



Hotel Indigo Lower East Side, New York

Richard Solomons, CEO

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The Hotel Wilshire, a Kimpton Hotel, Los Angeles

Agenda

17:00 – Presentation

18:00 – Q&A

18:15 – Drinks with IHG Executive Committee

19:30 – Close

IHG's Executive Committee



Richard Solomons
Chief Executive Officer

24

Regions



The Americas

Elie Maalouf
CEO, The Americas

1



Europe

Angela Brav
CEO, Europe

28



Asia, Middle East & Africa

Jan Smits
CEO, Asia, Middle East and Africa

14



Greater China

Kenneth Macpherson
CEO, Greater China

3

Global Functions



Global Finance

Paul Edgecliffe-Johnson
Chief Financial Officer

12



*Commercial Strategy,
Global Sales & Marketing*

Keith Barr
Chief Commercial Officer

24



Global Technology

Eric Pearson
EVP and Chief Information Officer

19



Business Reputation & Responsibility

George Turner
EVP, General Counsel
& Company Secretary

8



Global Human Resources

Lori Gaytan
Interim EVP Global
Human Resources

16



Global Corporate Affairs

Yasmin Diamond
EVP Global
Corporate Affairs

4



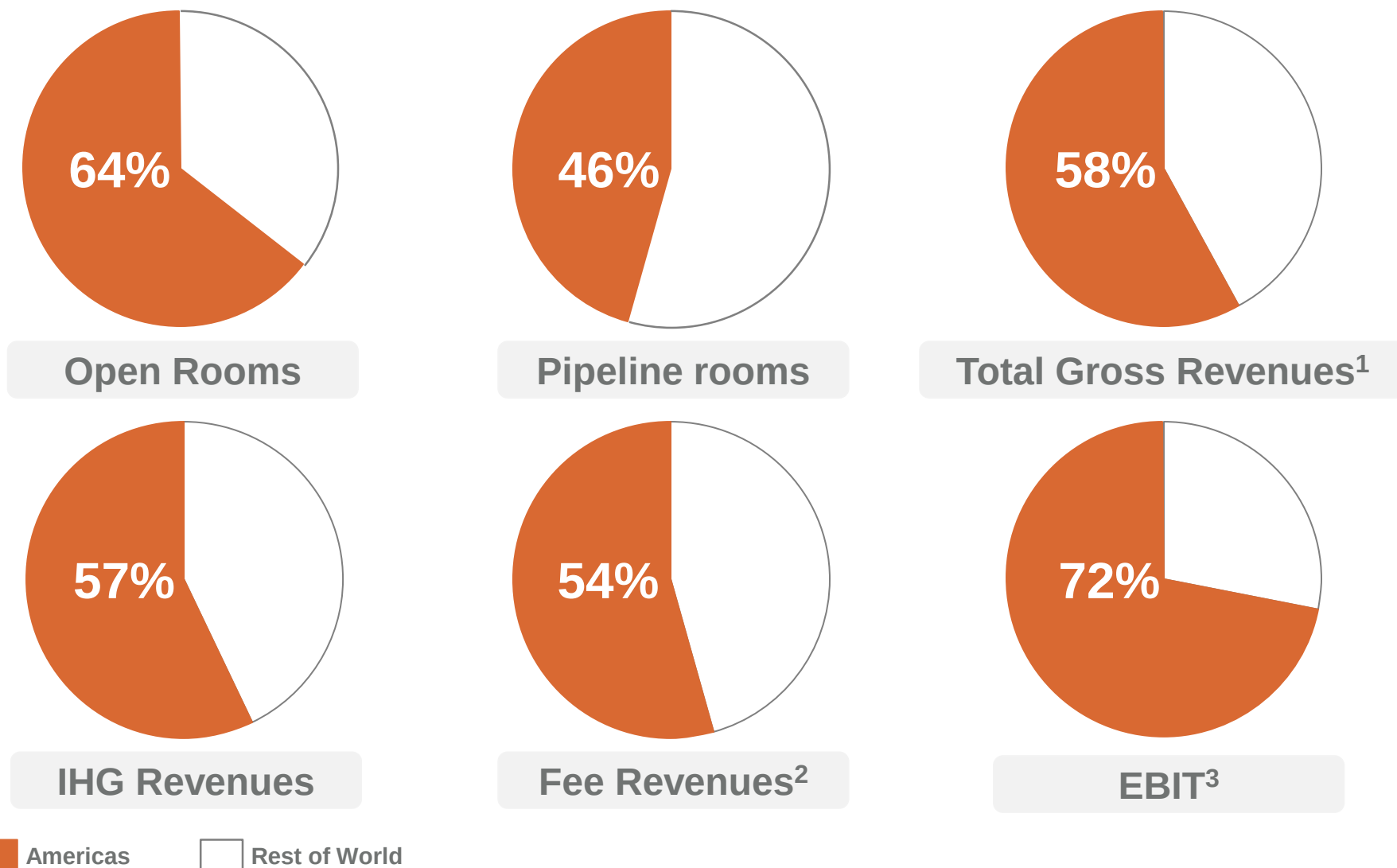
Global Strategy

**Federico Lalatta
Costerbosa**
EVP Global Strategy

2

 Years of service

The Americas region is the engine of IHG's business



Powerful tailwinds are driving growth for hotels in the US...

**Rising
GDP**

**Growing
disposable
income**

**Ageing
population**

**Globalisation
of travel**



**~25%¹ of global industry rooms revenue
growth to 2025 will be in the US**

...the mainstream segment, where IHG is the leader, will capture a significant proportion of this growth

~45%¹ of US industry growth will be in the mainstream² segment



Wide business & leisure appeal

Approachable & accessible environment

Value for money

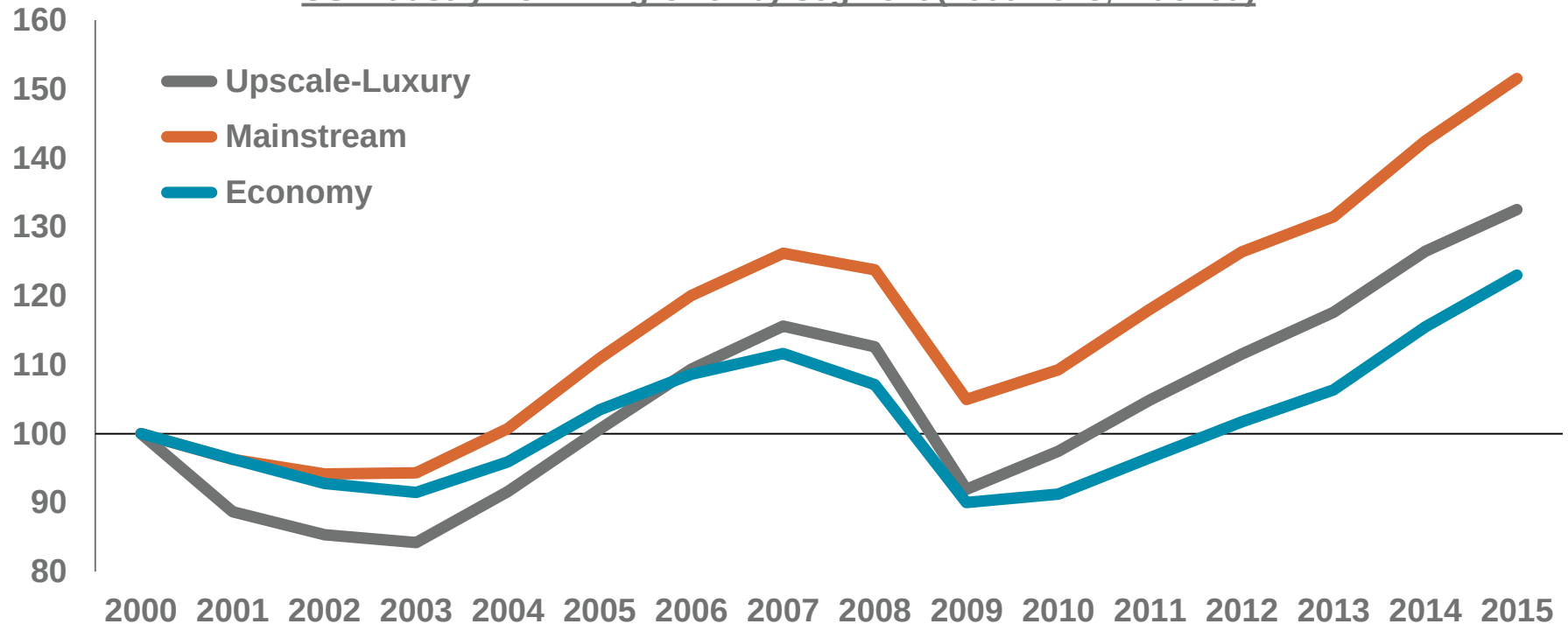
- Service
- Design
- Amenities

IHG's leading mainstream position:

