Interim Results Presentation
8 August 2017

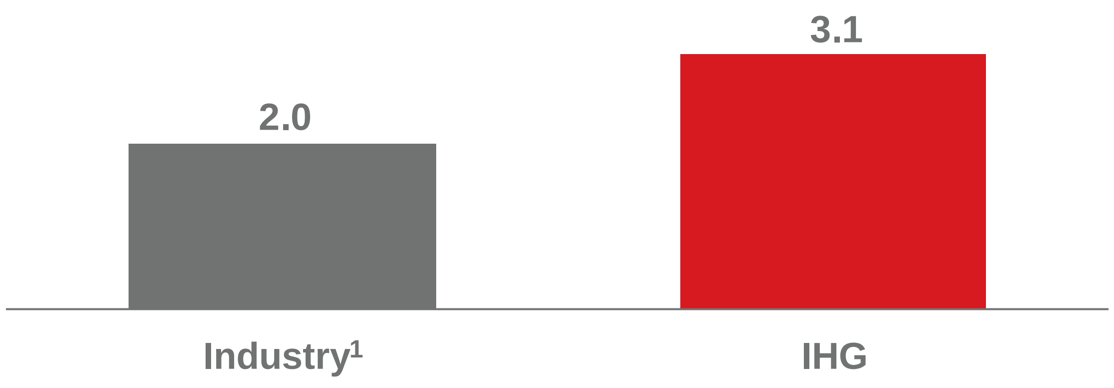
IHG®

Keith Barr
Chief Executive Officer

IHG®

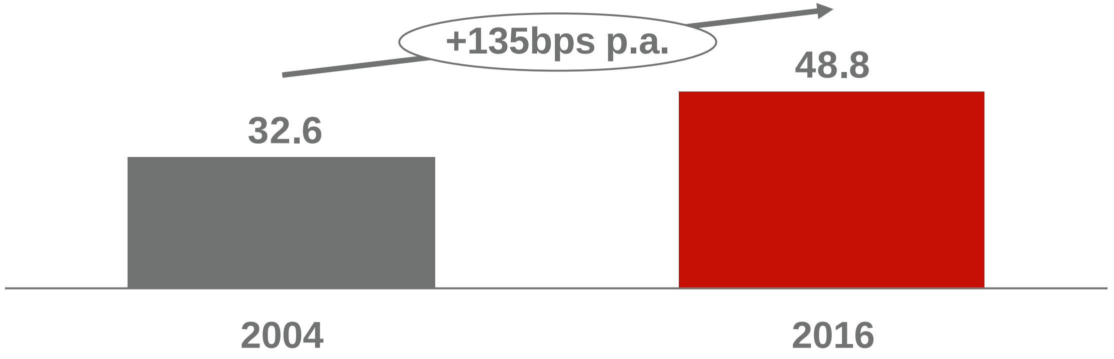
Our consistently executed Winning Strategy has delivered high quality growth...

Rooms growth % ('04 – '16 CAGR)

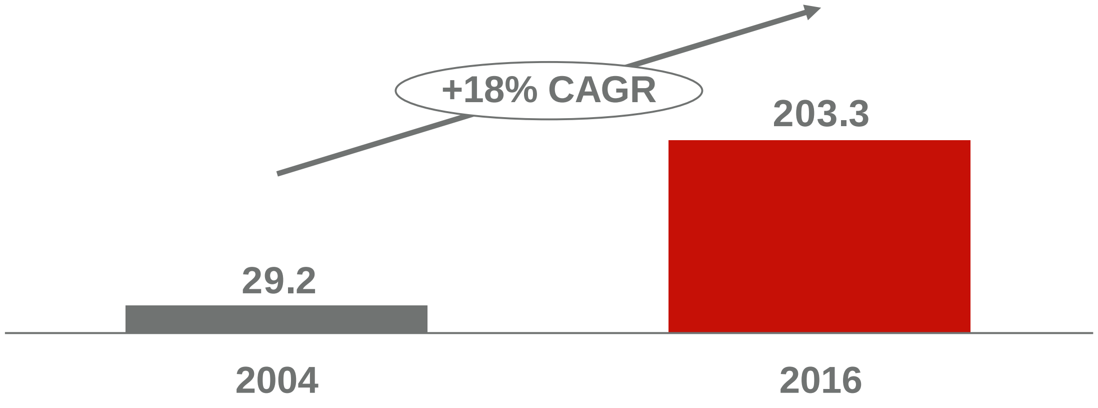


Room revenue growth %[2] ('04 – '16 CAGR)

Fee margin%[3]



EPS (US dollars ¢)

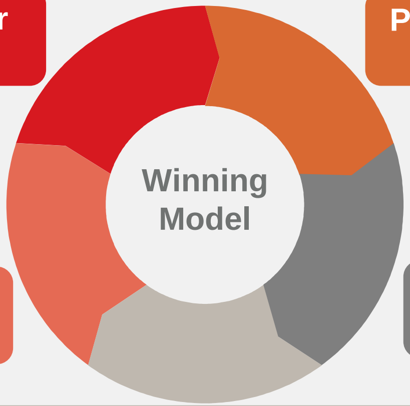


[1]Source: Smith Travel Research; [2]Rooms Revenue: Revenue generated from the sale of room nights; [3]Fee margin: adjusted for owned and leased hotels, managed leases and significant liquidated damages.

…and we can drive our Winning Model even harder

Value creation: Superior shareholder returns

Winning Model



Superior owner proposition

Preferred portfolio of brands

Build and leverage scale

Strong loyalty programme

Effective channel management

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

Whilst doing business responsibly

Paul Edgecliffe-Johnson
Chief Financial Officer

Financial Review

IHG®

Good underlying financial performance

	Underlying[1]			*Reported*
$ million	**H1 2017**	**H1 2016**	**% Change**	***H1 2017***
Revenue	$788m	$756m	4%	*$857m*
Fee revenue[2]	$697m	$673m	4%	*$686m*
Operating profit[3]	$365m	$340m	7%	*$370m*
Fee-based margin	50.1%	48.6%	1.5%pts	*51.0%*
Reported interest	*$(40)m*	*$(41)m*	*(2)%*	*$(40)m*
Reported tax rate[3]	*33%*	*33%*	-	*33%*
Reported basic weighted average shares	*196m*	*228m*	*(14)%*	*196m*
Adjusted EPS[4]	111.7¢	87.7¢	27%	113.3¢
Interim Dividend	33¢	30¢	10%	33¢

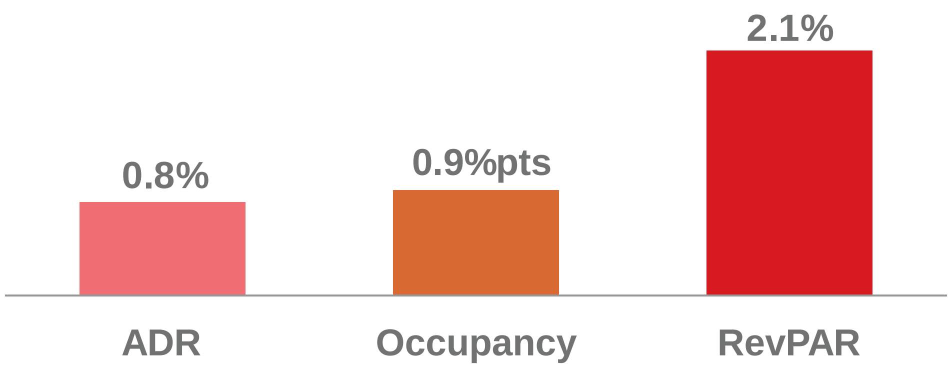
[1]Underlying excludes owned asset disposals, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER). Note: Interest, tax rate and average share count as reported; [2]Group revenue excluding owned and leased hotels, managed leases and significant liquidated damages; [3] Before exceptional items; [4] Before exceptional items, underlying growth based on reported interest and tax rate.

Resilient fee-based business model

RevPAR X **Rooms** X **Royalty Rate**

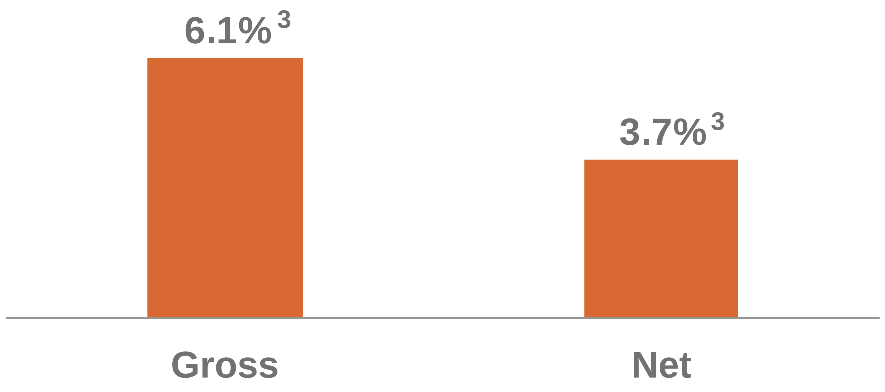
H1 2017 underlying fee revenue[1] $697m up 3.6%[2]

H1 2017 Group RevPAR growth[2]



H1 2017: +1.2% Total RevPAR growth[2]

H1 2017 system growth (%YoY)

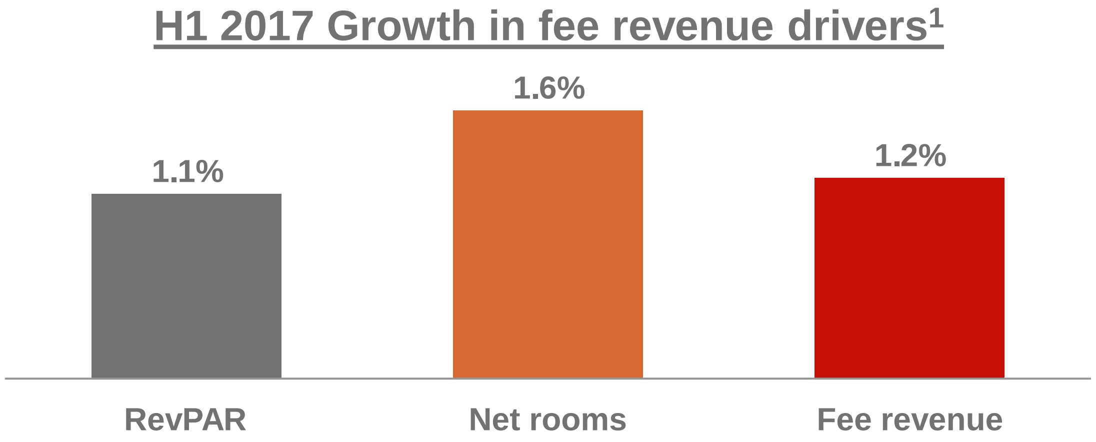


H1 2017: 23k rooms opened[3], 12k rooms removed

[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER). [2]Growth stated at CER. [3] Includes 3.5k rooms in Makkah, Saudi Arabia that form part of the larger 5k room development signed in 2015. Annualised fees from these rooms are ~$1m.

