Additional Information

Hotel Indigo London – Kensington, UK

Other financial information

Use of Non-GAAP measures

In addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures.

Further explanation in relation to these measures can be found on page 26.

Underlying revenue and underlying operating profit Non-GAAP reconciliations

The tables on pages 154 and 155:

- Show underlying revenue and underlying operating profit on both an actual and constant currency basis[a];
- Reconcile segmental underlying revenue and underlying operating profit to Group underlying revenue and operating profit;
- Show underlying Group fee revenue and Group fee margin on both an actual and constant currency basis[a]; and
- Reconcile Group underlying revenue and underlying operating profit to the GAAP measures included in the Group Financial Statements.

Highlights for the year ended 31 December 2017

	Revenue				Operating profit			
At actual exchange rates	**2017 $m**	2016 $m	Change $m	Change %	**2017 $m**	2016 $m	Change $m	Change %
Per Group income statement	**1,784**	1,715	69	4.0	**763**	678	85	12.5
Managed leases	**(163)**	(162)	(1)	(0.6)	**(4)**	(7)	3	42.9
Exceptional items	**–**	–	–	–	**(4)**	29	(33)	(113.8)
Underlying at actual exchange rates	**1,621**	1,553	68	4.4	**755**	700	55	7.9

	At actual exchange rates				At constant currency			
	2017 $m	2016 $m	Change $m	Change %	**2017 $m**	2016 $m	Change $m	Change %
Underlying revenue								
Americas	**991**	959	32	3.3	**996**	959	37	3.9
Europe	**164**	150	14	9.3	**165**	150	15	10.0
AMEA	**192**	186	6	3.2	**195**	186	9	4.8
Greater China	**126**	117	9	7.7	**128**	117	11	9.4
Central	**148**	141	7	5.0	**149**	141	8	5.7
Underlying Group revenue	**1,621**	1,553	68	4.4	**1,633**	1,553	80	5.2
Owned and leased revenue included above	**(184)**	(173)	(11)	(6.4)	**(184)**	(173)	(11)	(6.4)
Underlying Group fee revenue	**1,437**	1,380	57	4.1	**1,449**	1,380	69	5.0
Underlying operating profit								
Americas	**644**	633	11	1.7	**649**	633	16	2.5
Europe	**86**	73	13	17.8	**85**	73	12	16.4
AMEA	**83**	77	6	7.8	**86**	77	9	11.7
Greater China	**52**	45	7	15.6	**52**	45	7	15.6
Central	**(110)**	(128)	18	14.1	**(113)**	(128)	15	11.7
Underlying Group operating profit	**755**	700	55	7.9	**759**	700	59	8.4
Owned and leased profit included above	**(31)**	(26)	(5)	(19.2)	**(31)**	(26)	(5)	(19.2)
Underlying Group fee profit	**724**	674	50	7.4	**728**	674	54	8.0
Group fee margin	**50.4%**	48.8%	–	1.6ppts	**50.2%**	48.8%	–	1.4ppts

[a] IHG's method for calculating the constant currency amounts of entities reporting in currencies other than US dollars is to translate the current period results into US dollars using the prior period's exchange rate. For example, if a UK entity generated revenue of £100m in 2017 and 2016, the Group Financial Statements would report revenue of $128m in 2017 and $135m in 2016, using the respective average exchange rates for the year of $1=£0.78 and $1=£0.74. For constant currency reporting, 2017 revenue would be translated at $1=£0.74 giving a US dollar value of $135m, thereby showing that underlying revenue was flat year-on-year.

Highlights for the year ended 31 December 2016

At actual exchange rates	Revenue 2016 $m	Revenue 2015 $m	Revenue Change $m	Revenue Change %	Operating profit 2016 $m	Operating profit 2015 $m	Operating profit Change $m	Operating profit Change %
Per Group income statement	1,715	1,803	(88)	(4.9)	678	1,499	(821)	(54.8)
Owned asset disposals	–	(128)	128	100.0	–	(30)	30	100.0
Managed leases	(162)	(159)	(3)	(1.9)	(7)	(6)	(1)	(16.7)
Liquidated damages	–	(3)	3	100.0	–	(3)	3	100.0
Exceptional items	–	–	–	–	29	(819)	848	103.5
Underlying at actual exchange rates	1,553	1,513	40	2.6	700	641	59	9.2

	At actual exchange rates 2016 $m	At actual exchange rates 2015 $m	At actual exchange rates Change $m	At actual exchange rates Change %	At constant currency 2016 $m	At constant currency 2015 $m	At constant currency Change $m	At constant currency Change %
Underlying revenue								
Americas	959	914	45	4.9	967	914	53	5.8
Europe	150	160	(10)	(6.3)	161	160	1	0.6
AMEA	186	195	(9)	(4.6)	187	195	(8)	(4.1)
Greater China	117	109	8	7.3	123	109	14	12.8
Central	141	135	6	4.4	144	135	9	6.7
Underlying Group revenue	1,553	1,513	40	2.6	1,582	1,513	69	4.6
Owned and leased revenue included above	(173)	(164)	(9)	(5.5)	(173)	(164)	(9)	(5.5)
Underlying Group fee revenue (inc Kimpton)	1,380	1,349	31	2.3	1,409	1,349	60	4.4
Underlying operating profit								
Americas	633	594	39	6.6	640	594	46	7.7
Europe	73	76	(3)	(3.9)	76	76	–	–
AMEA	77	81	(4)	(4.9)	78	81	(3)	(3.7)
Greater China	45	41	4	9.8	47	41	6	14.6
Central	(128)	(151)	23	15.2	(139)	(151)	12	7.9
Underlying Group operating profit	700	641	59	9.2	702	641	61	9.5
Owned and leased profit included above	(26)	(27)	1	3.7	(26)	(27)	1	3.7
Underlying Group fee profit (inc Kimpton)	674	614	60	9.8	676	614	62	10.1

Other financial information continued

Underlying earnings per ordinary share reconciliation

The following table reconciles basic earnings per ordinary share to underlying earnings per ordinary share.

	12 months ended 31 December	
	2017 $m	2016 $m
Basic earnings per ordinary share		
Profit available for equity holders	**592**	414
Basic weighted average number of ordinary shares (millions)	**193**	212
Basic earnings per ordinary share (cents)	**306.7**	195.3
Underlying earnings per ordinary share		
Profit available for equity holders	**592**	414
Adjusted for:		
Exceptional items before tax	**(4)**	29
Tax on exceptional items	**2**	(12)
Exceptional tax credit	**(118)**	–
Managed leases	**(4)**	(7)
Tax on managed leases	**1**	2
Currency effect	**4**	–
Underlying profit available for equity holders	**473**	426
Underlying earnings per ordinary share (cents)	**245.1**	200.9

Net capital expenditure reconciliation

The following table reconciles net cash from investing activities to net capital expenditure as included in the Group Financial Statements.

	12 months ended 31 December	
	2017 $m	2016 $m
Net cash from investing activities	**(263)**	(216)
Adjusted for:		
Tax paid on disposals	**25**	–
System Fund depreciation and amortisation	**36**	31
Net capital expenditure	**(202)**	(185)
Add back:		
Disposal receipts	**(104)**	(25)
System Fund depreciation and amortisation	**(36)**	(31)
Gross capital expenditure	**(342)**	(241)
Analysed as:		
Capital expenditure: maintenance and key money	**(115)**	(96)
Capital expenditure: recyclable investments	**(85)**	(40)
Capital expenditure: System Fund investments	**(142)**	(105)
Gross capital expenditure	**(342)**	(241)

Free cash flow reconciliation

The following table reconciles net cash from operating activities to free cash flow.

	12 months ended 31 December		
	2017 $m	2016 $m	2015 $m
Net cash from operating activities	**634**	752	628
Less:			
Purchase of shares by employee share trusts	**(3)**	(10)	(47)
Capital expenditure: maintenance and key money	**(115)**	(96)	(115)
Cash receipt from renegotiation of long-term partnership agreements	**–**	(95)	–
Free cash flow	**516**	551	466

RevPAR, average daily rate and occupancy

RevPAR, a key performance measure used by management (see page 26 for further information) comprises IHG System rooms revenue divided by the number of room nights available and can be mathematically derived from occupancy multiplied by average daily rate. Occupancy is rooms occupied by hotel guests expressed as a percentage of rooms that are available. Average daily rate is rooms revenue divided by the number of room nights sold. RevPAR is a key indicator of performance as it measures period-over-period change in rooms revenue for comparable hotels.

The following tables present RevPAR statistics for the year ended 31 December 2017 and a comparison to 2016. Franchised, managed, owned and leased statistics are for comparable hotels, and include only those hotels in the Group's system at 31 December 2017 and franchised, managed, owned or leased by the Group since 1 January 2016.

The comparison with 2016 is at constant US$ exchange rates.

	Franchised		Managed		Owned and leased	
	2017	Change vs 2016	2017	Change vs 2016	2017	Change vs 2016
Americas						
InterContinental						
Occupancy	68.8%	1.6ppt	78.6%	0.4ppt	83.0%	1.4ppt
Average daily rate	$138.68	(0.7)%	$233.31	(1.3)%	$324.33	1.7%
RevPAR	$95.41	1.6%	$183.35	(0.9)%	$269.05	3.5%
Kimpton						
Occupancy	–	–	81.9%	0.2ppt	–	–
Average daily rate	–	–	$231.43	0.2%	–	–
RevPAR	–	–	$189.46	0.4%	–	–
Crowne Plaza						
Occupancy	67.8%	(0.2)ppt	79.0%	0.3ppt	–	–
Average daily rate	$121.65	2.2%	$138.22	0.9%	–	–
RevPAR	$82.42	1.9%	$109.20	1.2%	–	–
Hotel Indigo						
Occupancy	70.5%	1.5ppt	83.7%	7.7ppt	–	–
Average daily rate	$144.37	(0.8)%	$235.89	1.4%	–	–
RevPAR	$101.75	1.3%	$197.33	11.6%	–	–
EVEN Hotels						
Occupancy	–	–	91.0%	4.8ppt	66.4%	(3.1)ppt
Average daily rate	–	–	$236.20	(5.0)%	$132.10	1.6%
RevPAR	–	–	$215.03	0.4%	$87.74	(2.9)%
Holiday Inn						
Occupancy	66.6%	0.2ppt	71.3%	0.3ppt	80.1%	6.9ppt
Average daily rate	$111.58	1.5%	$129.74	(0.4)%	$160.26	2.7%
RevPAR	$74.29	1.9%	$92.54	(0.0)%	$128.39	12.4%
Holiday Inn Express						
Occupancy	68.7%	0.3ppt	–	–	–	–
Average daily rate	$112.64	1.3%	–	–	–	–
RevPAR	$77.43	1.7%	–	–	–	–
Staybridge Suites						
Occupancy	75.7%	0.1ppt	81.6%	(0.7)ppt	–	–
Average daily rate	$114.40	1.5%	$138.75	0.1%	–	–
RevPAR	$86.60	1.7%	$113.28	(0.7)%	–	–
Candlewood Suites						
Occupancy	72.6%	1.0ppt	79.8%	(0.5)ppt	–	–
Average daily rate	$84.31	2.2%	$82.63	1.1%	–	–
RevPAR	$61.25	3.6%	$65.98	0.4%	–	–

Other financial information continued

RevPAR, average daily rate and occupancy continued

	Franchised		Managed		Owned and leased	
	2017	Change vs 2016	2017	Change vs 2016	2017	Change vs 2016
Europe						
InterContinental						
Occupancy	73.3%	1.5ppt	70.6%	1.9ppt	–	–
Average daily rate	$163.80	10.6%	$220.38	3.3%	–	–
RevPAR	$120.00	12.9%	$155.60	6.2%	–	–
Crowne Plaza						
Occupancy	73.5%	3.1ppt	74.1%	3.0ppt	–	–
Average daily rate	$113.16	2.0%	$135.86	4.1%	–	–
RevPAR	$83.20	6.6%	$100.72	8.5%	–	–
Hotel Indigo						
Occupancy	79.0%	1.8ppt	78.2%	2.5ppt	–	–
Average daily rate	$136.97	1.2%	$170.82	9.8%	–	–
RevPAR	$108.26	3.6%	$133.52	13.4%	–	–
Holiday Inn						
Occupancy	73.1%	2.0ppt	74.7%	4.7ppt	–	–
Average daily rate	$95.04	2.8%	$82.81	4.7%	–	–
RevPAR	$69.52	5.6%	$61.89	11.7%	–	–
Holiday Inn Express						
Occupancy	78.1%	1.3ppt	68.0%	6.2ppt	–	–
Average daily rate	$88.49	4.5%	$57.71	5.7%	–	–
RevPAR	$69.09	6.3%	$39.26	16.2%	–	–
Staybridge Suites						
Occupancy	81.1%	(1.6)ppt	–	–	–	–
Average daily rate	$120.21	4.4%	–	–	–	–
RevPAR	$97.53	2.3%	–	–	–	–
Asia, Middle East and Africa (AMEA)						
InterContinental						
Occupancy	78.4%	1.6ppt	72.2%	2.0ppt	47.4%	(5.9)ppt
Average daily rate	$180.20	(1.9)%	$198.85	(0.1)%	$114.41	(3.7)%
RevPAR	$141.31	0.1%	$143.57	2.8%	$54.26	(14.4)%
Crowne Plaza						
Occupancy	75.4%	(0.1)ppt	72.7%	1.1ppt	–	–
Average daily rate	$100.87	1.5%	$119.24	(1.5)%	–	–
RevPAR	$76.00	1.4%	$86.68	0.1%	–	–
Hotel Indigo						
Occupancy	–	–	73.8%	(2.9)ppt	–	–
Average daily rate	–	–	$101.26	13.0%	–	–
RevPAR	–	–	$74.78	8.7%	–	–
Holiday Inn						
Occupancy	67.2%	0.9ppt	75.7%	2.1ppt	97.1%	1.6ppt
Average daily rate	$107.44	(5.9)%	$94.03	(0.6) %	$125.25	8.2%
RevPAR	$72.18	(4.7)%	$71.18	2.3%	$121.58	10.0%
Holiday Inn Express						
Occupancy	71.1%	2.3ppt	72.3%	4.4ppt	–	–
Average daily rate	$62.38	(6.2)%	$67.36	0.6%	–	–
RevPAR	$44.36	(3.0)%	$48.66	7.1%	–	–
Staybridge Suites						
Occupancy	–	–	73.8%	2.0ppt	–	–
Average daily rate	–	–	$133.08	4.8%	–	–
RevPAR	–	–	$98.18	7.7%	–	–
Other						
Occupancy	83.6%	4.7ppt	88.6%	(0.3)ppt	–	–
Average daily rate	$77.71	3.9%	$104.80	6.6%	–	–
RevPAR	$64.98	10.1%	$92.87	6.2%	–	–

	Franchised		Managed		Owned and leased	
	2017	Change vs 2016	2017	Change vs 2016	2017	Change vs 2016
Greater China						
InterContinental						
Occupancy	86.8%	3.3ppt	65.7%	3.2ppt	–	–
Average daily rate	$212.78	3.0%	$125.25	(1.2)%	–	–
RevPAR	$184.79	7.0%	$82.29	3.9%	–	–
HUALUXE						
Occupancy	–	–	49.2%	8.3ppt	–	–
Average daily rate	–	–	$51.61	0.8%	–	–
RevPAR	–	–	$25.41	21.2%	–	–
Crowne Plaza						
Occupancy	–	–	63.2%	4.7ppt	–	–
Average daily rate	–	–	$79.03	0.4%	–	–
RevPAR	–	–	$49.98	8.5%	–	–
Hotel Indigo						
Occupancy	–	–	74.7%	3.2ppt	–	–
Average daily rate	–	–	$175.48	(2.5)%	–	–
RevPAR	–	–	$131.02	1.8%	–	–
Holiday Inn						
Occupancy	83.4%	8.2ppt	68.2%	3.2ppt	–	–
Average daily rate	$107.95	(3.3)%	$69.27	0.7%	–	–
RevPAR	$90.01	7.3%	$47.21	5.7%	–	–
Holiday Inn Express						
Occupancy	56.8%	(13.0)ppt	70.3%	2.0ppt	–	–
Average daily rate	$29.46	8.0%	$49.53	2.7%	–	–
RevPAR	$16.74	(12.1)%	$34.82	5.7%	–	–

Directors' Report

This Directors' Report includes the information required to be given in line with the Companies Act or, where provided elsewhere, an appropriate cross reference is given. The Corporate Governance Statement approved by the Board is provided on pages 47 to 63 and incorporated by reference herein.