- 22% share of rooms³
- 27% share of active pipeline³

The mainstream segment is also the most resilient in a downturn

US Industry RevPAR growth by segment (2000-2015, indexed)¹



Between 2000-15 the mainstream segment:

- Grew RevPAR by 52%, vs. 33% for Upscale-Luxury
- Experienced the highest RevPAR peak and lowest decline through the cycle

We are leveraging our leading mainstream position to grow our entire brand portfolio in the Americas

The power of IHG's brands and franchising expertise has built our leading mainstream portfolio:

Open system:
377k rooms
(3,427 hotels)



Pipeline:
87k rooms
(818 hotels)

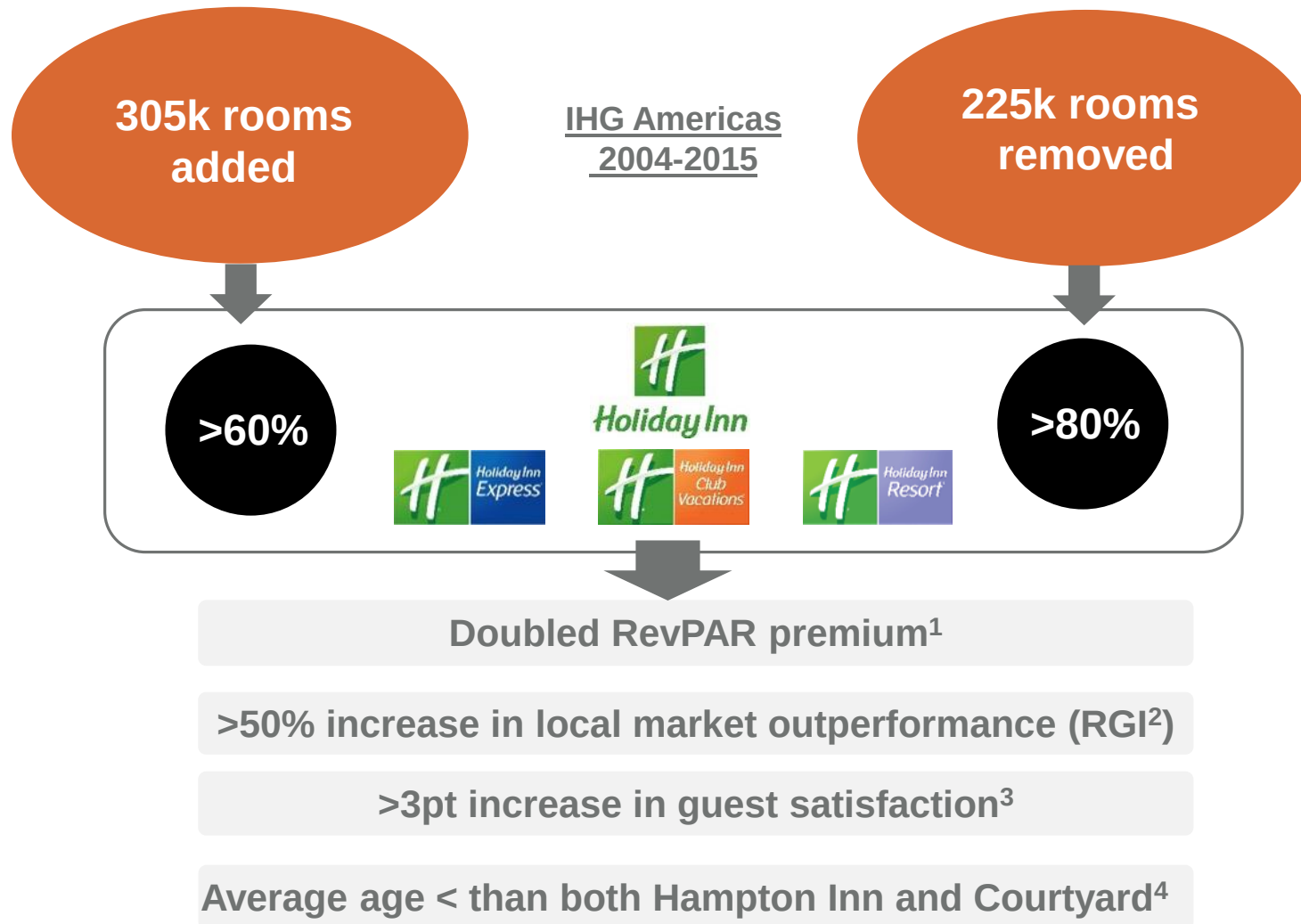
We are leveraging this scale, infrastructure and expertise to grow our upscale and luxury brands:

Open system:
80k rooms
(328 hotels)



Pipeline:
12k rooms
(72 hotels)

A disciplined approach to room exits has driven up quality



Conclusion

- IHG in the Americas: long term, sustainable value creation

The core of IHG's business – today and in the future

Compelling long-term industry tailwinds

Leveraging an industry leading mainstream position

Disciplined approach to growth

Experienced team led by Elie Maalouf



EVEN Hotel Times Square, Manhattan

Elie Maalouf, CEO, The Americas

The Americas region - our three priority markets



US:

- Largest mainstream franchisor
- Pipeline share ~2x existing share



Canada:

- >3x mainstream position of any international player
- Largest mainstream active pipeline



Mexico:

- >2x the size of nearest international player
- Largest mainstream active pipeline

Americas	System ¹ (‘000 rooms)	Pipeline ¹ (‘000 rooms)	Rms Rev ¹ (% of total)
US	415	91	89%
Canada	24	3	4%
Mexico	21	3	3%
Other	17	4	4%
Total	477	101	100%

IHG has a consistently executed, winning strategy for high quality growth

Value creation: Superior shareholder returns

Winning Model



Targeted Portfolio

Attractive markets

Highest opportunity segments

Managed & franchised model

Disciplined execution

- Scale and efficiency of operations
- Investment in developing great talent and technology platforms
- Commitment to responsible business practices

Tailoring IHG's global strategy to drive growth in the Americas

1

**Portfolio
of Leading
Brands**

2

**Strong
Operational
Expertise**

3

**Disciplined
Approach to
Development**



Continued, high quality growth



InterContinental Toronto, Canada

Portfolio of leading brands

IHG's brand portfolio in the Americas - supported by deep consumer insights

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	Luxury		Price Point		Midscale
Wellbeing		KIMPTON® HOTELS & RESTAURANTS		EVEN HOTELS	
Family Time					
Romantic Getaway		KIMPTON® HOTELS & RESTAURANTS			
Short Break Experience		KIMPTON® HOTELS & RESTAURANTS			
Rest & Go					
Mixing Business with Pleasure		KIMPTON® HOTELS & RESTAURANTS			
Business Productivity					
Building Business Interactions					
Social Identity					

Building on the strength of Holiday Inn, we created a clearly differentiated family of brands

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Holiday Inn

- Iconic brand family built over 60 years
- First ever franchised hotel brand in 1952
- \$1bn brand relaunch announced in 2007
- Leveraged consumer insights to create a complementary brand family



Holiday Inn



*Holiday Inn
Express*



*Holiday Inn
Resort*



*Holiday Inn
Club
Vacations*

We are continuing to evolve the brand family to keep it fresh and relevant

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- Next generation room design
- Creates 'feel at home' experience
- Dining experience program



- Won JD Power midscale award 4 out of last 5 years



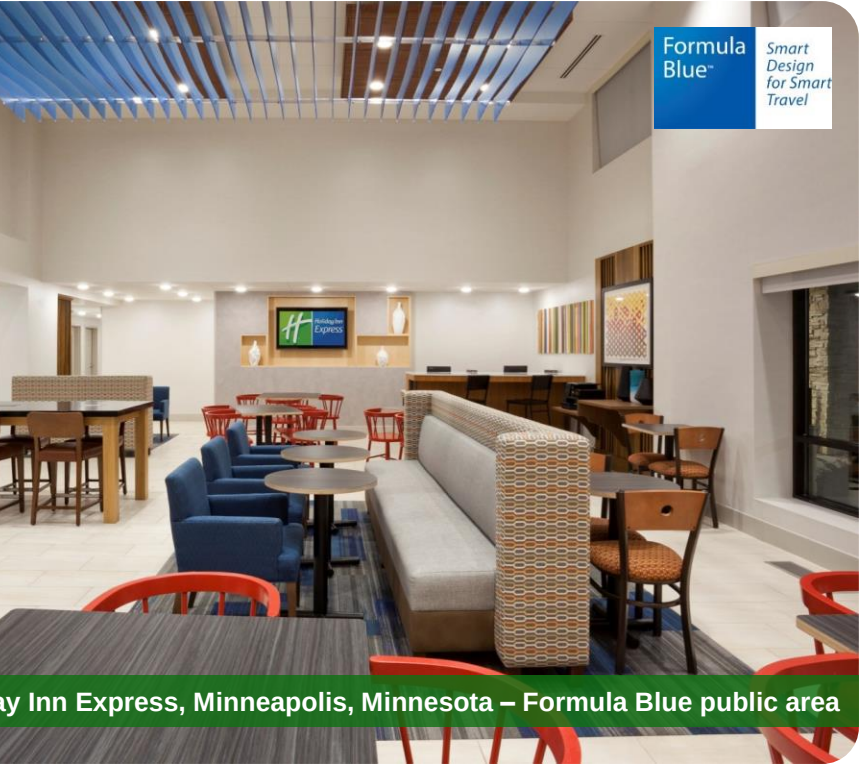
- Next generation public area design
- Drive consistency & owner returns
- Mandated; in ~100 hotels to date
- 80% adoption by end of 2020



