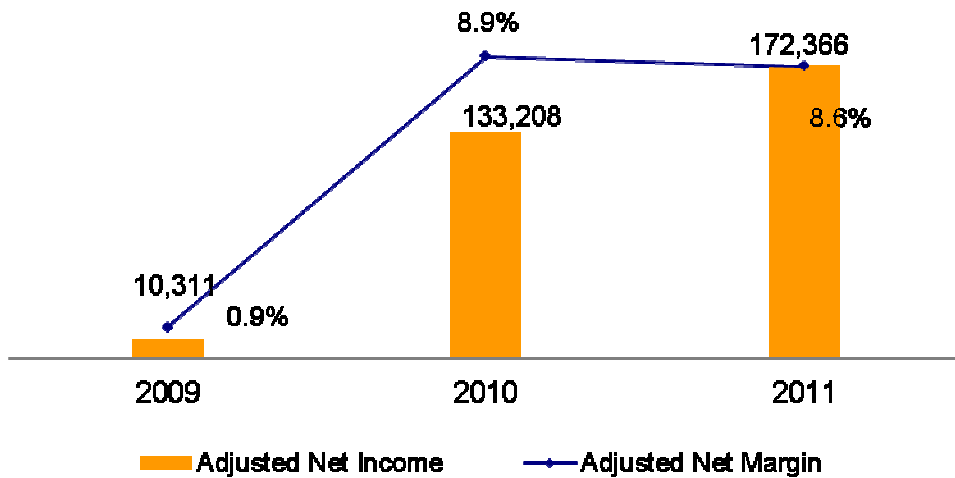
Sustainable Profitability



Adjusted EBITDA (RMB '000,000)



Adjusted Net Income (RMB '000)

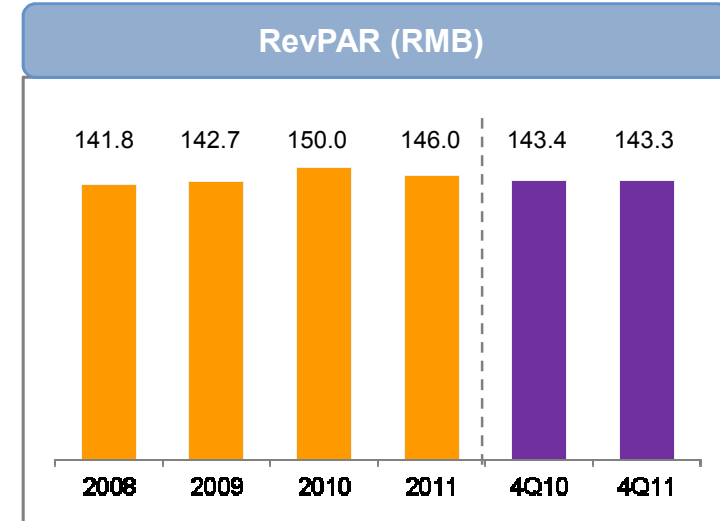
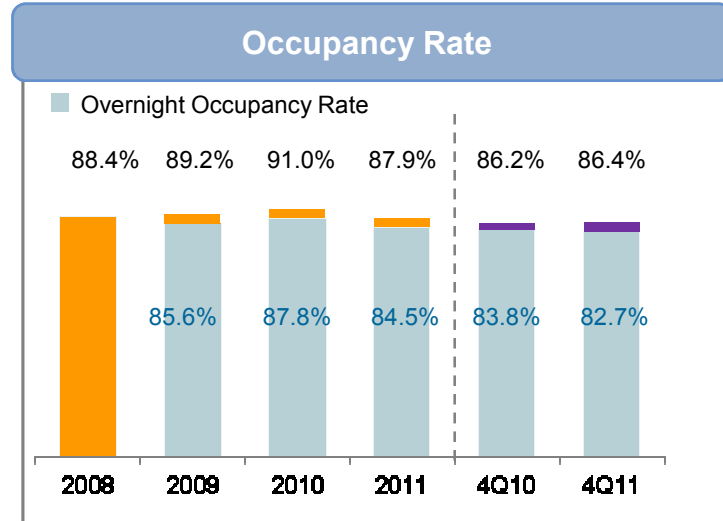
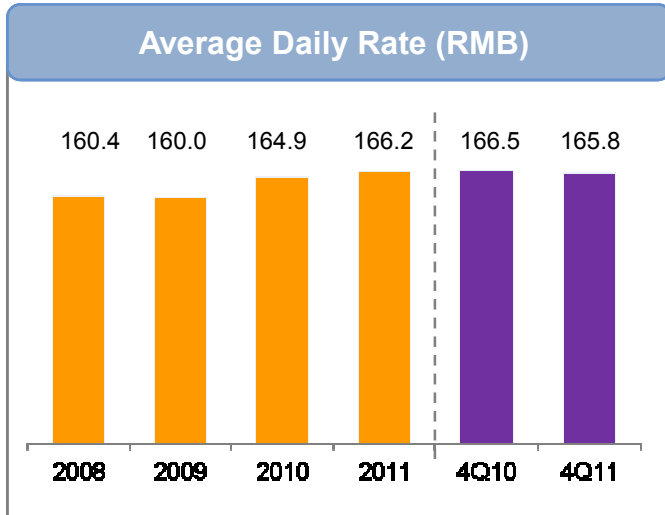