Americas
– US RevPAR growth slows in Q2 as Easter benefit reverses

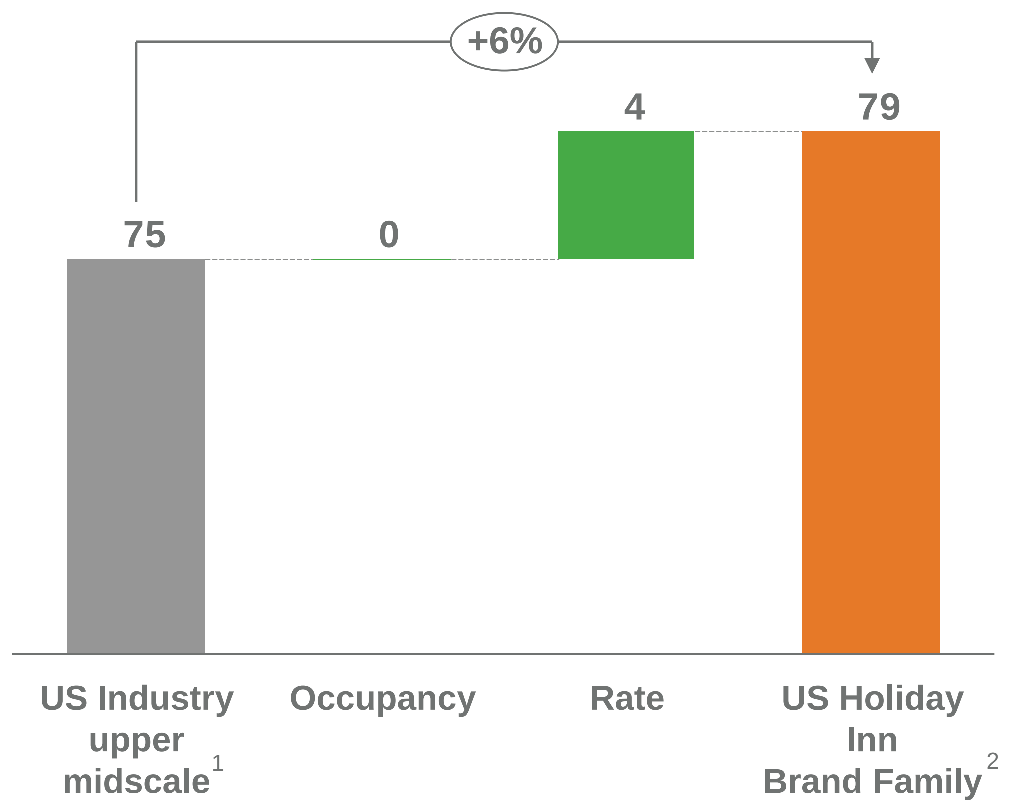
- Comparable RevPAR up 1.1%
- H1 US RevPAR up 0.7% (Q2 down -0.4%)
  - Easter timing reversal in Q2 (-120bps)



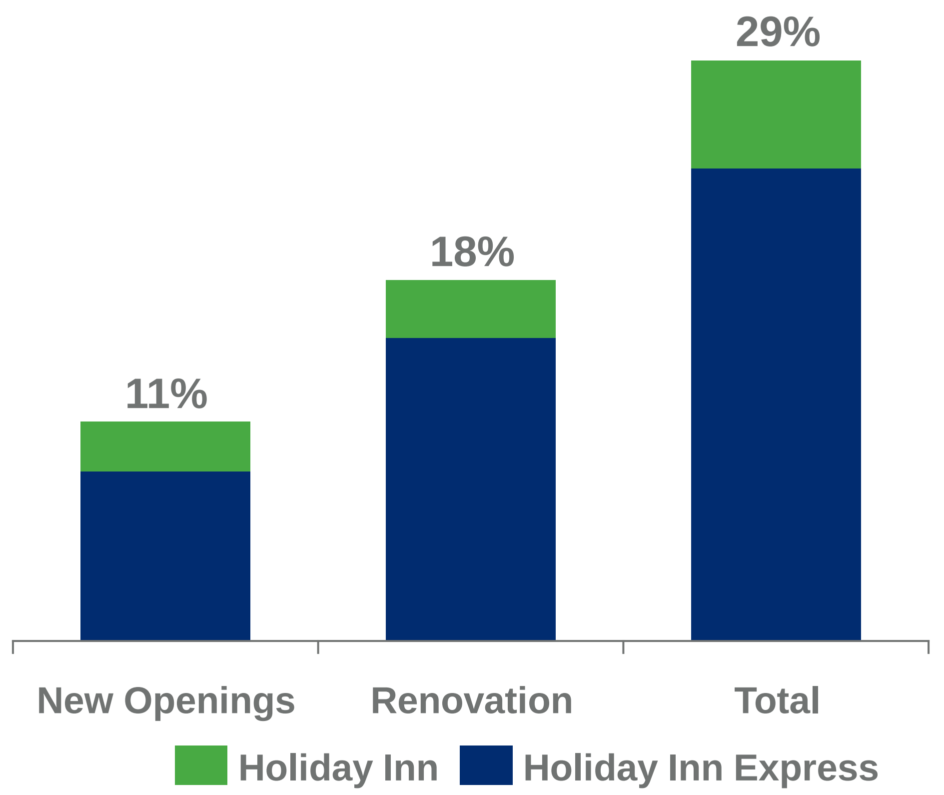
[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER).

Americas
– Holiday Inn Brand Family delivers RevPAR premium to US upper midscale

US Holiday Inn Brand Family RevPAR[2] premium to Upper Midscale[1] ($)



Proportion of US Holiday Inn Brand Family Hotels Opened / Renovated since 1 January 2015



[1]Sourced from STR data excluding the Holiday Inn Brand Family; rolling 12 month average RevPAR. [2] Rolling 12 month average comparable RevPAR

Americas
– US RevPAR growth slows in Q2 as Easter benefit reverses

- Comparable RevPAR up 1.1%
- H1 US RevPAR up 0.7% (Q2 down -0.4%)
  - Easter timing reversal in Q2 (-120bps)
- Outside US, RevPAR up 4.6%
  - 150th anniversary celebrations in Canada, up 4.3%
  - Weak currency buoying economy in Mexico, up 9.1%

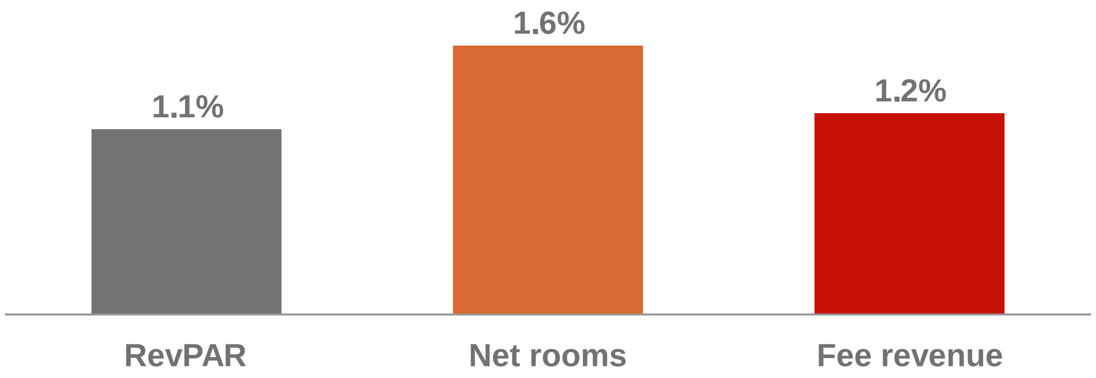
- YoY net rooms growth 1.6% (Gross: 4.4%)

- Fee revenue[1] up 1.2%

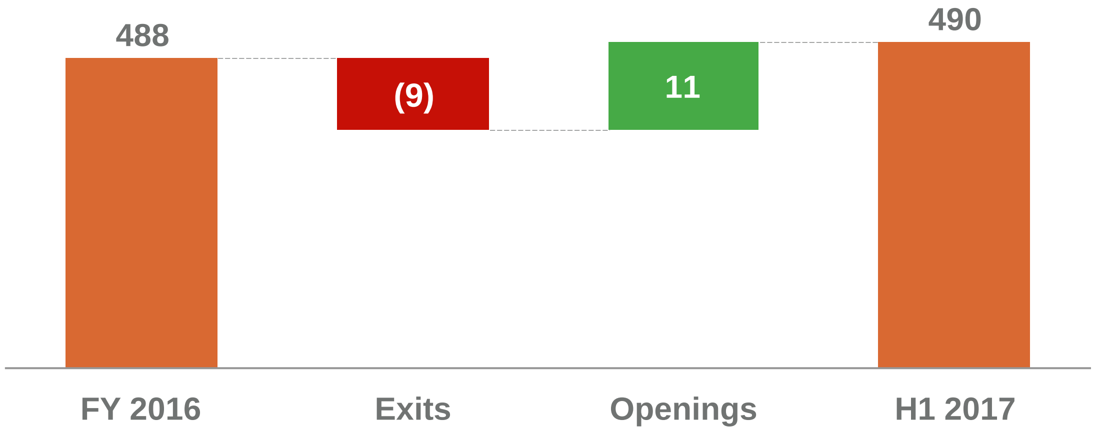
- Underlying[2] revenue and profit up 3% including:
  - RevPAR and rooms growth in the Franchise estate
  - Ramp up of InterContinental New York Barclay
- Owned and Leased profit up 25% ($3m) driven by Holiday Inn Aruba

- Pipeline: 103k rooms; 16k rooms signed in H1 2017

H1 2017 Growth in fee revenue drivers[1]



H1 2017 Net rooms growth ('000s)



[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER).
[2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER).

Europe
– Strong trading drives double digit profit growth

- Comparable RevPAR up 6.2% (Q2 up 5.5%)
  - UK 6.7%; provinces 5.4%; London 9.0%
  - Germany up 2.3% (Q2 down -3.6% due to trade fairs)
  - France up 4.5% including +11.6% in Paris

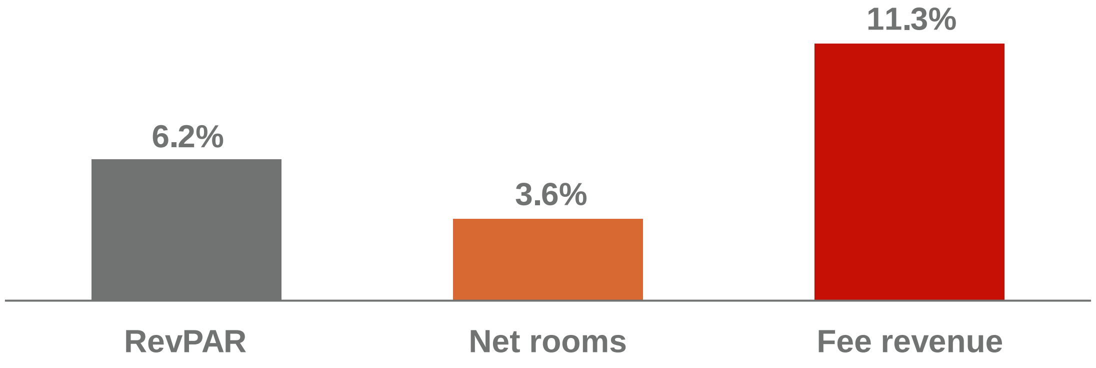
- YoY net rooms growth 3.6% (Gross: 4.7%)

- Fee revenue[1] up 11.3%

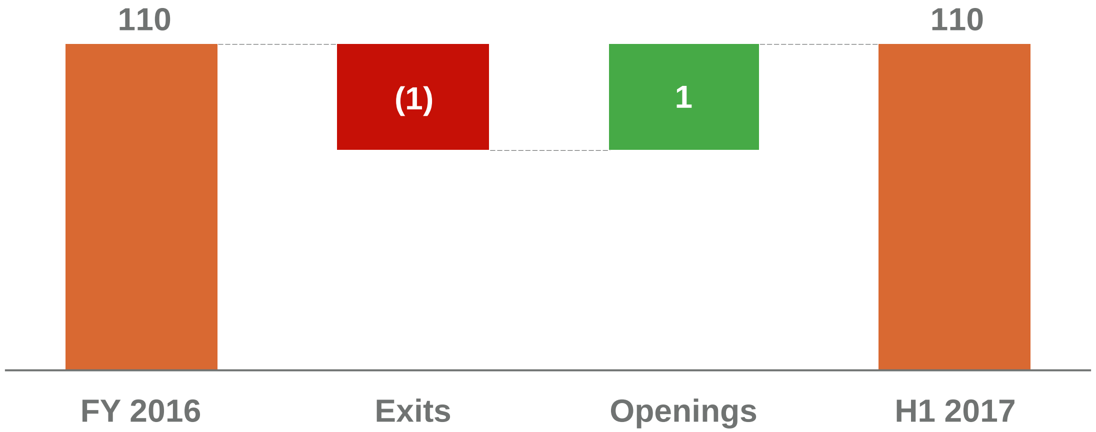
- Underlying[2] revenue up 11%; underlying[2] profit up 12%
  - Strong RevPAR growth in the UK

- Pipeline: 24k rooms; 3k rooms signed in H1 2017

H1 2017 Growth in fee revenue drivers[1]



H1 2017 Net rooms growth ('000s)



[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER); [2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER).