- Driving a 2pt increase in guest satisfaction



Holiday Inn - Next Generation Room Design



Formula Blue®
Smart Design for Smart Travel

Holiday Inn Express, Minneapolis, Minnesota – Formula Blue public area

Building on the strength of Holiday Inn, we created a clearly differentiated family of brands

- 1
- 2
- 3





Holiday Inn Resort Suites, Orlando, Florida



Holiday Inn Club Vacations, Orlando, Florida

Holiday Inn Club Vacations – our rapidly growing asset-light timeshare business

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Consumer insights:

- Desire for family leisure product
- Asset-light timeshare opportunity

Strategic alliance with Orange Lake Resorts:

- Added >3k villas in last 18 months
- Portfolio tripled since 2008

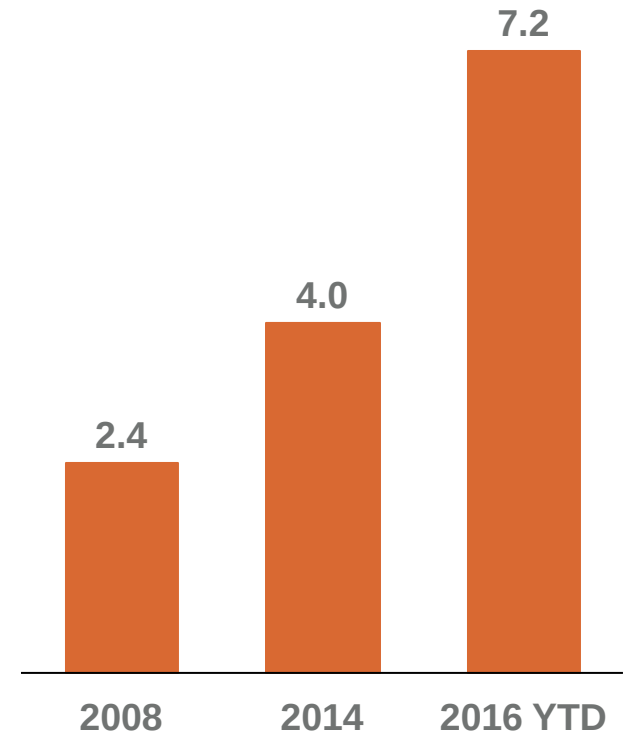
Delivering strong results:

- >340k timeshare owners
- Owners 2x more likely to stay at IHG brands



Orange Lake
RESORT

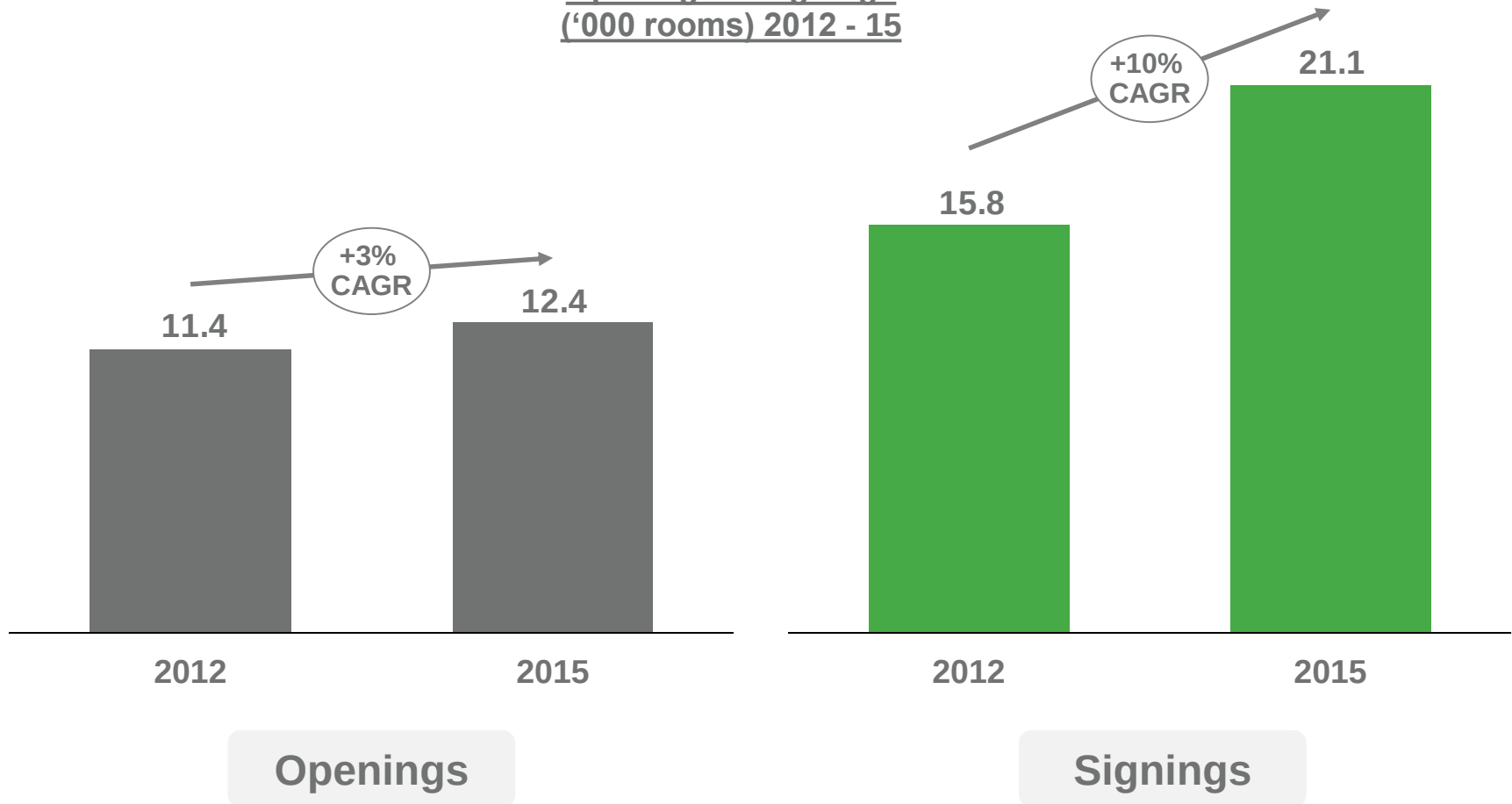
Holiday Inn Club Vacation portfolio – Americas ('000s open rooms)



Creating a clearly differentiated family of brands has accelerated both openings and signings



US Holiday Inn Brand Family
Openings & Signings
('000 rooms) 2012 - 15



Our extended stay brands address a clear guest demand and are growing rapidly



Consumer insights:

- Demand for longer stay, branded product
- Meets both corporate and leisure needs