Subsidiaries, joint ventures and associated undertakings

The Group has over 300 subsidiaries, joint ventures and associated undertakings. A complete list of these entities is provided at note 33 of the Group Financial Statements on pages 141 to 143.

Directors

For biographies of the current Directors see pages 48 and 49.

Directors' and officers' (D&O) liability insurance and existence of qualifying indemnity provisions

The Company maintains the Group's D&O liability insurance policy, which covers Directors and officers of the Company defending civil proceedings brought against them in their capacity as Directors or officers of the Company (including those who served as Directors or officers during the year). There were no indemnity provisions relating to the UK pension plan for the benefit of the Directors during 2017.

Articles of Association

The Company's Articles of Association may only be amended by special resolution and are available on the Company's website at **www.ihgplc.com/investors** under Corporate governance. A summary is provided on pages 169 and 170.

Shares

Share capital

The Company's issued share capital at 31 December 2017 consisted of 197,597,610 ordinary shares of $19^{17}/_{21}$ pence each, including 7,607,430 shares held in treasury, which constitute 3.8% of the total issued share capital (including treasury shares). There are no special control rights or restrictions on share transfers or limitations on the holding of any class of shares.

During 2017:

- 916,835 shares were transferred from treasury to the employee share ownership trust; and
- The Company's issued share capital was subject to a 45 for 47 share consolidation effective as of 8 May 2017 (see page 151), seven treasury shares were cancelled and 338,108 treasury shares were consolidated.

As far as is known to management, IHG is not directly or indirectly owned or controlled by another company or by any government. The Board focuses on shareholder value-creation. When it decides to return capital to shareholders, it considers all of its options, including share buybacks and special dividends.

Share issues and buybacks

At the AGM held on 5 May 2017, shareholders authorised the Directors to issue new shares and the Company to buy back existing shares. During 2017 these routine authorities were not exercised.

Dividends

In 2017, the Company announced a $400 million return of funds to shareholders via special dividend and share consolidation on the basis of 45 ordinary shares of $19\ ^{17}/_{21}$ pence per share for every 47 existing ordinary shares of $18\ ^{318}/_{329}$ pence each (effective as of 8 May 2017).

Dividend	Ordinary shares	ADRs
Special dividend A special dividend was paid on 22 May 2017 to shareholders on the register at the close of business on 5 May 2017	156.4p	202.5¢
Interim dividend An interim dividend was paid on 6 October 2017 to shareholders on the register at the close of business on 1 September 2017	24.4p	33.0¢
Final dividend Subject to shareholder approval, payable on 11 May 2018 to shareholders on the register at the close of business on 3 April 2018	71.0¢[a]	71.0¢

[a] The sterling amount of the final dividend will be announced on 23 April 2018 using the average of the daily exchange rates from 18 April 2018 to 20 April 2018 inclusive.

Major institutional shareholders

As at 19 February 2018, the Company had been notified of the following significant holdings in its ordinary shares under the UK Disclosure Guidance and Transparency Rules (DTRs):

	As at 19 February 2018		**As at 20 February 2017**		As at 22 February 2016	
Shareholder	Ordinary shares/ADSs[a]	%[a]	**Ordinary shares/ADSs[a]**	**%[a]**	Ordinary shares/ADSs[a]	%[a]
BlackRock, Inc.	11,280,241[b]	5.92	**10,930,440**	**5.53**	12,916,001	5.47
Boron Investments BV	11,850,000	5.02	**11,850,000**	**5.02**	11,850,000	5.02
Cedar Rock Capital Limited	14,923,417	5.07	**14,923,417**	**5.07**	14,923,417	5.07
Fiera Capital Corporation	7,707,008	4.06	**n/a**	**n/a**	n/a	n/a
Fundsmith LLP	10,222,246	5.18	**10,222,246**	**5.18**	n/a	n/a
The Capital Group Companies, Inc.	9,670,450	5.09	**9,864,894**	**4.99**	n/a	n/a

[a] The number of shares and percentage of voting rights was determined at the time of the relevant disclosures made in accordance with Rule 5 of the DTRs and doesn't reflect the impact of any share consolidation or any changes in shareholding subsequent to the date of notification that are not required to be notified to us under the DTRs.

[b] Total shown includes 508,807 contracts for difference and 1,171,293 qualifying financial instruments to which voting rights are attached.

The Company's major shareholders have the same voting rights as other shareholders. The Company does not know of any arrangements the operation of which may result in a change in its control.

For further details on shareholder profiles, see page 180.

2017 share awards and grants to employees

Our current policy is to settle the majority of awards or grants under the Company's share plans with shares purchased in the market or from shares held in treasury; however, the Board continues to review this policy. The Company's share plans incorporate the current Investment Associations' guidelines on dilution which provide that commitments to new shares or re-issue treasury shares under executive plans should not exceed 5% of the issued ordinary share capital of the Company (adjusted for share issuance and cancellation) in any 10-year period. During the financial year ended 31 December 2017, the Company transferred 916,835 treasury shares (0.4% of issued share capital) to satisfy obligations under its share plans.

The estimated maximum dilution from awards made under the Company's shareplans over the last 10 years is 2.2%.

As at 31 December 2017, no options were outstanding. The Company has not utilised the authority given by shareholders at any of its AGMs to allot shares for cash without first offering such shares to existing shareholders.

Employee share ownership trust (ESOT)

IHG operates an ESOT for the benefit of employees and former employees. The ESOT receives treasury shares from the Company and purchases ordinary shares in the market and releases them to current and former employees in satisfaction of share awards. During 2017, the ESOT released 1,249,660 shares and at 31 December 2017 it held 624,683 ordinary shares in the Company. The ESOT adopts a prudent approach to purchasing shares, using funds provided by the Group, based on expectations of future requirements.

Where shares held in the ESOT have been allocated to share plan participants on terms that entitle those participants to request or require the trustee of the ESOT to exercise the voting rights relating to those shares, the trustee shall exercise those votes in accordance with the directions of the participants. In respect of shares in the ESOT that have not been allocated to share plan participants, or have not been allocated on such terms, the trustee may vote or abstain from exercising their voting rights in relation to those shares, or accept or reject any offer relating to the shares, in any way it sees fit.

Unless otherwise requested by the Company, the trustee of the ESOT waives all ordinary dividends on the shares held in the ESOT, other than shares which have been allocated to participants on terms which entitle them to the benefit of dividends, except for such amount per share as shall, when multiplied by the number of shares held by it on the relevant date, equal one pence.

Future business developments of the Group

Further details on these are set out in the Strategic Report on pages 2 to 43.

Employees and Code of Conduct

Having a predominantly franchised and managed business model means that not all of those people who work at hotels operated under our brands are our employees. When the Group's entire estate is taken into account (including those working in our franchised and managed hotels), over 375,000 people worked globally across IHG's brands as at 31 December 2017.

IHG employed the following as at 31 December 2017:

- 6,658 people worldwide (including those in our corporate offices, central reservations offices and owned hotels (excluding those in a category below), whose costs were borne by the Group;
- 5,555 people who worked directly on behalf of the System Fund and whose costs were borne by the System Fund; and
- 22,577 General Managers and (in the US predominantly) other hotel workers, who work in managed hotels, who have contracts or letters of service with IHG and whose costs are borne by those hotels.

See notes 3 and 32 of the Group Financial Statements on pages 109 and 140 for more information.

We continue to focus on providing an inclusive environment, in which employees are valued for who they are and what they bring to the Group, and in which talented individuals are retained through all levels of the organisation – see pages 18 and 19.

We also look to appoint the most appropriate person for the job and are committed to providing equality of opportunity to all employees without discrimination. Every effort is made to ensure that applications for employment from disabled employees are fully and fairly considered and that disabled employees have eq ual opportunities to training, career development and promotion.

The Code of Conduct applies to all Directors, officers and employees and complies with the NYSE rules as set out in Section 406 of the US Sarbanes-Oxley Act 2002. Further details can be found on page 176.

For more information on the Group's employment policies, including equal opportunities, employee communications and development, see pages 18 and 19.

Directors' Report continued

Greenhouse gas (GHG) emissions

By delivering more environmentally sustainable hotels, we can drive cost efficiencies for owners and meet the expectations of all our stakeholders. We recognise the importance of reducing our global GHG emissions for corporate offices and hotels – our target is to reduce our carbon footprint per occupied room by 15 per cent across our entire estate by 31 December 2017 (against a 2012 baseline). See page 25 for progress.

Reporting boundary	Measure	2017[a]	2016[a]
Global – corporate offices and franchised, managed, owned and leased hotels[b] (a KPI and part of our five-year targets)	Scope 1 Direct emissions (tCO_2e)	**1,199,544.40**	1,212,547.84
	Scope 2 Indirect emissions (tCO_2e)	**3,770,639.15**	3,837,518.39
	Total GHG emissions (tCO_2e)	**4,970,183.55**	5,050,066.23
	IHG's chosen intensity measurement GHG emissions per occupied room ($kgCO_2e$ per occupied room)	**27.39**	29.48
Global – corporate offices and managed, owned and leased hotels[b] (as required under the Companies Act 2006)	Scope 1 Direct emissions (tCO_2e)	**451,247.09**	426,869.82
	Scope 2 Indirect emissions (tCO_2e)	**1,898,679.62**	1,914,276.33
	Total GHG emissions (tCO_2e)	**2,349,926.71**	2,341,146.15
	IHG's chosen intensity measurement GHG emissions per occupied room ($kgCO_2e$ per occupied room)	**45.77**	49.76

[a] Reporting period commencing on 1 October and ending on 30 September – due to the delay in hotels receiving their energy bills it is not possible to report accurately GHG emissions from 1 January to 31 December.

[b] Includes all of our branded hotels but does not include emissions from 90 hotels. We do not have sufficient data to estimate their emissions and believe them to be immaterial.

Scope

We report Scope 1 and Scope 2 emissions as defined by the GHG protocol as follows:

- Scope 1 (Direct emissions): combustion of fuel and operation of facilities.
- Scope 2 (Indirect emissions): electricity, heat, steam and cooling purchased for own use.

Methodology

We have worked with external consultants to give us an up-to-date picture of IHG's carbon footprint and to assess our performance over the past few years. The external consultants use a sampling and extrapolation methodology to estimate our GHG emissions. For 2017, in line with the methodology set out in the GHG Protocol Corporate Standard, the sample covered 4,011 (78%) of our 5,137 hotels. As IHG's System size is continually changing and the number of hotels reporting data to the IHG Green Engage system increases annually, we are restating the impacts for all years from the baseline year (2012) annually to enable comparisons to be made.

Finance

Political donations

The Group made no political donations under the Companies Act during the year and proposes to maintain this policy.

Financial risk management

The Group's financial risk management objectives and policies, including its use of financial instruments, are set out in note 22 to the Group Financial Statements on pages 126 to 129.

Significant agreements and change of control provisions

The Group is a party to the following arrangements which could be terminated upon a change of control of the Company and which are considered significant in terms of their potential impact on the business of the Group as a whole:

- The 10-year £400 million bond issued by the Company on 28 November 2012, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued;
- The $1.275 billion syndicated loan facility agreement dated 30 March 2015 and maturing in March 2021, under which a change of control of the Company would entitle each lender to cancel its commitment and declare all amounts due to it payable;
- The 10-year £300 million bond issued by the Company on 14 August 2015, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued; and
- The 10-year £350 million bond issued by the Company on 24 August 2016, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.

Further details on material contracts are set out on pages 171 to 172.

Business relationships

The Group is party to a technology outsourcing agreement with International Business Machines Corporation (IBM), pursuant to which IBM operates and maintains the infrastructure of the Group's Guest Reservation System. Unless extended, this agreement is due to expire on 31 December 2018.

The Group is party to a technology agreement with Amadeus Hospitality Americas, Inc. (Amadeus), for the development and hosting of the Group's next generation Guest Reservation System. The initial term of 10 years will expire in 2028, and the Group has the right to extend this agrement for two additional periods of up to 10 years each on the same terms, conditions and pricing. The financial and performance obligations in this agreement are guaranteed by Amadeus IT Group S.A., the parent company of Amadeus Hospitality Americas, Inc.

Otherwise, there are no specific individual contracts or arrangements considered to be essential to the business of the Group as a whole.

Disclosure of information to Auditor

For details, see page 80.

Listing Rules – compliance with LR 9.8.4C

Section	Applicable sub-paragraph within LR 9.8.4C	Location
1	Interest capitalised	Group Financial Statements, note 6, page 111
4	Details of long-term incentive schemes	Directors' Remuneration Report, pages 64 to 77
6	Waiver of future emoluments by a Director	Directors' Remuneration Report, page 76

The above table sets out only those sections of LR 9.8.4C which are relevant. The remaining sections of LR 9.8.4 are not applicable.

Going concern

An overview of the business activities of IHG, including a review of the key business risks that the Group faces, is given in the Strategic Report on pages 2 to 43 and in the Group information on pages 164 to 172. Information on the Group's treasury management policies can be found in note 22 to the Group Financial Statements on pages 126 to 129. In March 2017, the Group extended the maturity of its $1.275 billion facility to March 2022.

At the end of 2017, the Group was trading significantly within its banking covenants and debt facilities.

The Group's fee-based model and wide geographic spread mean that it is well placed to manage through uncertain times, and our forecasts and sensitivity projections, based on a range of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and, accordingly, they continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Please see page 22 for the Directors' assessment of the viability of the Group.

By order of the Board,

George Turner
Company Secretary
InterContinental Hotels Group PLC

Registered in England and Wales, Company number 5134420
19 February 2018

Group information

History and developments

The Company was incorporated and registered in England and Wales with registered number 5134420 on 21 May 2004 as a limited company under the Companies Act 1985 with the name Hackremco (No. 2154) Limited. In 2004/05, as part of a scheme of arrangement to facilitate the return of capital to shareholders, the following structural changes were made to the Group: (i) on 24 March 2005, Hackremco (No. 2154) Limited changed its name to New InterContinental Hotels Group Limited; (ii) on 27 April 2005, New InterContinental Hotels Group Limited re-registered as a public limited company and changed its name to New InterContinental Hotels Group PLC; and (iii) on 27 June 2005, New InterContinental Hotels Group PLC changed its name to InterContinental Hotels Group PLC and became the holding company of the Group.

The Group formerly known as Bass, and then Six Continents, was historically a conglomerate operating as, among other things, a brewer, soft drinks manufacturer, hotelier, leisure operator, and restaurant, pub and bar owner. In 1988 Bass acquired Holiday Inn International and the remainder of the Holiday Inn brand in 1990. The InterContinental brand was acquired by Bass in 1998 and the Candlewood Suites brand was acquired by Six Continents in 2003.