Asia, Middle East & Africa
– Solid trading in key markets offset by weakness in the Middle East

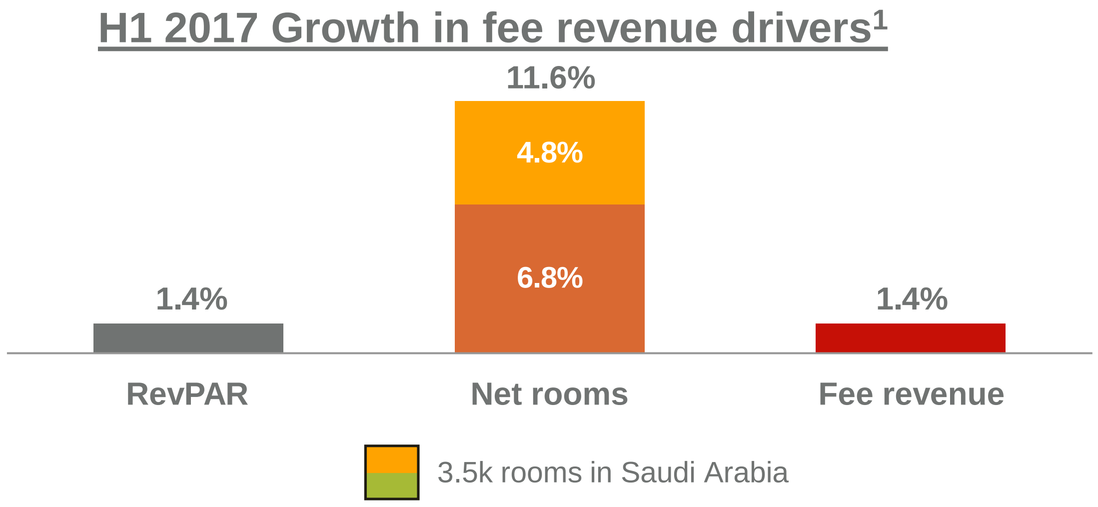
- Comparable RevPAR up 1.4% (Q2 up 2.7%)
  - 4.2% growth ex Middle East (down -3.7%)
  - Japan 2.6%; Australia 4.0%; S.E Asia 3.7%
- Total RevPAR down -1.9% due to openings in developing markets

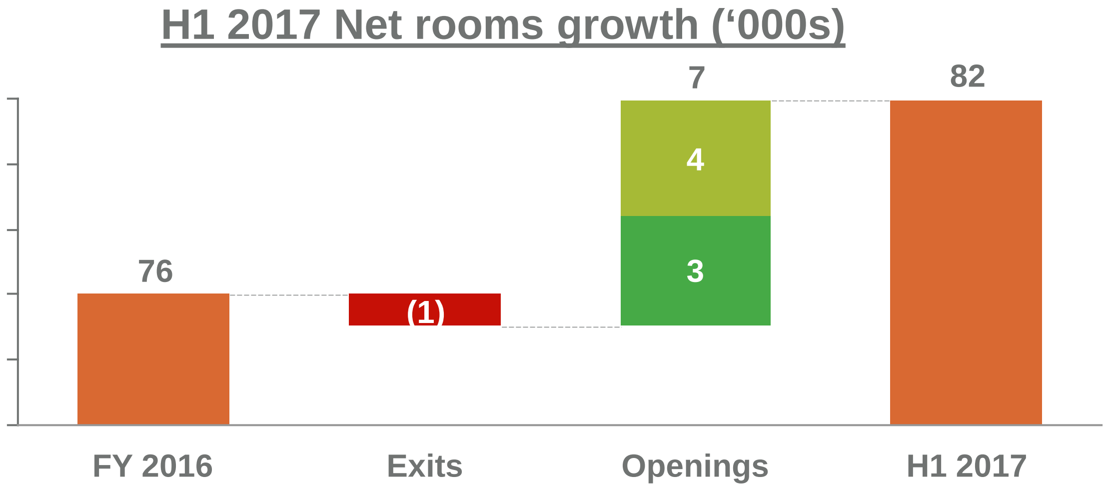
- YoY net rooms growth 11.6%[3] (Gross 13%[3])
  - Includes 3.5k rooms in Makkah, Saudi Arabia. Annualised fees ~$1m

- Fee revenue[1] up 1.4%

- Underlying[2] revenue up 1%; underlying[2] profit up 11%
- 2017 managed profit expected to be flat on 2016

- Pipeline: 35k rooms; 3k rooms signed in H1 2017



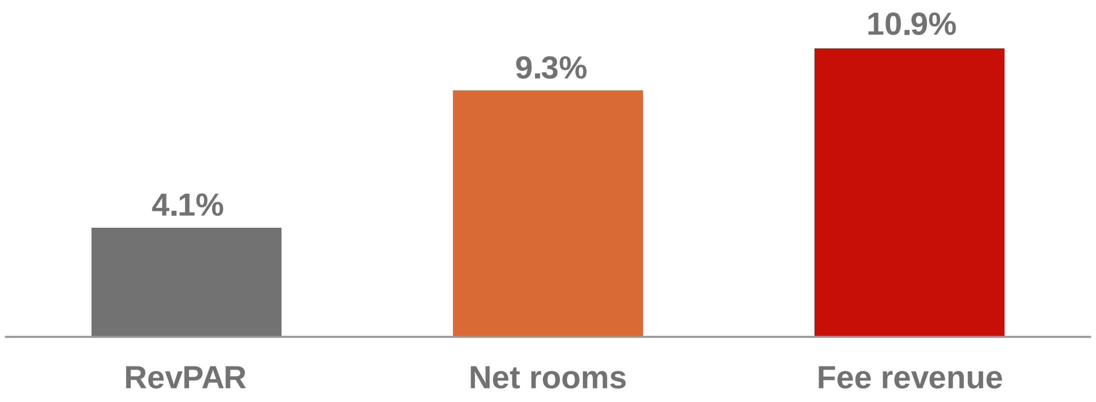


[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER); [2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant H1 16 exchange rates (CER); [3]Includes 3.5k rooms in Makkah, Saudi Arabia that form part of the larger 5k room development signed in 2015. Annualised fees from these rooms are ~$1m.

Greater China
– Strong mainland trading and 9% rooms growth drive 15% profit growth

- Comparable RevPAR up 4.1% (Q2 4.4%)
  - Mainland China up 5.1%, Tier 1 up 5.4%
  - Hong Kong flat; Macau up 2.1%
- Total RevPAR down -0.3%

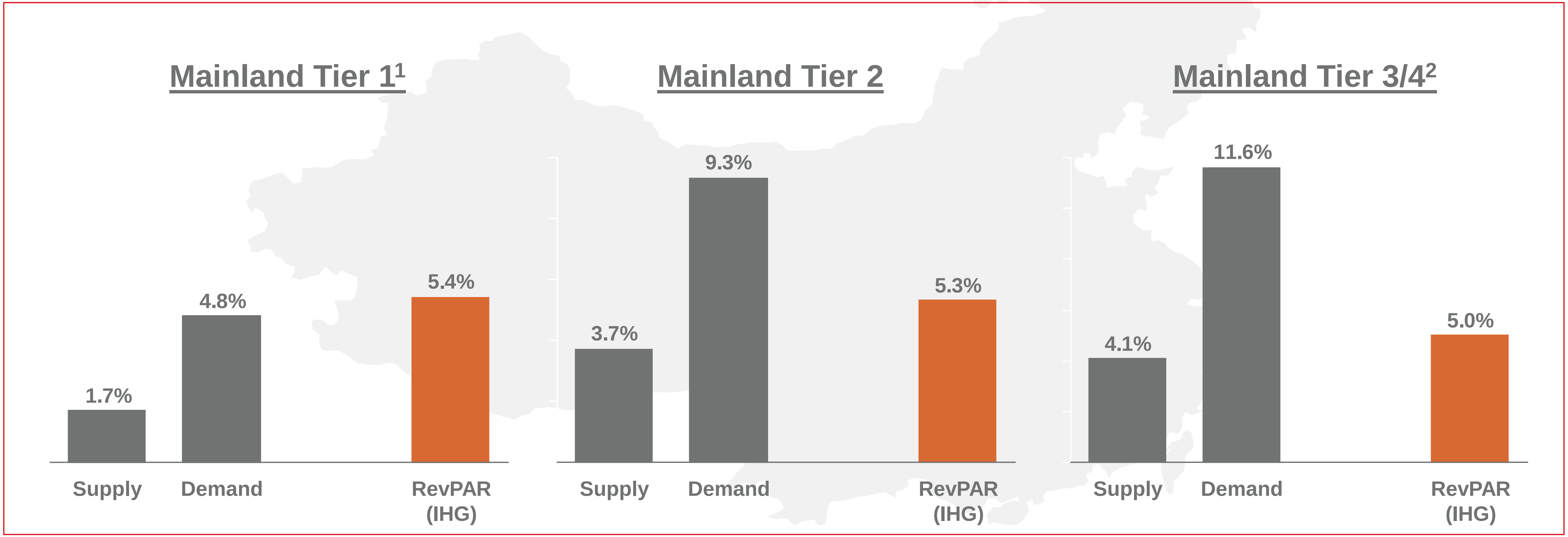
H1 2017 Growth in fee revenue drivers[1]



[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER).

Greater China
– Regional RevPAR performance driven by market specific dynamics

- Tier 1 city demand remains strong, with supply growth now moderated
- Tier 2/3/4 strong demand outpacing moderate supply growth



All data for H1 2017; [1] Mainland Tier 1 excludes Hong Kong and Taiwan. [2] Mainland Tier 2/3/4 is the remainder of Greater China excluding Macau.