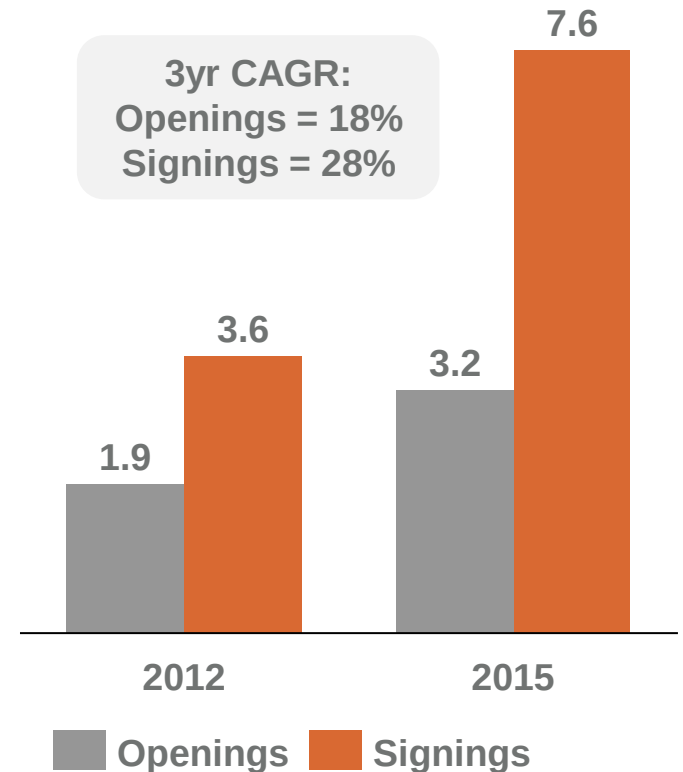
- 1997: launched Staybridge Suites
- 2004: bought Candlewood Suites

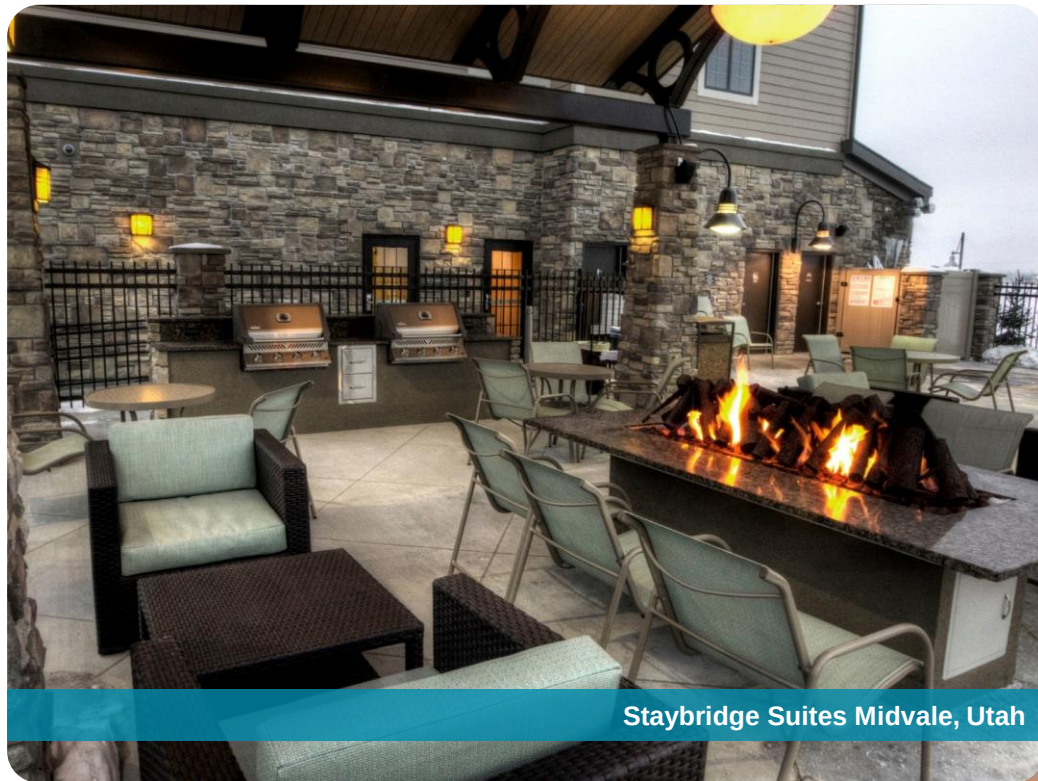
Driving strong growth:

- Candlewood: grown >3x since 2004
- Staybridge: set record to reach 100 hotels



Americas IHG extended stay portfolio
(‘000 rooms)





Staybridge Suites Midvale, Utah



Candlewood Suites Monahans, Texas

Developing our upscale & luxury brands to meet evolving consumer needs

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Aspiration and affirmation



INTERCONTINENTAL®
HOTELS & RESORTS

- Largest international luxury brand
- Landmark signings in US cities
- Developing Club InterContinental
- Future focus on younger travelers

Recent openings & renovations

2016: Minneapolis (410 rms)

2016: Chicago (792 rms)

2016: New York Barclay (704 rms)

Recent signings

2013: Washington D.C. (278 rms)

2014: Los Angeles (900 rms)

2016: San Diego (400 rms)



InterContinental Los Angeles Downtown



InterContinental Los Angeles Downtown - Sky Bar

Developing our upscale & luxury brands to meet evolving consumer needs

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Aspiration and affirmation



- Largest international luxury brand
- Landmark signings in US cities
- Developing Club InterContinental
- Future focus on younger travelers

Modern business travel

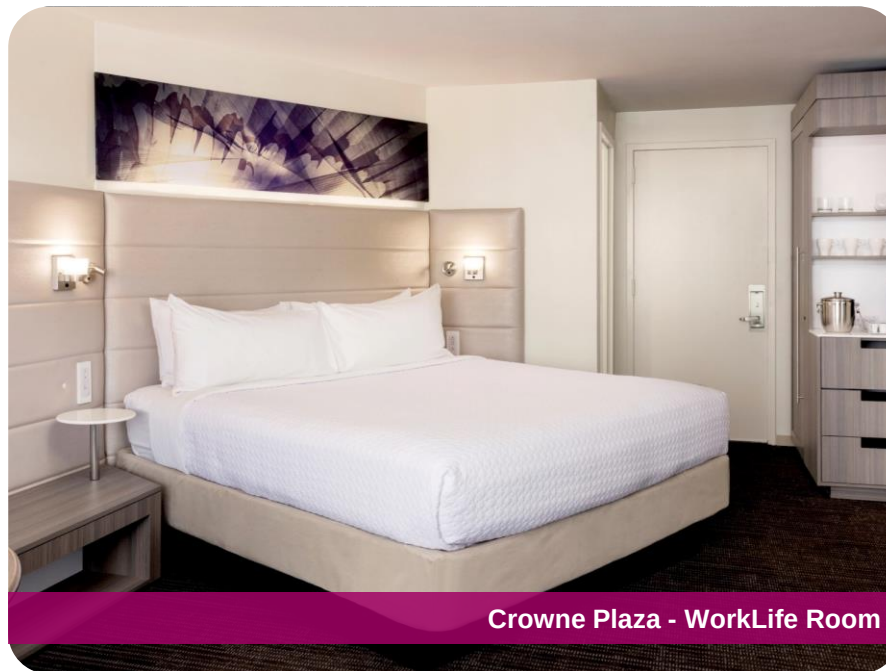


Actions to date:

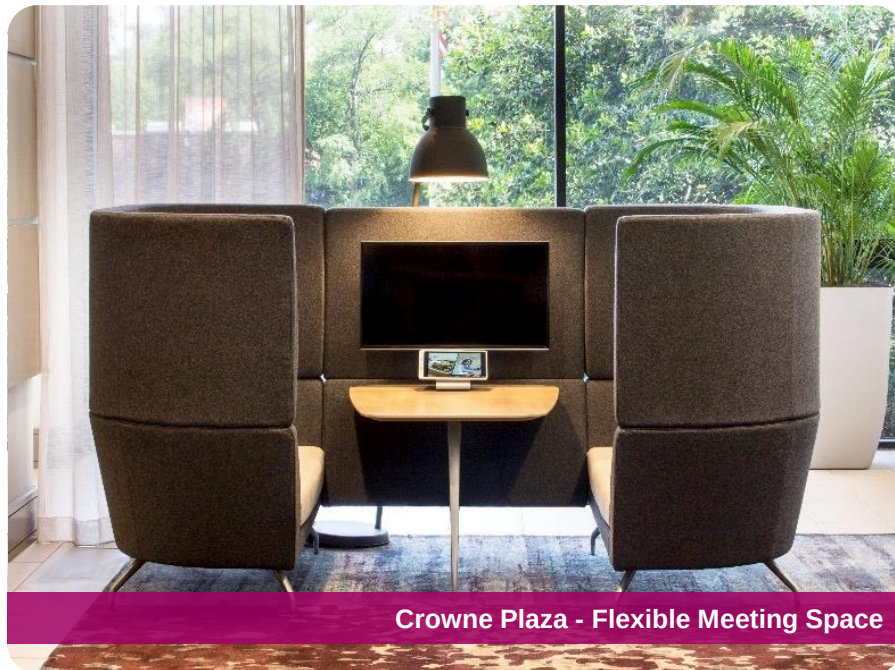
- Improved consistency of estate
- Used capital for halo assets
- Guest satisfaction up 4pts

Next phase - 'Accelerate':