* FY2010 results benefitted from six-month favorable impact from Shanghai EXPO





Key Operating Metrics



Number of new leased-and-operated hotels opened in 2011 vs. 2010:

	Q1	Q2	Q3	Q4
2010	3	18	24	40
2011	2	18	23	47

4Q11 Operating Performance:

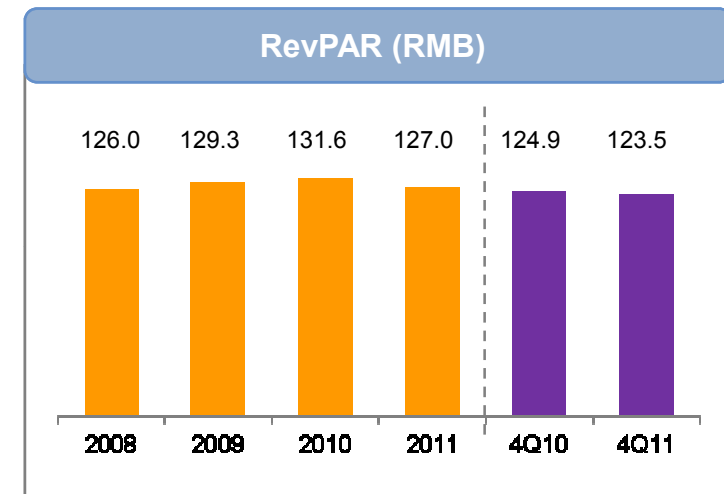
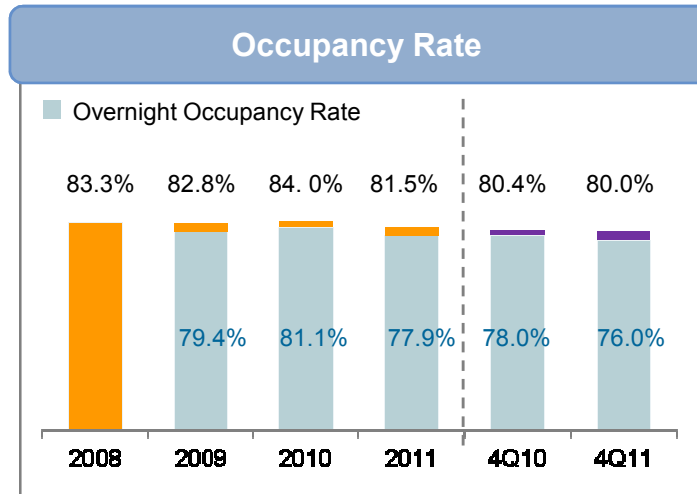
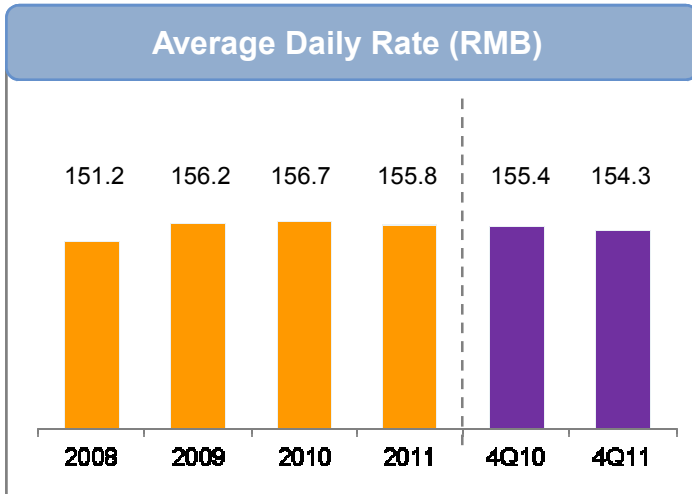
- Record number of new L&O hotels opened in 2011
- Operating performance impacted by Shanghai Expo effect
- RevPAR for matured hotels ex-Shanghai increased 3.3% YoY
- Target 120 L&O hotel openings in FY2012*

