InterContinental Hotels Group PLC
First Quarter Results to 31 March 2009

Financial results	2009	2008	% change		% change (CER)	
			Total	Excluding LDs[1]	Total	Excluding LDs[1]
Continuing revenue	$342m	$448m	(24)%	(22)%	(19)%	(17)%
Continuing operating profit	$69m	$124m	(44)%	(41)%	(48)%	(45)%
Total operating profit	$72m	$127m	(43)%	(39)%	(47)%	(44)%
Adjusted continuing EPS	14.8¢	22.9¢	(35)%			
Adjusted total EPS	15.5¢	23.6¢	(34)%			
Total basic EPS[2]	9.5¢	21.2¢	(55)%			
Net debt	$1,287m	$1,679m				

All figures are before exceptional items unless otherwise noted. See appendix 3 for analysis of financial headlines. Constant exchange rate comparatives shown in appendix 4. (% CER) = change in constant currency.

[1] –excluding $3m of significant liquidated damages receipts in Q1 2009 and $13m in Q1 2008.

[2] –Total basic EPS after exceptional items

Business headlines

- Global constant currency RevPAR decline of 13.6%. IHG's brands outperformed the industry in each of its three regions.
- 1,845 net rooms (36 hotels) added in the quarter taking total system size to 621,696 rooms (4,222 hotels).
- 12,440 rooms (98 hotels) added to the system, 10,595 rooms (62 hotels) removed in line with our quality growth strategy.
- 10,551 rooms (76 hotels) signed, taking the pipeline to 236,343 rooms (1,697 hotels).
- Net debt of $1.3bn held flat on the position as at 31 December 2008.
- Exceptional operating items of $26m relate to a $21m previously committed final payment into the UK pension fund and $5m associated with the Holiday Inn relaunch.

Recent trading

- April was impacted by the movement of Easter from March to April. April global constant currency RevPAR decline of 19.8%; -18.8% Americas, -22.4% EMEA and -20.6% Asia Pacific.
- No further deterioration in demand is visible in forward bookings, but room rates remain under pressure.

Update on priorities

- Open rooms. Currently 90,000 rooms under construction, at least 38,000 of which are scheduled to open in the balance of the year (12,440 rooms opened in the quarter). Continued focus on driving up the overall quality of the system means room removals in the balance of the year will be in the region of 25,000.
- Drive share. US RevPAR outperformed the market by 3.5 percentage points (IHG US brands Q1 RevPAR decline of 14.2% compared to US industry of 17.7%).
- Relaunch Holiday Inn. 729 hotels operating under the new standards year to date. Early indications from the first relaunched hotels continue to show RevPAR outperformance of more than 5% compared to a control group.
- Reduce costs. In February, IHG announced a cost saving programme which would reduce 2009 regional and central costs by $30m at constant currency. Q1 regional and central costs were $7m below 2008 levels on a constant currency basis ($18m on a reported basis). The full year cost savings are on track, and at current exchange rates and including some additional savings, reported regional and central overheads are now expected to be $70m below 2008 levels.

Commenting on the results, Andrew Cosslett, Chief Executive of InterContinental Hotels Group PLC said:

"As expected the start to the year has been very challenging for the industry. Occupancy showed signs of stabilisation in the quarter, but room rates, which held up well during 2008, declined under the pressure of a very competitive market. Our brands continue to perform strongly across all three of our regions, and in the US our RevPAR outperformance has improved further from the last quarter of 2008, mostly as a result of our portfolio bias to midscale hotels, primarily Holiday Inn.

"The lack of liquidity in the lending markets has slowed our deal pace but we still signed 76 hotels in the quarter. We also opened close to 100 hotels, more than in the same period last year. This opening programme combined with our continued removal of underperforming hotels is driving up the quality of our estate. We are continuing to invest in our business with the major focus being the relaunch of Holiday Inn. We now have over 700 relaunched hotels in the system and remain committed to completing the programme by the end of 2010. Feedback from relaunched hotels continues to be positive, with RevPAR outperformance in line with expectations.

"Our strong balance sheet and long term bank facility provide a strong platform for our capital light, cash generative, fee based model. The outlook remains tough but we are taking decisive action on costs without compromising our ability to continue to grow market share."