On 15 April 2003, following shareholder and regulatory approval, Six Continents PLC separated into two new listed groups, InterContinental Hotels Group PLC, comprising the hotels and soft drinks businesses, and Mitchells & Butler plc, comprising the retail and standard commercial property developments business.

The Group disposed of its interests in the soft drinks business by way of an initial public offering of Britvic (Britannia Soft Drinks Limited for the period up to 18 November 2005, and thereafter, Britannia SD Holdings Limited (renamed Britvic plc on 21 November 2005), which became the holding company of the Britvic Group on 18 November 2005), a manufacturer and distributor of soft drinks in the UK in December 2005. The Group now continues as a standalone hotels business.

Recent acquisitions and divestitures

- The Group agreed to sell InterContinental Paris – Le Grand on 7 December 2014 for €330 million, and the transaction was completed on 20 May 2015.
- The Group agreed to acquire Kimpton Hotels & Restaurants on 15 December 2014, and the transaction was completed on 16 January 2015 for $430 million (before working capital adjustments and cash acquired).
- The Group agreed to sell InterContinental Hong Kong on 10 July 2015 for $938 million, and the transaction was completed on 30 September 2015.
- The Group also divested a number of investments for total proceeds of $25 million in 2016 and $95 million in 2017.

Capital expenditure

- Capital expenditure in 2017 totalled $342 million compared with $241 million in 2016 and $264 million in 2015.
- At 31 December 2017, capital committed (being contracts placed for expenditure on property, plant and equipment, and intangible assets not provided for in the Group Financial Statements) totalled $104 million.
- The Group has also committed to invest in a number of its associates, with an estimated outstanding commitment of $33 million, based on current forecasts.

Risk factors

The Group is subject to a variety of inherent risks that may have an adverse impact on its business operations, financial condition, turnover, profits, brands and reputation. This section describes the main risks that could materially affect the Group's business. The risks below are not the only ones that the Group faces. Some risks are not yet known to the Group and some risks that the Group does not currently believe to be material could later turn out to be material.

The risk factors should also be considered in connection with any financial and forward-looking information in this Annual Report and Form 20-F and the cautionary statements regarding forward-looking statements on page 188.

The Group is exposed to the risks of political and economic developments

The Group is exposed to political, economic and financial market developments such as recession, inflation and availability of credit and currency fluctuations that could lower revenues and reduce income. The outlook for 2018 may worsen due to continued uncertainty in Greater China and the Eurozone, the impact of fluctuating commodity prices (including oil) on economies dependent on such exports, and continued unrest in parts of the Middle East, Africa and Asia. The interconnected nature of economies suggests any of these, or other events, could trigger a recession that reduces leisure and business travel to and from affected countries and adversely affects room rates and/or occupancy levels and other income-generating activities. The owners or potential owners of hotels franchised or managed by the Group face similar risks that could adversely impact their solvency and the Group's ability to secure and retain franchise or management agreements. Specifically, the Group is most exposed to the US market and, increasingly, to Greater China.

Accordingly, the Group is particularly susceptible to adverse changes in these economies as well as changes in their currencies. In addition to trading conditions, the economic outlook also affects the availability of capital to current and potential owners, which could impact existing operations and the health of the pipeline.

The Group is exposed to the risk of events that adversely impact domestic or international travel

The room rates and occupancy levels of the Group could be adversely impacted by events that reduce domestic or international travel, such as actual or threatened acts of terrorism or war, political or civil unrest, epidemics or threats thereof, travel-related accidents or industrial action, natural disasters, or other local factors impacting specific countries, cities or individual hotels, as well as increased transportation and fuel costs. A decrease in the demand for hotel rooms as a result of such events may have an adverse impact on the Group's operations and financial results. In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss, and consequently impact the value of our brands and/or the reputation of the Group.

The Group is exposed to the risks of the hotel industry supply-and-demand cycle

The future operating results of the Group could be adversely affected by industry overcapacity (by number of rooms) and weak demand due, in part, to the cyclical nature of the hotel industry, or other differences between planning assumptions and actual operating conditions. These conditions could result in reductions in room rates and occupancy levels, which would adversely impact the financial performance of the Group.

The Group is subject to a competitive and changing industry

The Group operates in a competitive industry and must compete effectively against traditional competitors such as other global hotel chains, local hotel companies and independent hotels to win the loyalty of guests, employees and owners. The competitive landscape also includes other types of businesses, such as web-based booking channels (which include online travel agents and intermediaries), and alternative sources of accommodation such as short-term lets of private property. Failure to compete effectively in traditional and emerging areas of the business could impact the Group's market share, System size, profitability and relationships with owners and guests.

The Group is exposed to risks related to executing and realising benefits from strategic transactions, including acquisitions

The Group may seek to make strategic transactions, including acquisitions, in the future. The Group may not be able to identify opportunities or complete transactions on commercially reasonable terms, or at all, and may not realise the anticipated benefits from such transactions. Strategic transactions come with inherent valuation, financial and commercial risks, and regulatory and insider information risks during the execution of the transactions. In addition, the Group may face unforeseen costs and liabilities, diversion of management attention, as well as longer-term integration and operational risks, which could result in a failure to realise benefits, financial losses, lower employee morale and loss of talent.

The Group is dependent upon a wide range of external stakeholders and business partners

The Group relies on the performance, behaviours and reputation of a wide range of business partners and external stakeholders, including, but not limited to, owners, contractors, lenders, suppliers, vendors, joint-venture partners, online travel agents, third-party intermediaries and other business partners which may have different ethical values, interests and priorities. Further, the number and complexity of interdependencies with stakeholders is evolving. Breakdowns in relationships, contractual disputes, poor vendor performance, insolvency, stakeholder behaviours or adverse reputations, which may be outside of the Group's control, could adversely impact on the Group's performance and competitiveness, delivery of projects, guest experiences or the reputation of the Group or its brands.

The Group is exposed to increasing competition from online travel agents and intermediaries

A proportion of the Group's bookings originate from large multinational, regional and local online travel agents and intermediaries with which the Group has contractual arrangements and to which it pays commissions. These platforms offer a wide range of products, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditise hotel brands through price and attribute comparison. Further, if these companies continue to gain market share, they may impact the Group's profitability, undermine the Group's own booking channels and value to its hotel owners, and may be able to increase commission rates and negotiate other favourable contract terms.

The Group is exposed to a variety of risks related to identifying, securing and retaining franchise and management agreements

The Group's growth strategy depends on its success in identifying, securing and retaining franchise and management agreements. This is an inherent risk for the hotel industry and the franchise business model. Competition with other hotel companies may generally reduce the number of suitable franchise, management and investment opportunities offered to the Group and increase the bargaining position of property owners seeking to become a franchisee or engage a manager. The terms of new franchise or management agreements may not be as favourable as current arrangements; the Group may not be able to renew existing arrangements on similarly favourable terms, or at all.

There can also be no assurance that the Group will be able to identify, retain or add franchisees to the IHG System or to secure management contracts. For example, the availability of suitable sites, market saturation, planning and other local regulations or the availability and affordability of finance may restrict the supply of suitable hotel development opportunities under franchise or management agreements. In connection with entering into franchise or management agreements, the Group may be required to make investments in, or guarantee the obligations of, third parties or guarantee minimum income to third parties. There are also risks that significant franchisees or groups of franchisees may have interests that conflict, or are not aligned, with those of the Group, including, for example, the unwillingness of franchisees to support brand improvement initiatives. This could result in franchisees prematurely terminating contracts which would adversely impact the overall IHG System size and the Group's financial performance.

The Group is exposed to inherent risks in relation to changing technology and systems

As the use of the internet and mobile technology grows and customer needs evolve at pace, the Group may find that its evolving technology capability is not sufficient and may have to make substantial additional investments in new technologies or systems to remain competitive. Failure to keep pace with developments in technologies or systems may put the Group at a competitive disadvantage. In addition, the technologies or systems that the Group chooses to deploy may not be commercially successful or the technology or system strategy may not be sufficiently aligned with the needs of the business. Any such failure could adversely affect guest experiences, and the Group may lose customers, fail to attract new customers, incur substantial costs or face other losses. This could further impact the Group's reputation in regards to innovation.

Group information continued
Risk factors continued

The Group is reliant on the reputation of its brands and is exposed to inherent reputation risks
Any event that materially damages the reputation of one or more of the Group's brands and/or fails to sustain the appeal of the Group's brands to its customers and owners may have an adverse impact on the value of that brand and subsequent revenues from that brand or business. In particular, if the Group is unable to create consistent, valued, and quality products and guest experiences across the owned, managed and franchised estates, or if the Group, its franchisees or business partners fail to act responsibly, this could result in an adverse impact on its brand reputation. In addition, the value of the Group's brands could be influenced by a number of external factors outside the Group's control, such as, but not limited to, changes in sentiments against global brands, changes in applicable regulations related to the hotel industry or to franchising, successful commoditisation of hotel brands by online travel agents and intermediaries, or changes in owners' perceptions of the value of the Group.

The Group is exposed to risks associated with its intellectual property
Given the importance of brand recognition to the Group's business, the protection of its intellectual property poses a risk due to the variability and changes in controls, laws and effectiveness of enforcement globally. Any widespread infringement, misappropriation or weakening of the control environment could materially harm the value of the Group's brands and its ability to develop the business.

The Group is reliant upon the resilience of its reservation system and other key technology platforms and is exposed to risks that could cause the failure of these systems
The value of the Group is partly derived from the ability to drive reservations through its reservation system and technology platforms which are highly integrated with internal processes and linked to multiple sales channels, including the Group's own websites, call centres, hotels, third-party intermediaries and travel agents.

Lack of resilience and operational availability of these systems provided by the Group or third-party technology providers could lead to prolonged service disruption and might result in significant business interruption, impact the guest booking experience and subsequently adversely impact Group revenues, reputation and relationships with hotel owners.

The Group is exposed to a variety of risks associated with safety, security and crisis management
There is a constant need to protect the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organised crime, fraud, employee dishonesty, cyber crime, pandemics, fire, and day-to-day accidents, incidents and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation, and impact reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose the Group and its brands to significant reputational damage.

The Group requires the right people, skills and capability to manage growth and change
In order to remain competitive, the Group must employ the right people. This includes hiring and retaining highly skilled employees with particular expertise or leadership capability. The implementation of the Group's strategic business plans could be undermined by failure to build a resilient corporate culture, failure to recruit or retain key personnel, unexpected loss of key senior employees, failures in the Group's succession planning and incentive plans, or failure to invest in the development of key skills.

Some of the markets in which the Group operates are experiencing economic growth, and the Group must compete against other companies inside and outside the hospitality industry for suitably qualified or experienced employees. Some emerging markets may not have the required local expertise to operate a hotel and may not be able to attract the right talent. Failure to attract and retain employees may threaten the success of the Group's operations in these markets. Additionally, unless skills are supported by a sufficient infrastructure to enable knowledge and skills to be passed on, the Group risks losing accumulated knowledge if key employees leave the Group.

The Group is exposed to a variety of risks associated with its financial stability and ability to borrow and satisfy debt covenants
While the strategy of the Group is to extend the IHG System through activities that do not involve significant amounts of its own capital, the Group does require capital to fund some development opportunities, technological innovations and strategic acquisitions; and to maintain and improve owned hotels. The Group is reliant upon having financial strength and access to borrowing facilities to meet these expected capital requirements. The majority of the Group's borrowing facilities are only available if the financial covenants in the facilities are complied with. Non-compliance with covenants could result in the Group's lenders demanding repayment of the funds advanced. If the Group's financial performance does not meet market expectations, it may not be able to refinance existing facilities on terms considered favourable.

The Group is exposed to the risk of litigation
Certain companies in the Group are the subject of various claims and proceedings. The ultimate outcome of these matters is subject to many uncertainties, including future events and uncertainties inherent in litigation. In addition, the Group could be at risk of litigation claims made by many parties, including but not limited to: guests, customers, joint-venture partners, suppliers, employees, regulatory authorities, franchisees and/or the owners of the hotels it manages. Claims filed in the US may include requests for punitive damages as well as compensatory damages. Unfavourable outcomes of claims or proceedings could have a material adverse impact on the Group's results of operations, cash flow and/or financial position. Exposure to significant litigation or fines may also affect the reputation of the Group and its brands.

The Group is exposed to the risks related to information security and data privacy
The Group is increasingly dependent upon the availability, integrity and confidentiality of information, including, but not limited to: guest and employee credit card, financial and personal data, and business performance, financial reporting and commercial development. The information is sometimes held in different formats such as digital, paper, voice recordings and video and could be stored in many places, including facilities managed by third-party service providers. The threats towards the Group's information are dynamic, and include cyber attacks, fraudulent use, loss or misuse by employees and breaches of our vendors' security arrangements, amongst others.

The legal and regulatory environment around data privacy and requirements set out by the payment card industry surrounding information security across the many jurisdictions in which the Group operates are constantly evolving. If the Group fails to appropriately protect information and ensure relevant controls are in place to enable the appropriate use and release of information through the appropriate channels in a timely and accurate manner, IHG System performance, guest experience and the reputation of the Group may be adversely affected. This could lead to revenue losses, fines, penalties, litigation and other additional costs.

For details of incidents relating to information security and data privacy during 2017, see pages 139 and 172.

The Group is required to comply with existing and changing regulations and societal expectations across numerous countries, territories and jurisdictions
Government regulations affect countless aspects of the Group's business ranging from corporate governance, health and safety, the environment, bribery and corruption, employment law and diversity, disability access, data privacy and information protection, financial, accounting and tax. Regulatory changes may require significant changes in the way the business operates and may inhibit the Group's strategy, including the markets the Group operates in, brand protection, and use or transmittal of personal data. If the Group fails to comply with existing or changing regulations, the Group may be subject to fines, prosecution, loss of licence to operate or reputational damage.

The reputation of the Group and the value of its brands are influenced by a wide variety of factors, including the perception of stakeholder groups such as guests, owners, suppliers and communities in which the Group operates. The social and environmental impacts of its business are under increasing scrutiny, and the Group is exposed to the risk of damage to its reputation if it fails to (or fails to influence its business partners to) undertake responsible practices and engage in ethical behaviour, or fails to comply with relevant regulatory requirements.

The Group may face difficulties insuring its business
Historically, the Group has maintained insurance at levels determined to be appropriate in light of the cost of cover and the risk profile of the business. However, forces beyond the Group's control, including market forces, may limit the scope of coverage the Group can obtain and the Group's ability to obtain coverage at reasonable rates. Other forces beyond the Group's control, such as terrorist attacks or natural disasters, may be uninsurable or simply too expensive to insure. Inadequate or insufficient insurance could expose the Group to large claims or could result in the loss of capital invested in properties.

Directors' and Executive Committee members' shareholdings

As at 19 February 2018: (i) Executive Directors had the number of beneficial interests in shares (including Directors' share awards under IHG's share plans) set out in the table on page 73; (ii) Non-Executive Directors had the number of beneficial interests in shares set out in the table on page 76; and (iii) Executive Committee members had the number of beneficial interests in shares (including members' share awards under IHG's share plans) set out in the table below. These shareholdings indicate all Directors' or Executive Committee members' beneficial interests and those held by their spouses and other connected persons. As at 19 February 2018, no Director or Executive Committee member held more than 1.0% of the total issued share capital. None of the Directors have a beneficial interest in the shares of any subsidiary.

