

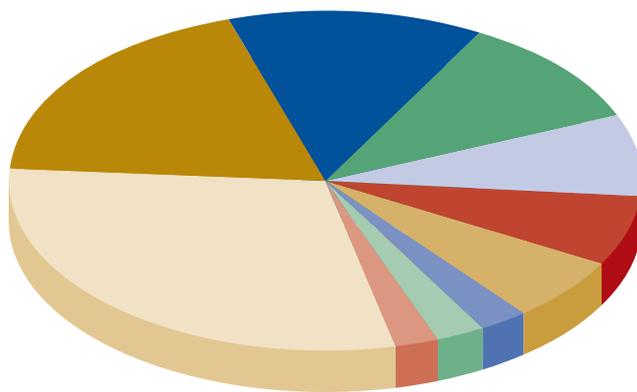
InterContinental Hotels Group

International Savings and Retirement Plan

2007 Newsletter

I'm pleased to welcome you to the 2007 Plan newsletter. It has been another good year for our members' investments – most returns have been positive. Below we show the most popular funds for the InterContinental Hotels Group (IHG) International Savings & Retirement Plan and the performance of those funds over the last three years.

The most popular IHG funds held within the Plan



19.0%	Blue Chip Fund – Currency US Dollars
13.0%	Performance Fund – Currency US Dollars
10.7%	Money Market Fund – Currency US Dollars
7.8%	Guaranteed Fund – Currency US Dollars
6.4%	Adventurous Fund – Currency US Dollars
6.2%	ZI Threadneedle Pan European
2.5%	Performance Fund – Currency Euros
2.4%	Blue Chip Fund – Currency Euros
2.3%	ZI HSBC Indian Equity Fund
29.6%	Others

The chart shows the percentage of total plan assets held in each fund

Source: Zurich International Life 24.08.07

Fund performance to 1 September 2007

Fund code	Fund name	Performance in the year to 1 September 2007	Performance in the year to 1 September 2006	Performance in the year to 1 September 2005
BCUSD	US Dollar Blue Chip Fund	11.82%	8.4%	11.2%
PFUSD	US Dollar Performance Fund	15.34%	13.0%	14.7%
SEUSD	US Dollar Money Market Fund	5.00%	4.2%	1.7%
GAF	Guaranteed Fund	*	4.23%	3.75%
ADUSD	US Dollar Adventurous Fund	21.14%	19.8%	19.6%
EQEUR	ZI Threadneedle Pan European Growth Fund	10.61%	19.0%	21.4%
PFEUR	Euro Performance Fund	11.47%	12.6%	21.2%
BCEUR	Euro Blue Chip Fund	8.36%	10.6%	20.4%
HCUSD	ZI HSBC GIF Indian Equity Fund	42.52%	34.3%	53.5%

Source: Zurich International Life, figures in fund currency, bid to bid, gross.

*2007's rates will be announced in February 2008.

Financial Counselling Benefit

The Financial Counselling Benefit is a new benefit which was introduced on 1 May 2007. This benefit is to assist you with obtaining independent financial advice regarding your investment choices in the Plan or, should you leave IHG, with advice on the option to transfer out of the Plan. Further details were in the announcement issued on 30 April 2007, a copy of which can be obtained from the 'International pensions' area of the [IHG corporate website](#).



David Coles
Vice President, Pensions

Zurich International online

Zurich International online (ZIO) is a secure, online system, that gives you access to the details of your Plan. When you join the Plan, your local administrator will create a user name and password for you and will let you know your details as soon as your policy is live. When you first access the system you will be prompted to amend your password; you will then be able to review your account or switch your investments whenever you wish. ZIO can be accessed via <https://online.zurichinternationalsolutions.com>.

Beneficiaries – are you up to date?

It is important that your beneficiary nomination(s) are entered in the beneficiary section of ZIO. This is a requirement for all scheme members, so whether you have just joined the Plan or been a member for a number of years it is essential that you complete the information.

How to update your beneficiary nominations

Once you have logged onto the ZIO site go to the beneficiary section and follow the process, completing the information required.



The form is titled "InterContinental Hotels Group international savings and retirement plan Beneficiary nomination form". It includes a Zurich logo and a note: "The form should be completed and sent to Zurich Trust Limited, 40 The Quadrant, One Castle Street, St Helier, Jersey, JE4 9SR".