Americas: midscale resilience

Revenue performance

RevPAR declined 13.5% driven by both occupancy and rate. In the US, IHG brands outperformed the industry by 3.5 percentage points, driven by the resilience of the midscale brands which represent 80% of IHG's rooms in this market. Continuing revenues declined 26% to $170m. Excluding one $13m liquidated damages receipt in the first quarter of 2008, continuing revenues declined 22%.

Operating profit performance

Operating profit from continuing operations declined 46% from $112m to $60m. Excluding the liquidated damages, continuing operating profit declined 39%. The contribution from continuing owned and leased hotels declined from a profit of $7m to a loss of $4m driven by a 28.2% decline in RevPAR and the absence of any contribution from the Holiday Inn Jamaica which was sold in September 2008. Excluding the $13m liquidated damages receipt in the first quarter of 2008, managed hotels profit declined by $14m to a loss of $4m. This was primarily due to guarantee payments where the commitments are phased evenly through the year, but the hotel cash flows which fund them are seasonally low in the first quarter. Franchised hotels profit decreased by $17m to $80m driven by an 11% decline in royalty fees and a $5m reduction in non-royalty fees.

EMEA: resilience in the Middle East

Revenue performance

RevPAR declined 11.6% driven by both occupancy and rate. The Middle East remained the strongest market with a decline in RevPAR of 2.3%. IHG hotels in the UK outperformed the market with a RevPAR decline of 9.0%. Continuing revenues declined 24% (10% at constant exchange rates (CER)) to $87m. Excluding one $3m liquidated damages receipt in the first quarter of 2009, continuing revenues declined 27% (12% CER).

Operating profit performance

Operating profit from continuing operations declined 20% (13% CER) from $30m to $24m or 30% (23% CER) excluding the $3m liquidated damages receipt. Owned and leased profits declined by $4m to $1m, with a strong performance at the InterContinental London Park Lane being offset by the impact of a weak market on the InterContinental Paris Le Grand. Managed hotels profit declined by $5m to $16m. Continued growth in the Middle East was offset by the annualisation of the reduced contribution from a portfolio of hotels in the UK, first reported in the third quarter of 2008. Excluding the $3m liquidated damages receipt in the first quarter of 2009, franchised hotels profit declined 13% to $13m, but grew 7% at CER as the contribution from a 5% increase in the number of franchised rooms partially offset an 11.8% RevPAR decline.

Asia Pacific: RevPAR outperformance

Revenue performance

RevPAR declined 17.2% driven by both occupancy and rate. Trading in the major cities of Greater China remained very soft driving RevPAR down 19.9%, significantly better than the industry down 32.5% which was heavily impacted by oversupply in major markets. Continuing revenues declined 22% (19% CER) to $56m.

Operating profit performance

Operating profit from continuing operations declined 41% (35% CER) from $17m to $10m. Operating profit at owned and leased hotels decreased by $3m to $7m primarily reflecting a RevPAR decline of 21.1% at the InterContinental Hong Kong. Managed hotels profit decreased 43% (29% CER) to $8m.

Interest and tax

The interest charge for the quarter fell $16m to $14m due to a reduction in interest rates and lower average net debt.

Based on the position at the end of the quarter, the tax charge has been calculated using an estimated annual tax rate of 24% (Q1 2008: 29%). The reported tax rate may continue to vary year-on-year but is expected to increase in the medium to long term.

Cash flow & net debt

Capital expenditure of $18m was $10m below 2008 levels and as disclosed previously, full year maintenance capital expenditure is expected to be c.$75m, down 25% on 2008 levels.

IHG's net debt was maintained at $1.3bn at the end of the quarter, including the $202m finance lease on the InterContinental Boston. IHG remains well placed in terms of its banking facilities, with a $1.6bn revolving credit facility expiring May 2013 and a $0.5bn term loan expiring November 2010.