	Number of shares held outright			APP deferred share awards			LTIP share awards (unvested)			Total number of shares held		
Executive Committee member	19 Feb 2018	**31 Dec 2017**	31 Dec 2016	19 Feb 2018	**31 Dec 2017**	31 Dec 2016	19 Feb 2018	**31 Dec 2017**	31 Dec 2016	19 Feb 2018	**31 Dec 2017**	31 Dec 2016
Claire Bennett	–	**–**	n/a	13,105	**13,105**	n/a	13,019	**13,019**	n/a	26,124	**26,124**	n/a
Angela Brav	n/a[a]	**68,669**	27,270	n/a[a]	**22,303**	23,996	n/a[a]	**67,364**	80,709	n/a[a]	**158,336**	131,975
Jolyon Bulley	50,275	**50,275**	n/a	8,180	**8,180**	n/a	38,413	**38,413**	n/a	96,868	**96,868**	n/a
Federico Lalatta Costerbosa	n/a[a]	**–**	–	n/a[a]	**6,977**	18,401	n/a[a]	**54,570**	59,202	n/a[a]	**61,547**	77,603
Yasmin Diamond	–	**–**	–	6,561	**6,561**	6,351	35,209	**35,209**	38,363	41,770	**41,770**	44,714
Kenneth Macpherson	–	**–**	7,600	29,057	**29,057**	24,569	59,675	**59,675**	74,344	88,732	**88,732**	106,513
Eric Pearson	–	**–**	–	22,979	**22,979**	24,636	72,633	**72,633**	86,264	95,612	**95,612**	110,900
Ranjay Radhakrishnan	–	**–**	–	31,836	**31,836**	25,061	41,851	**41,851**	31,836	73,687	**73,687**	56,897
Jan Smits	n/a[a]	**9,772**	–	n/a[a]	**18,618**	23,724	n/a[a]	**55,045**	71,755	n/a[a]	**81,956**	95,479
George Turner	11,507	**11,507**	18,000	18,683	**18,683**	21,815	61,511	**61,511**	76,744	91,701	**91,701**	116,559

[a] Angela Brav, Federico Lalatta Costerbosa and Jan Smits left the Company on 31 December 2017.

Group information continued
Executive Directors' benefits upon termination of office

All current Executive Directors have a rolling service contract with a notice period from the Group of 12 months. As an alternative, the Group may, at its discretion, pay in lieu of that notice. Neither notice nor a payment in lieu of notice will be given in the event of gross misconduct.

Payment in lieu of notice could potentially include up to 12 months' salary and the cash equivalent of 12 months' pension contributions, and other contractual benefits. Where possible, the Group will seek to ensure that, where a leaver mitigates their losses by, for example, finding new employment, there will accordingly be a corresponding reduction in compensation payable for loss of office.

Further details on the policy for determination of termination payments are included in the Directors' Remuneration Policy, which is available on IHG's website at **www.ihgplc.com/investors** under Corporate governance in the Directors' Remuneration Policy section.

Description of securities other than equity securities

Fees and charges payable to a depositary

Category (as defined by SEC)	Depositary actions	Associated fee
Depositing or substituting the underlying shares	Each person to whom ADRs are issued against deposits of shares, including deposits and issuances in respect of: • Share distributions, stock splits, rights, mergers. • Exchange of securities or any other transactions or event or other distribution affecting the ADSs or the deposited securities.	$5 for each 100 ADSs (or portion thereof)
Receiving or distributing dividends	Distribution of stock dividends	$5 for each 100 ADSs (or portion thereof)
	Distribution of cash	$0.02 or less per ADS (or portion thereof)
Selling or exercising rights	Distribution or sale of securities, the fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities	$5 for each 100 ADSs (or portion thereof)
Withdrawing an underlying security	Acceptance of ADRs surrendered for withdrawal of deposited securities	$5 for each 100 ADSs (or portion thereof)
Transferring, splitting or grouping receipts	Transfers, combining or grouping of depositary receipts	$1.50 per ADS
General depositary services, particularly those charged on an annual basis	Other services performed by the depositary in administering the ADRs	$0.02 per ADS (or portion thereof) not more than once each calendar year and payable at the sole discretion of the ADR Depositary by billing ADR holders or by deducting such charge from one or more cash dividends or other cash distributions[a]
Expenses of the depositary	Expenses incurred on behalf of ADR holders in connection with: • Compliance with foreign exchange control regulations or any law or regulation relating to foreign investment. • The ADR Depositary's or its custodian's compliance with applicable laws, rules or regulations. • Stock transfer or other taxes and other governmental charges. • Cable, telex, facsimile transmission/delivery. • Transfer or registration fees in connection with the deposit and withdrawal of deposited securities. • Expenses of the ADR Depositary in connection with the conversion of foreign currency into US dollars (which are paid out of such foreign currency). • Any other charge payable by the ADR Depositary or its agents.	Expenses payable at the sole discretion of the ADR Depositary by billing ADR holders or by deducting charges from one or more cash dividends or other cash distributions are $20 per transaction

[a] These fees are not currently being charged by the ADR Depositary.

Fees and charges payable by a depositary

JPMorgan Chase Bank N.A. (JPMorgan or the ADR Depositary) is the depositary for IHG's ADR programme. The ADR Depositary's principal executive office is at: J.P. Morgan Depositary Receipts, 4 New York Plaza, 12th Floor, New York, NY 10004, US. The ADR Depositary has agreed to reimburse certain reasonable Company expenses related to the Company's ADR programme and incurred by the Company in connection with the ADR programme. During the year ended 31 December 2017, the Company received $437,724 from the ADR Depositary in respect of legal, accounting and other fees incurred in connection with the preparation of the Annual Report and Form 20-F, ongoing SEC compliance and listing requirements, investor relations programmes, and advertising and public relations expenditure.

Articles of Association

The Company's Articles of Association (the Articles) were adopted at the AGM held on 28 May 2010 and are available on the Company's website at **www.ihgplc.com/investors** under Corporate governance. The following summarises material rights of holders of the Company's ordinary shares under the material provisions of the Articles and English law. This summary is qualified in its entirety by reference to the Companies Act and the Articles.

The Company's shares may be held in certificated or uncertificated form. No holder of the Company's shares will be required to make additional contributions of capital in respect of the Company's shares in the future.

In the following description, a 'shareholder' is the person registered in the Company's register of members as the holder of the relevant share.

Principal objects

The Company is incorporated under the name InterContinental Hotels Group PLC and is registered in England and Wales with registered number 5134420. The Articles do not restrict its objects or purposes.

Directors

Under the Articles, a Director may have an interest in certain matters (Permitted Interest) without the prior approval of the Board, provided they have declared the nature and extent of such Permitted Interest at a meeting of the Directors or in the manner set out in Section 184 or Section 185 of the Companies Act.

Any matter in which a Director has a material interest, and which does not comprise a Permitted Interest, must be authorised by the Board in accordance with the procedure and requirements contained in the Articles. In particular, this includes the requirement that a Director may not vote on a resolution to authorise a matter in which they are interested, nor may they count in the quorum of the meeting at which such business is transacted.

Further, a Director may not vote in respect of any proposal in which they, or any person connected with them, has any material interest other than by virtue of their interests in securities of, or otherwise in or through, the Company, nor may they count in the quorum of the meeting at which such business is transacted. This is subject to certain exceptions, including in relation to proposals: (a) indemnifying them in respect of obligations incurred on behalf of the Company; (b) indemnifying a third party in respect of obligations of the Company for which the Director has assumed responsibility under an indemnity or guarantee; (c) relating to an offer of securities in which they will be interested as an underwriter; (d) concerning another body corporate in which the Director is beneficially interested in less than one per cent of the issued shares of any class of shares of such a body corporate; (e) relating to an employee benefit in which the Director will share equally with other employees; and (f) relating to liability insurance that the Company is empowered to purchase for the benefit of Directors of the Company in respect of actions undertaken as Directors (or officers) of the Company.

The Directors have authority under the Articles to set their own remuneration (provided certain criteria are met). While an agreement to award remuneration to a Director is an arrangement with the Company that comprises a Permitted Interest (and therefore does not require authorisation by the Board in that respect), it is nevertheless a matter that would be expected to give rise to a conflict of interest between the Director concerned and the Company, and such conflict must be authorised by a resolution of the Board. The Director that is interested in such a matter may neither vote on the resolution to authorise such conflict, nor count in the quorum of the meeting at which it was passed. Furthermore, as noted above, the interested Director is not permitted to vote in respect of any proposal in which they have any material interest (except in respect of the limited exceptions outlined above) nor may they count in the quorum of the meeting at which such business is transacted.

As such, a Director has no power, in the absence of an independent quorum, to vote on compensation to themselves, but may vote on a resolution (and may count in the quorum of the meeting at which it was passed) to award compensation to Directors provided those arrangements do not confer a benefit solely on them.

The Directors are empowered to exercise all the powers of the Company to borrow money, subject to the limitation that the aggregate amount of all monies borrowed by the Company and its subsidiaries shall not exceed an amount equal to three times the Company's share capital and consolidated reserves, unless sanctioned by an ordinary resolution of the Company.

Under the Articles, there are no age-limit requirements relating to a person's qualification to hold office as a Director of the Company.

Directors are not required to hold any shares of the Company by way of qualification.

Rights attaching to shares

Dividend rights and rights to share in the Company's profits

Under English law, dividends are payable on the Company's ordinary shares only out of profits available for distribution, as determined in accordance with accounting principles generally accepted in the UK and by the Companies Act. No dividend will bear interest as against the Company.

Holders of the Company's ordinary shares are entitled to receive such dividends as may be declared by the shareholders in general meeting, rateably according to the amounts paid up on such shares, provided that the dividend cannot exceed the amount recommended by the Directors.

The Company's Board of Directors may declare and pay to shareholders such interim dividends as appear to them to be justified by the Company's financial position. If authorised by an ordinary resolution of the shareholders, the Board of Directors may also direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company).

Any dividend unclaimed by a member (or by a person entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law) after six years from the date the dividend was declared, or became due for payment, will be forfeited and will revert to the Company.

Voting rights

The holders of ordinary shares are entitled, in respect of their holdings of such shares, to receive notice of general meetings and to attend, speak and vote at such meetings in accordance with the Articles.

Voting at any general meeting of shareholders is by a show of hands unless a poll, which is a written vote, is duly demanded. On a show of hands, every shareholder who is present in person or by proxy at a general meeting has one vote regardless of the number of shares held.

On a poll, every shareholder who is present in person or by proxy has one vote for every share held by that shareholder. A poll may be demanded by any of the following:

- The chairman of the meeting.
- At least five shareholders present in person or by proxy and entitled to vote at the meeting.

Group information continued
Articles of Association continued

- Any shareholder or shareholders present in person or by proxy representing in the aggregate not less than one-tenth of the total voting rights of all shareholders entitled to vote at the meeting; or
- Any shareholder or shareholders present in person or by proxy holding shares conferring a right to vote at the meeting and on which there have been paid up sums in the aggregate at least equal to one-tenth of the total sum paid up on all the shares conferring that right.

A proxy form will be treated as giving the proxy the authority to demand a poll, or to join others in demanding one.

The necessary quorum for a general meeting is three persons carrying a right to vote upon the business to be transacted, whether present in person or by proxy.

Matters are transacted at general meetings of the Company by the proposing and passing of resolutions, of which there are two kinds:

- An ordinary resolution, which includes resolutions for the election of Directors, the approval of financial statements, the cumulative annual payment of dividends, the appointment of the Auditor, the increase of share capital or the grant of authority to allot shares.
- A special resolution, which includes resolutions amending the Articles, disapplying statutory pre-emption rights, modifying the rights of any class of the Company's shares at a meeting of the holders of such class or relating to certain matters concerning the Company's winding up or changing the Company's name.

An ordinary resolution requires the affirmative vote of a majority of the votes of those persons present and entitled to vote at a meeting at which there is a quorum.

Special resolutions require the affirmative vote of not less than three quarters of the persons present and entitled to vote at a meeting at which there is a quorum.

AGMs must be convened upon advance written notice of 21 days. Other meetings must be convened upon advance written notice of 14 days. The days of delivery or receipt of the notice are not included. The notice must specify the nature of the business to be transacted. The Board of Directors may, if they choose, make arrangements for shareholders who are unable to attend the place of the meeting to participate at other places.

The Articles specify that each Director shall retire every three years at the AGM and, unless otherwise decided by the Directors, shall be eligible for re-election. However, the Code recommends that all directors of FTSE 350 companies submit themselves for election or re-election (as appropriate) by shareholders every year. Therefore, all Directors will retire and offer themselves for election or re-election at the 2017 AGM.

Variation of rights

If, at any time, the Company's share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act, with the consent in writing of holders of three-quarters in nominal value of the issued shares of that class or upon the adoption of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate meeting, all of the provisions of the Articles relating to proceedings at a general meeting apply, except that the quorum is to be the number of persons (which must be two or more) who hold or represent by proxy not less than one-third in nominal value of the issued shares of that class.

Rights in a winding-up

Except as the Company's shareholders have agreed or may otherwise agree, upon the Company's winding up, the balance of assets available for distribution is to be distributed among the holders of ordinary shares according to the amounts paid up on the shares held by them:

- After the payment of all creditors including certain preferential creditors, whether statutorily preferred creditors or normal creditors.
- Subject to any special rights attaching to any class of shares.

This distribution is generally to be made in cash. A liquidator may, however, upon the adoption of a special resolution of the shareholders, divide among the shareholders the whole or any part of the Company's assets in kind.

Limitations on voting and shareholding

There are no limitations imposed by English law or the Articles on the right of non-residents or foreign persons to hold or vote the Company's ordinary shares or ADSs, other than the limitations that would generally apply to all of the Company's shareholders.

Working Time Regulations 1998

Under EU law, many employees of Group companies are now covered by the Working Time Regulations which came into force in the UK on 1 October 1998. These regulations implemented the European Working Time Directive and parts of the Young Workers Directive, and lay down rights and protections for employees in areas such as maximum working hours, minimum rest time, minimum days off and paid leave.

In the UK, there is in place a national minimum wage under the National Minimum Wage Act 1998, as amended. At 31 December 2017, the minimum wage for individuals aged 18 to 20 was £5.60 per hour, aged 21 to 24 was £7.05 per hour and for those aged 25 or over was £7.50 per hour in each case, excluding apprentices aged under 19 years or, otherwise, in the first year of their apprenticeships. This particularly impacts businesses in the hospitality and retailing sectors. Compliance with the National Minimum Wage Act is being monitored by the Low Pay Commission, an independent statutory body established by the UK Government.

None of the Group's UK employees are covered by collective bargaining agreements with trade unions.

Continual attention is paid to the external market in order to ensure that terms of employment are appropriate. The Group believes the Group companies will be able to conduct their relationships with trade unions and employees in a satisfactory manner.

Material contracts

The following contracts have been entered into otherwise than in the course of ordinary business by members of the Group: (i) in the two years immediately preceding the date of this document in the case of contracts which are or may be material; or (ii) that contain provisions under which any Group member has any obligation or entitlement that is material to the Group as at the date of this document. To the extent that these agreements include representations, warranties and indemnities, such provisions are considered standard in an agreement of that nature, save to the extent identified below.