Fields on the form include:

- Nomination number (with a note: "ZIO will generate a unique number")
- To (with a note: "Please tick to add an additional beneficiary to ZIO")
- Full name
- Home number
- Member's name
- Member's title of birth
- Address (with a note: "Add any correspondence")

Below these fields is a table for "Beneficiary" details with columns for Name, Relationship, and Percentage.

A "Declaration" section follows, with checkboxes for:

- I am a member of the plan and I am nominating myself as beneficiary.
- I am a member of the plan and I am nominating another person as beneficiary.
- I am not a member of the plan and I am nominating myself as beneficiary.
- I am not a member of the plan and I am nominating another person as beneficiary.

At the bottom, there are fields for "Signature" and "Date".

Then simply print the form, sign it and post to:

Zurich Trust Limited,
P.O. Box 227, One Castle Street, St Helier, Jersey, JE4 9SR

Why it is important for you to update your beneficiary information

Your beneficiary is the person or persons that you want to receive the proceeds of your Plan if you should die while still working for IHG, or if you die while still a member of the Plan in retirement.

The recipients of the Plan benefits paid on death are at the discretion of the trustee. In the event that you haven't nominated a beneficiary, the International Retirement Committee and Zurich Trust Limited will endeavour to find out who the beneficiary of the Plan should be. However this may take some time, and it may not be the person you would have chosen.

Nominations should be regularly reviewed and updated (using the beneficiary nomination form) if your circumstances change and you want someone different to receive the proceeds of your Plan.

What's your investment strategy?

Many members of the Plan have chosen to invest in the Retirement Investment Strategy (RIS), which has investment choices that automatically change as you approach retirement. RIS is explained in more detail in the 'Market Update' from Zurich International Life. However, you have access to the full range of funds from Zurich and you can choose to switch existing investments, redirect future investments or both. This is possible on the policy made up of contributions from the company and the policy made up of your own contributions. (NB: you cannot invest in a range of funds and the retirement investment strategy within the same policy at the same time).

Details of the investment options available are in the investment and mirror funds guides that Zurich produce, which can be viewed or downloaded from their website. A switch guide is available from the literature section on ZIO.

Remember, you should get advice from a relevant financial professional before making investment decisions as the value of your Plan can go down as well as up.

What if something happens to you?

If you die while still a member of the Plan, your fund value will be fixed as at the date Zurich is advised. Your nominated beneficiary(ies) will need to provide Zurich with certified copies, or an original of the following: the death certificate, their ID, proof of address, plus a claim form signed by the beneficiary(ies) and relevant authorised signatories. The recipients of Plan benefits paid on death are at the discretion of the trustee, who will endeavour to follow your wishes if you have made a beneficiary nomination and your personal circumstances have not subsequently changed. When all documents have been received and a decision made, payment will be made to your beneficiaries.

If you have any questions on anything, please contact your local administrator or one of the Zurich offices as per details below.

Leaving/retiring – what happens to your money?

When you leave or retire from IHG you will need to consider what you want to do with the value of your Plan. There are a number of options available to you which are listed below.

Transfer your Plan

If you leave IHG you may be able to transfer the value of your IHG Plan to your new employer's plan, subject to the rules of that plan.

Buy a personal policy

You can buy a personal policy from Zurich or an alternative provider of your choice. There will be no initial charges on the transferred amount if you transfer to a Zurich personal policy.

Make the Plan 'paid up'

This option is available if you are leaving IHG and your fund value is at least USD10,000. Making the plan 'paid up' means that funds remain invested in the Plan and can be withdrawn any time up to retirement age. However, you cannot make any more contributions to the Plan.

Surrender your Plan

You can surrender your Plan when you retire or when you leave IHG; this means you will be paid the total value of your Plan.

Regardless of what you decide you want to do, you should always get independent financial advice regarding the suitability of your choice.

Contacts

Zurich International Life Limited

Diane Colerick
43-45 Athol Street
Douglas
Isle of Man
IM99 1EF

Tel +44 1624 691418
Fax +44 1624 691596

diane.colerick@zurich.com

Plan Administrator – Rest of World

Kristel Vleminckx
InterContinental Hotels Group
101-103 Rue Neerveldstraat
1200 Brussels
Belgium

Tel +32 2777 5661
Fax +32 2772 0272

kristel.vleminckx@ihg.com

Plan Administrator – Asia Pacific

Gina Dearden
InterContinental Hotels Group
Level 9, 504 Pacific Highway
St. Leonards 2065
New South Wales
Australia

Tel +612 9935 8307
Fax +612 9926 9758

gina.dearden@ihg.com