* Company's guidance of 4Q2011





Key Operating Metrics



Number of new managed hotels opened in 2011 vs. 2010:

	Q1	Q2	Q3	Q4
2010	6	35	38	67
2011	49	85	93	59

4Q11 Operating Performance:

- Rapid increase in managed hotels opened in past 4 quarter
- 2010 operating performance benefited from Shanghai Expo held in May - October 2010
- RevPAR for matured hotels ex-Shanghai increased 3.1% YoY
- Increasing focus on expansion in Tier 3-4 cities; approximately 20% of managed hotels located in Tier 3 cities
- Target 240 managed hotel openings in FY2012*

* Company's guidance of 4Q2011





Appendix

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Management team

Industry Overview

Hotel business model and economics

Income statement & balance sheet

Reconciliation of GAAP and non-GAAP results





Boquan He, Co-founder and Chairman



- Founder and former CEO of Robust Group
 - Leading Chinese F&B company later acquired by Danone
- Over 20 years of entrepreneurial and consumer sector experience
 - “The Best Angel Investor”
 - “2008 Top Ten Angel Investors”

Nanyan (Alex) Zheng, Co-founder, CEO and Director



- Over eight years management experience in China high-growth companies
- Four years at Ctrip.com,
 - Vice President, marketing
 - General Manager, southern China
- Highly respected entrepreneur and award-winning industry leader

Eric Haibing Wu, CFO



- Over nine years of work experience in PricewaterhouseCoopers in the U.S. and China
 - Specialized in internal controls, risk management, corporate governance and audit support
- CPA, U.S. and China

Principal Shareholders*

Prototal Enterprises Limited <i>(Owned by Boquan He)</i>	23.5%
WP RE (Cayman) International Ltd <i>(Owned by Warburg Pincus)</i>	16.0%
Happy Travel Limited <i>(Owned by Actis)</i>	11.7%
Fortune News International Limited <i>(Owned by Nanyan Zheng)</i>	9.1%

* As in Company's 2010 20-F report



The Chinese Economy Hotel Chain Industry Today: A Highly Fragmented, Early-stage Industry