Greater China
– Strong mainland trading and 9% rooms growth drive 15% profit growth

- Comparable RevPAR up 4.1% (Q2 4.4%)
  - Mainland China up 5.1%, Tier 1 up 5.4%
  - Hong Kong flat; Macau up 2.1%
- Total RevPAR down -0.3%

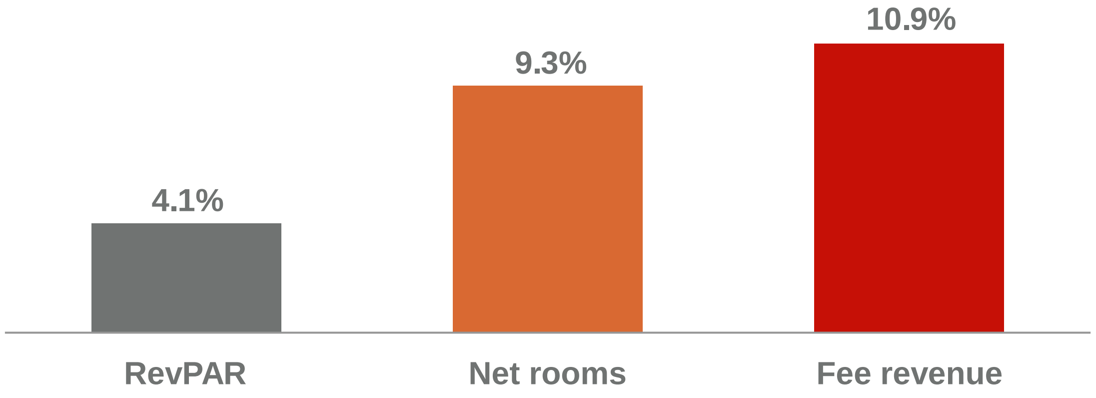
- YoY net rooms growth 9.3% (Gross: 11.1%), including:
  - 300th open hotel
  - 40th InterContinental

- Fee revenue[1] up 10.9%

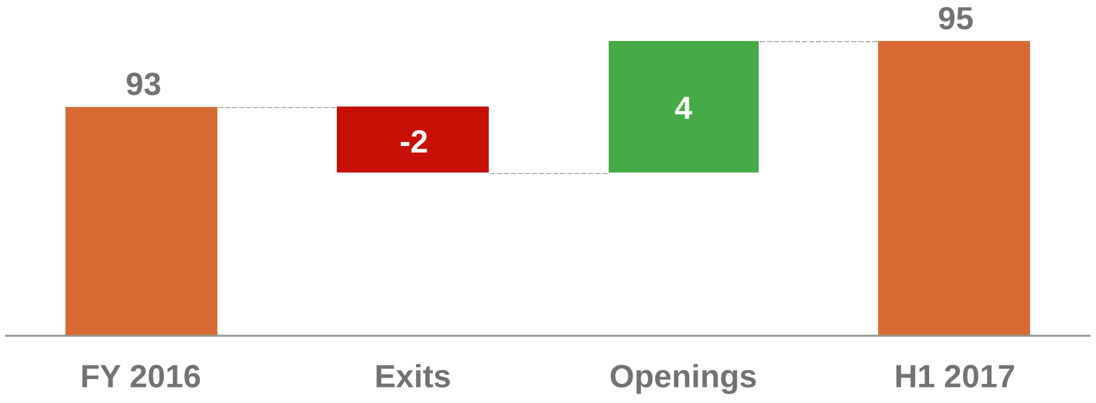
- Underlying[2] revenue up 11% and profit[2] up 15%

- Pipeline: 68k rooms
  - 46 hotels signed in H1 2017, an all time record
  - 24 Franchise Plus signings (44 since May ’16 launch)

H1 2017 Growth in fee revenue drivers[1]



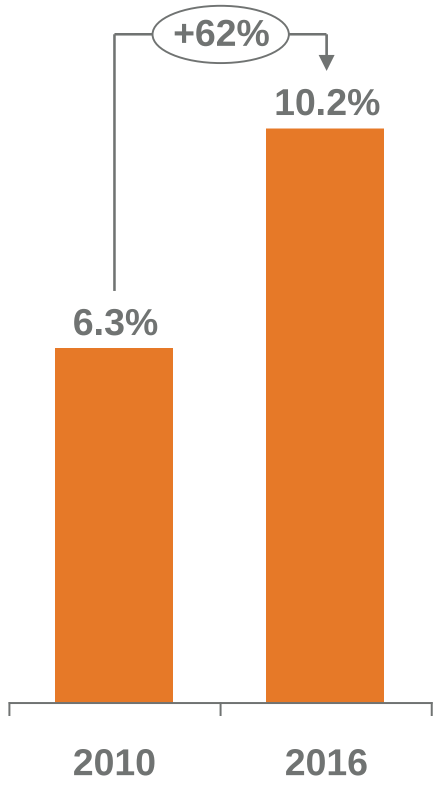
H1 2017 Net rooms growth (‘000s)



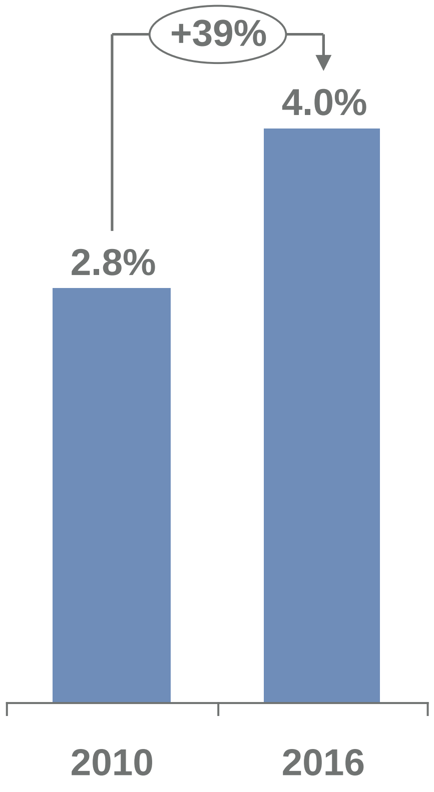
[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER).
[2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant H1 2016 exchange rates (CER).

Greater China
– Growing industry share

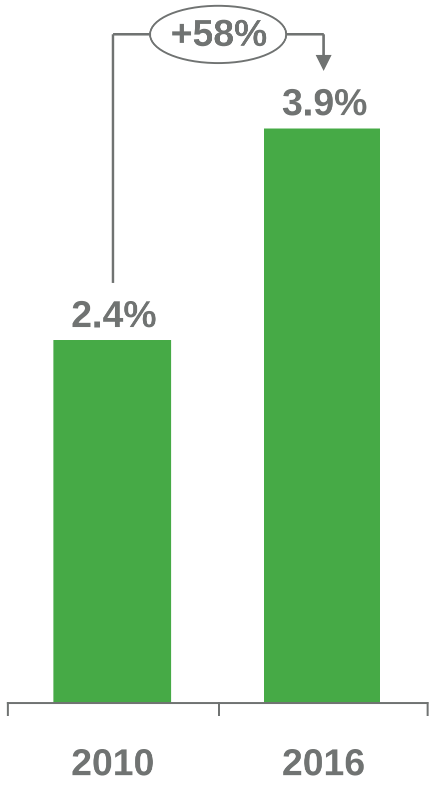
Share of Industry[1] Openings[2]



Share of Industry[1] Supply



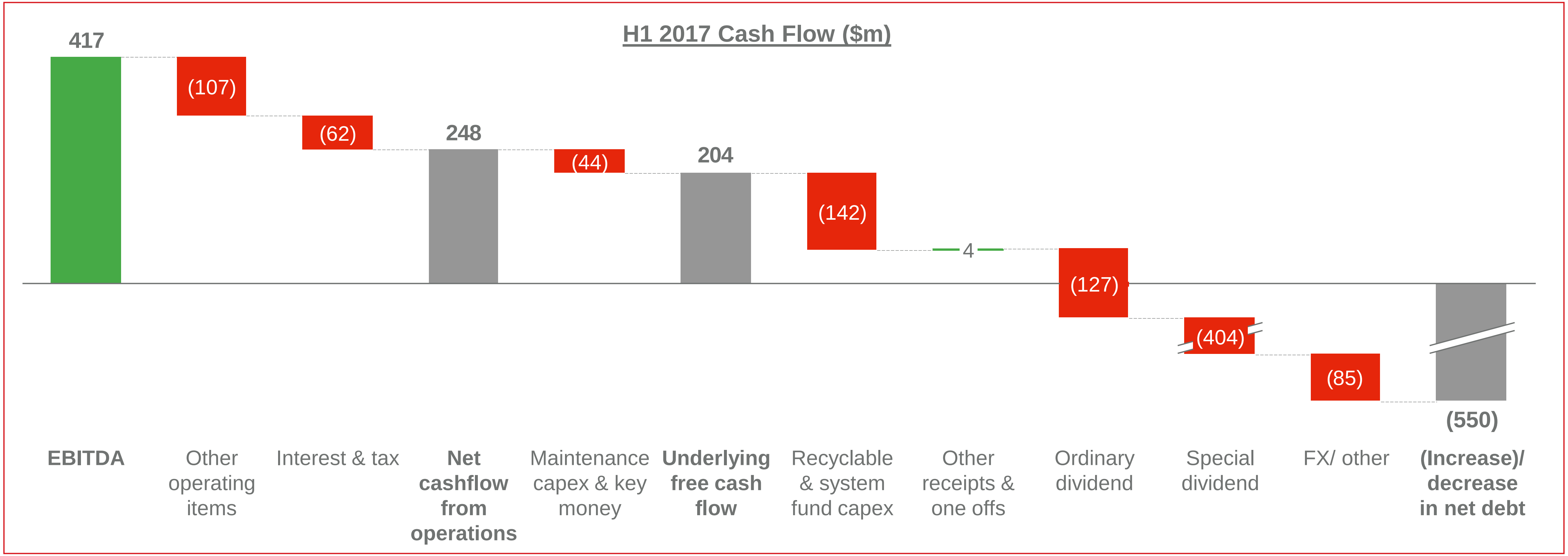
Share of Industry[1] Revenue



[1]Industry data per Smith Travel Research, includes all branded segments and independent hotels. [2]IHG openings include new build, re-purposing of other asset and conversions from other brands. Industry openings exclude brand conversions.