- \$200m investment over 3 years
- Flexible Meeting & WorkLife rooms



Crowne Plaza - WorkLife Room



Crowne Plaza - Flexible Meeting Space



Crowne Plaza - Flexible Meeting Space

Developing our upscale & luxury brands to meet evolving consumer needs

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Boutique experience



- Fastest growing industry segment
- Acquired Kimpton Hotels & Restaurants in 2015
- Largest boutique portfolio globally
- 2015: record year of signings and openings for Kimpton

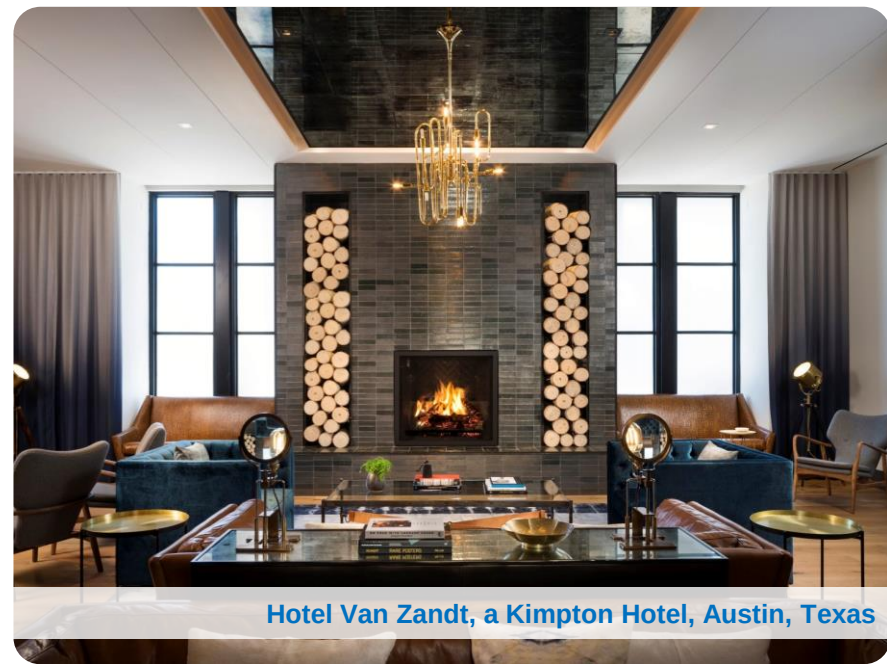
Wellness



- Launched in 2012 to address an unmet consumer need
- 3 hotels open, 8 in pipeline
- 6 signings in 2015 – all asset light
- Flagship EVEN Brooklyn opening in H2 2016



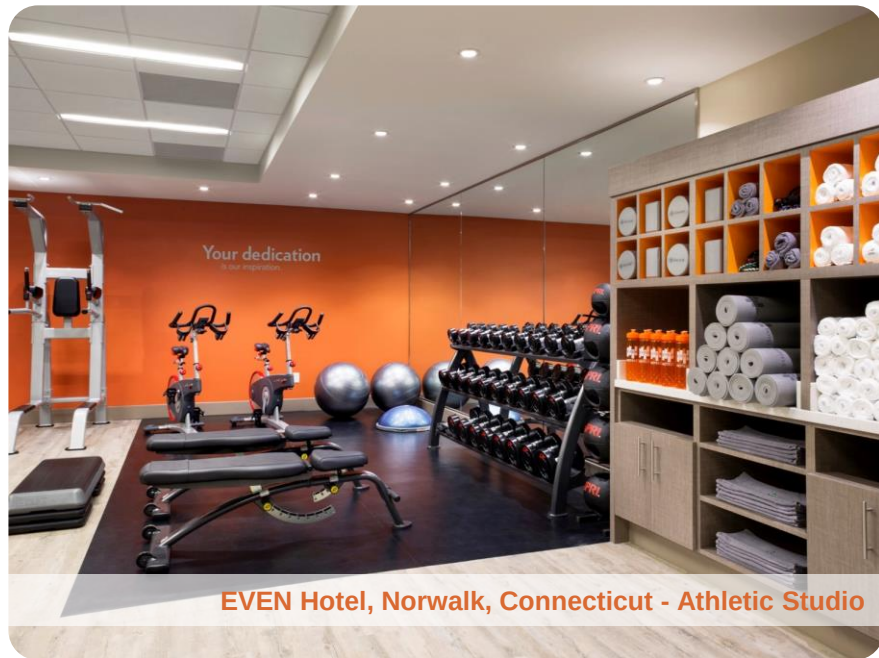
The Brice, a Kimpton Hotel, Savannah, Georgia



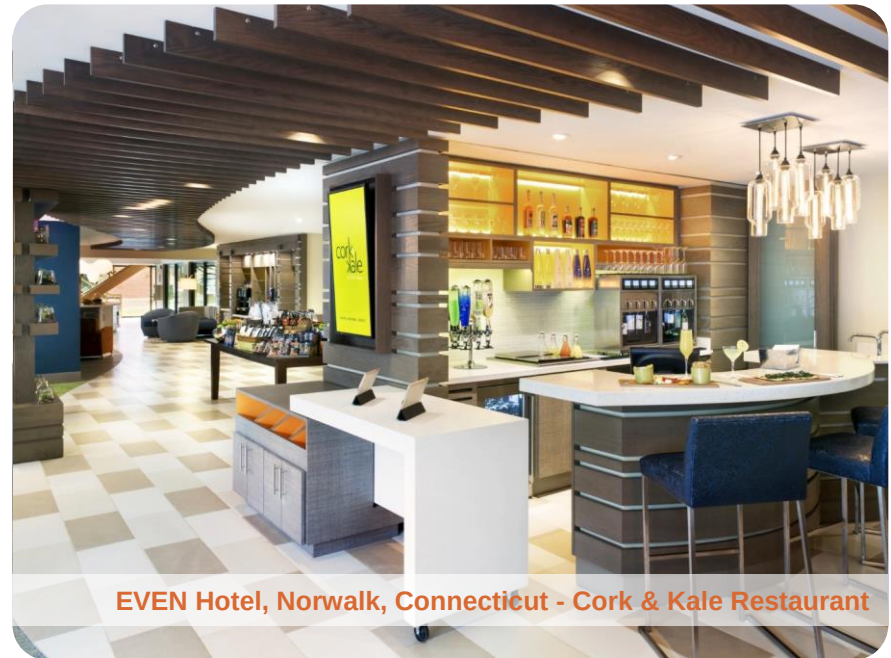
Hotel Van Zandt, a Kimpton Hotel, Austin, Texas



Hotel Indigo Lower East Side, New York



EVEN Hotel, Norwalk, Connecticut - Athletic Studio



EVEN Hotel, Norwalk, Connecticut - Cork & Kale Restaurant



EVEN Hotel / Staybridge Suites, Seattle



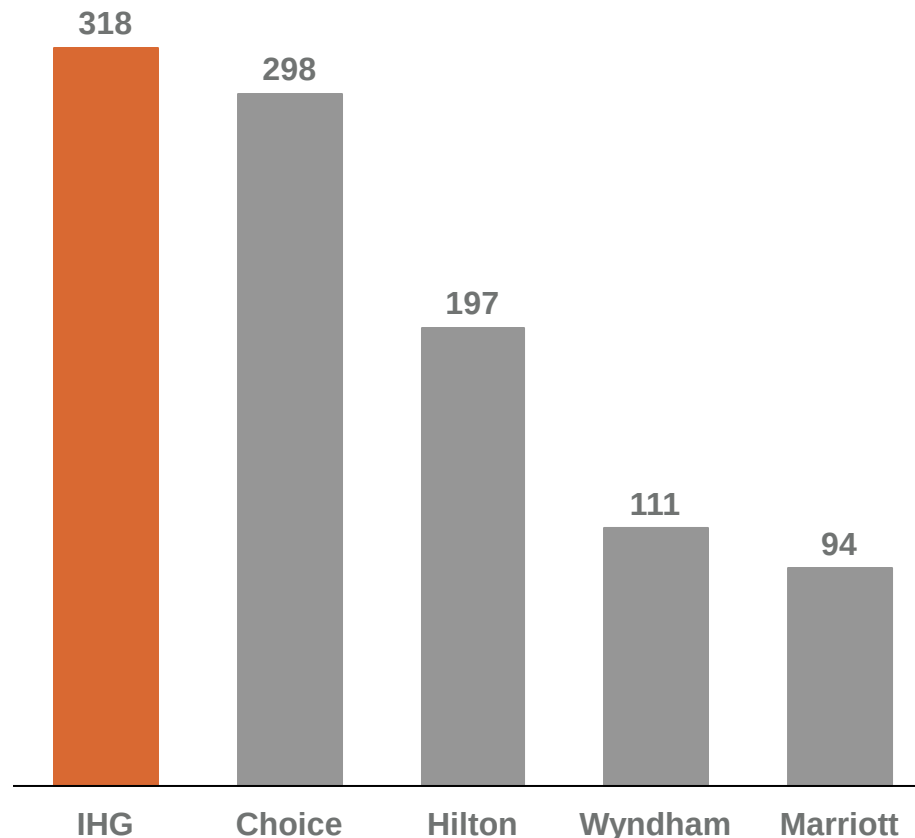
Holiday Inn Express, Evansville North, Indiana

