(December 2011)

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

| Designation of the Terror | l . | | _ | | |
|---|-----------------------------|----------------------------|---|-----------------------------------|------------------------------|
| Department of the Treasury Internal Revenue Service | | | See separate instructions. | | |
| Part I Reporti | ng Issuer | | | | |
| 1 Issuer's name | | 2 Issuer's employer ident | 2 Issuer's employer identification number (EIN) | | |
| | | | | | |
| INTERCONTINENTAL I | HOTELS GROUP, PLC | | 98-0677241 | | |
| 3 Name of contact for additional information 4 Telephone No. of contact | | | e No. of contact | 5 Email address of contact | |
| | | | | | |
| SEE ATTACHED - STA | | investor.relations@ihg.com | | | |
| 6 Number and street | (or P.O. box if mail is not | delivered to s | street address) of contact | 7 City, town, or post office, sta | ite, and Zip code of contact |
| | | | | | |
| SEE ATTACHED STA | TEMENT 1 | SEE ATTACHED - STATEM | ENT 1 | | |
| 8 Date of action | | 9 Class | sification and description | | |
| | | 100000 AD AND WOOD | | | |
| MAY 9, 2016 | 44 Cartal reveals and | | RY SHARES | 13 Account number(s) | |
| 10 CUSIP number | 11 Serial number(s | 5) | 12 Ticker symbol | 13 Account number(s) | |
| | | | | | |
| 45857P 60 8 | ational Action Attac | h additional | statements if needed. See | back of form for additional qu | petions |
| | | | | against which shareholders' owner | |
| | ATTACHED - STATEN | | date of the action of the date | against which shareholders owne | World to Moderate Tol |
| THE ACTION > SEE | ATTACHED - STATEN | IENI I | | | |
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| | | | | 14 | |
| 15 Describe the quar | titative effect of the orga | nizational act | ion on the basis of the security | in the hands of a U.S. taxpayer a | s an adjustment per |
| | entage of old basis ▶ | | | ES WERE CONSOLIDATED BY | |
| INTERCONTINENTAL I | HOTELS GROUP, PLC A | ND EACH S | | GE HOLDINGS IN THE TOTAL I | SSUED SHARE |
| | | | | OF THE SHARE CONSOLIDATIO | |
| | | | | OF FRACTIONAL SHARE PAY | |
| | | | | L TAX BASIS IN ITS OLD ORDIN | |
| | | | | O A NEW ORDINARY SHARE OF | |
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| 16 Describe the calcu | | | | on, such as the market values of | |
| valuation dates ▶ | | | | S OR ADSs GENERALLY EQUA | |
| TAX BASIS IN ITS TOT | AL ORDINARY SHARES | OR ADSs L | ESS ANY TAX BASIS ALLOC | ABLE TO ANY FRACTIONAL EI | NTITLEMENT |
| TO A NEW ORDINARY | SHARE OF ADS. | | | | |
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| Form 8 | 3937 (R | ev. 12-2011) | | | Page |
|----------------|---------|--|--------------|--|--------|
| Par | | Organizational Action (continued) | | | 9 |
| | | e applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based REVENUE CODE SECTIONS ARE 354, 358, 301, 1001, 1221, 1223 | ▶ * , | APPLICABLE | |
| INTER | IVAL | REVENUE CODE SECTIONS ARE 334, 330, 301, 1001, 1221, 1223 | | | |
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| 18 (| Can ar | y resulting loss be recognized? ► A LOSS WILL BE RECOGNIZED BY SHAREHOLDERS WHO RE | CEIVE | E CASH IN LIEU OF | |
| | | L SHARES IF THE AMOUNT OF CASH RECEIVED IS LESS THAN THE SHAREHOLDER'S TAX BA | | | |
| SHAR | ES. | | _ | | |
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| 19 P | Provide | any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE | ABO | VE DESCRIBED | |
| | | IONAL ACTIONS ARE REPORTABLE IN TAX YEAR 2016. | | | |
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| | Unde | r penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements , it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which prep | s, and o | to the best of my knowled as any knowledge. | dge ar |
| Sign | 505 | -EIV | | | |
| Here | Signa | iture Date 15] | UN | E 2016 | |
| | | | | Y SECRETAR | v |
| | Print | your name ► GEORGE TURNER Print/Type preparer's name Preparer's signature Title ► COMP | | — DTIN | 7— |
| Paid | 2 FO = | Topalor 3 agricultural arranto | Che self- | eck if if inverse if inverse i | |
| Prepa Jse C | | Firm's name ▶ | Firm | n's EIN ▶ | |
| | | Firm's address ▶ | | ne no. | |
| end Fo | orm 89 | 37 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Og | iden, | UT 84201-0054 | |

INTERCONTINENTAL HOTELS GROUP, PLC FORM 8937 - STATEMENT 1 ATTACHMENT

The Company paid on Monday 23 May 2016, a special dividend of US\$6.329 per each ordinary share outstanding as of Friday 6 May 2016. 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 Friday 6 May, received **5 new ordinary shares for 6 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 that 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 Monday 9 May 2016 for an average gross price of 2695.8132 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 Tuesday 17 May 2016. 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/reports/ar2015/files/pdf/notice_of_agm.pdf

Contact Information

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