Appendix 1: Asset disposal programme detail

	Number of owned hotels	Proceeds	Net book value
Disposed since April 2003	183	$5.5bn	$5.2bn
Remaining hotels	16		$1.6bn

For a full list please visit www.ihg.com/Investors

Appendix 2: Rooms

	Americas	EMEA	Asia Pacific	Total
Openings	9,666	841	1,933	12,440
Removals	(6,759)	(1,494)	(2,342)	(10,595)
Net openings	2,907	(653)	(409)	1,845
Signings	*6,602*	*1,994*	*1,955*	*10,551*

Appendix 3: Financial headlines

Three months to 31 March $m	Total		Americas		EMEA		Asia Pacific		Central	
	2009	*2008*	2009	*2008*	2009	*2008*	2009	*2008*	2009	*2008*
Franchised operating profit	97	*114*	80	*97*	16	*15*	1	*2*		
Managed operating profit	20	*58*	(4)	*23*	16	*21*	8	*14*		
Continuing owned and leased operating profit	4	*22*	(4)	*7*	1	*5*	7	*10*		
Regional overheads	(27)	*(35)*	(12)	*(15)*	(9)	*(11)*	(6)	*(9)*		
Continuing operating profit pre central overheads	94	*159*	60	*112*	24	*30*	10	*17*		
Central overheads	(25)	*(35)*	-	-	-	-	-	-	(25)	*(35)*
Continuing operating profit	69	*124*	60	*112*	24	*30*	10	*17*	(25)	*(35)*
Discontinued owned and leased operating profit	3	*3*	3	*3*	-	-	-	-		
Total operating profit	72	*127*	63	*115*	24	*30*	10	*17*	(25)	*(35)*

Appendix 4: Constant currency continuing operating profit growth before exceptional items.

	Americas		EMEA		Asia Pacific		Total***	
	Actual currency*	Constant currency**	Actual currency*	Constant currency**	Actual currency*	Constant Currency**	Actual currency*	Constant currency**
Growth	(46)%	(46)%	(20)%	(13)%	(41)%	(35)%	(44)%	(48)%

Exchange rates	GBP:USD	EUR: USD
2009	0.70	0.77
2008	0.50	0.67

* US dollar actual currency
** Translated at constant 2008 exchange rates
*** After Central Overheads

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High resolution images to accompany this announcement are available for the media to download free of charge from www.vismedia.co.uk . This includes profile shots of the key executives.

UK Q&A Conference Call:
A conference call with Andrew Cosslett (Chief Executive) and Richard Solomons (Finance Director) will commence at 8.30 am (London time) on 12 May. There will be an opportunity to ask questions.

International dial-in:	+44 (0)20 7108 6370
UK Free Call:	0808 238 6029
Conference ID:	HOTEL

A recording of the conference call will also be available for 7 days. To access this please dial the relevant number below and use the access number 6081.

International dial-in:	+44 020 7108 6269
UK Free Call:	0800 376 9014

US Q&A conference call
There will also be a conference call, primarily for US investors and analysts, at 10.00am (Eastern Standard Time) on 12 May with Andrew Cosslett (Chief Executive) and Richard Solomons (Finance Director). There will be an opportunity to ask questions.

International dial-in	+44 (0)20 7108 6370
US Toll Free	866 692 5726
Conference ID:	Hotel

A recording of the conference call will also be available for 7 days. To access this please dial the relevant number below and use the access number 6084.

International dial-in	+44 020 7970 4954
US Toll Free	877 387 6451

Website
The full release and supplementary data will be available on our website from 7.00 am (London time) on Tuesday 12 May. The web address is www.ihg.com/Q1
To watch a video of Richard Solomons reviewing our results visit our YouTube channel at www.youtube.com/ihgplc

Notes to Editors:
InterContinental Hotels Group (IHG) [LON:IHG, NYSE:IHG (ADRs)] is the world's largest hotel group by number of rooms. IHG owns, manages, leases or franchises, through various subsidiaries, over 4,200 hotels and more than 620,000 guest rooms in nearly 100 countries and territories around the world. The Group owns a portfolio of well recognised and respected hotel brands including InterContinental® Hotels & Resorts, Hotel Indigo®, Crowne Plaza® Hotels & Resorts, Holiday Inn® Hotels and Resorts, Holiday Inn Express®, Staybridge Suites® and Candlewood Suites®, and also manages the world's largest hotel loyalty programme, Priority Club® Rewards with 42 million members worldwide.

IHG has nearly 1,700 hotels in its development pipeline, which will create 140,000 jobs worldwide over the next few years.

InterContinental Hotels Group PLC is the Group's holding company and is incorporated in Great Britain and registered in England and Wales.

