

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>INTERCONTINENTAL HOTELS GROUP, PLC</u>		2 Issuer's employer identification number (EIN) <u>98-0677241</u>	
3 Name of contact for additional information <u>See Attached - Statement 1</u>	4 Telephone No. of contact <u>See Attached - Statement 1</u>	5 Email address of contact <u>investor.relations@ihg.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>See Attached - Statement 1</u>		7 City, town, or post office, state, and Zip code of contact <u>See Attached - Statement 1</u>	
8 Date of action <u>OCTOBER 8, 2012</u>		9 Classification and description <u>ORDINARY SHARES</u>	
10 CUSIP number <u>45857P 40 0</u>	11 Serial number(s)	12 Ticker symbol <u>IHG</u>	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHED STATEMENT 1

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ ALL THE ORDINARY SHARES WERE CONSOLIDATED BY INTERCONTINENTAL HOTELS GROUP, PLC AND EACH SHAREHOLDER'S PERCENTAGE HOLDINGS IN THE TOTAL ISSUED SHARE CAPITAL IMMEDIATELY BEFORE AND IMMEDIATELY AFTER THE IMPLEMENTATION OF THE SHARE CONSOLIDATION REMAINED UNCHANGED WITH THE EXCEPTION OF INSTANCES WHERE CASH WAS PAID IN LIEU OF FRACTIONAL SHARE PAYOUTS. A US HOLDER'S TAX BASIS IN ITS NEW ORDINARY SHARES OR ADSs GENERALLY EQUALS ITS TAX BASIS IN ITS OLD ORDINARY SHARES OR ADSs LESS ANY TAX BASIS ALLOCABLE TO ANY FRACTIONAL ENTITLEMENT TO A NEW ORDINARY SHARE OF ADS.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A US HOLDER'S TAX BASIS IN ITS NEW ORDINARY SHARES OR ADSs GENERALLY EQUALS ITS TAX BASIS IN ITS OLD ORDINARY SHARES OR ADSs LESS ANY TAX BASIS ALLOCABLE TO ANY FRACTIONAL ENTITLEMENT TO A NEW ORDINARY SHARE OF ADS.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based **INTERNAL REVENUE**
CODE SECTIONS 354, 358, 301, 1001, 1221, 1223

18 Can any resulting loss be recognized? **ANY CASH RECEIVED IN LIEU OF FRACTIONAL SHARES COULD RESULT IN A LOSS.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year **THE ABOVE DESCRIBED ORGANIZATIONAL ACTIONS ARE REPORTABLE IN TAX YEAR 2012.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature  Date

Print your name **GEORGE TURNER** Title **COMPANY SECRETARY**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name	Firm's EIN		Phone no.	
Firm's address				

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

ATTACHMENT - STATEMENT 1

The Company paid on October 22, 2012, a special dividend of US\$1.72 (108.4 pence) per each ordinary share outstanding on October 8, 2012. The Company consolidated its shares in order to broadly maintain comparability, as far as possible, of the share price before and after the payment of the special dividend.

The effect of the share consolidation was that shareholders on the register at the close of business on Monday 8 October 2012 received **14 new ordinary shares for 15 existing ordinary shares** and in that proportion for any other number of existing ordinary shares then held. The proportion of the total issued share capital of the Company held by each shareholder immediately before and following the share consolidation, save for fractional entitlements, remained unchanged. Apart from having a different nominal value, each new ordinary share carries the same rights as set out in the Company's Articles of Association that attached to the old ordinary shares.

Shareholders whose holdings of old ordinary shares could not be consolidated into whole numbers of new ordinary shares were left with a fractional entitlement. New ordinary shares representing the aggregated number of such fractional entitlements were sold in the market on Tuesday 9 October 2012 for 1626.8680 pence on behalf of the relevant shareholders. The net proceeds of the sale, after the deduction of the expenses of the sale, were paid in due proportion to the relevant shareholders on Wednesday 17 October 2012. Shareholders who held only one ordinary share received only cash.

For further information regarding the special dividend and share consolidation, please see the Shareholder Circular and Notice of General Meeting at

http://www.ihgplc.com/files/pdf/Shareholder_Circular_and_Notice_of_General_Meeting.pdf

Contact Information

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