

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION*

March 2012

Dear Shareholder

Publication of IHG's Annual Report and Financial Statements 2011

As one of our shareholders who receives IHG communications electronically, please note that IHG's Annual Report and Financial Statements 2011 and Annual Review and Summary Financial Statement 2011 have now been published and can be viewed on our website www.ihgplc.com/investors under financial library. Please accept my personal thanks for enabling IHG to save money and protect the environment as a result of not choosing to receive paper communications from us.

To ensure that IHG remains optimally structured to derive maximum benefit from our scale and expertise in each of the geographic regions in which we operate, we have now reorganised the business from three to four regions: The Americas; Europe; Asia, Middle East and Africa; and Greater China. In 2011 we delivered 6.2% global revenue per available room growth, beating the industry in key markets such as the US and Greater China. We grew the number of rooms in our system size by 2% in the year, and we lead the industry with a 13% share of the active new-build pipeline. Our Revenue increased by 9% to \$1,768 million, while our Group operating profit before exceptional items rose 26% to \$559 million. The Holiday Inn relaunch continues to drive results for both IHG and our owners, and we are now applying the same approach to deliver the Crowne Plaza repositioning programme.

The Board is recommending that the final dividend for 2011 is 39.0 cents per share, taking the full-year dividend to 55.0 cents per share, an increase of 15% compared with 2010. This converts to a sterling full-year dividend of 34.5 pence, up 15% compared with 2010. Subject to shareholder approval at our 2012 Annual General Meeting ('AGM'), the final dividend will be paid on 1 June 2012 to shareholders on the register at the close of business on 23 March 2012.

The AGM is to be held at 11.00am on Friday, 25 May 2012 at The Brewery, Chiswell Street, London EC1Y 4SD. Enclosed with this letter is your Notice of AGM together with your Form of Proxy setting out the resolutions to be put at the AGM and information about the business of the Meeting.

There were a number of changes to our Board during 2011. Andy Cosslett stepped down as Chief Executive and was succeeded by Richard Solomons. Taking over from Richard as Chief Financial Officer is Tom Singer, who joined IHG from Bupa. In June 2011 Jim Abrahamson resigned as President, The Americas and was replaced by Kirk Kinsell, who previously headed up the Europe, Middle East and Africa region. In addition to Tom Singer there have been three further Board appointments during 2011. Tracy Robbins was promoted to Executive Director in August, and we made two Non-Executive Director appointments, Dale Morrison in June and Luke Mayhew in July. Luke was also appointed as Chairman of the Remuneration Committee following Ralph Kugler's retirement from the Board. Each of Tom, Tracy, Dale and Luke are seeking election for the first time at the AGM. All other Directors will be seeking re-election at the AGM. You can find more details on all Directors in the Notice of AGM.

If you cannot attend the AGM, you can register your vote in advance electronically at www.sharevote.co.uk. You will need the Voting ID, Task ID and Shareholder Reference Number shown on your Form of Proxy. Alternatively, please complete, sign and return the enclosed Form of Proxy to our Registrar, Equiniti. The results of the voting will be published on our website as soon as practicable after the AGM.

Yours sincerely



David Webster
Chairman

Additional information

If, in future, you want to receive an email notification whenever shareholder documents and information are available on our website, please register your email address on www.shareview.co.uk. You will need your Shareholder Reference Number which can be found on your Form of Proxy. We will then send you an email message each time we display a shareholder document on our website.

If at any time you want to change the way you receive shareholder documents, want a paper copy of a specific document, have any queries regarding this letter or are unable to locate the documents on our website, please contact our Registrar at the following address:

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

Telephone 0871 384 2132[†] (UK callers)
+44 (0) 121 415 7034 (non-UK callers)
0871 384 2255[†] (textphone[∞] for UK callers)
+44 (0) 121 415 7028 (textphone[∞] for non-UK callers)

* If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in InterContinental Hotels Group PLC, please pass this letter and the accompanying documents to the stockbroker, bank or other agent through whom you made the sale or transfer for forwarding on to the purchaser or transferee.

This notification is neither a summary of the Annual Report and Financial Statements 2011 nor a summary of the business to be transacted at the 2012 Annual General Meeting and should not be regarded as a substitute for reading the Annual Report and Financial Statements 2011 and the Notice of Annual General Meeting in full before taking a decision.

[†] Calls to 0871 helpline numbers are charged at 8p per minute from a BT landline. Other network providers may charge different rates. Lines are open Monday to Friday 8.30am – 5.30pm.

[∞] Callers must have compatible equipment.