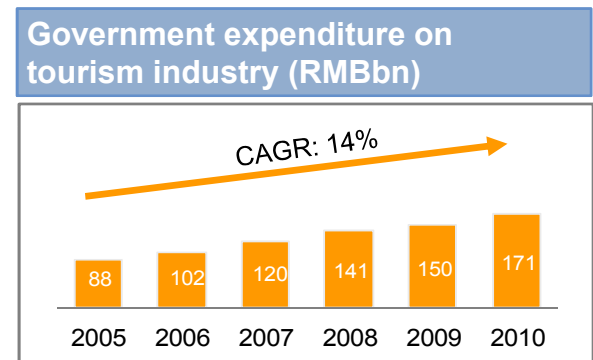
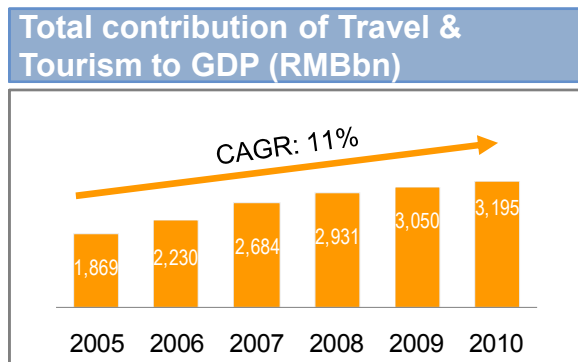
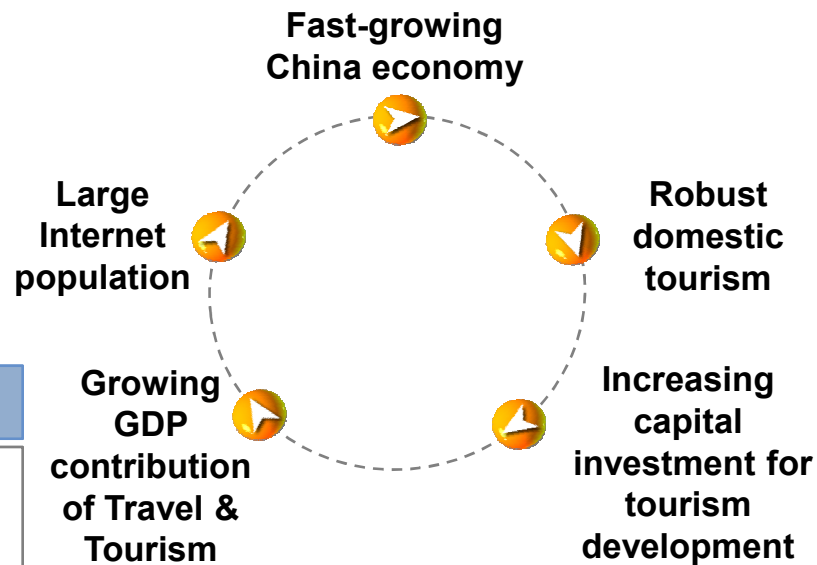
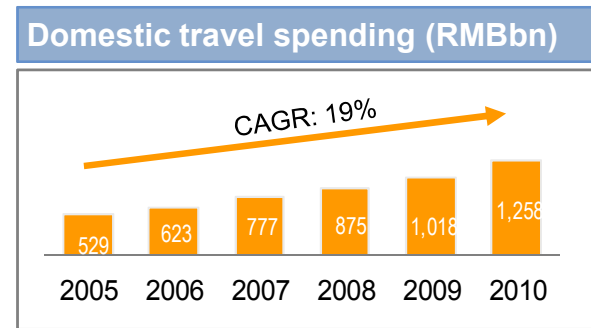
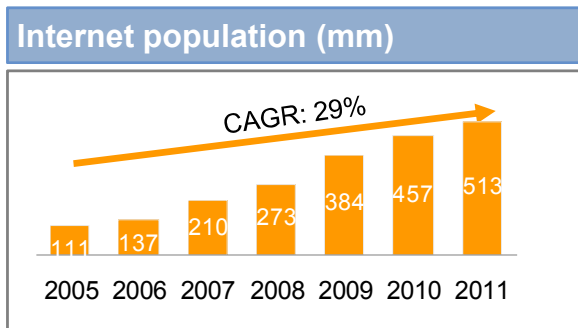
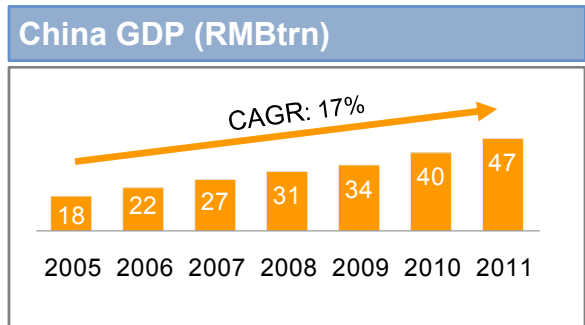
	US market	China market
Growth potential	<ul style="list-style-type: none"> 2.5 economy hotel rooms per 1,000 people 	<ul style="list-style-type: none"> 0.6 economy hotel rooms per 1,000 people
Branding	<ul style="list-style-type: none"> Established brands 68% of hotels with a brand affiliation 	<ul style="list-style-type: none"> Relatively new phenomenon Only 15% of hotels with a brand affiliation
Fragmentation¹	<ul style="list-style-type: none"> Dominated by a small number of players Largest player, Super 8, has over 2,100 hotels 	<ul style="list-style-type: none"> Highly fragmented Largest player has 1,426 economy hotels³
Population size²	<ul style="list-style-type: none"> Smaller population base 310mm Established middle class 108mm+ households with income over US\$10,000 Moderate population density 9 cities with over 3mm population 	<ul style="list-style-type: none"> Larger population base 1,341mm Large and growing middle class 20mm+ households with income over US\$10,000 High population density Over 250 cities with over 3mm population