IHG offers information and online reservations for all its hotel brands at www.ihg.com and information for the Priority Club Rewards programme at www.priorityclub.com. For the latest news from IHG, visit our online Press Office at www.ihg.com/media

Cautionary note regarding forward-looking statements
This announcement contains certain forward-looking statements as defined under US law (Section 21E of the Securities Exchange Act of 1934). These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements often use words such as ‘anticipate’, ‘target’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’ or other words of similar meaning. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by, such forward-looking statements. Factors that could affect the business and the financial results are described in ‘Risk Factors’ in the InterContinental Hotels Group PLC Annual report on Form 20-F filed with the United States Securities and Exchange Commission.

INTERCONTINENTAL HOTELS GROUP PLC
GROUP INCOME STATEMENT
For the three months ended 31 March 2009

	3 months ended 31 March 2009			3 months ended 31 March 2008		
	Before exceptional items $m	Exceptional items (note 7) $m	Total $m	Before exceptional items $m	Exceptional items (note 7) $m	Total $m
Continuing operations						
Revenue (note 3)	**342**	**-**	**342**	**448**	**-**	**448**
Cost of sales	(176)	-	(176)	(205)	-	(205)
Administrative expenses	(73)	(26)	(99)	(91)	(9)	(100)
Other operating income and expenses	1	-	1	1	-	1
	94	(26)	68	153	(9)	144
Depreciation and amortisation	(25)	-	(25)	(29)	(1)	(30)
Operating profit (note 3)	**69**	**(26)**	**43**	**124**	**(10)**	**114**
Financial income	1	-	1	3	-	3
Financial expenses	(15)	-	(15)	(33)	-	(33)
Profit before tax (note 3)	**55**	**(26)**	**29**	**94**	**(10)**	**84**
Tax (note 8)	(13)	5	(8)	(27)	3	(24)
Profit for the period from continuing operations	**42**	**(21)**	**21**	**67**	**(7)**	**60**
Profit for the period from discontinued operations (note 9)	2	4	6	2	-	2
Profit for the period attributable to the equity holders of the parent	**44**	**(17)**	**27**	**69**	**(7)**	**62**
Earnings per ordinary share (note 10)						
Continuing operations:						
Basic			7.4¢			20.5¢
Diluted			7.4¢			20.3¢
Adjusted	14.8¢			22.9¢		
Adjusted diluted	14.7¢			22.7¢		
Total operations:						
Basic			9.5¢			21.2¢
Diluted			9.5¢			21.0¢
Adjusted	15.5¢			23.6¢		
Adjusted diluted	15.4¢			23.4¢		

INTERCONTINENTAL HOTELS GROUP PLC
GROUP STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2009

	2009 3 months ended 31 March $m	2008 3 months ended 31 March restated* $m
Profit for the period	**27**	**62**
Other comprehensive income		
Gains on valuation of available-for-sale assets	5	6
Cash flow hedges:		
Losses arising during the period	(4)	-
Transferred to financial expenses	3	-
Actuarial gains/(losses) on defined benefit pension plans, net of asset restriction	34	(14)
Exchange differences on retranslation of foreign operations	(14)	20
Tax related to above components of other comprehensive income	(4)	4
Tax related to share schemes	(1)	(4)
Tax related to pension contributions	**-**	6
Other comprehensive income for the period	**19**	**18**
Total comprehensive income for the period	**46**	**80**
Attributable to:		
Equity holders of the parent	47	80
Minority equity interest	(1)	-
	46	80

* Restated for IFRIC 14 (note 1).

INTERCONTINENTAL HOTELS GROUP PLC
GROUP STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2009

	3 months ended 31 March 2009				
	Equity share capital $m	**Other reserves* $m**	**Retained earnings $m**	**Minority interest $m**	**Total equity $m**
At beginning of the period	118	(2,748)	2,624	7	1
Total comprehensive income for the period	-	(9)	56	(1)	46
Movement in shares in employee share trusts	-	42	(41)	-	1
Equity-settled share-based cost, net of payments	-	-	3	-	3
Exchange adjustments	(2)	2	-	-	-
At end of the period	**116**	**(2,713)**	**2,642**	**6**	**51**

	3 months ended 31 March 2008				
	Equity share capital $m	**Other reserves* $m**	**Retained earnings $m**	**Minority interest $m**	**Total equity $m**
At beginning of the period	163	(2,720)	2,649	6	98
Total comprehensive income for the period	-	26	54	-	80
Issue of ordinary shares	1	-	-	-	1
Purchase of own shares	-	-	(25)	-	(25)
Movement in shares in employee share trusts	-	52	(51)	-	1
Equity-settled share-based cost, net of payments	-	-	1	-	1
Exchange adjustments	(1)	1	-	-	-
At end of the period	**163**	**(2,641)**	**2,628**	**6**	**156**

* Other reserves comprise the capital redemption reserve, shares held by employee share trusts, other reserves, unrealised gains and losses reserve and currency translation reserve.