Syndicated Facility

On 30 March 2015, the Company signed a five-year $1.275 billion bank facility agreement (Syndicated Facility) with Bank of America Merrill Lynch International Limited, Barclays Bank PLC, HSBC Bank PLC, SunTrust Robinson Humphrey, The Bank of Tokyo-Mitsubishi UFJ, Ltd and The Royal Bank of Scotland plc, all acting as joint bookrunners and The Bank of Tokyo-Mitsubishi UFJ, Ltd as facility agent. The Company has exercised its ability to extend the term of the Syndicated Facility by two additional periods of 12 months, taking the term of the Syndicated Facility to 2022. The interest margin payable on borrowings under the Syndicated Facility is linked to IHG's consolidated net debt to consolidated EBITDA ratio. The margin can vary between LIBOR + 0.40% and LIBOR + 1.00% depending on the level of the ratio. The Syndicated Facility was drawn as to $240 million as at 31 December 2017.

£2 billion Euro Medium Term Note programme

In 2016, the Group updated its Euro Medium Term Note programme (Programme) and issued a tranche of £350 million 2.125% notes due 24 August 2026 (2016 Issuance).

On 11 August 2016, an amended and restated trust deed (Trust Deed) was executed by InterContinental Hotels Group PLC as issuer (Issuer), Six Continents Limited and InterContinental Hotels Limited as guarantors (Guarantors) and HSBC Corporate Trustee Company (UK) Limited as trustee (Trustee), pursuant to which the trust deed dated 27 November 2009, as supplemented by three supplemental trust deeds dated 7 July 2011, 9 November 2012 and 16 June 2015 between the same parties relating to the Programme, were amended and restated. Under the Trust Deed, the Issuer may issue notes (Notes) unconditionally and irrevocably guaranteed by the Guarantors, up to a maximum nominal amount from time to time outstanding of £2 billion (or its equivalent in other currencies). Notes are to be issued in series (each a Series) in bearer form. Each Series may comprise one or more tranches (each a Tranche) issued on different issue dates. A Tranche of Notes may be issued on the terms and conditions set out in a base prospectus as amended and/or supplemented by a document setting out the final terms (Final Terms) of such Tranche or in a separate prospectus specific to such Tranche.

Under the Trust Deed, each of the Issuer and the Guarantors has given certain customary covenants in favour of the Trustee.

Final Terms were issued (pursuant to a base prospectus dated 9 November 2012) on 26 November 2012, in respect of the issue of a Tranche of £400 million 3.875% Notes due 28 November 2022 (2012 Issuance). Final Terms were issued (pursuant to a base prospectus dated 16 June 2015) on 12 August 2015 in respect of the issue of a Tranche of £300 million 3.75% Notes due 14 August 2025 (2015 Issuance). Final Terms were issued (pursuant to the base prospectus dated 11 August 2016) on 22 August 2016 in respect of the 2016 Issuance.

The Final Terms issued under each of the 2012 Issuance, the 2015 Issuance and 2016 Issuance provide that the holders of the Notes have the right to repayment if the Notes (a) become non-investment grade within the period commencing on the date of announcement of a change of control and ending 90 days after the change of control (Change of Control Period) and are not subsequently, within the Change of Control Period, reinstated to investment grade; (b) are downgraded from a non-investment grade and are not reinstated to its earlier credit rating or better within the Change of Control Period; or (c) are not credit rated and do not become investment grade credit rated by the end of the Change of Control Period.

Further details of the Programme and the Notes are set out in the base prospectus, a copy of which is available (as is a copy of each of the Final Terms dated 26 November 2012 relating to the 2012 Issuance, the Final Terms dated 12 August 2015 relating to the 2015 Issuance and the Final Terms dated 22 August 2016 relating to the 2016 Issuance) on the Company's website at **www.ihgplc.com**. The Notes issued pursuant to the 2012 Issuance, the Notes issued pursuant to the 2015 Issuance and the Notes issued pursuant to the 2016 Issuance are referred to as '£400 million 3.875% bonds', '£300 million 3.750% bonds' and '£350 million 2.125% bonds' respectively in the Group Financial Statements.

On 11 August 2016, the Issuer and the Guarantors entered into an amended and restated agency agreement (Agency Agreement) with HSBC Bank plc as principal paying agent and the Trustee, pursuant to which the Issuer and the Guarantors appointed paying agents and calculation agents in connection with the Programme and the Notes.

Under the Agency Agreement, each of the Issuer and the Guarantors has given a customary indemnity in favour of the paying agents and the calculation agents.

On 11 August 2016, the Issuer and the Guarantors entered into a dealer agreement (Dealer Agreement) with HSBC Bank plc as arranger and Barclays Bank PLC, HSBC Bank plc, SunTrust Robinson Humphrey, Inc., Merrill Lynch International, MUFG Securities EMEA plc and The Royal Bank of Scotland plc as dealers (Dealers), pursuant to which the Dealers were appointed in connection with the Programme and the Notes.

Under the Dealer Agreement, each of the Issuer and the Guarantors has given customary warranties and indemnities in favour of the Dealers.

Disposal of InterContinental Paris – Le Grand

On 7 December 2014, a share sale and purchase agreement was entered into between BHR Holdings B.V. (part of IHG) and Constellation Hotels France Grand SA. Under the agreement, BHR Holdings B.V. agreed to sell Société Des Hotels InterContinental France, the owner of InterContinental Paris – Le Grand, to Constellation Hotels France Grand SA. The gross sale proceeds agreed were €330 million in cash. The disposal was completed on 20 May 2015.

In connection with the sale, IHG secured a 30-year management contract on the hotel, with three 10-year extension rights at IHG's discretion, giving an expected contract length of 60 years.

Under the agreement, BHR Holdings B.V. gave certain customary warranties and indemnities to Constellation Hotels France Grand SA.

Acquisition of the Kimpton Hotels & Restaurants business

On 15 December 2014, a share sale and purchase agreement was entered into between Kimpton Group Holding LLC and Dunwoody Operations, Inc., an affiliate of IHG. Under the agreement, Dunwoody Operations, Inc. agreed to buy Kimpton Hotel & Restaurant Group, LLC, the principal trading company of the Kimpton Group, from Kimpton Group Holding LLC. The purchase completed on 16 January 2015.

The purchase price payable by Dunwoody Operations, Inc. in respect of the acquisition was $430 million paid in cash.

Under the agreement, Dunwoody Operations, Inc. gave certain customary warranties and indemnities to the seller.

Group information continued
Material contracts continued

Disposal of InterContinental Hong Kong

On 10 July 2015, a share sale and purchase agreement was entered into between Hotel InterContinental London (Holdings) Limited (a Group company) and Supreme Key Limited. Under the agreement, Hotel InterContinental London (Holdings) Limited agreed to sell Trifaith Investments Limited, the owner of InterContinental Hong Kong Limited, which in turn is the owner of InterContinental Hong Kong, to Supreme Key Limited. The gross sale proceeds agreed were $938 million in cash. The disposal completed on 30 September 2015.

In connection with the sale, IHG secured a 37-year management contract on the hotel, with three 10-year extension rights at IHG's discretion, giving an expected contract length of 67 years.

Under the agreement, Hotel InterContinental London (Holdings) Limited gave certain customary warranties and indemnities to Supreme Key Limited.

Legal proceedings

Group companies have extensive operations in the UK, as well as internationally, and are involved in a number of legal claims and proceedings incidental to those operations. It is the Company's view that such proceedings, either individually or in the aggregate, have not in the recent past and are not likely to have a significant effect on the Group's financial position or profitability. Notwithstanding the above, the Company notes the matters set out below. Litigation is inherently unpredictable and, as of 19 February 2018, the outcome of these matters cannot be reasonably determined.

A claim was filed on 9 July 2013 by Pan-American Life Insurance Company against Louisiana Acquisitions Corp. and Inter-Continental Hotels Corporation. The claimant originally identified eight causes of action with respect to the management and sale of the InterContinental New Orleans. On 21 August 2017, the Court granted summary judgment to defendants on all of claimant's remaining claims. Claimant appealed the ruling. As of 19 February 2018, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is probable or to estimate the amount of any loss.

A claim was filed on 5 July 2016 by CPTS Hotel Lessee, LLC against Holiday Hospitality Franchising, LLC (HHF). The claimant alleges breach of the license agreement and seeks a declaratory judgment from the court that it has the right to terminate its license with HHF. HHF and InterContinental Hotels Group Resources, Inc. filed a claim against CPTS Hotel Lessee, LLC also seeking a declaratory judgment and alleging breach of contract and fraud. As of 19 February 2018, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is probable or to estimate the amount of any loss.

A claim was filed on 20 September 2016 against Kimpton Hotel and Restaurant Group, LLC, seeking class action status and alleging breach of implied contract, negligence, and deceptive business practices related to an alleged data breach. As of 19 February 2018, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to make a reliable estimate of the possible financial effect of any claims.

A claim was filed on 5 May 2017 against InterContinental Hotels Group, PLC, Inter-Continental Hotels Corporation, and InterContinental Hotels Group Resources, Inc. seeking class action status and alleging breach of implied contract, negligence, and unjust enrichment regarding an alleged data breach. As of 19 February 2018, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to make a reliable estimate of the possible financial effect of any claims.

A claim was filed on 26 June 2017 against Inter-Continental Hotels Corporation, InterContinental Hotels Group Resources, Inc., and InterContinental Hotels Group (Canada), Inc. seeking class action status and alleging breach of fiduciary duty, negligence, breach of confidence, intrusion upon seclusion, breach of contract, breach of privacy legislation, and unjust enrichment regarding an alleged data breach. As of 19 February 2018, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to make a reliable estimate of the possible financial effect of any claims.

A claim was filed on 26 January 2018 against InterContinental Hotels Group, PLC, Inter-Continental Hotels Corporation, and InterContinental Hotels Group Resources, Inc. alleging negligence and seeking class action status, declaratory judgment, injunctive relief and unspecified damages regarding an alleged data breach. As of 19 February 2018, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to make a reliable estimate of the possible financial effect of any claims.

Exchange controls and restrictions on payment of dividends

There are no restrictions on dividend payments to US citizens.

Although there are currently no UK foreign exchange control restrictions on the export or import of capital or the payment of dividends on the ordinary shares or the ADSs, economic sanctions which may be in force in the UK from time to time impose restrictions on the payment of dividends to persons resident (or treated as so resident) in or governments of (or persons exercising public functions in) certain countries.

Other than economic sanctions which may be in force in the UK from time to time, there are no restrictions under the Articles or under English law that limit the right of non-resident or foreign owners to hold or vote the ordinary shares or the ADSs. In addition, the Articles contain certain limitations on the voting and other rights of any holder of ordinary shares whose holding may, in the opinion of the Directors, result in the loss or failure to secure the reinstatement of any licence or franchise from any US governmental agency held by Six Continents Hotels, Inc. or any subsidiary thereof.

This section provides a summary of material US federal income tax and UK tax consequences to the US holders, described below, of owning and disposing of ordinary shares or ADSs of the Company. This section addresses only the tax position of a US holder who holds ordinary shares or ADSs as capital assets. This section does not, however, discuss all of the tax considerations that may be relevant to any particular US holder, such as the provisions of the Internal Revenue Code of 1986, as amended (IR Code) known as the Medicare Contribution tax or tax consequences to US holders subject to special rules, such as:

- Certain financial institutions.
- Insurance companies.
- Dealers and traders in securities who use a mark-to-market method of tax accounting.
- Persons holding ordinary shares or ADSs as part of a straddle, conversion transaction, integrated transaction or wash sale, or persons entering into a constructive sale with respect to the ordinary shares or ADSs.
- Persons whose functional currency for US federal income tax purposes is not the US dollar.
- Partnerships or other entities classified as partnerships for US federal income tax purposes.
- Persons liable for the alternative minimum tax.
- Tax-exempt organisations.
- Persons who acquired the Company's ADSs or ordinary shares pursuant to the exercise of any employee stock option or otherwise in connection with employment.
- Persons who, directly or indirectly, own ordinary shares or ADSs representing 10% or more of the Company's voting power or value.

This section does not generally deal with the position of a US holder who is resident in the UK for UK tax purposes or who is subject to UK taxation on capital gains or income by virtue of carrying on a trade, profession or vocation in the UK through a branch, agency or permanent establishment to which such ADSs or ordinary shares are attributable ('trading in the UK').

As used herein, a 'US holder' is a person who, for US federal income tax purposes, is a beneficial owner of ordinary shares or ADSs and is: (i) a citizen or individual resident of the US; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the US, any state therein or the District of Columbia; (iii) an estate whose income is subject to US federal income tax regardless of its source; or (iv) a trust, if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust.

This section is based on the IR Code, its legislative history, existing and proposed regulations, published rulings and court decisions, and on UK tax laws and the published practice of HM Revenue and Customs (HMRC), all as of the date hereof. These laws, and that practice, are subject to change, possibly on a retroactive basis.

This section is further based in part upon the representations of the ADR Depositary and assumes that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms. For US federal income tax purposes, an owner of ADRs evidencing ADSs will generally be treated as the owner of the underlying shares represented by those ADSs. For UK tax purposes, in practice, HMRC will also regard holders of ADSs as the beneficial owners of the ordinary shares represented by those ADSs (although case law has cast some doubt on this). The discussion below assumes that HMRC's position is followed.

Generally, exchanges of ordinary shares for ADSs, and ADSs for ordinary shares, will not be subject to US federal income tax or UK taxation on capital gains, although UK stamp duty reserve tax (SDRT) may arise as described below.

The US Treasury has expressed concerns that parties to whom ADSs are pre-released before shares are delivered to the depositary, or intermediaries in the chain of ownership between holders and the issuer of the securities underlying the ADSs, may be taking actions that are inconsistent with the claiming of foreign tax credits by US holders of ADSs. Such actions would also be inconsistent with the claiming of the preferential rates of tax, described below, for qualified dividend income. Accordingly, the availability of the preferential rates of tax for qualified dividend income described below could be affected by actions taken by parties to whom the ADSs are pre-released.

Investors should consult their own tax advisers regarding the US federal, state and local, the UK and other tax consequences of owning and disposing of ordinary shares or ADSs in their particular circumstances.

The following disclosures assumes that the Company is not, and will not become, a positive foreign investment company (PFIC), as described below.

Taxation of dividends

UK taxation

Under current UK tax law, the Company will not be required to withhold tax at source from dividend payments it makes.

A US holder who is not resident for UK tax purposes in the UK and who is not trading in the UK will generally not be liable for UK taxation on dividends received in respect of the ADSs or ordinary shares.

US federal income taxation

A US holder is generally subject to US federal income taxation on the gross amount of any dividend paid by the Company out of its current or accumulated earnings and profits (as determined for US federal income tax purposes). Distributions in excess of the Company's current and accumulated earnings and profits, as determined for US federal income tax purposes, will be treated as a return of capital to the extent of the US holder's basis in the shares or ADSs and thereafter as capital gain. Because the Company has not historically maintained, and does not currently maintain, books in accordance with US tax principles, the Company does not expect to be in a position to determine whether any distribution will be in excess of the Company's current and accumulated earnings and profits as computed for US federal income tax purposes. As a result, it is expected that amounts distributed will be reported to the Internal Revenue Service (IRS) as dividends.

Subject to applicable limitations and the discussion above regarding concerns expressed by the US Treasury, dividends paid to certain non-corporate US holders will be taxable at the preferential rates applicable to long-term capital gain if the dividends constitute 'qualified dividend income'. The Company expects that dividends paid by the Company with respect to the ADSs will constitute qualified dividend income. US holders should consult their own tax advisors to determine whether they are subject to any special rules that limit their ability to be taxed at these preferential rates.

Dividends must be included in income when the US holder, in the case of shares, or the ADR Depositary, in the case of ADSs, actually or constructively receives the dividend, and will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. For foreign tax credit limitation purposes, dividends will generally be income from sources outside the US.