Largely untapped market in China allows significant expansion opportunities

Sources: STR Global, China Economy Hotel Survey, Global Insight, CEIC Data, U.S. Census Bureau, www.inn.net.cn, United Nation Population Database
¹ Largest player by number of hotels under the same brand; ² United Nations population database, data projection for 2010, ³ Data as of 2011Q4

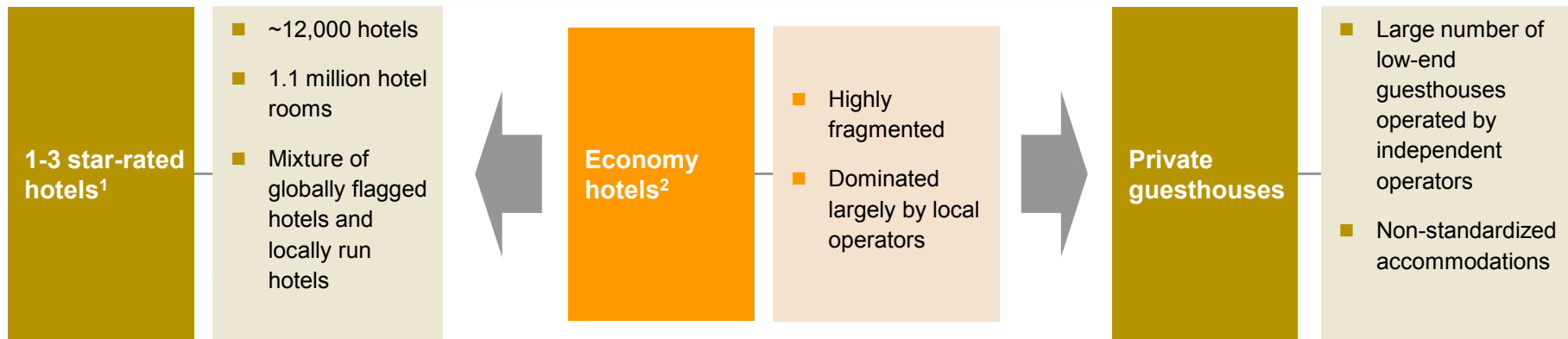


Industry Growth Well Supported by Underlying Demand Catalysts...