Strong Operational Expertise

IHG is the leading mainstream franchisor in the US

- Largest mainstream franchisor in the US
- Unique, owner-centric model
- Over 450 employees directly supporting our franchisees

US franchised mainstream rooms¹ ('000s)



We have built a winning formula for best-in-class franchise operations



Segmented, owner-centric
franchise support structure



World-class revenue management



Innovative operational support tools



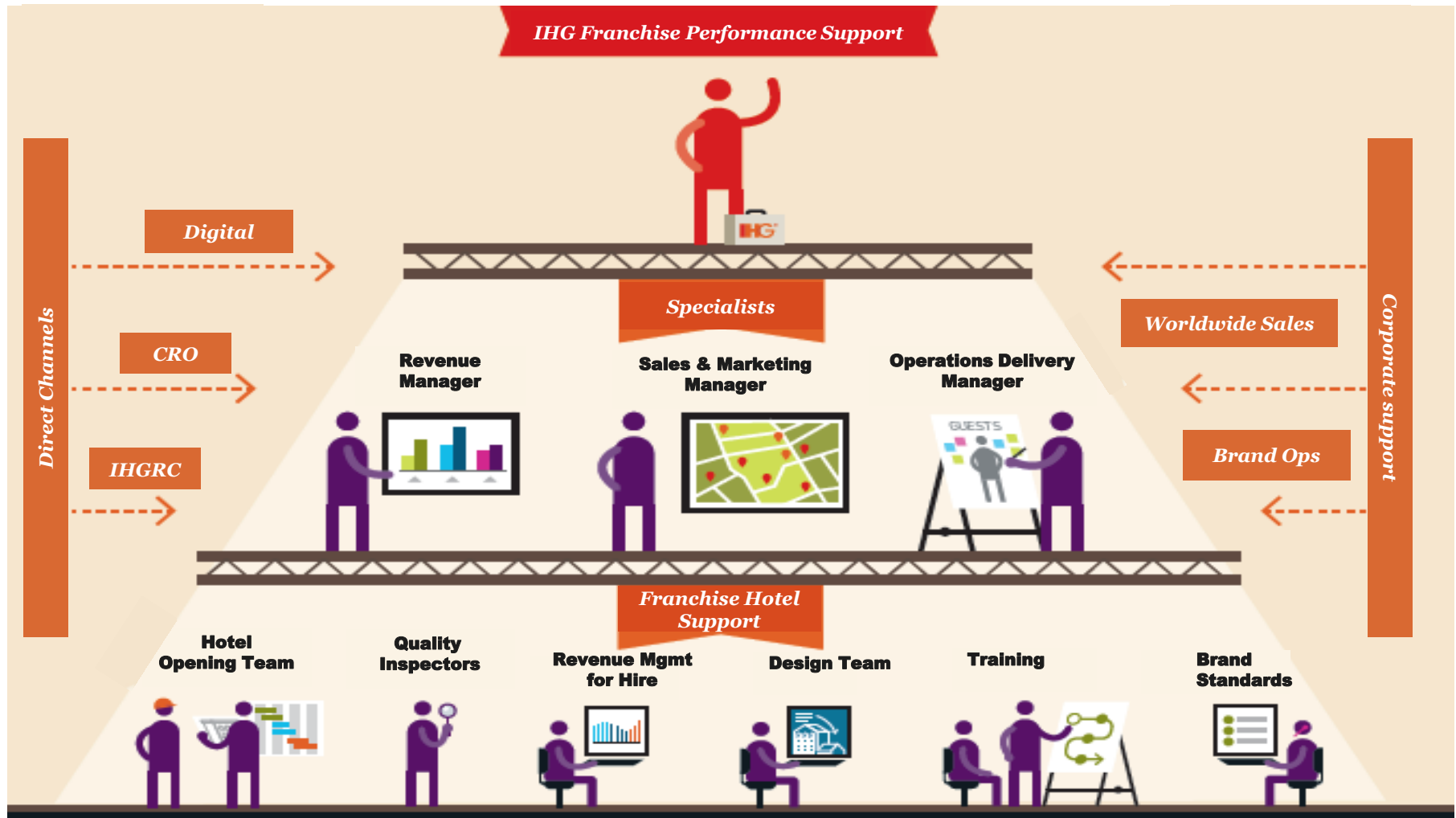
Leading US franchise operation

We have created an industry leading Franchise Performance Support (FPS) team

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We continue to refine our industry leading revenue management tools

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2005

Revenue Management for Hire (RMH) – centralised support

2006

PERFORM – web based, revenue management platform

2008

Price Optimisation – automated pricing tool

2011

Predictive Demand Insights – enhanced forecasting

Current developments

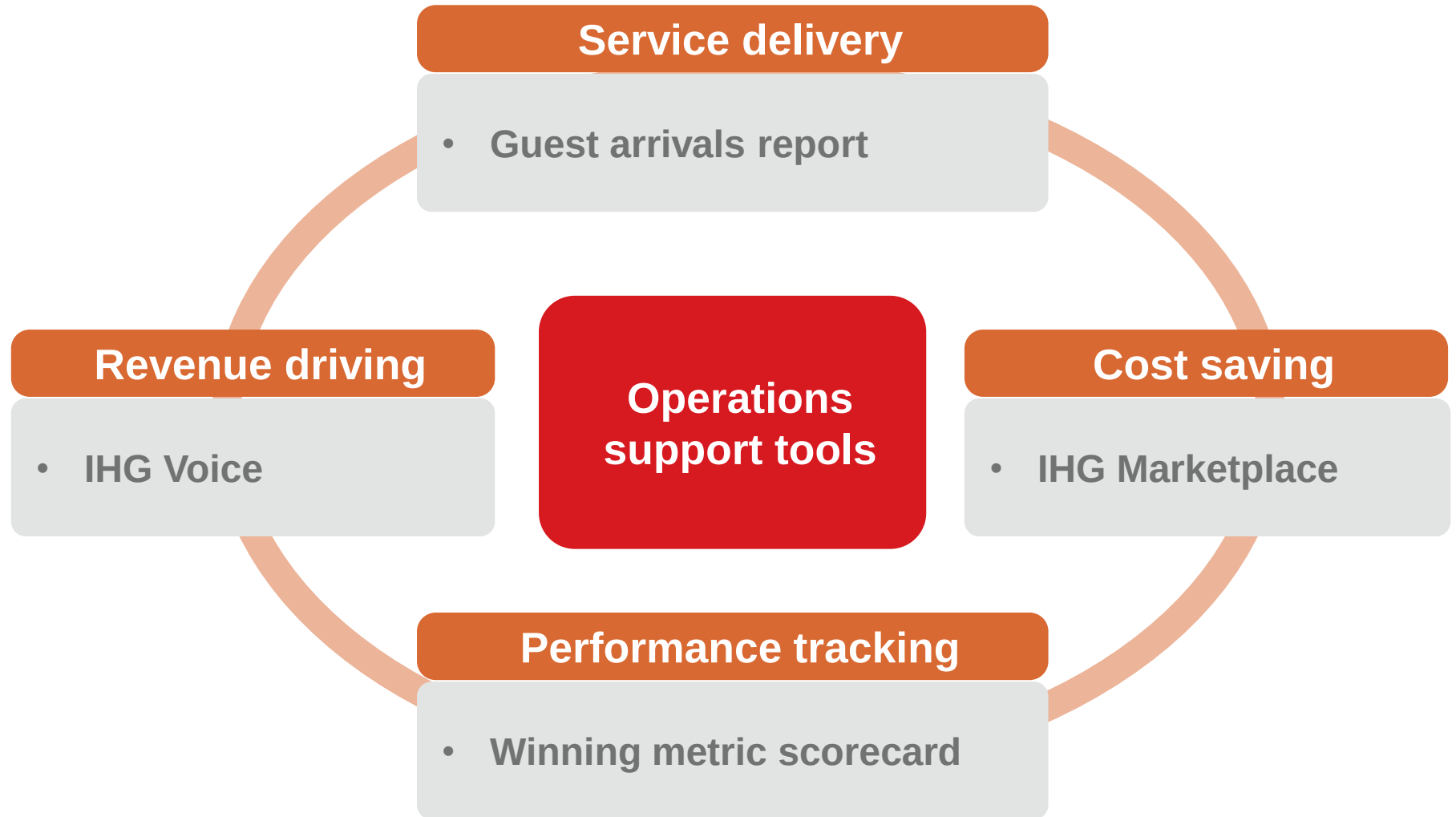
2015-
2016

- RMH: 270 hotels added in 2015; total now 2,200
- RGI uplift of 1.3pts vs non RMH hotels
- Enhancing revenue management for groups

2017+

Next generation Guest Reservation System

Innovative IHG proprietary tools provide support at all levels of the hotel operation



This leading approach to franchise support is driving significant increases in performance

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IHG Support Drivers

Segmented, owner-centric structure

Unparalleled franchise support

World class revenue management support

Innovative operations support tools



IHG Owner Outcomes

Owner satisfaction¹

Guest satisfaction²

Quality²

System delivery³

2011-2014
(annualised)

2015

+0.4pts

+4.6pts

+0.1pts

+1.8pts

+0.2pts

+0.3pts

+0.2pts

+1.9pts



Crowne Plaza The Hamilton, Washington D.C.