Shareholder information continued
Taxation continued

The amount of any dividend paid in pounds sterling will be the US dollar value of the sterling payments made, determined at the spot sterling/US dollar rate on the date the dividend distribution is includible in income, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on that date, a US holder should not be required to recognise foreign currency gain or loss in respect of the dividend income. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date the payment is converted into US dollars will be treated as ordinary income or loss from sources within the US.

Taxation of capital gains

UK taxation

A US holder who is not resident for UK tax purposes in the UK and who is not trading in the UK will not generally be liable for UK taxation on capital gains, or eligible for relief for allowable losses, realised or accrued on the sale or other disposal of ADSs or ordinary shares. A US holder of ADSs or ordinary shares who is an individual and who, broadly, has temporarily ceased to be resident in the UK or has become temporarily treated as non-resident for UK tax purposes for a period of not more than five years and who disposes of ordinary shares or ADSs during that period may, for the year of assessment when that individual becomes resident again in the UK, be liable to UK tax on capital gains (subject to any available exemption or relief), notwithstanding the fact that such US holder was not treated as resident in the UK at the time of the sale or other disposal.

US federal income taxation

A US holder who sells or otherwise disposes of ordinary shares or ADSs will recognise a capital gain or loss for US federal income tax purposes equal to the difference between the amount realised and its tax basis in the ordinary shares or ADSs, each determined in US dollars. Such capital gain or loss will be long-term capital gain or loss where the US holder has a holding period greater than one year. Losses may also be treated as long-term capital losses to the extent of certain 'extraordinary dividends' that qualified for the preferential tax rates on qualified dividend income described above. The capital gain or loss will generally be income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

PFIC rules

Based on the manner in which the Group operates its business and estimates of the value of its assets (which estimates are based, in part, on the market value of the Company's ADSs) the Company believes that it was not a PFIC for US federal income tax purposes for its 2017 taxable year. However, this conclusion is an annual factual determination and thus may be subject to change. If the Company were a PFIC for any taxable year during which a US holder owned ordinary shares or ADSs, gain realised on the sale or other disposition of ordinary shares or ADSs would, in general, not be treated as capital gain. Instead, gain would be treated as if the US holder had realised such gain rateably over the holding period for the ordinary shares or ADSs and, to the extent allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC, would be taxed as ordinary income. The amount allocated to each other taxable year would be taxed at the highest tax rate in effect (for individuals or corporations, as applicable) for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. In addition, similar rules would apply to any 'excess distribution' received on the ordinary shares or ADSs (generally, the excess of any distribution received on the ordinary shares or ADSs during the taxable year over 125% of the average amount of distributions received during a specified prior period). The preferential rates for qualified dividend income described above would not apply if the Company were a PFIC in the taxable year of the distribution or the preceding taxable year.

Certain elections may be available (including a market-to-market election) to US holders that would result in alternative treatments of the ordinary shares or ADSs. If the Company were a PFIC for any taxable year in which a US holder held ordinary shares or ADSs, a US holder would generally be required to file IRS Form 8621 with their annual US federal income tax returns, subject to certain exceptions.

Additional tax considerations

UK inheritance tax

An individual who is neither domiciled nor deemed domiciled in the UK (under certain existing UK rules relating to previous domicile or long residence, or under expanded UK rules taking effect from 6 April 2017) is only chargeable to UK inheritance tax to the extent the individual owns assets situated in the UK. As a matter of UK law, it is not clear whether the situs of an ADS for UK inheritance tax purposes is determined by the place where the depositary is established and records the entitlements of the deposit holders, or by the situs of the underlying share which the ADS represents, but the UK tax authorities may take the view that the ADSs, as well as the ordinary shares, are or represent UK-situs assets.

However, an individual who is domiciled in the US (for the purposes of the Estate and Gift Tax Convention (the Convention), and is not a UK national as defined in the Convention, will not be subject to UK inheritance tax (to the extent UK inheritance tax applies) in respect of the ordinary shares or ADSs on the individual's death or on a transfer of the ordinary shares or ADSs during their lifetime, provided that any applicable US federal gift or estate tax is paid, unless the ordinary shares or ADSs are part of the business property of a UK permanent establishment or pertain to a UK fixed base of an individual used for the performance of independent personal services. Where the ordinary shares or ADSs have been placed in trust by a settlor, they may be subject to UK inheritance tax unless, when the trust was created, the settlor was domiciled in the US and was not a UK national. If no relief is given under the Convention, inheritance tax may be charged on death and also on the amount by which the value of an individual's estate is reduced as a result of any transfer made by way of gift or other undervalue transfer, broadly within seven years of death, and in certain other circumstances. Where the ordinary shares or ADSs are subject to both UK inheritance tax and to US federal gift or estate tax, the Convention generally provides for either a credit against US federal tax liabilities for UK inheritance tax paid or for a credit against UK inheritance tax liabilities for US federal tax paid, as the case may be.

UK stamp duty and SDRT

Neither stamp duty nor SDRT will generally be payable in the UK on the purchase or transfer of an ADS, provided that the ADS and any separate instrument or written agreement of transfer are executed and remain at all times outside the UK. UK legislation does however provide for stamp duty (in the case of transfers) or SDRT to be payable at the rate of 1.5% on the amount or value of the consideration (or, in some cases, the value of the ordinary shares) where ordinary shares are issued or transferred to a person (or a nominee or agent of a person) whose business is or includes issuing depositary receipts or the provision of clearance services. In accordance with the terms of the deposit agreement, any tax or duty payable on deposits of ordinary shares by the depositary or by the custodian of the depositary will typically be charged to the party to whom ADSs are delivered against such deposits.

Following litigation on the subject, HMRC has accepted that it will no longer seek to apply the 1.5% SDRT charge when new shares are issued to a clearance service or depositary receipt system on the basis that the charge is not compatible with EU law. The 2017 Autumn Budget included a statement that the Government will not reintroduce the 1.5% charge on the issue of shares (and transfers integral to the raising of capital) into clearance service or depositary receipt systems following the UK's exit from the EU. In HMRC's view, the 1.5% SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt system unless they are an integral part of an issue of share capital. Specific professional advice should be sought before paying the 1.5% SDRT or stamp duty charge in any circumstances.

A transfer of the underlying ordinary shares will generally be subject to stamp duty or SDRT, normally at the rate of 0.5% of the amount of value of the consideration (rounded up to the next multiple of £5 in the case of stamp duty). A transfer of ordinary shares from a nominee to its beneficial owner, including the transfer of underlying ordinary shares from the depositary to an ADS holder, under which no beneficial interest passes, will not be subject to stamp duty or SDRT.

US backup withholding and information reporting

Payments of dividends and sales proceeds with respect to ADSs and ordinary shares may be reported to the IRS and to the US holder. Backup withholding may apply to these reportable payments if the US holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US holders (including, among others, corporations) are not subject to information reporting and backup withholding. The amount of any backup withholding from a payment to a US holder will be allowed as a credit against the holder's US federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS. US holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Certain US holders who are individuals (and certain specified entities), may be required to report information relating to their ownership of non-US securities unless the securities are held in accounts at financial institutions (in which case the accounts may be reportable if maintained by non-US financial institutions). US holders should consult their tax advisers regarding any reporting obligations they may have with respect to the Company's ordinary shares or ADSs.

Disclosure controls and procedures

As of the end of the period covered by this report, the Group carried out an evaluation under the supervision and with the participation of the Group's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Group's disclosure controls and procedures (as defined in Rules 13a–15(e) and 15d–15(e) of the Securities Exchange Act 1934).

These are defined as those controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act 1934 is recorded, processed, summarised and reported within the specified periods. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Group's disclosure controls and procedures were effective.

Shareholder information continued

Summary of significant corporate governance differences from NYSE listing standards

The Group's statement of compliance with the principles and provisions specified in the UK Corporate Governance Code issued in April 2016 by the Financial Reporting Council (the Code) is set out on pages 62 and 63.

IHG has also adopted the corporate governance requirements of the US Sarbanes-Oxley Act and related rules and of the NYSE, to the extent that they are applicable to it as a foreign private issuer. As a foreign private issuer, IHG is required to disclose any significant ways in which its corporate governance practices differ from those followed by US companies. These are as follows:

Basis of regulation

The Code contains a series of principles and provisions. It is not, however, mandatory for companies to follow these principles. Instead, companies must disclose how they have applied them and disclose, if applicable, any areas of non-compliance along with an explanation for the non-compliance.

In contrast, US companies listed on the NYSE are required to adopt and disclose corporate governance guidelines adopted by the NYSE.

Independent Directors

The Code's principles recommend that at least half the Board, excluding the Chairman, should consist of Independent Non-Executive Directors. As at 19 February 2018, the Board consisted of the Chairman, independent at the time of his appointment, three Executive Directors and seven Independent Non-Executive Directors. NYSE listing rules applicable to US companies state that companies must have a majority of independent directors. The NYSE set out five bright line tests for director independence. The Board's judgement is that all of its Non-Executive Directors are independent. However, it did not explicitly take into consideration the NYSE's tests in reaching this determination.

Chairman and Chief Executive Officer

The Code recommends that the Chairman and Chief Executive Officer should not be the same individual to ensure that there is a clear division of responsibility for the running of the Company's business. There is no corresponding requirement for US companies. The roles of Chairman and Chief Executive Officer were, as at 19 February 2018 and throughout 2017, fulfilled by separate individuals.

Committees

The Company has a number of Board Committees which are similar in purpose and constitution to those required for domestic companies under NYSE rules. The NYSE requires US companies to have audit, remuneration and nominating/corporate governance committees composed entirely of independent directors, as defined under the NYSE rules. The Company's Nomination Committee consists only of Non-Executive Directors and the Company's Audit and Remuneration Committees consists entirely of Non-Executive Directors who are independent under the standards of the Code, which may not necessarily be the same as the NYSE independence standards. The nominating/governance committee is responsible for identifying individuals qualified to become Board members and to recommend to the Board a set of corporate governance principles. As the Company is subject to the Code, the Company's Nomination Committee is only responsible for nominating, for approval by the Board, candidates for appointment to the Board, although it also assists in developing the role of the Senior Independent Non-Executive Director. The Company's Nomination Committee consists of the Chairman and all the Independent Non-Executive Directors.

The Chairman of the Company is not a member of either the Remuneration or the Audit Committee. As set out on page 56, the Audit Committee is chaired by an Independent Non-Executive Director who, in the Board's view, has the experience and qualifications to satisfy the criterion under US rules for an 'audit committee financial expert'.

Non-Executive Director meetings

NYSE rules require that non-management directors of US companies must meet on a regular basis without management present, and independent directors must meet separately at least once per year. The Code requires: (i) the Board Chairman to hold meetings with the Non-Executive Directors without the Executive Directors present; and (ii) the Non-Executive Directors to meet at least annually without the Chairman present to appraise the Chairman's performance. The Company's Non-Executive Directors have met frequently without Executive Directors being present, and intend to continue this practice, after every Board meeting if possible.

Shareholder approval of equity compensation plans

The NYSE rules require that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans. The Company complies with UK requirements which are similar to the NYSE rules. The Board does not, however, explicitly take into consideration the NYSE's detailed definition of 'material revisions'.

Code of Conduct

The NYSE requires companies to adopt a code of business conduct and ethics, applicable to directors, officers and employees. Any waivers granted to directors or officers under such a code must be promptly disclosed. As set out on page 161, IHG's Code of Conduct is applicable to all Directors, officers and employees, and further information on the Code of Conduct is available on the Company's website at **www.ihgplc.com/investors** under Corporate governance. No waivers have been granted under the Code of Conduct.

Compliance certification

Each chief executive of a US company must certify to the NYSE each year that he or she is not aware of any violation by the Company of any NYSE corporate governance listing standard. As the Company is a foreign private issuer, the Company's Chief Executive Officer is not required to make this certification. However, he is required to notify the NYSE promptly in writing after any of the Company's executive officers become aware of any non-compliance with those NYSE corporate governance rules applicable to the Company.

Selected five-year consolidated financial information

The selected consolidated financial data set forth in the table below for the years ended 31 December 2013, 2014, 2015, 2016 and 2017 have been prepared in accordance with IFRS as issued by the IASB and in accordance with IFRS as adopted by the EU, and is derived from the audited Group Financial Statements.

IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB. However, the differences have no impact on the Group Financial Statements for the years presented. The selected consolidated financial data set forth below should be read in conjunction with, and is qualified in its entirety by reference to, the Group Financial Statements and notes thereto included elsewhere in this Annual Report and Form 20-F.

Group income statement data

$m, except earnings per ordinary share

For the year ended 31 December	2017	2016	2015	2014	2013
Revenue	**1,784**	1,715	1,803	1,858	1,903
Total operating profit before exceptional items	**759**	707	680	651	668
Exceptional items	**4**	(29)	819	29	5
Total operating profit	**763**	678	1,499	680	673
Financial income	**4**	6	5	3	5
Financial expenses	**(89)**	(93)	(92)	(83)	(78)
Profit before tax	**678**	591	1,412	600	600
Tax:					
On profit before exceptional items	**(201)**	(186)	(180)	(179)	(175)
On exceptional items	**116**	12	(8)	(29)	(6)
Exceptional tax	**–**	–	–	–	(45)
	(85)	(174)	(188)	(208)	(226)
Profit for the year from continuing operations:	**593**	417	1,224	392	374
Attributable to:					
Equity holders of the parent	**592**	414	1,222	391	372
Non-controlling interest	**1**	3	2	1	2
Earnings per ordinary share (continuing and total operations):					
Basic	**306.7¢**	195.3¢	520.0¢	158.3¢	140.9¢
Diluted	**305.2¢**	193.5¢	513.4¢	156.4¢	139.3¢

Group statement of financial position data

$m, except number of shares

For the year ended 31 December	2017	2016	2015	2014	2013
Goodwill and other intangible assets	**1,467**	1,292	1,226	643	518
Property, plant and equipment	**425**	419	428	741	1,169
Investments and other financial assets	**369**	359	420	368	321
Non-current trade and other receivables	**-**	8	3	3	–
Retirement benefit assets	**3**	–	–	8	7
Non-current tax receivable	**16**	23	37	34	16
Deferred tax assets	**56**	48	49	87	108
Current assets	**839**	778	1,606	624	700
Assets classified as held for sale	**–**	–	–	310	228
Total assets	**3,175**	2,927	3,769	2,818	3,067
Current liabilities	**1,304**	1,134	1,369	943	928
Long-term debt	**1,893**	1,606	1,239	1,569	1,269
Net (liabilities)/assets	**(851)**	(759)	319	(717)	(74)
Equity share capital	**154**	141	169	178	189
IHG shareholders' equity	**(858)**	(767)	309	(725)	(82)
Number of shares in issue at end of the year (millions)	**197**	206	248	248	269

Shareholder information continued
Return of funds

Since March 2004, the Group has returned over £6.2 billion of funds to shareholders by way of special dividends, capital returns and share repurchase programmes. On 21 February 2017, the Company announced a $400 million return of funds to shareholders via special dividend with share consolidation. The special dividend was paid on 22 May 2017.