Significant cash flow from operations well above capex needs

- **Gross capital expenditure of $186m covered 1.3x by net cashflow from operations**
- **$0.4bn special dividend funded by operations and leverage**
- **LTM net debt to EBITDA at 2.5x, in line with guidance**



Targeted capital expenditure to drive growth

Maintenance capex & key money

$m	H1 2017
Maintenance capex	20
Key money	24
Total	44

- Medium term guidance $150m per annum
  - Key money: $75m per annum
  - Guidance includes ~$100m for Crowne Plaza in next few years

Recyclable investments

$m	H1 2017
Gross out	80
Gross in	(7)
Net total	73

- Up to $100m per annum but expected to be broadly neutral over time

System fund capital investments

$m	H1 2017
Gross out	62
Gross in	(17)
Net total	45

- Medium term guidance $100m
- Repaid when depreciation charged to System Fund

Total capital investments

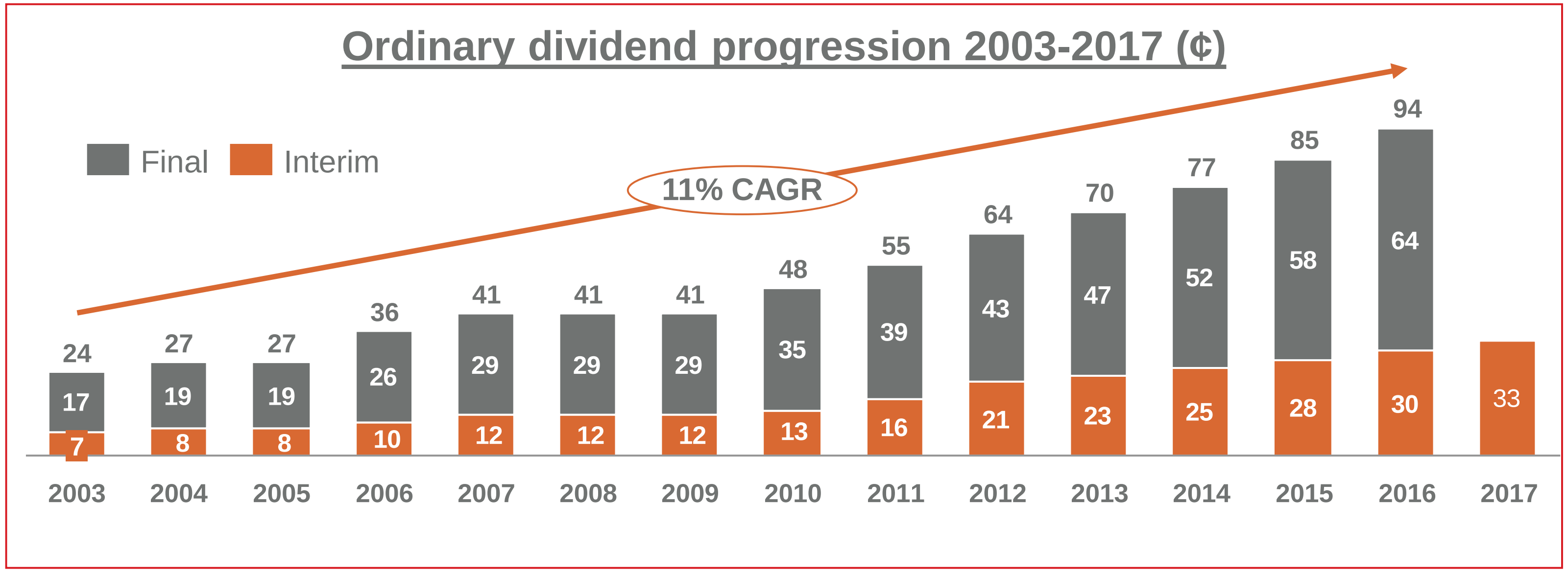
Gross total	186
Net total	162

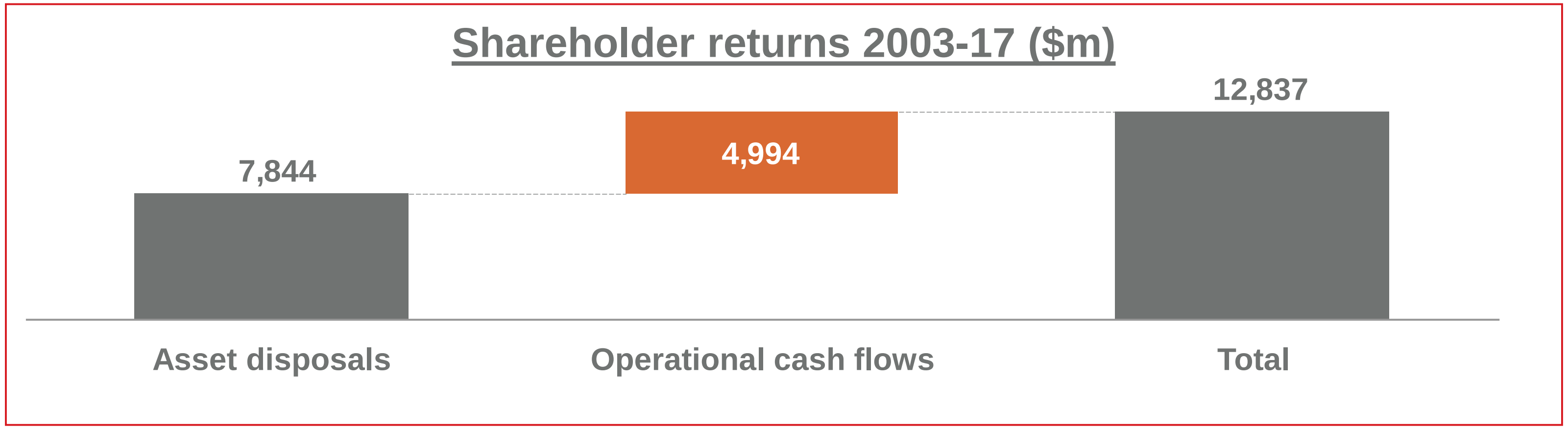
- Medium term per annum guidance
  - Gross: up to $350m
  - Net ~$150m

Highly cash generative business driving strong shareholder returns

- Strong cash flows driving consistent shareholder returns
  - Interim dividend up 10% to 33¢
  - $0.4bn special dividend paid in May 2017
  - Total returns of $12.8bn since 2003, ~40% from operations

- Efficient balance sheet with ongoing commitment to investment grade credit rating
  - 2.0x to 2.5x net debt / EBITDA
  - Current S&P Rating: BBB (Stable)



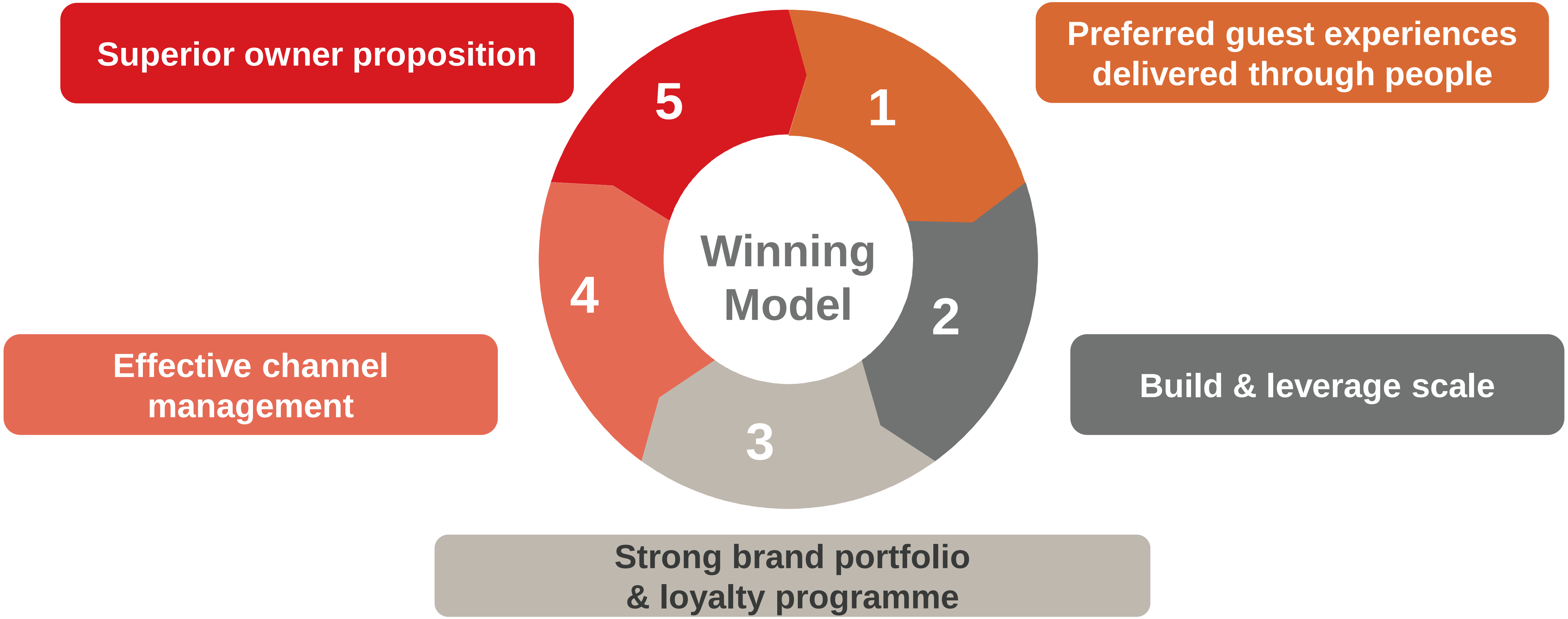


Keith Barr
Chief Executive Officer

Operating Review

IHG®

Our Winning Model continues to guide our investments in 2017



IHG has a strong portfolio of preferred brands

	Luxury		Price Point		*Midscale*
Wellbeing		KIMPTON hotels & restaurants	EVEN HOTELS		
Family Time				Holiday Inn	
Romantic Getaway		KIMPTON hotels & restaurants	hotel INDIGO		
Short Break Experience	INTERCONTINENTAL HOTELS & RESORTS	KIMPTON hotels & restaurants			
Rest & Go				Holiday Inn Express	
Mixing Business with Pleasure	INTERCONTINENTAL HOTELS & RESORTS	KIMPTON hotels & restaurants	hotel INDIGO	STAYBRIDGE SUITES Holiday Inn	
Business Productivity			CROWNE PLAZA HOTELS & RESORTS		CANDLEWOOD SUITES
Building Business Interactions	INTERCONTINENTAL HOTELS & RESORTS HUALUXE HOTELS AND RESORTS 華邑酒店及度假村			Holiday Inn	
Social Identity					

InterContinental Los Angeles Downtown, USA

InterContinental – the world's largest luxury hotel brand

- **188 hotels open globally; 63 in pipeline**
- **6 additional openings in H2 2017**