Disciplined Approach to Development

We have a highly targeted approach to growing our brands

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Build scale across the US

- Diverse ownership base
- Suit a range of geographies
- ~3/4 portfolio outside major cities¹
- +\$7m development resource

Focus on major urban areas

- High RevPAR and awareness
- Complementary suite of brands
- Selective use of capital
- ~2/3 portfolio in major cities¹

NEW YORK – Highly successful upscale and luxury development strategy

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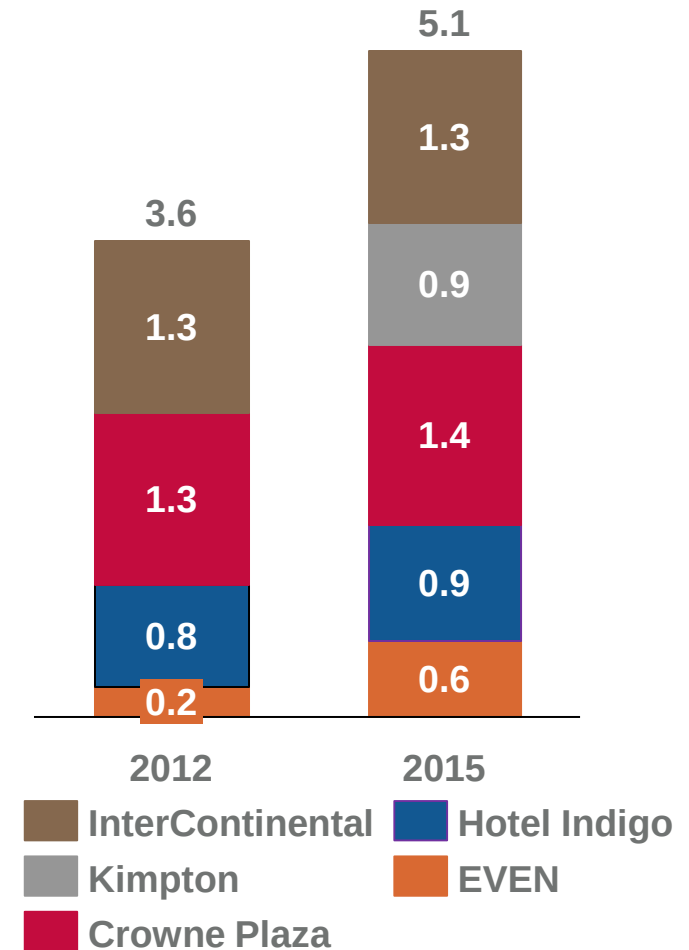
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- Multiple upscale-luxury brand representation
- Pipeline assets will continue to drive awareness
- Selective use of balance sheet
- Complemented by 5k mainstream rooms



New York - Open and pipeline rooms¹
('000s 2012-2015)



¹ Combined pipeline and system numbers as at Q1 2016.

NEW YORK - We have strengthened our portfolio through strategic use of recyclable capital...

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Hotel Indigo Lower East Side

Opened: Q4 2015



- JV investment - will be recycled over the medium term
- Ranked top 40 on TripAdvisor¹

InterContinental Barclay New York

Re-opened: Q2 2016



- Retained strategic 20% JV stake
- Repositioning of a truly historic asset within the market

...whilst securing flagship properties through selective deployment of key money

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EVEN Hotel Times Square South

Opened: Q4 2015



- 1st asset-light opening
- Ranked 10th on TripAdvisor¹

Crowne Plaza – West 36th Street

Opening: 2017



- Same owner - EVEN Times Square
- Targeted use of capital to secure both locations

An improved license renewal process will drive consistency, estate quality and retention

1

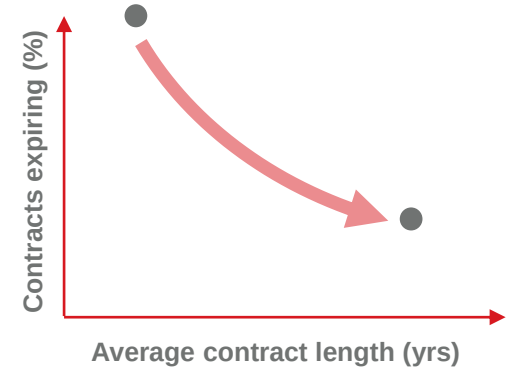
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Longer franchise contracts



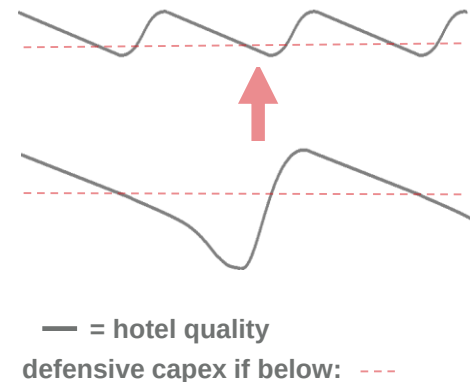
- Fewer contract expiries
- Easier financing for owners
- Average new contract length +6yrs since 2012



More frequent owner capital milestones



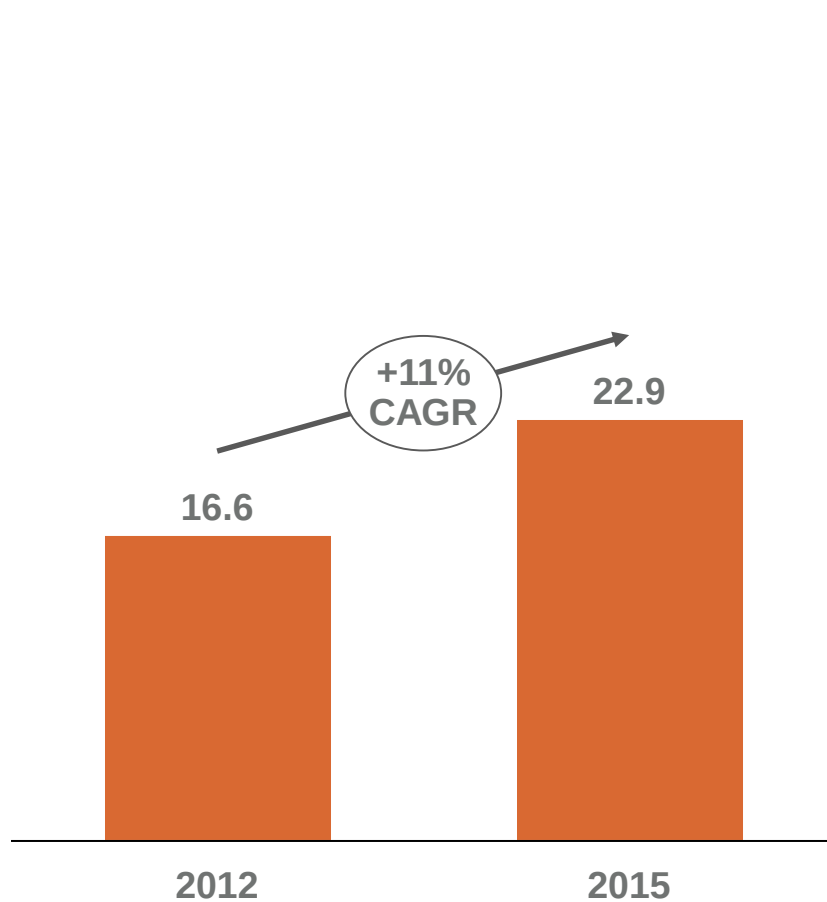
- Higher quality estate
- Less defensive spend
- Recent renewals driving +3pt guest satisfaction