INTERCONTINENTAL HOTELS GROUP PLC
GROUP STATEMENT OF CASH FLOWS
For the three months ended 31 March 2009

	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m
Profit for the period	**27**	**62**
Adjustments for:		
Net financial expenses	14	30
Income tax charge	9	25
Gain on disposal of assets – tax credit	(4)	-
Exceptional operating items before depreciation	26	9
Depreciation and amortisation	25	30
Equity settled share-based cost, net of payments	3	1
Operating cash flow before movements in working capital	100	157
Increase in net working capital	(35)	(54)
Retirement benefit contributions, net of cost	(1)	(22)
Cash flows relating to exceptional operating items	(32)	(7)
Cash flow from operations	**32**	**74**
Interest paid	(14)	(31)
Interest received	1	3
Tax paid on operating activities	(28)	(5)
Net cash from operating activities	**(9)**	**41**
Cash flow from investing activities		
Purchases of property, plant and equipment	(9)	(18)
Purchases of intangible assets	(9)	(10)
Proceeds from associates and other financial assets	8	8
Net cash from investing activities	**(10)**	**(20)**
Cash flow from financing activities		
Proceeds from the issue of share capital	-	1
Purchase of own shares	-	(25)
Purchase of own shares by employee share trusts	(2)	-
Proceeds on release of own shares by employee share trusts	1	1
Increase in borrowings	66	75
Net cash from financing activities	**65**	**52**
Net movement in cash and cash equivalents in the period	**46**	**73**
Cash and cash equivalents at beginning of the period	82	105
Exchange rate effects	(7)	(1)
Cash and cash equivalents at end of the period	**121**	**177**

INTERCONTINENTAL HOTELS GROUP PLC
GROUP STATEMENT OF FINANCIAL POSITION
31 March 2009

	2009 31 March $m	2008 31 March restated* $m	2008 31 December $m
ASSETS			
Property, plant and equipment	1,660	1,954	1,684
Goodwill	142	224	143
Intangible assets	300	345	302
Investment in associates	42	67	43
Retirement benefit assets	55	64	40
Other financial assets	153	170	152
Total non-current assets	**2,352**	**2,824**	**2,364**
Inventories	4	5	4
Trade and other receivables	393	504	412
Current tax receivable	46	96	36
Cash and cash equivalents	121	177	82
Other financial assets	5	35	10
Total current assets	**569**	**817**	**544**
Non-current assets classified as held for sale	211	115	210
Total assets (note 3)	**3,132**	**3,756**	**3,118**
LIABILITIES			
Loans and other borrowings	(20)	(17)	(21)
Trade and other payables	(683)	(756)	(746)
Current tax payable	(345)	(434)	(374)
Total current liabilities	**(1,048)**	**(1,207)**	**(1,141)**
Loans and other borrowings	(1,388)	(1,839)	(1,334)
Retirement benefit obligations	(113)	(119)	(129)
Trade and other payables	(398)	(281)	(392)
Deferred tax payable	(131)	(147)	(117)
Total non-current liabilities	**(2,030)**	**(2,386)**	**(1,972)**
Liabilities classified as held for sale	(3)	(7)	(4)
Total liabilities	**(3,081)**	**(3,600)**	**(3,117)**
Net assets	**51**	**156**	**1**
EQUITY			
Equity share capital	116	163	118
Capital redemption reserve	10	10	10
Shares held by employee share trusts	(7)	(31)	(49)
Other reserves	(2,888)	(2,917)	(2,890)
Unrealised gains and losses reserve	13	44	9
Currency translation reserve	159	253	172
Retained earnings	2,642	2,628	2,624
IHG shareholders' equity	**45**	**150**	**(6)**
Minority equity interest	6	6	7
Total equity	**51**	**156**	**1**

* Restated for IFRIC 14 (note 1).

1. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority and IAS 34 'Interim Financial Reporting'. Other than the changes listed below, they have been prepared on a consistent basis using the accounting policies set out in the InterContinental Hotels Group (the Group or IHG) Annual Report and Financial Statements for the year ended 31 December 2008.

With effect from 1 January 2009, the Group has implemented IAS 1 (Revised) 'Presentation of Financial Statements', IAS 23 (Revised) 'Borrowing Costs', IFRS 8 'Operating Segments' and IFRIC 13 'Customer Loyalty Programmes'. Except for certain presentational changes, including the introduction of a 'Group Statement of Changes in Equity' as a primary financial statement, the adoption of these standards has had no material impact on the financial statements and there has been no requirement to restate prior year comparatives.

Following the adoption of IFRIC 14 'IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' at 31 December 2007, the 31 March 2008 Statement of Financial Position has been amended to show the retirement benefit assets net of tax previously recorded within deferred tax payable. There have been corresponding changes to the actuarial gains and related tax reported in the restated Group Statement of Comprehensive Income for the three months ended 31 March 2008. There is no change to previously reported net assets.

These financial statements are presented in US dollars following a management decision to change the reporting currency from sterling in 2008. The change was made to reflect the profile of the Group's revenue and operating profit which are now primarily generated in US dollars or US dollar linked currencies. Comparative information has been restated into US dollars.

These condensed interim financial statements are unaudited and do not constitute statutory accounts of the Group within the meaning of Section 240 of the Companies Act 1985. The auditors have carried out a review of the financial information in accordance with the guidance contained in ISRE 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board.

The financial information for the year ended 31 December 2008 has been extracted from the Group's published financial statements for that year which contain an unqualified audit report and which have been filed with the Registrar of Companies.

2. Exchange rates

The results of operations have been translated into US dollars at the average rates of exchange for the period. In the case of sterling, the translation rate for the three months ended 31 March is $1= £0.70 (2008 3 months, $1=£0.50). In the case of the euro, the translation rate for the three months ended 31 March is $1 = €0.77 (2008 3 months, $1 = €0.67).

Assets and liabilities have been translated into US dollars at the rates of exchange on the balance sheet date. In the case of sterling, the translation rate is $1=£0.70 (2008 31 December $1 = £0.69; 31 March $1 = £0.50). In the case of the euro, the translation rate is $1 = €0.75 (2008 31 December $1 = €0.71; 31 March $1= €0.63).

3. Segmental Information

Revenue	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m
Continuing operations:		
Americas (note 4)	170	230
EMEA (note 5)	87	115
Asia Pacific (note 6)	56	72
Central	29	31
Revenue from continuing operations	**342**	**448**
Discontinued operations – Americas (note 4)	9	11
Total revenue	**351**	**459**

Profit	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m
Continuing operations:		
Americas (note 4)	60	112
EMEA (note 5)	24	30
Asia Pacific (note 6)	10	17
Central	(25)	(35)
Reportable segments' operating profit	**69**	**124**
Exceptional operating items (note 7)	(26)	(10)
Operating profit from continuing operations	**43**	**114**
Financial income	1	3
Financial expenses	(15)	(33)
Profit before tax from continuing operations	**29**	**84**
Discontinued operations – Americas (note 4)	3	3
Total profit before tax	**32**	**87**

Assets	2009 31 March $m	2008 31 March restated* $m	2008 31 December $m
Americas	1,238	1,361	1,240
EMEA	932	1,274	958
Asia Pacific	604	683	613
Central	191	165	189
Segment assets	**2,965**	**3,483**	**3,000**
Unallocated assets:			
Current tax receivable	46	96	36
Cash and cash equivalents	121	177	82
Total assets	**3,132**	**3,756**	**3,118**

* Restated for IFRIC 14 (note 1).

4. Americas

	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m
Revenue		
Owned and leased	40	63
Managed	31	53
Franchised	99	114
Continuing operations	170	230
Discontinued operations*	9	11
Total	**179**	**241**
Operating profit		
Owned and leased	(4)	7
Managed	(4)	23
Franchised	80	97
Regional overheads	(12)	(15)
Continuing operations	60	112
Discontinued operations*	3	3
Total	**63**	**115**

* Discontinued operations are all owned and leased.