Kimpton De Witt, Amsterdam, Netherlands

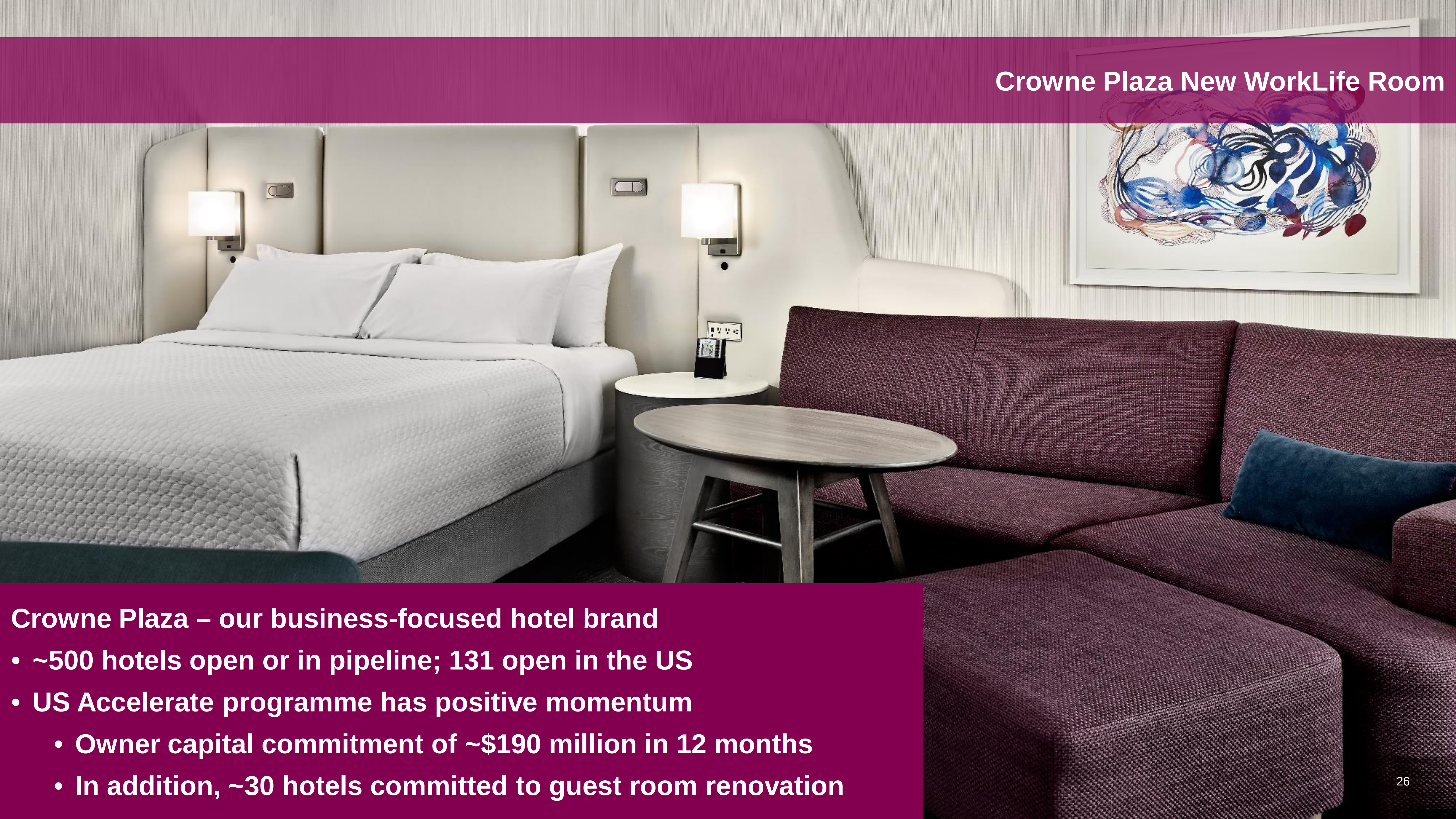
Kimpton Hotels & Restaurants – boutique offering in Upper Upscale

- **US: 6 hotel openings in H2 2017**
- **International:**
  - **Opened in Grand Cayman and Amsterdam**
  - **Number of LOIs signed across Europe and Asia**

Hotel Indigo Bali Seminyak, Indonesia

Hotel Indigo – world's first branded boutique hotel

- 79 open; 76 in pipeline
- Now in 17 countries
- Recently opened first resort location, Hotel Indigo Bali Seminyak



Crowne Plaza New WorkLife Room

Crowne Plaza – our business-focused hotel brand

- ~500 hotels open or in pipeline; 131 open in the US
- US Accelerate programme has positive momentum
  - Owner capital commitment of ~$190 million in 12 months
  - In addition, ~30 hotels committed to guest room renovation

IHG has a strong portfolio of preferred brands

	Luxury		Price Point		*Midscale*
Wellbeing		KIMPTON hotels & restaurants	EVEN HOTELS		
Family Time				Holiday Inn	
Romantic Getaway		KIMPTON hotels & restaurants	hotel INDIGO		
Short Break Experience	INTERCONTINENTAL HOTELS & RESORTS	KIMPTON hotels & restaurants			
Rest & Go				Holiday Inn Express	
Mixing Business with Pleasure	INTERCONTINENTAL HOTELS & RESORTS	KIMPTON hotels & restaurants	hotel INDIGO STAYBRIDGE SUITES	Holiday Inn	
Business Productivity			CROWNE PLAZA HOTELS & RESORTS		CANDLEWOOD SUITES
Building Business Interactions	INTERCONTINENTAL HOTELS & RESORTS HUALUXE HOTELS AND RESORTS 華邑酒店及度假村			Holiday Inn	
Social Identity					

Holiday Inn Birmingham City Centre, UK – Open Lobby

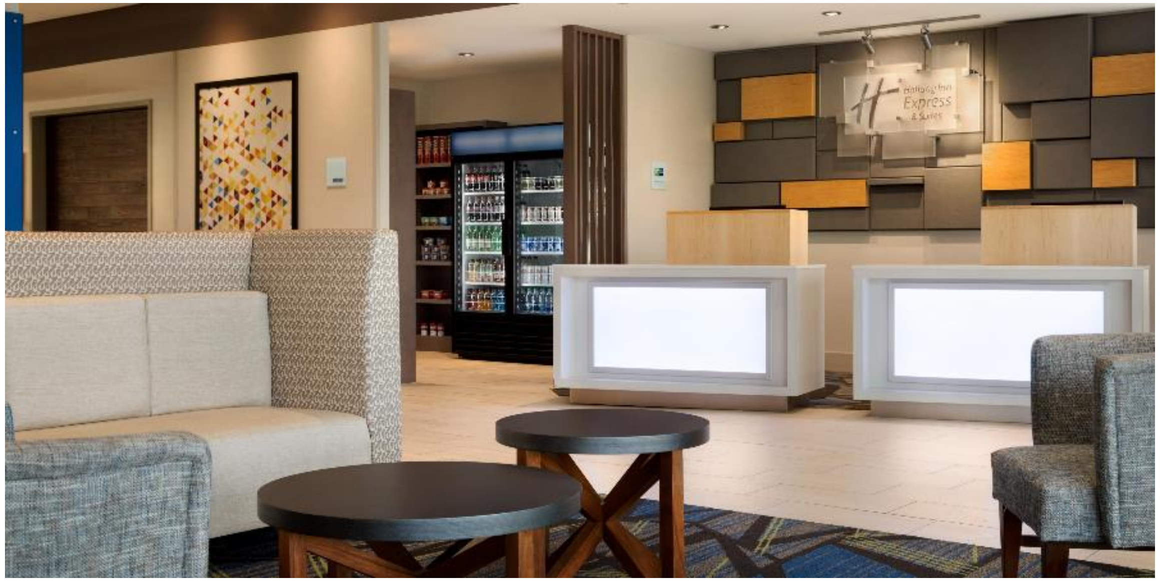
Holiday Inn – The Joy of Travel for all since 1952

- **Europe Open Lobby:**
  - **In 54 hotels; 75% open/pipeline hotels end ’17**
  - **+9% pt. uplift in Guest Love[1]; +20% uplift in R&B revenues[2]**
- **US Open Lobby:**
  - **40+ hotels open/pipeline end 2017; brand standard by 2018**
  - **5% pt. Guest Love premium[3]**

[1]Average Guest Love change, post-implementation of Open Lobby; [2] Average restaurants & bars spend post-implementation; [3]Premium vs. other recently renovated hotels to May 2017.

Holiday Inn Express
– New public spaces encourage guests to spend more time in our hotels

New Public Spaces Design – US



- New guest room + public spaces in ~900 open/pipeline hotels; in 2/3 estate by 2020
- 4% pt. Guest Love premium[1]
- 4% pt. RevPAR premium[2]

New Public Spaces Design – Europe

- New public spaces design in 16 hotels
- Further 100 in pipeline
- 8% pt. Guest Love premium[3]

[1]Premium vs. brand average to May 2017; [2]Premium vs brand average to May 2017. [3]Premium vs. hotels that have not implemented the new public space design solution.

Holiday Inn Express
– New room designs optimise space for what matters to guests

New Guest Room Design – US

- New guest room + public spaces in ~900 open/pipeline hotels; in 2/3 estate by 2020
- 4% pt. Guest Love premium[1]
- 4% pt. RevPAR premium[2]

New Guest Room Design – Europe

- New room designs in 65 hotels
- Over 100 in pipeline
- 5% pt. uplift in Guest Love[3]
- 5% pt. RevPAR premium[4]

[1]Premium vs. brand average to May 2017; [2]Premium vs brand average to May 2017; [3]Guest Love scores in new guest rooms; [4]RevPAR analysis pre and post opening vs. market.

Holiday Inn Express
– Breakfast innovation: higher quality at lower cost

New Breakfast Offer – US

- In US hotels by end of 2018
- 4-10% pt. uplift in Guest Love[1]

New Breakfast Offer – Europe

- In over 70% of UK estate
- On track for 100% rollout in UK by end of Q3 2017
- 12% pt. uplift in Breakfast scores[2]

[1]In pilot locations; [2]Uplift in Overall Breakfast scores in hotels serving the new breakfast solution.