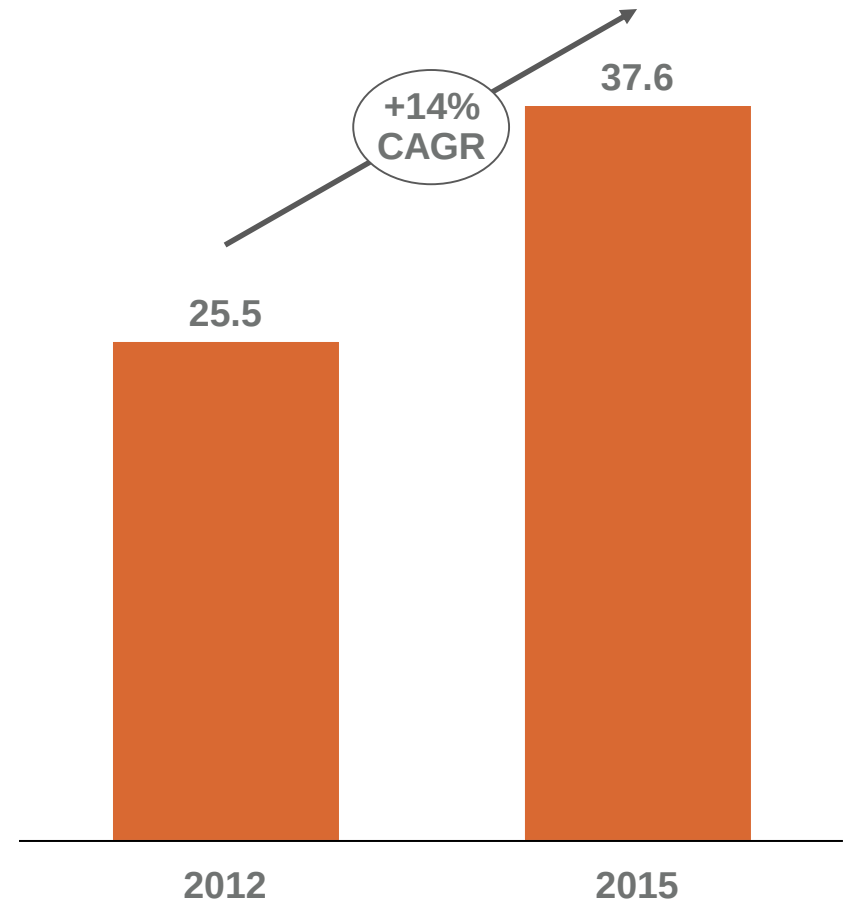
This disciplined and focused approach has lead to accelerated growth in the Americas



Americas room openings (2012-2015, '000s)



Americas room signings (2012-2015, '000s)





Hotel Monaco, a Kimpton Hotel, Washington D.C.

Conclusion

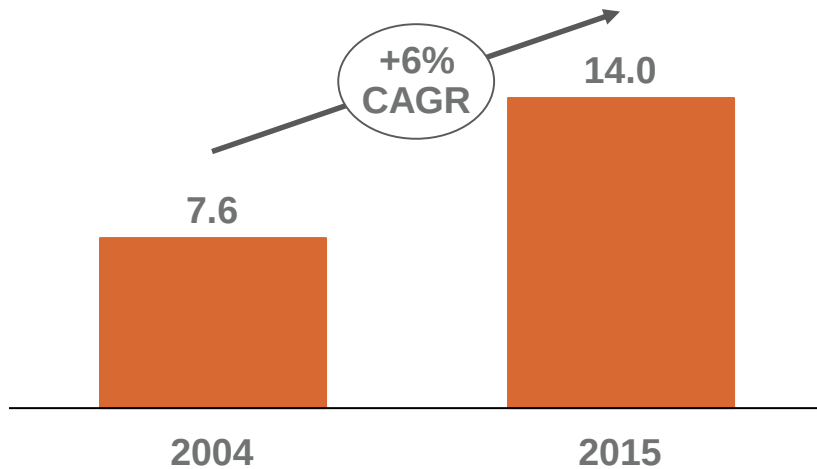
Our focus and commitment to high quality growth has driven increases in all key financial metrics

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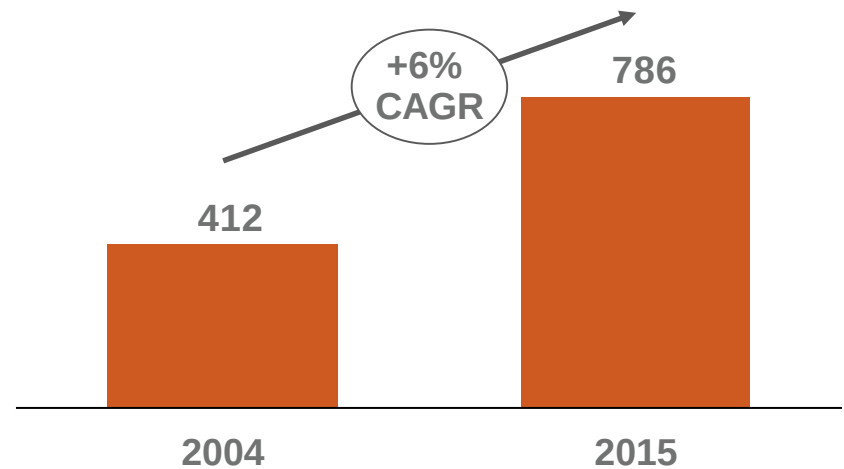
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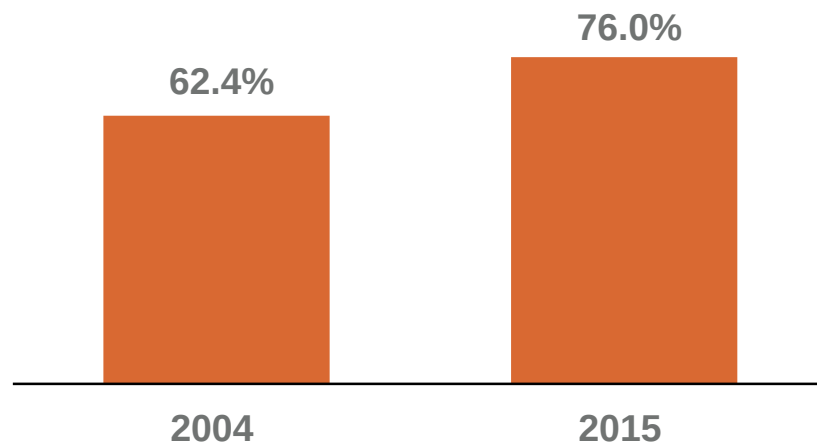
Americas total gross revenues (2004-2015, \$bn)



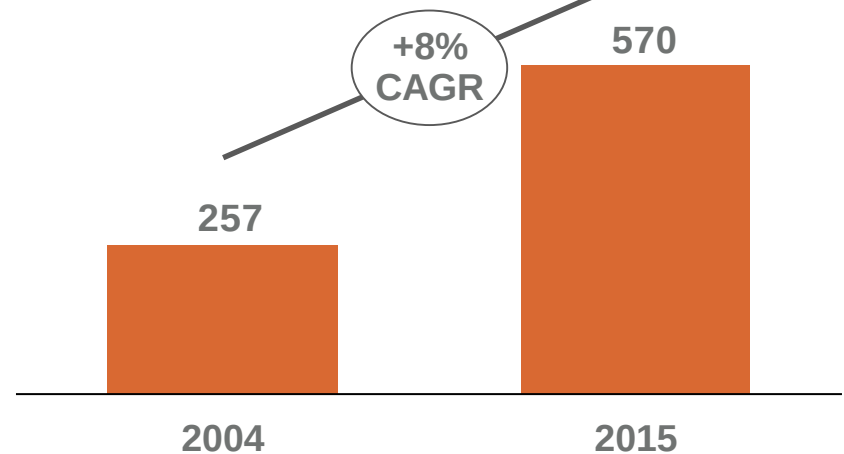
Americas fee revenues (2004-2015, \$m)



Americas fee margin¹ (2004-2015)



Americas fee EBIT² (2004-2015, \$m)



Consistent execution of our winning strategy will drive continued high quality growth

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**Portfolio
of Leading
Brands**

1

Differentiated brand
portfolio appealing
to guests & owners

**Strong
Operational
Expertise**

2

Leading franchise
support & tools
driving performance

**Disciplined
Approach to
Development**

3

Right brands,
right locations,
right owners

Continued, high quality growth



Hotel Van Zandt, a Kimpton Hotel, Austin, Texas

IHG – Winning in the Americas

7 July 2016