5. EMEA

	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m
Revenue		
Owned and leased	38	53
Managed	28	40
Franchised	21	22
Total	**87**	**115**
Operating profit		
Owned and leased	1	5
Managed	16	21
Franchised	16	15
Regional overheads	(9)	(11)
Total	**24**	**30**

All results relate to continuing operations.

6. Asia Pacific

	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m
Revenue		
Owned and leased	32	40
Managed	21	28
Franchised	3	4
Total	**56**	**72**
Operating profit		
Owned and leased	7	10
Managed	8	14
Franchised	1	2
Regional overheads	(6)	(9)
Total	**10**	**17**

All results relate to continuing operations.

7. Exceptional items

	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m
Continuing operations:		
Exceptional operating items		
Administrative expenses:		
Holiday Inn brand relaunch (a)	(5)	(6)
Office reorganisations (b)	-	(3)
Enhanced pension transfer (c)	(21)	-
	(26)	(9)
		-
Depreciation and amortisation:		
Office reorganisations (b)	-	(1)
	(26)	(10)
Tax		
Tax on exceptional operating items	5	3
Discontinued operations:		
Gain on disposal of assets – tax credit	4	-

The above items are treated as exceptional by reason of their size or nature.

a) Relates to costs incurred in support of the worldwide relaunch of the Holiday Inn brand family that was announced on 24 October 2007.

b) Related to costs incurred on the relocation of the Group's head office and the closure of its Aylesbury facility.

c) Relates to the payment of enhanced pension transfers to those deferred members of the InterContinental Hotels UK Pension Plan who had accepted an offer to receive the enhancement either as a cash lump sum or as an additional transfer value to an alternative pension plan provider. The exceptional item comprises the lump sum payments, the IAS 19 settlement loss arising on the pension transfers and the costs of the arrangement. The payments and transfers were made in January 2009.

8. Tax

The tax charge on the combined profit from continuing and discontinued operations, excluding the impact of exceptional items (note 7), has been calculated using an estimated effective annual tax rate of 24% (2008 29%) analysed as follows.

3 months ended 31 March	2009 Profit $m	2009 Tax $m	2009 Tax rate	2008 Profit $m	2008 Tax $m	2008 Tax rate
Before exceptional items						
Continuing operations	55	(13)		94	(27)	
Discontinued operations	3	(1)		3	(1)	
	58	(14)	24%	97	(28)	29%
Exceptional items						
Continuing operations	(26)	5		(10)	3	
Discontinued operations	-	4		-	-	
	32	(5)		87	(25)	
Analysed as:						
UK tax		4			(4)	
Foreign tax		(9)			(21)	
		(5)			(25)	

By also excluding the effect of prior year items, the equivalent effective tax rate would be approximately 39% (2008 3 months ended 31 March 35%; year ended 31 December 39%). Prior year items have been treated as relating wholly to continuing operations.

9. Discontinued operations

Discontinued operations are those relating to hotels sold or those classified as held for sale as part of the asset disposal programme that commenced in 2003. These disposals underpin IHG's strategy of growing its managed and franchised business whilst reducing asset ownership.

The results of discontinued operations which have been included in the consolidated income statement are as follows:

	2009 3 months ended 31 March $m	**2008 3 months ended 31 March $m**
Revenue	**9**	**11**
Cost of sales	(6)	(8)
Operating profit	**3**	**3**
Tax	(1)	(1)
Profit after tax	**2**	**2**
Gain on disposal of assets – tax credit	4	-
Profit for the period from discontinued operations	**6**	**2**

	2009 3 months ended 31 March cents per share	**2008 3 months ended 31 March cents per share**
Earnings per share from discontinued operations		
Basic	2.1	0.7
Diluted	2.1	0.7

The effect of discontinued operations on segment results is shown in notes 3 and 4.

10. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit for the period available for IHG equity holders by the weighted average number of ordinary shares, excluding investment in own shares, in issue during the period.

Diluted earnings per ordinary share is calculated by adjusting basic earnings per ordinary share to reflect the notional exercise of the weighted average number of dilutive ordinary share options outstanding during the period.

Adjusted earnings per ordinary share is disclosed in order to show performance undistorted by exceptional items, to give a more meaningful comparison of the Group's performance.