Candlewood Suites
– Scaled, loved by guests, and profitable for owners

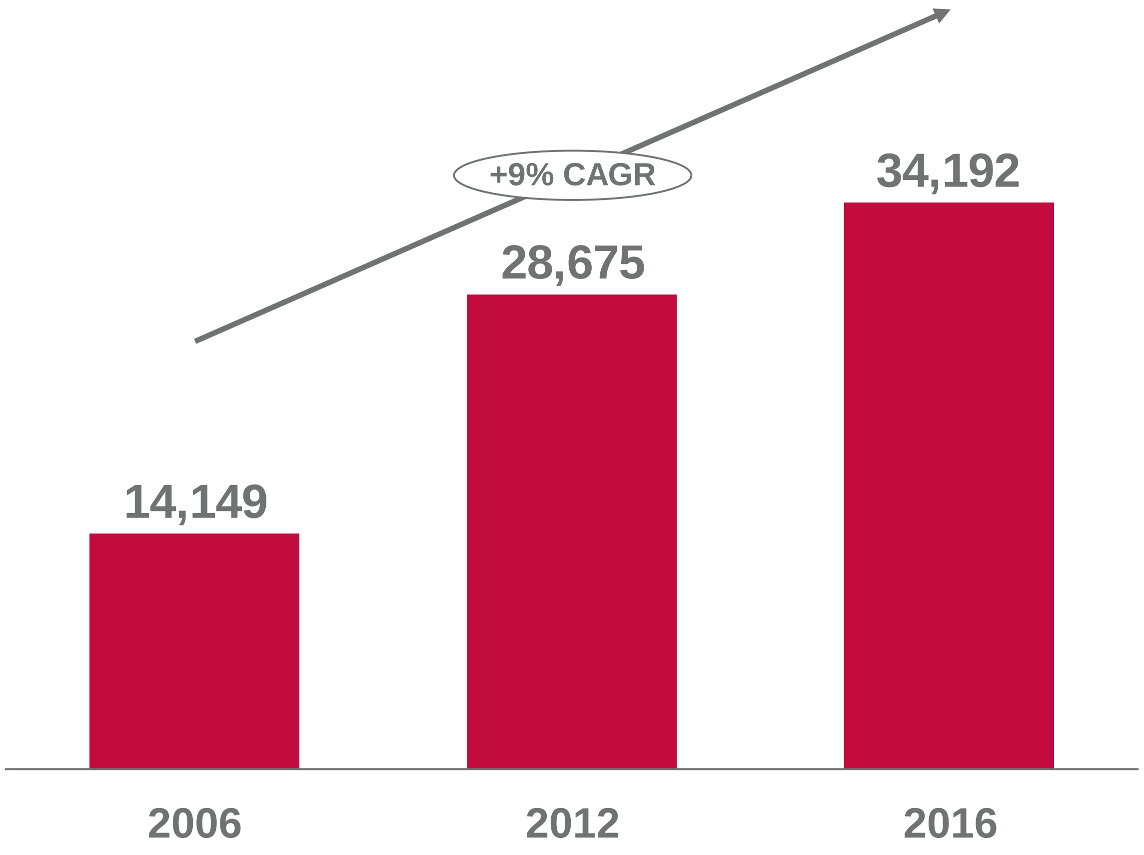
Owner preferred

> 50%
Gross Operating Profit Margins

Guest preferred

>80 Guest Love

Doubled open rooms



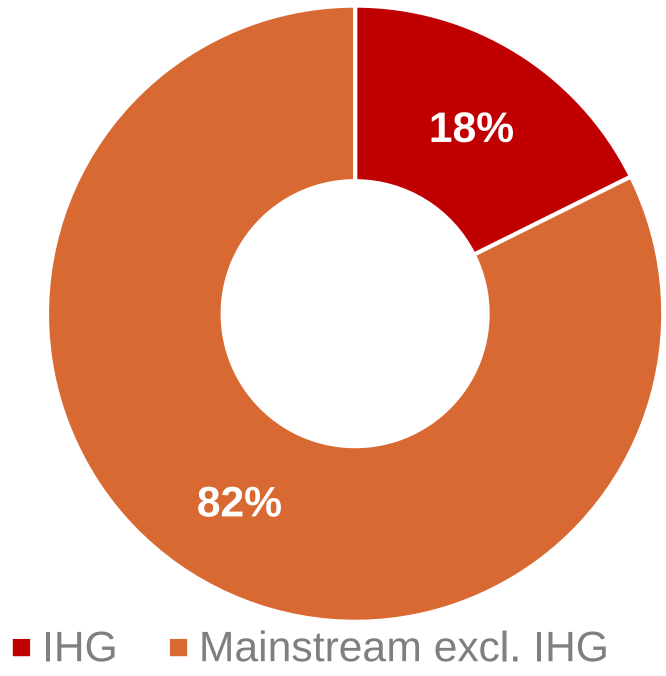
IHG has a strong portfolio of preferred brands but with clear white space opportunity

	Luxury		Price Point		*Midscale*
Wellbeing		KIMPTON hotels & restaurants	EVEN HOTELS		
Family Time				Holiday Inn	
Romantic Getaway		KIMPTON hotels & restaurants	hotel INDIGO		
Short Break Experience	INTERCONTINENTAL HOTELS & RESORTS	KIMPTON hotels & restaurants	hotel INDIGO		
Rest & Go				Holiday Inn Express	
Mixing Business with Pleasure	INTERCONTINENTAL HOTELS & RESORTS	KIMPTON hotels & restaurants	hotel INDIGO; STAYBRIDGE SUITES	Holiday Inn	
Business Productivity		KIMPTON hotels & restaurants	CROWNE PLAZA HOTELS & RESORTS		CANDLEWOOD SUITES
Building Business Interactions	INTERCONTINENTAL HOTELS & RESORTS; HUALUXE HOTELS AND RESORTS 華邑酒店及度假村			Holiday Inn	
Social Identity	INTERCONTINENTAL HOTELS & RESORTS; HUALUXE HOTELS AND RESORTS 華邑酒店及度假村			Holiday Inn	

We are the largest operator in the mainstream segment and have proven our ability to successfully scale brands

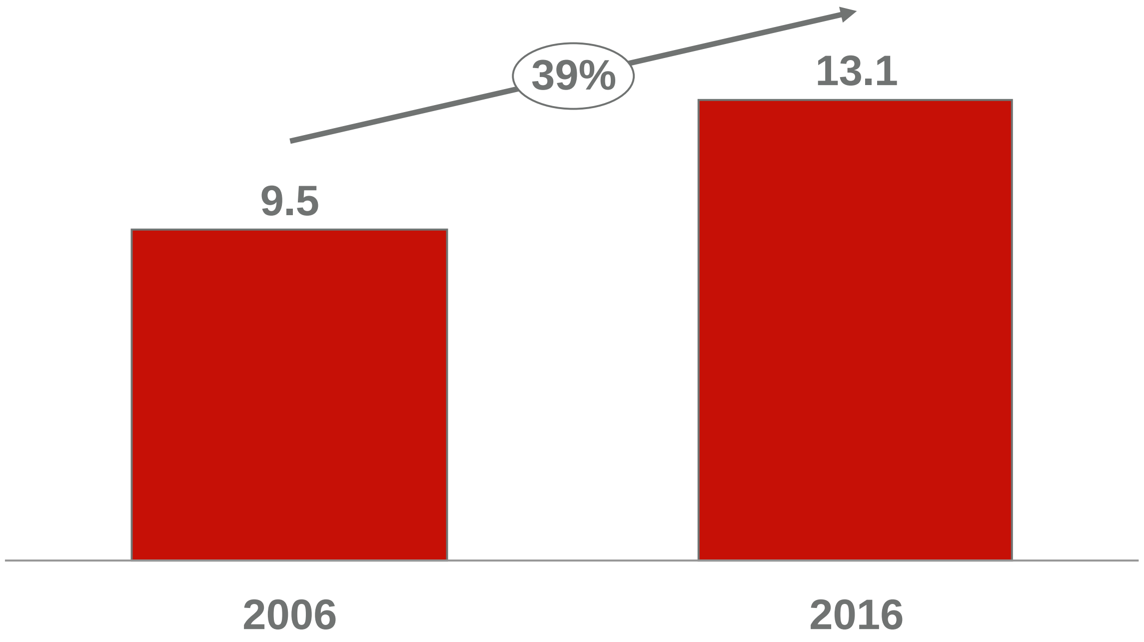
We have significant scale in mainstream[1]

of Global Mainstream[1] Open/Pipeline Rooms[2]



…and our brands now deliver over $13bn in Gross Revenue[3]

IHG Mainstream Brands[4] (USD billions)



[1]STR Midscale and Upper Midscale segments; [2]STR Global Open Rooms + Active Pipeline data to 30th June 2017; [3]At AER and excludes Owned & Leased
[4]IHG Mainstream brands include Holiday Inn, Holiday Inn Express, Candlewood Suites.

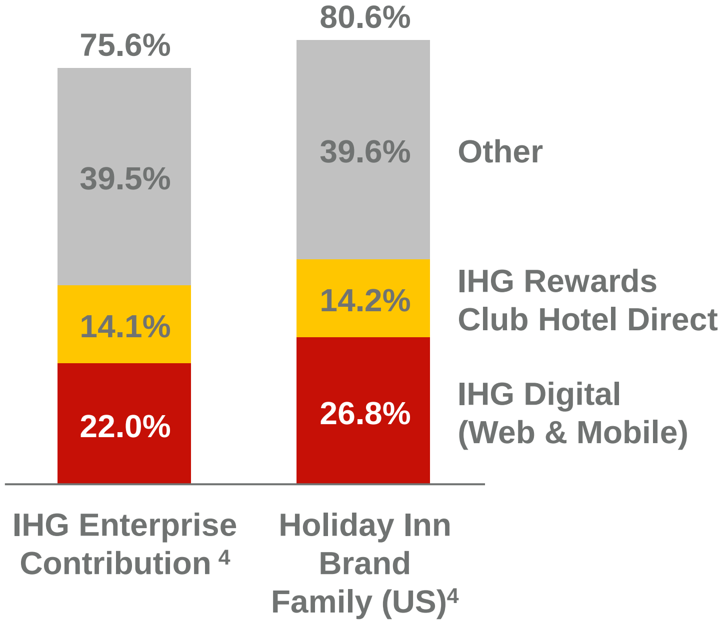
We deliver high owner ROI through preferred brands and strong revenue delivery

Our continued investments ensure our brands are preferred…

	Awareness[1]	Preference[2]
Holiday Inn	#1	#1
Holiday Inn Express	#2	#1

…and deliver more revenue to our hotels

~50% loyalty contribution[3]
>80% enterprise contribution[3]



We have a strong support model to drive owner ROI

RMH
revenue management for hire

IHG® Marketplace

[1]Millward Brown Q1 2017 US brand preference study, Aided Awareness to 31 March 2017; [2]Millward Brown Q1 2017 global brand preference study, Top 3 Box preference to 31 March 2017; [3]Holiday Inn Brand Family in the Americas; [4]IHG enterprise contribution and Holiday Inn Brand Family (US) contribution for H1 2017.

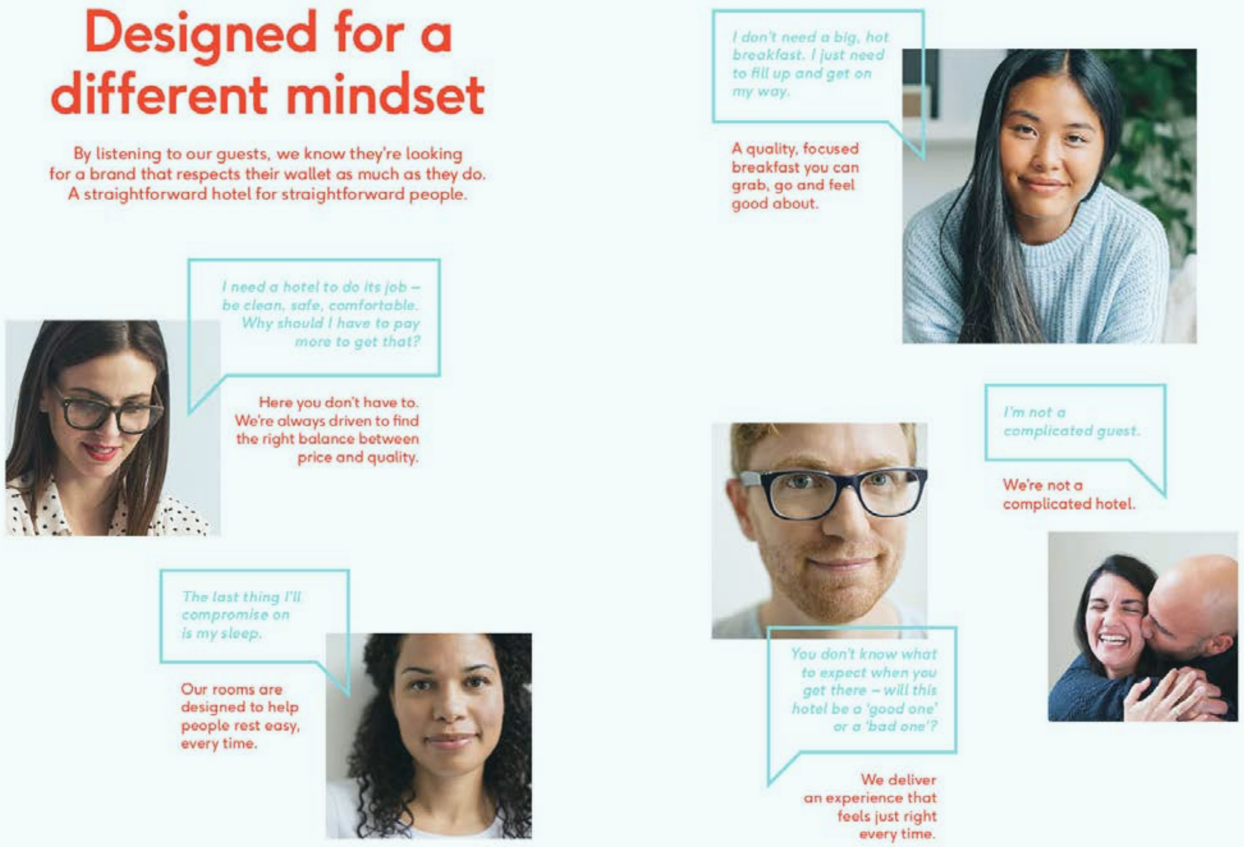
New Midscale Brand
– Focused on what matters to guests