Return of funds programme	Timing	Total return	Returned to date
£501m special dividend[a]	Paid in December 2004	£501m	£501m
£250m share buyback	Completed in 2004	£250m	£250m
£996m capital return[a]	Paid in July 2005	£996m	£996m
£250m share buyback	Completed in 2006	£250m	£250m
£497m special dividend[a]	Paid in June 2006	£497m	£497m
£250m share buyback	Completed in 2007	£250m	£250m
£709m special dividend[a]	Paid in June 2007	£709m	£709m
£150m share buyback	n/a[b]	£150m	£120m
$500m special dividend[a, c]	Paid in October 2012	£315m[d] ($500m)	£315m[e] ($505m)
$500m share buyback	Completed in 2014	£315m[d] ($500m)	£315m ($500m)[f]
$350m special dividend	Paid in October 2013	£229m[g] ($350m)	£228m ($355m)[h]
$750m special dividend[a]	Paid in July 2014	£447m[i] ($750m)	£446m ($763m)[j]
$1,500m special dividend[a]	Paid in May 2016	£1,038m[k] ($1,500m)	£1,038m ($1,500m)
$400m special dividend[a]	Paid in May 2017	£309m[l] ($400m)	£309m ($400m)
Total		£6,256m	£6,224m

[a] Accompanied by a share consolidation.
[b] This programme was superseded by the share buyback programme announced on 7 August 2012.
[c] IHG changed the reporting currency of its Consolidated Financial Statements from sterling to US dollars effective from the Half-Year Results as at 30 June 2008.
[d] The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate of $1=£0.63, as set out in the circular detailing the special dividend and share buyback programme published on 14 September 2012.
[e] Sterling dividend translated at $1=£0.624.
[f] Translated into US dollars at the average rates of exchange for the relevant years (2014 $1=£0.61; 2013 $1=£0.64; 2012 $1 = £0.63).
[g] The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate of $1=£0.65, as announced in the Half-Year Results to 30 June 2013.
[h] Sterling dividend translated at $1=£0.644.
[i] The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate translated at $1=£0.597.
[j] Sterling dividend translated at $1=£0.5845.
[k] The dividend was first determined in US dollars and converted to sterling at the rate of $1 = £0.6923, as announced on 12 May 2016.
[l] The dividend was first determined in US dollars and converted to sterling at the rate of $1 = £0.7724, as announced on 11 May 2017.

Purchases of equity securities by the Company and affiliated purchasers

During the financial year ended 31 December 2017, no ordinary shares were purchased by the Company and the Company's employee share ownership trust.

	Total number of shares (or units) purchased	Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programmes	Maximum number of shares (or units) that may be purchased under the plans or programmes
Month 1 (no purchases this month)	nil	nil	nil	19,751,738[a]
Month 2 (no purchases this month)	nil	nil	nil	19,751,738[a]
Month 3 (no purchases this month)	nil	nil	nil	19,751,738[a]
Month 4 (no purchases this month)	nil	nil	nil	19,751,738[a]
Month 5 (no purchases this month)	nil	nil	nil	18,999,018[b]
Month 6 (no purchases this month)	nil	nil	nil	18,999,018[b]
Month 7 (no purchases this month)	nil	nil	nil	18,999,018[b]
Month 8 (no purchases this month)	nil	nil	nil	18,999,018[b]
Month 9 (no purchases this month)	nil	nil	nil	18,999,018[b]
Month 10 (no purchases this month)	nil	nil	nil	18,999,018[b]
Month 11 (no purchases this month)	nil	nil	nil	18,999,018[b]
Month 12 (no purchases this month)	nil	nil	nil	18,999,018[b]

[a] Reflects the resolution passed at the Company's AGM held on 6 May 2016.
[b] Reflects the resolution passed at the Company's AGM held on 5 May 2017.

Share price information

The principal trading market for the Company's ordinary shares is the London Stock Exchange (LSE). The ordinary shares are also listed on the NYSE, trading in the form of ADSs evidenced by ADRs. Each ADS represents one ordinary share. The Company has a sponsored ADR facility with JPMorgan as ADR Depositary. The following table shows, for the financial periods indicated, the reported high and low middle market quotations (which represent an average of closing bid and ask prices) for the ordinary shares on the LSE, as derived from the Official List of the UK Listing Authority, and the highest and lowest sales prices of the ADSs as reported on the NYSE composite tape.

	£ per ordinary share		$ per ADS[a]	
Year ended 31 December	**high**	**low**	**high**	**low**
2013	20.39	17.37	33.54	26.90
2014	27.10	18.66	42.51	30.88
2015	28.80	22.09	43.55	33.52
2016	36.38	21.84	44.67	32.11
2017	**47.19**	**36.66**	**63.51**	**44.96**
Quarters in the year ended 31 December				
2016				
First quarter	28.71	21.84	41.27	32.11
Second quarter	29.28	25.25	41.86	35.14
Third quarter	33.65	27.59	44.67	36.81
Fourth quarter	36.38	30.21	44.33	38.16
2017				
First quarter	**39.37**	**36.66**	**49.06**	**44.96**
Second quarter	**44.68**	**38.42**	**57.66**	**48.29**
Third quarter	**44.11**	**36.68**	**57.06**	**49.14**
Fourth quarter	**47.19**	**39.87**	**63.51**	**52.84**
2018				
First quarter (to 19 February)	49.28	44.98	68.90	62.17
Month ended				
August 2017	**44.11**	**38.12**	**57.04**	**49.43**
September 2017	**39.48**	**36.68**	**52.95**	**49.14**
October 2017	**41.83**	**39.87**	**55.59**	**52.84**
November 2017	**44.06**	**42.10**	**58.76**	**55.73**
December 2017	**47.19**	**43.67**	**63.51**	**58.99**
January 2018	49.28	46.85	68.90	63.27
February 2018 (to 19 February)	47.20	44.98	67.34	62.17

[a] Fluctuations in the exchange rates between sterling and the US dollar will affect the dollar equivalent of the sterling price of the ordinary shares on the LSE and, as a result, are likely to affect the market price of ADSs.

Dividend history

The table below sets forth the amounts of ordinary dividends on each ordinary share and special dividends, in respect of each financial year indicated.

	Interim dividend		Final dividend		Total dividend		Special dividend	
	pence	cents	pence	cents	pence	cents	pence	cents
2017	**24.4**	**33.0**	**N/A[a]**	**71.0**	**N/A[a]**	**104.0**	**156.4[b]**	**202.5[b]**
2016	22.6	30.0	49.4	64.0	72.0	94.0	438.2[b]	632.9[b]
2015	17.7	27.5	40.3	57.5	58.0	85.0	–	–
2014	14.8	25.0	33.8	52.0	48.6	77.0	174.9[b]	293.0[b]
2013	15.1	23.0	28.1	47.0	43.2	70.0	87.1	133.0
2012	13.5	21.0	27.7	43.0	41.2	64.0	108.4[b]	172.0[b]
2011	9.8	16.0	24.7	39.0	34.5	55.0	–	–
2010	8.0	12.8	22.0	35.2	30.0	48.0	–	–
2009	7.3	12.2	18.7	29.2	26.0	41.4	–	–
2008[c]	6.4	12.2	20.2	29.2	26.6	41.4	–	–
2007	5.7	11.5	14.9	29.2	20.6	40.7	200[b]	–
2006	5.1	9.6	13.3	25.9	18.4	35.5	118[b]	–
2005	4.6	8.1	10.7	18.7	15.3	26.8	–	–

[a] The sterling amount of the final dividend will be announced on 23 April 2018 using the average of the daily exchange rates from 18 April 2018 to 20 April 2018 inclusive.

[b] Accompanied by a share consolidation.

[c] IHG changed the reporting currency of its Consolidated Financial Statements from sterling to US dollars effective from the Half-Year Results as at 30 June 2008. Starting with the interim dividend for 2008, all dividends have first been determined in US dollars and converted into sterling prior to payment.

Shareholder information continued
Shareholder profiles

Shareholder profile by type as at 31 December 2017

Category of shareholder	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
Private individuals	34,948	93.53	9,468,586	4.79
Nominee companies	1,451	3.88	162,026,026	82.00
Limited and public limited companies	812	2.17	15,560,735	7.87
Other corporate bodies	147	0.39	10,431,329	5.28
Pension funds, insurance companies and banks	10	0.03	110,934	0.06
Total	37,368	100	197,597,610	100

Shareholder profile by size as at 31 December 2017

Range of shareholdings	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
1–199	25,075	67.10	1,514,320	0.77
200–499	6,775	18.13	2,123,354	1.07
500–999	2,831	7.58	1,968,555	1.00
1,000–4,999	1,883	5.04	3,630,490	1.84
5,000–9,999	221	0.59	1,560,634	0.79
10,000–49,999	323	0.86	6,957,954	3.52
50, 000–99,999	93	0.25	6,746,735	3.41
100,000–499,999	119	0.32	27,636,466	13.99
500,000–999,999	22	0.06	15,829,002	8.01
1,000,000 and above	26	0.07	129,630,100	65.60
Total	37,368	100	197,597,610	100

Shareholder profile by geographical location as at 31 December 2017

Country/Jurisdiction	Percentage of issued share capital[a]
UK	48.1
Rest of Europe	17.5
US (including ADRs)	32.1
Rest of world	2.3
Total	100

[a] The geographical profile presented is based on an analysis of shareholders (by manager) of 40,000 shares or above where geographical ownership is known. This analysis only captures 90.4% of total issued share capital. Therefore, the known percentage distributions have been multiplied by 100⁄90.4 (1.106) to achieve the figures shown in the table above.

As of 19 February 2018, 13,494,031 ADSs equivalent to 13,494,031 ordinary shares, or approximately 7.10% of the total issued share capital, were outstanding and were held by 512 holders. Since certain ordinary shares are registered in the names of nominees, the number of shareholders on record may not be representative of the number of beneficial owners.

As of 19 February 2018, there were a total of 37,199 recorded holders of ordinary shares, of whom 269 had registered addresses in the US and held a total of 410,801 ordinary shares (0.21% of the total issued share capital).

Exhibits

The following exhibits are filed as part of this Annual Report on Form 20-F with the SEC.

Exhibit 1[a]	Articles of Association of the Company (incorporated by reference to Exhibit 1 of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 11 April 2011)
Exhibit 4(a)(i)[a]	Amended and restated trust deed dated 11 August 2016 relating to a £2 billion Euro Medium Term Note Programme, among InterContinental Hotels Group PLC, Six Continents Limited, InterContinental Hotels Limited and HSBC Corporate Trustee Company (UK) Limited (incorporated by reference to Exhibit 4(a)(i) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1 – 10409) date 2 March 2017)
Exhibit 4(a)(ii)[a]	Five-year $1.275 billion bank facility agreement dated 30 March 2015, among InterContinental Hotels Group PLC and certain of its subsidiaries, and Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank, N.A. London Branch, Commerzbank Aktiengesellschaft, London Branch, DBS Bank Ltd., London Branch, HSBC Bank plc, SunTrust Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Royal Bank Of Scotland plc, U.S. Bank National Association and Wells Fargo Bank N.A., London Branch (incorporated by reference to Exhibit 4a(iii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1 – 10409) dated 3 March 2016)
Exhibit 4(a)(iii)[a]	$400 million bank facility agreement dated 13 January 2015, among InterContinental Hotels Group PLC and certain of its subsidiaries, and Bank of America Merrill Lynch International Limited (incorporated by reference to Exhibit 4(a)(i) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 26 February 2015)
Exhibit 4(a)(iv)[a]	Share sale and purchase agreement relating to InterContinental Paris – Le Grand, between BHR Holdings BV and Constellation Hotels France Grand SA dated 7 December 2014 (incorporated by reference to Exhibit 4(a)(iii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 26 February 2015)
Exhibit 4(a)(v)[a]	Share sale and purchase agreement between Kimpton Group Holding LLC and Dunwoody Operations, Inc. dated 15 December 2014 (incorporated by reference to Exhibit 4(a)(ii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 26 February 2015)
Exhibit 4(a)(vi)[a]	Share sale and purchase agreement relating to InterContinental Hong Kong, between Hotel InterContinental London (Holdings) Limited and Supreme Key Limited dated 10 July 2015 (incorporated by reference to Exhibit 4(a)(i) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 3 March 2016)
Exhibit 4(c)(i)[a]	Paul Edgecliffe-Johnson's service contract dated 6 December 2013, commencing on 1 January 2014 (incorporated by reference to Exhibit 4(c)(i) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 26 February 2014)
Exhibit 4(c)(ii)[a]	Richard Solomons' service contract dated 16 March 2011, commencing on 1 July 2011 (incorporated by reference to Exhibit 4(c)(iii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 11 April 2011)
Exhibit 4(c)(iii)[a]	Rules of the InterContinental Hotels Group Long Term Incentive Plan as amended on 2 May 2014 (incorporated by reference to Exhibit 4(c)(ix) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 26 February 2015)
Exhibit 4(c)(iv)[a]	Rules of the InterContinental Hotels Group Annual Performance Plan as amended on 2 May 2014 (incorporated by reference to Exhibit 4(c)(x) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 26 February 2015)
Exhibit 4(c)(v)	Keith Barr's service contract dated 5 May 2017, commencing on 1 July 2017
Exhibit 4(c)(vi)	Elie Maalouf's service contract dated 19 October 2017, commencing on 1 January 2018
Exhibit 8	List of subsidiaries as at 31 December 2017 (can be found on pages 141 to 143)
Exhibit 12(a)	Certification of Keith Barr filed pursuant to 17 CFR 240.13a–14(a)
Exhibit 12(b)	Certification of Paul Edgecliffe-Johnson filed pursuant to 17 CFR 240.13a–14(a)
Exhibit 13(a)	Certification of Keith Barr and Paul Edgecliffe-Johnson furnished pursuant to 17 CFR 240.13a–14(b) and 18 U.S.C.1350
Exhibit 15(a)	Consent of independent registered public accounting firm, Ernst & Young LLP
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[a] Incorporated by reference.

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Glossary

adjusted
excluding the effect of exceptional items and any relevant tax.

ADR
an American Depositary Receipt, being a receipt evidencing title to an ADS.

ADR Depositary (JPMorgan)
JPMorgan Chase Bank N.A.

ADS
an American Depositary Share as evidenced by an ADR, being a registered negotiable security, listed on the New York Stock Exchange, representing one ordinary share of 18 $^{318}/_{329}$pence each of the Company.

AGM
Annual General Meeting of InterContinental Hotels Group PLC.

AMEA
Asia, Middle East and Africa.

Annual Report
The Annual Report and Form 20-F in relation to the years ending 31 December 2016 or 2017 as relevant.

APP
Annual Performance Plan.

Articles
the Articles of Association of the Company for the time being in force.

average daily rate
rooms revenue divided by the number of room nights sold.

basic earnings per ordinary share
profit available for IHG equity holders divided by the weighted average number of ordinary shares in issue during the year.

Board
The Board of Directors of InterContinental Hotels Group PLC.

capital expenditure
purchases of property, plant and equipment, intangible assets, associate and joint venture investments, and other financial assets.

cash-generating units (CGUs)
the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Code
UK Corporate Governance Code issued in September 2014 by the Financial Reporting Council in the UK.

Companies Act
the Companies Act 2006, as amended from time to time.

Company or **Parent Company**
InterContinental Hotels Group PLC.

comparable RevPAR
a comparison for a grouping of hotels that have traded in all months in financial years being compared. Principally excludes new hotels, hotels closed for major refurbishment and hotels sold in either of the two years.

Compound Annual Growth Rate (CAGR)
the annual growth rate over a period of years, calculated on the basis that each year's growth is compounded, that is, the amount of growth in each year is included in the following year's number, which in turn grows further.

constant currency
a current-year value translated using the previous year's exchange rates.

contingencies
liabilities that are contingent upon the occurrence of one or more uncertain future events.

continuing operations
operations not classified as discontinued.

currency swap
an exchange of a deposit and a borrowing, each denominated in a different currency, for an agreed period of time.

Deferred Compensation Plan
the Defined Contribution Deferred Compensation Plan.

derivatives
financial instruments used to reduce risk, the price of which is derived from an underlying asset, index or rate.

direct channels
methods of booking hotel rooms (both digital and voice) not involving third-party intermediaries.