3 months ended 31 March	**2009 Continuing operations**	**2009 Total**	**2008 Continuing operations**	**2008 Total**
Basic earnings per share				
Profit available for equity holders ($m)	21	27	60	62
Basic weighted average number of ordinary shares (millions)	284	284	292	292
Basic earnings per share (cents)	7.4	9.5	20.5	21.2
	====	=====	====	=====
Diluted earnings per share				
Profit available for equity holders ($m)	21	27	60	62
Diluted weighted average number of ordinary shares (millions)	285	285	295	295
Diluted earnings per share (cents)	7.4	9.5	20.3	21.0
	====	=====	===	===
Adjusted earnings per share				
Profit available for equity holders ($m)	21	27	60	62
Adjusting items (note 7):				
Exceptional operating items ($m)	26	26	10	10
Tax ($m)	(5)	(5)	(3)	(3)
Gain on disposal of assets, net of tax ($m)	-	(4)	-	-
Adjusted earnings ($m)	42	44	67	69
Basic weighted average number of ordinary shares (millions)	284	284	292	292
Adjusted earnings per share (cents)	14.8	15.5	22.9	23.6
	====	====	====	====
Diluted weighted average number of ordinary shares (millions)	285	285	295	295
Adjusted diluted earnings per share (cents)	14.7	15.4	22.7	23.4
	====	====	====	====

The diluted weighted average number of ordinary shares is calculated as:

	2009 3 months ended 31 March millions	**2008 3 months ended 31 March millions**
Basic weighted average number of ordinary shares	284	292
Dilutive potential ordinary shares – employee share options	1	3
	285	295
	====	====

11. Net debt

	2009 31 March $m	2008 31 March $m	2008 31 December $m
Cash and cash equivalents	121	177	82
Loans and other borrowings – current	(20)	(17)	(21)
Loans and other borrowings – non-current	(1,388)	(1,839)	(1,334)
Net debt	**(1,287)**	**(1,679)**	**(1,273)**
Finance lease liability included above	(202)	(200)	(202)

12. Movement in net debt

	2009 3 months ended 31 March $m	2008 3 months ended 31 March $m	2008 12 months ended 31 December $m
Net increase in cash and cash equivalents	46	73	25
Add back cash flows in respect of other components of net debt:			
(Increase)/decrease in borrowings	(66)	(75)	316
(Increase)/decrease in net debt arising from cash flows	(20)	(2)	341
Non-cash movements:			
Finance lease liability	(1)	(5)	(2)
Exchange and other adjustments	7	(13)	47
(Increase) /decrease in net debt	**(14)**	**(20)**	**386**
Net debt at beginning of the period	(1,273)	(1,659)	(1,659)
Net debt at end of the period	**(1,287)**	**(1,679)**	**(1,273)**

13. Dividends

The proposed final dividend of 29.2 cents per share for the year ended 31 December 2008 is not recognised in these accounts as it remains subject to approval at the Annual General Meeting to be held on 29 May 2009. If approved, the dividend will be paid on 5 June 2009 to shareholders who were registered on 27 March 2009 at an expected total cost of $83m.

14. Capital commitments and contingencies

At 31 March 2009, the amount contracted for but not provided for in the financial statements for expenditure on property, plant and equipment was $33m (2008 31 December $40m; 31 March $18m).

At 31 March 2009, the Group had contingent liabilities of $10m (2008 31 December $12m; 31 March $20m), mainly comprising guarantees given in the ordinary course of business.

In limited cases, the Group may provide performance guarantees to third-party owners to secure management contracts. The maximum exposure under such guarantees is $232m (2008 31 December $249m; 31 March $218m). Payments under any such guarantees are charged to the income statement as incurred.

The Group has given warranties in respect of the disposal of certain of its former subsidiaries. It is the view of the Directors that, other than to the extent that liabilities have been provided for in these financial statements, such warranties are not expected to result in material financial loss to the Group.

15. Other commitments

On 24 October 2007, the Group announced a worldwide relaunch of its Holiday Inn brand family. In support of this relaunch, IHG will make a non-recurring revenue investment of $60m which will be charged to the Group income statement as an exceptional item. $40m has been incurred to date, including the $5m charged in the first three months of 2009.

INDEPENDENT REVIEW REPORT TO INTERCONTINENTAL HOTELS GROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the three months ended 31 March 2009 which comprises the Group income statement, Group statement of comprehensive income, Group statement of changes in equity, Group statement of cash flows, Group statement of financial position and the related notes 1 to 15. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the three months ended 31 March 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London
11 May 2009