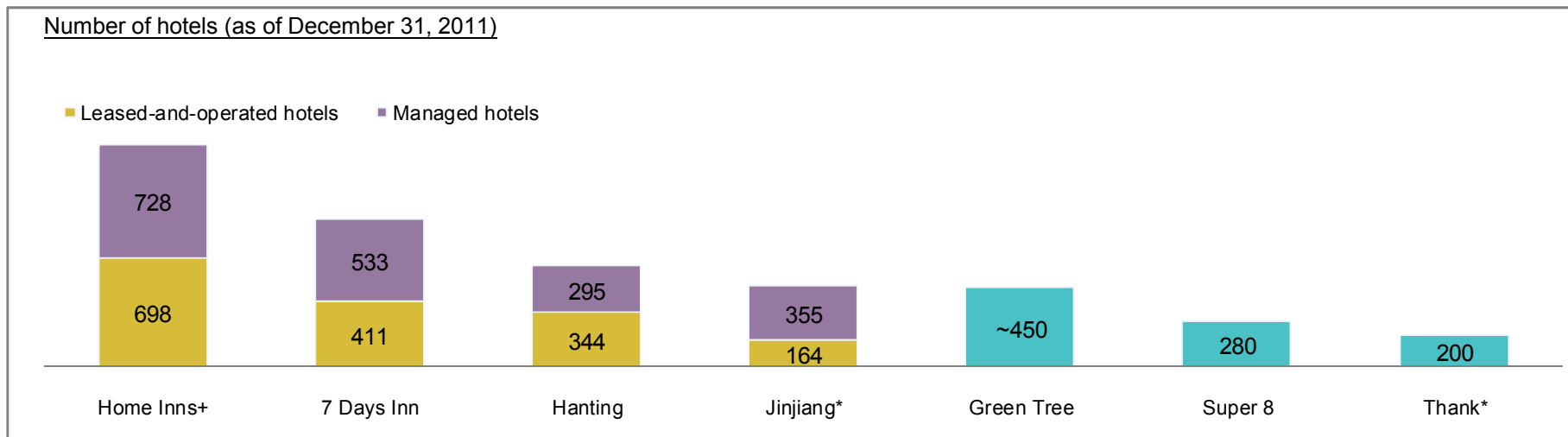


Sources: National Bureau of Statistics of China; China Statistics Yearbook (2010); CEIC Data; World Travel and Tourism Council; iResearch





Top 8 operators breaking away from the pack²



Growth of economy hotel chains has been accelerating due to growing consumer demand for well-managed and affordable hotels

Note: * Data as of 9/30/11

+ Motel 168 was acquired by Home Inn and its results will be consolidated into Home Inn's financial reporting starting from 10/1/11.

¹ China Tourism Bureau as of 12/31/10

² 2011Q2 China's Budget Hotel Ranking by Inntie (<http://www.inn.net.cn/>)



Leased-and-operated Hotels vs Managed Hotels



Leased-and-operated hotels

- Lease existing properties from real estate owners
 - Large supply of qualified buildings owned by PRC state-owned enterprises in desirable locations
- Convert properties to conform to 7 Days Inn standards
- Easily replicable product designs, such as modular bathroom and furniture designs, expedite installation and fit-out time

Managed hotels

- Capitalize on our hotel chain's maturity and brand recognition without the same level of capital expenditure
- License our brand to third parties and manage the hotels, including hiring and training hotel staff under stringent control of 7 Days Inn's quality standards

Business Model

- Unified management and quality control standards
 - All hotels are operated and managed under 7 Days Inn's unified hotel operating system, including management functions such as: staff recruitment, training, daily operation, financial management, sales and marketing, etc.
 - Provide full range of services to managed hotels so as to meet the quality control and internal control standards of leased-and-operated hotels, including decision-making assistance, customer base and efficiency analysis, investment and consulting services, cost control analysis and guidance, etc.
 - Recruitment, training, and management of all hotel managers and staffs conducted by head office, with rigorous selection process
 - Centralized procurement and unified financial management; gradually reduce average cost by achieving economies of scale
 - Mature IT infrastructure (e.g. central reservation system and hotel management system) and service platform effectively centralize the monitoring and quality control of all hotels

Economics

- Lean capital deployment
 - RMB52,000 (US\$7,613) per room
 - Industry average of RMB62,500 (US\$9,151)
 - Fast pay-back
 - Typical conversion period of 4 months
 - Versus more than one year construction period for own-build-operate model
- High-margin with minimal cost
 - Ongoing management fee 5-7% of hotel revenues
 - One-time management fee
 - Revenues from managed hotels have grown significantly



Financial Information – 2011 Q4&FY Balance Sheet (Unaudited)