Director
a director of InterContinental Hotels Group PLC.

DR Policy
Directors' Remuneration Policy. The revised DR Policy is not included in this year's report, but can be found on our website. A summary can be found in the Remuneration Report.

EBIT
earnings before interest and tax.

EBITDA
earning before interest, tax, depreciation and amortisation.

Employee Engagement survey
we ask our employees and those who work in our managed hotels (excluding our joint venture hotels) to participate in a survey to measure employee engagement.

EU
the European Union.

euro or **€**
the currency of the European Economic and Monetary Union.

exceptional items
items that are disclosed separately because of their size or nature.

extended-stay
hotels designed for guests staying for periods of time longer than a few nights and tending to have a higher proportion of suites than normal hotels (Staybridge Suites and Candlewood Suites).

fee business
IHG's franchise and managed businesses combined.

fee margin or **fee-based margin**
operating profit as a percentage of revenue, excluding revenue and operating profit from owned and leased hotels, managed leases, Kimpton in 2015 only, and significant liquidated damages.

franchisee
an owner who uses a brand under licence from IHG.

goodwill
the difference between the consideration given for a business and the total of the fair values of the separable assets and liabilities comprising that business.

Group or IHG
the Company and its subsidiaries.

Guest Love
IHG's guest satisfaction measurement tool used to measure brand preference and guest satisfaction.

Guest Reservation System or **GRS**
our global electronic guest reservation system, currently HOLIDEX, IHG's proprietary system.

hedging
the reduction of risk, normally in relation to foreign currency or interest rate movements, by making offsetting commitments.

hotel revenue
revenue from all revenue-generating activity undertaken by managed and owned and leased hotels, including room nights, food and beverage sales.

IASB
International Accounting Standards Board.

ICETUS
InterContinental Executive Top-Up Scheme.

IC Plan
InterContinental Hotels UK Pension Plan.

IFRS
International Financial Reporting Standards as adopted by the EU and issued by the IASB.

IHG PLC
InterContinental Hotels Group PLC.

indirect channels
online travel intermediaries and business and leisure travel agents.

interest rate swap
an agreement to exchange fixed for floating interest rate streams (or vice versa) on a notional principal.

liquidated damages
payments received in respect of the early termination of franchise and management contracts.

LTIP
Long Term Incentive Plan.

managed leases
properties structured as operating leases but with the same characteristics as management contracts.

management contract
a contract to operate a hotel on behalf of the hotel owner.

market capitalisation
the value attributed to a listed company by multiplying its share price by the number of shares in issue.

net debt
borrowings less cash and cash equivalents, including the exchange element of the fair value of currency swaps hedging the borrowings.

net rooms supply
net total number of IHG system hotel rooms.

NYSE
New York Stock Exchange.

occupancy rate
rooms occupied by hotel guests, expressed as a percentage of rooms that are available.

ordinary share
from 9 October 2012 until 30 June 2014, the ordinary shares of $14\ {}^{194}/_{329}$ pence each in the Company; from 1 July 2014, the ordinary shares of $15\ {}^{265}/_{329}$ pence each in the Company; and from 9 May 2016 the ordinary shares of $18\ {}^{318}/_{329}$ pence each in the Company; and from 8 May 2017 the ordinary shares of $19\ {}^{17}/_{21}$ pence each in the Company.

owner
the ultimate owner of a hotel property.

pipeline
hotels/rooms that will enter the IHG System at a future date. A new hotel only enters the pipeline once a contract has been signed and the appropriate fees paid. In rare circumstances, a hotel will not open for reasons such as the financing being withdrawn.

ppt
a percentage point is the unit for the arithmetic difference of two percentages.

revenue management
the employment of pricing and segment strategies to optimise the revenue generated from the sale of room nights.

revenue per available room or **RevPAR**
rooms revenue divided by the number of room nights that are available (can be mathematically derived from occupancy rate multiplied by average daily rate).

room count
number of rooms franchised, managed, owned or leased by IHG.

rooms revenue
revenue generated from the sale of room nights.

royalties
fees, based on rooms revenue, that a franchisee pays to the Group.

SEC
US Securities and Exchange Commission.

sterling or **pounds sterling**, **£**, **pence** or **p**
the pound sterling, the currency of the United Kingdom.

subsidiary
a company over which the Group exercises control.

System
hotels/rooms operating under franchise and management agreements together with IHG owned and leased hotels/rooms, globally (the IHG System) or on a regional basis, as the context requires.

System contribution to revenue
percentage of rooms revenue delivered through IHG's direct and indirect systems and channels.

System Fund or **Fund**
assessment fees and contributions collected from hotels within the IHG System which fund activities that drive revenue to our hotels including marketing, the IHG Rewards Club loyalty programme and our distribution channels.

technology fee income
income received from hotels under franchise and management agreements for the use of IHG's Guest Reservation System.

total gross revenue
total rooms revenue from franchised hotels and total hotel revenue from managed, owned and leased hotels. Other than owned and leased hotels, it is not revenue wholly attributable to IHG, as it is mainly derived from hotels owned by third parties.

Total Shareholder Return or TSR
the theoretical growth in value of a shareholding over a period, by reference to the beginning and ending share price, and assuming that dividends, including special dividends, are reinvested to purchase additional units of the equity.

UK
the United Kingdom.

UK GAAP
United Kingdom Generally Accepted Accounting Practice.

underlying fee revenue
Group revenue excluding revenue from owned and leased hotels, managed leases, and significant liquidated damages.

US
the United States of America.

US 401(k) Plan
the Defined Contribution 401(k) plan.

US dollars, **US$**, **$** or **¢**
the currency of the United States of America.

working capital
the sum of inventories, receivables and payables of a trading nature, excluding financing and taxation items.

Useful information
Investor information

Website and electronic communication
As part of IHG's commitment to reduce the cost and environmental impact of producing and distributing printed documents in large quantities, this Annual Report and Form 20-F 2017 has been made available to shareholders through our website at **www.ihgplc.com/investors** under Annual Report.

Shareholders may electronically appoint a proxy to vote on their behalf at the 2018 AGM. Shareholders who hold their shares through CREST may appoint proxies through the CREST electronic proxy appointment service, by using the procedures described in the CREST Manual.

Shareholder hotel discount
IHG offers discounted hotel stays (subject to availability) for registered shareholders only, through a controlled-access website. This is not available to shareholders who hold shares through nominee companies, ISAs or ADRs. For further details please contact the Company Secretary's office (see page 187).

Responsible Business Report
In line with our commitment to responsible business practices, this year we have produced a Responsible Business Report showcasing our approach to responsible business and progress against our corporate responsibility targets.

Visit **www.ihgplc.com/responsible-business** for details.

The IHG® Foundation
Launched in 2016, the IHG Foundation is an independent charity that sets the foundations for stronger, healthier and more prosperous communities around the world.

Visit **www.ihgfoundation.com** to learn more.

Registrar
For information on a range of shareholder services, including enquiries concerning individual shareholdings, notification of a shareholder's change of address and amalgamation of shareholder accounts (in order to avoid duplicate mailing of shareholder communications), shareholders should contact the Company's Registrar, Equiniti, on 0371 384 2132[a] (calls from within the UK) or +44 (0) 121 415 7034 (calls from outside the UK).

Dividend services
Dividend Reinvestment Plan (DRIP)

The Company offers a DRIP for shareholders to purchase additional IHG shares with their cash dividends. For further information about the DRIP, please contact our Registrar helpline on 0371 384 2268[a].

See **www.shareview.co.uk/info/drip** for a DRIP application form and information booklet.

Bank mandate

We encourage shareholders to have their dividends paid directly into their UK bank or building society accounts, to ensure efficient payment and clearance of funds on the payment date. For further information, please contact our Registrar (see page 187).

Overseas payment service

It is also possible for shareholders to have their dividends paid directly to their bank accounts in a local currency. Charges are payable for this service.

Go to **www.shareview.co.uk/info/ops** for further information.

Out-of-date/unclaimed dividends

If you think that you have out-of-date dividend cheques or unclaimed dividend payments, please contact our Registrar (see page 187).

Individual Savings Account (ISA)
Equiniti offers a Stocks and Shares ISA that can invest in IHG shares. For further information, please contact Equiniti on 0371 384 2244[a].

Share dealing services
Equiniti offers the following share-dealing facilities.

Postal dealing

For more information, call 0371 384 2248[a].

Telephone dealing

For more information, call 0345 603 7037[b].

Internet dealing

Visit **www.shareview.co.uk** for more information.

Changes to the base cost of IHG shares
Details of all the changes to the base cost of IHG shares held from April 2003 to December 2017, for UK Capital Gains Tax purposes, may be found on our website at **www.ihgplc.com/investors** under Shareholder centre in the Tax information section.

'Gone away' shareholders
Working with ProSearch (an asset reunification company), we continue to look for shareholders who have not kept their contact details up to date. We have funds waiting to be claimed and are committed to doing what we can to pay these to their rightful owners. Please contact ProSearch on +44 (0) 800 612 8671 or email info@prosearchassets.com for further details.

Shareholder security
Many companies have become aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. More detailed information on this or similar activity can be found at **www.fca.org.uk/consumers** on the Financial Conduct Authority website.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

American Depositary Receipts (ADRs)
The Company's shares are listed on the NYSE in the form of American Depositary Shares, evidenced by ADRs and traded under the symbol 'IHG'. Each ADR represents one ordinary share. All enquiries regarding ADR holder accounts and payment of dividends should be directed to JPMorgan Chase Bank, N.A., our ADR Depositary bank (contact details shown on page 187).

Documents on display
Documents referred to in this Annual Report and Form 20-F that are filed with the SEC can be found at the SEC's public reference room located at 100 F Street, NE Washington, DC 20549. For further information and copy charges please call the SEC at 1-800-SEC-0330. The Company's SEC filings since 22 May 2002 are also publicly available through the SEC's website at **www.sec.gov** Copies of the Company's Articles can be obtained via the website at **www.ihgplc.com/investors** under Corporate governance or from the Company's registered office on request.

[a] Lines are open from 8.30am to 5.30pm Monday to Friday, excluding UK public holidays.

[b] Lines are open from 8.00am to 4.30pm Monday to Friday, excluding UK public holidays.

Financial calendars

Dividends

	2017
2017 Special dividend of 156.4p per ordinary share (202.5¢ per ADR)	
Record date	5 May
Ex-dividend date	8 May
Payment date	22 May
2017 Interim dividend of 24.4p per share (33.0¢ per ADR)	
Payment date	6 October

	2018
2017 Final dividend of 71.0¢ per ordinary share[a]	
Ex-dividend date	29 March
Record date	3 April
Payment date	11 May

Other dates

	2017
Financial year end	31 December

	2018
Announcement of Preliminary Results for 2017	20 February
Announcement of 2018 First Quarter Interim Management Statement	4 May
Annual General Meeting	4 May
Announcement of Half-Year Results for 2018	7 August
Announcement of 2018 Third Quarter Interim Management Statement	19 October
Financial year end	31 December

	2019
Announcement of Preliminary Results for 2018	February

[a] The sterling amount of the final dividend will be announced on 23 April 2018 using the average of the daily exchange rates from 18, 19, 20 April 2018 inclusive.

Contacts

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United Kingdom

Telephone:
+44 (0) 1895 512 000

Fax:
+44 (0) 1895 512 101

www.ihgplc.com

For general information about the Group's business, please contact the Corporate Affairs department at the above address. For all other enquiries, please contact the Company Secretary's office at the above address.

Registrar
Equiniti, Aspect House, Spencer Road, Lancing,
West Sussex, BN99 6DA,
United Kingdom

Telephone:
0371 384 2132 (UK calls)
+44 (0) 121 415 7034 (non-UK calls)

For those with hearing difficulties a text phone is available on 0371 384 2255 for UK callers with compatible equipment.

www.shareview.co.uk

ADR Depositary
JPMorgan Chase Bank N.A., PO Box 64504,
St. Paul, MN 55164-0504,
United States of America

Telephone:
+1 800 990 1135 (US calls) (toll-free)
+1 651 453 2128 (non-US calls)

Email: jpmorgan.adr@wellsfargo.com

www.adr.com

Auditor
Ernst & Young LLP

Investment bankers
Bank of America Merrill Lynch
Goldman Sachs

Solicitors
Freshfields Bruckhaus Deringer LLP

Stockbrokers
Bank of America Merrill Lynch

Goldman Sachs

IHG® Rewards Club
If you wish to enquire about, or join, IHG Rewards Club, visit **www.ihg.com/rewardsclub** or telephone:

0871 226 1111[a] (UK)

+44 20 3349 9033[b] (Europe and Africa)

+1 888 211 9874[c] (US and Canada)

+1 800 272 9273[c] (Mexico)

+1 801 975 3013[d] (Spanish) (Central and South America)

+971 4 429 0530[d] (Middle East)

+61 2 9935 8362[d] (Australia)

+86 21 2033 4848[d] (Mandarin and Cantonese) (China)

+81 3 5767 9325[d] (Japan)

+63 2 857 8778[d] (Korea)

+63 2 857 8788[d] (all other countries in Asia Pacific)

[a] Telephone calls to this number are charged at 13p per minute. Standard network rates apply. Calls from mobiles will be higher.

[b] International calling rates apply.

[c] Toll-free.

[d] Toll charges apply.

Forward-looking statements

The Annual Report and Form 20-F 2017 contains certain forward-looking statements as defined under US legislation (Section 21E of the Securities Exchange Act of 1934) with respect to the financial condition, results of operations and business of InterContinental Hotels Group and certain plans and objectives of the Board of Directors of InterContinental Hotels Group PLC with respect thereto. Such statements include, but are not limited to, statements made in the Chairman's statement and in the Chief Executive Officer's review. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. These statements are based on assumptions and assessments made by InterContinental Hotels Group's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate.

By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed in, or implied by, such forward-looking statements, including, but not limited to: the risks of political and economic developments; the risk of events that adversely impact domestic or international travel; the risks of the hotel industry supply-and-demand cycle; the Group being subject to a competitive and changing industry; the Group's exposure to risks related to executing and realising benefits from strategic transactions, including acquisitions; the Group's dependence upon a wide range of external stakeholders and business partners; the Group's exposure to increasing competition from online travel agents and intermediaries; the risks related to identifying, securing and retaining franchise and management agreements; the risks in relation to changing technology and systems; the Group's reliance on the reputation of its brands and is exposed to inherent reputation risks; the Group's exposure to risks associated with its intellectual property; the risks involved in the Group's reliance upon its reservation system and other key technology platforms, and the risks that could cause the failure of these systems; the risks associated with safety, security and crisis management; the ability to acquire and retain the right people, skills and capability to manage growth and change; the risks associated with the Group's financial stability and its ability to borrow and satisfy debt covenants; the risk of litigation; the risks related to information security and data privacy; compliance with existing and changing regulations and societal expectations across numerous countries, territories and jurisdictions; and the risks associated with insuring its business.

The main factors that could affect the business and financial results are described in the Strategic Report of the Annual Report and Form 20-F 2017.

Designed and produced by **Superunion**
(formerly Addison Group), London.

www.superunion.com

Managed by **Donnelley Financial Solutions**

InterContinental Hotels Group PLC's commitment to environmental issues is reflected in this Annual Report.

This report has been printed on Symbol Matt Plus. Environmental friendly ECF (Elemental Chlorine Free Guaranteed) paper, certified by the FSC® (Forest Stewardship Council). Containing a high content of selected recycled materials (minimum 25% guaranteed).

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