	Quarter Ended			
	31/Dec/10 RMB' 000	30/Sep/11 RMB' 000	31/Dec/11 RMB' 000	US\$'000
ASSETS				
Current assets:				
Cash	388,795	394,404	493,256	78,371
Pledged bank deposits	4,718	2,938	19,852	3,154
Short-term investment			10,000	1,589
Accounts receivable	6,805	8,289	7,881	1,254
Prepaid rent	130,522	133,295	152,629	24,250
Other prepaid expenses and current assets	42,127	86,103	52,550	8,349
Hotel supplies	38,246	42,655	47,371	7,526
Deferred tax assets	23,001	24,799	23,119	3,673
Total current assets	634,214	692,483	806,658	128,166
Property and equipment, net	1,355,554	1,573,101	1,701,431	270,330
Rental deposits	53,718	66,130	69,861	11,100
Investment in and advances to an affiliate	1,588	-	-	-
Land use right	24,662	24,198	24,044	3,820
Prepaid rent	19,630	65,289	73,419	11,665
Intangible assets, net	-	842	30,426	4,834
Goodwill	-	694	58,803	9,343
Other assets	1,000	70,000	500	79
Deferred tax assets	12,876	28,507	43,446	6,903
Total assets	2,103,242	2,521,244	2,808,588	446,240
LIABILITIES ANDEQUITY				
Current liabilities:				
Accounts payable	233,770	216,475	249,592	39,656
Bills payable	11,692	9,463	16,009	2,544
Short-term bank borrowings	-	184,993	334,686	53,176
Accrued expenses and other payables	281,050	378,683	418,641	66,516
Amounts due to related parties	-	-	-	-
Income taxes payable	19,603	33,367	32,151	5,108
Total current liabilities	546,115	822,981	1,051,079	167,000
Accrued lease payment	153,206	189,644	206,113	32,748
Unfavorable lease contract liability			7,812	1,241
Refundable deposits	17,950	16,450	15,823	2,514
Deferred revenue	1,944	1,276	770	122
Deferred rebate income	6,446	6,218	6,663	1,059
Borrowings from related parties	4,279	1,511	1,388	221
Deferred tax liability	-	2,876	2,956	470
Total liabilities	729,940	1,040,956	1,292,604	205,375
Equity:				
Ordinary shares	140,857	141,070	141,080	22,415
Additional paid-in capital	1,579,391	1,615,090	1,623,275	257,912
Accumulated other comprehensive income	15,649	3,191	330	52
Accumulated deficit	(367,234)	(273,567)	(238,348)	(37,869)
Total 7 Days Group Holdings Limited share holders' equity	1,368,663	1,485,784	1,526,337	242,510
Non-controlling interests	4,639	(5,496)	(10,353)	(1,645)
Total equity	1,373,302	1,480,288	1,515,984	240,865
Total liabilities and equity	2,103,242	2,521,244	2,808,588	446,240



Financial Information – 2011 Q4&FY Income Statement (Unaudited)



	Quarter Ended				Year Ended		
	Dec 31 2010 RMB'000	Sep 30 2011 RMB'000	Dec 31 2011 RMB'000	US\$'000	Dec 31 2010 RMB'000	Dec 31 2011 RMB'000	US\$'000
Total Revenues	465,008	573,990	578,481	91,912	1,587,033	2,127,938	338,096
Leased-and-operated hotels	420,462	515,972	527,609	83,829	1,491,022	1,927,537	306,255
Managed hotels	44,546	58,018	50,872	8,083	96,011	200,401	31,841
Less: Business tax and surcharges	(25,945)	(34,021)	(32,852)	(5,220)	(88,124)	(124,560)	(19,791)
Net revenues	439,063	539,969	545,629	86,692	1,498,909	2,003,378	318,305
Operating costs and expenses							
Hotel operating costs	(345,540)	(426,058)	(422,878)	(67,189)	(1,182,927)	(1,593,260)	(253,144)
Rental expenses	(125,814)	(148,240)	(152,923)	(24,297)	(441,797)	(571,351)	(90,779)
Staff cost	(68,350)	(81,835)	(88,794)	(14,108)	(233,170)	(317,374)	(50,426)
Depreciation and amortization	(52,132)	(62,765)	(66,961)	(10,639)	(178,279)	(241,020)	(38,294)
Hotel supplies	(21,548)	(24,455)	(25,967)	(4,126)	(64,060)	(97,452)	(15,484)
Utilities	(26,934)	(36,889)	(35,618)	(5,659)	(106,594)	(145,468)	(23,113)
Other	(50,762)	(71,874)	(52,615)	(8,360)	(159,027)	(220,595)	(35,049)
Sales and marketing expenses	(16,644)	(10,330)	(18,336)	(2,913)	(39,557)	(49,222)	(7,821)
General and administrative expenses	(44,794)	(50,677)	(69,545)	(11,050)	(122,371)	(209,789)	(33,332)
Total operating costs and expenses	(406,978)	(487,065)	(510,759)	(81,152)	(1,344,855)	(1,852,271)	(294,297)
Income from operations	32,085	52,904	34,870	5,540	154,054	151,107	24,008
Other income (expenses)							
Interest income	1,319	1,161	2,350	373	3,127	6,224	989
Interest expense	(256)	(1,969)	(4,627)	(735)	(2,082)	(7,212)	(1,146)
Income before income tax	33,131	52,096	32,593	5,178	155,081	150,239	23,870
Income tax expenses	(10,904)	(14,765)	(3,959)	(629)	(35,833)	(37,711)	(5,992)
Net income	22,227	37,331	28,634	4,549	119,248	112,528	17,878
Net income (loss) attributable to non-controlling interest	(244)	6,940	5,131	815	(1,557)	14,903	2,368
Net income attributable to 7 Days Group Holdings Limited ordinary shareholders	21,983	44,271	33,765	5,364	117,691	127,431	20,246
Basic earnings per ordinary share	0.15	0.30	0.23	0.04	0.79	0.85	0.14
Diluted earnings per ordinary share	0.15	0.29	0.22	0.04	0.78	0.85	0.13



Financial Information – Selected Non-GAAP Financial Statement



EBITDA(non-GAAP)

	Quarter Ended				Year Ended		
	Dec 31 2010	Sep 30 2011	Dec 31 2011		Dec 31 2010	Dec 31 2011	
	RMB'000	RMB'000	RMB'000	US\$'000	RMB'000	RMB'000	US\$'000
Net income attributable to 7 Days Group Holdings Limited ordinary shareholders	21,983	44,271	35,217	5,595	117,691	128,883	20,477
Interest income	(1,319)	(1,161)	(2,350)	(373)	(3,127)	(6,224)	(989)
Interest expense	256	1,969	4,627	735	2,082	7,212	1,146
Income tax expenses	10,904	14,765	2,507	398	35,833	36,259	5,761
Depreciation and amortization	52,891	64,146	68,382	10,865	180,814	246,007	39,087
EBITDA (non-GAAP)	84,715	123,990	108,383	17,220	333,293	412,137	65,482
EBITDA%	19.3%	23.0%	19.9%	19.9%	22.2%	20.6%	20.6%
Share-based compensation expenses	8,993	12,085	9,585	1,523	15,517	43,483	6,909
Adjusted EBITDA (non- GAAP) excluding share-based compensation expenses	93,708	136,075	117,968	18,743	348,810	455,620	72,391
Adjusted EBITDA%	21.3%	25.2%	21.6%	21.6%	23.3%	22.7%	22.7%
Non-GAAP net income attributable to 7 Days Group Holdings Limited ordinary shareholders							
Net income attributable to 7 Days Group Holdings Limited ordinary shareholders (GAAP)	21,983	44,271	35,217	5,595	117,691	128,883	20,477
Share-based compensation expenses	8,993	12,085	9,585	1,523	15,517	43,483	6,909
Net income attributable to ordinary shareholders excluding share-based compensation expenses (Non GAAP net income)	30,976	56,356	44,802	7,118	133,208	172,366	27,386





To supplement 7 Days Group's financial results presented in accordance with U.S. GAAP, the Company has used the following non-GAAP measures defined as non-GAAP financial measures by the SEC:

- Non-GAAP income from operations represents income from operations reported in accordance with GAAP, excluding share-based compensation expense.
- Non-GAAP net income represents net income reported in accordance with GAAP, excluding share-based compensation expense, loss on debt extinguishment and change in fair value of ordinary share purchase warrants.
- Non-GAAP earnings per ADS represents non-GAAP net income divided by the number of ADS used in computing basic and diluted earnings per ADS.
- EBITDA represents net income reported in accordance with GAAP, adjusted for the effects of interest income and expense, provision for income taxes, depreciation and amortization.
- Adjusted EBITDA represents EBITDA, excluding share-based compensation expense, loss on debt extinguishment and change in fair value of ordinary share purchase warrants.

7 Days Group believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing 7 Days Group's financial performance and liquidity and when planning and forecasting future periods. Readers are cautioned not to view non-GAAP results on a stand-alone basis or as a substitute for results under GAAP, or as being comparable to results reported or forecasted by other companies, and should refer to the reconciliation of GAAP results with non-GAAP results for the periods set forth in the tables at the end of this release.