Size of the Opportunity:

14m guests

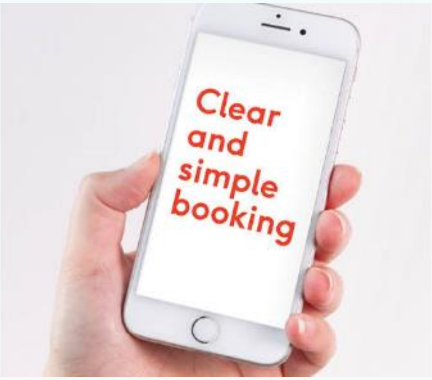
~ $20bn revenues

Primary Target: Streamlined business & leisure traveller
Target Price Point: $95-$105 ADR



New Midscale Brand
– Value engineered to drive high owner returns

Focusing on what matters most



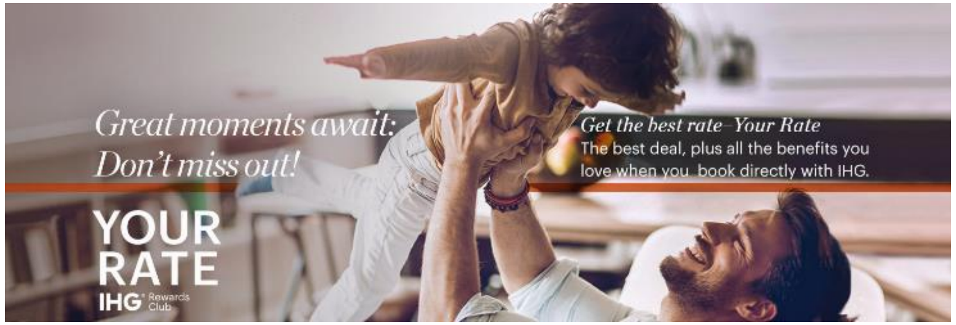
Owner ROI similar to Holiday Inn Express

Simple to **build**
Simple to **operate**
Simple to **maintain**

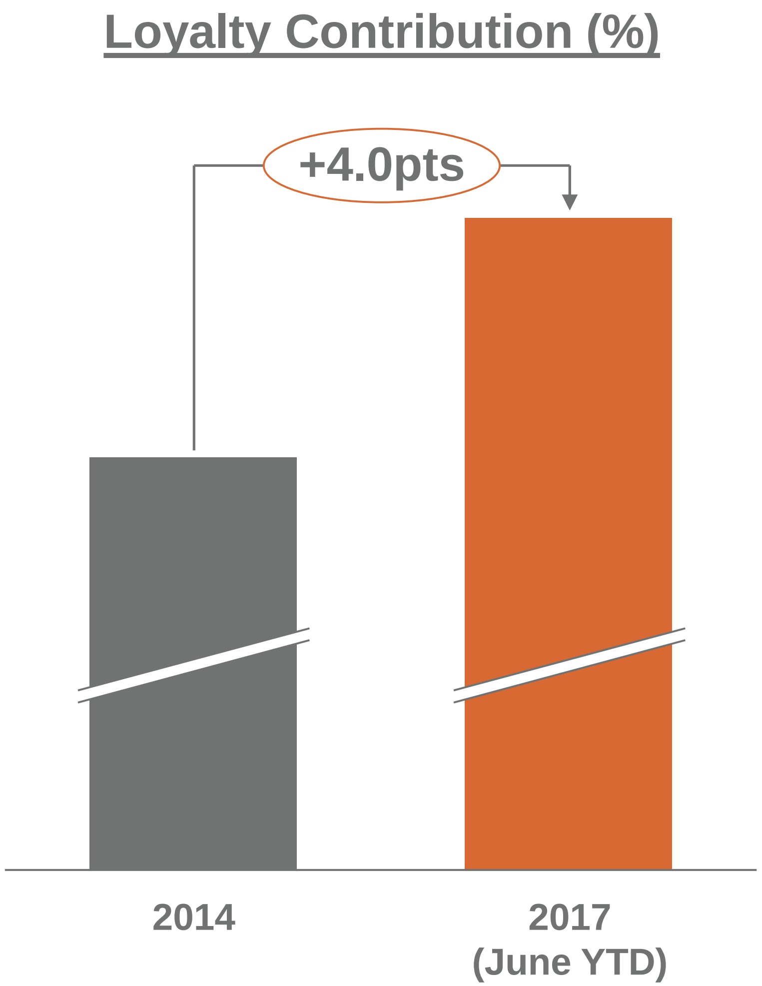
5%
Royalty fee

10-15%
Lower build costs

Loyalty
– Continued investment driving improvement in contribution



- **Member enrollments up 12% year-on-year**
- **2017 multibrand campaign:**
  - Highest registrations of any *Accelerate* campaign (~900k)



Technology
– GRS delivers an improved guest and user experience

All-New User Interface + Anywhere Access + Enhanced Security + Richer Data & Analytics + Enhanced Revenue Management System Interface + Continuous Education + Powerful, Flexible Platform

=

- Operational efficiencies
- Improved user security
- Better data access
- Education support
- Time savings
- Increased accuracy

Conclusion

Compelling long-term industry tailwinds

Consistently executed Winning Model that we will work harder

Improving existing brands whilst exploring new avenues for growth

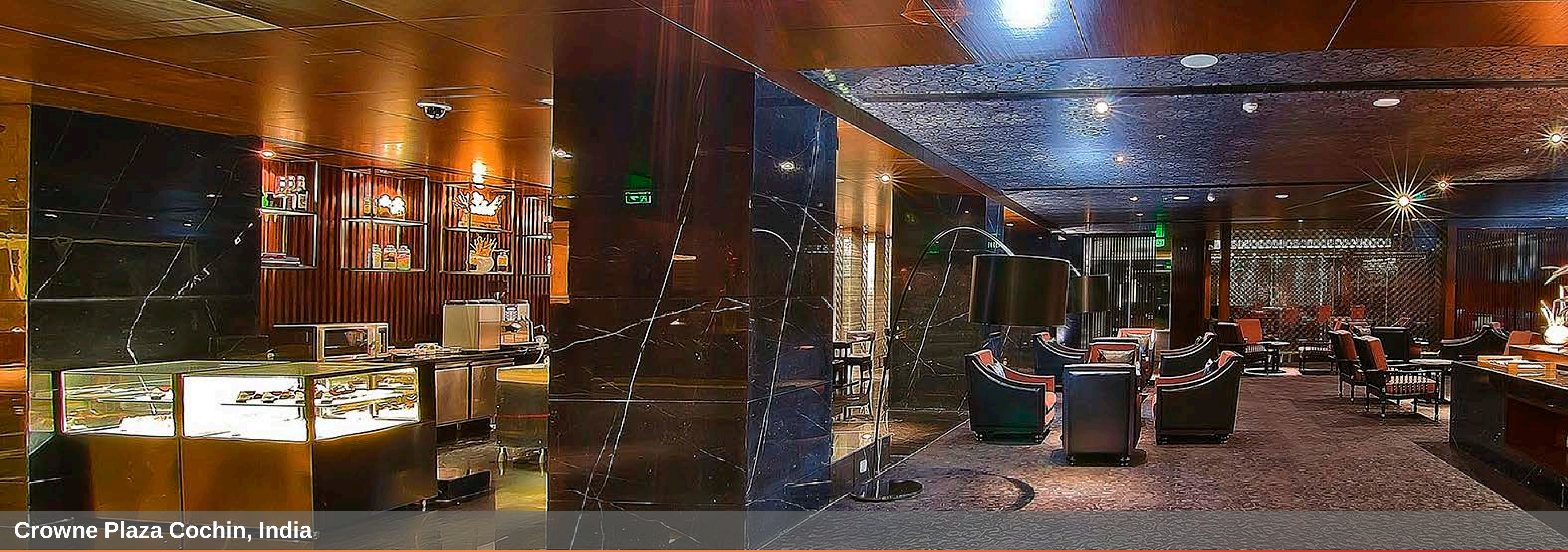
Drive further efficiencies and increase resources behind highest opportunity segments and markets

Asset-light, cash generative model driving shareholder returns

Despite uncertainty, we are confident in the outlook for the remainder of 2017

Interim Results Presentation
Q&A

IHG®



Crowne Plaza Cochin, India

Appendices

IHG®

2017 significant items

Significant items noted at FY 2016 results		H1 2016	H2 2016	2017
• Investment in development resources	Americas franchise	-	$(4)m	$(3m)
• InterContinental New York Barclay costs*	Americas managed	$(4)m	$(4)m	-
• Liquidated damages	Americas managed	-	$4m	-
• Number of small items and developing market expansion	AMEA managed	-	-	Profits flat on 2016

*In 2017, we will continue to incur joint venture costs as the hotel ramps up post repositioning, although these will largely be offset by related management fees.

Currency translation increased Group EBIT by $1m in the first half of 2017; minimal impact expected in the second half

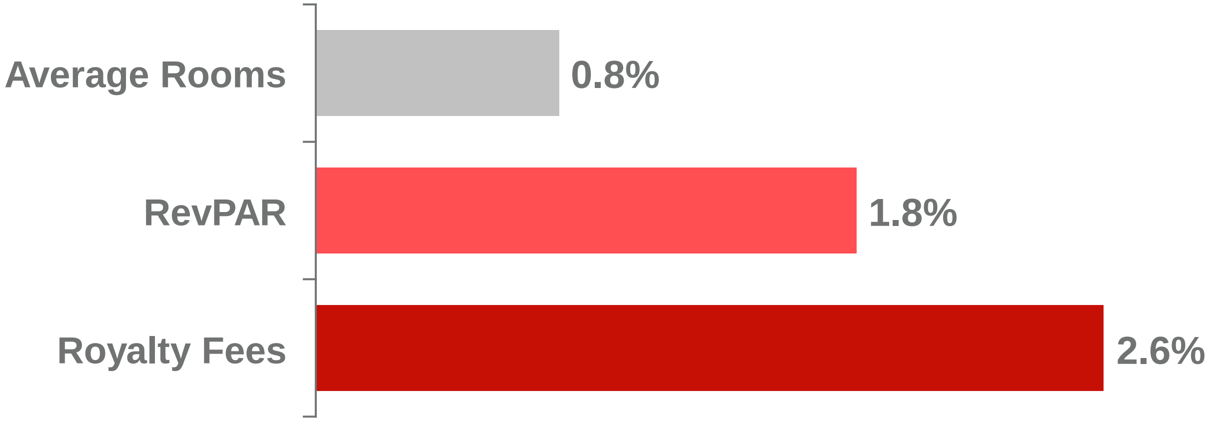
Region	Reported EBIT ($m)	Foreign Exchange Impact ($m)[3]	
	H1 2017	*Reported H1 2017 vs H1 2017 at H1 2016 rates[1]*	*H2 2016 at 30th June 2017 rates vs reported H2 2016[2]*
Americas	321	(2)	-
Europe	38	-	2
AMEA	41	(2)	(1)
Greater China	23	-	-
Central Overheads	(53)	5	(1)
Total IHG	**370**	**1**	-

[1]Based on monthly average exchange rates for H1 2016. [2]Estimated using 30th June 2017 spot rates. [3]Major non USD currency exposure by region (Americas: Canadian Dollar, Mexican Peso; Europe: British Pound, Euro, Russian Rouble; AMEA: Japanese Yen, Singapore Dollar; Greater China: Chinese Renminbi; Central, British Pound).

Hotel franchising

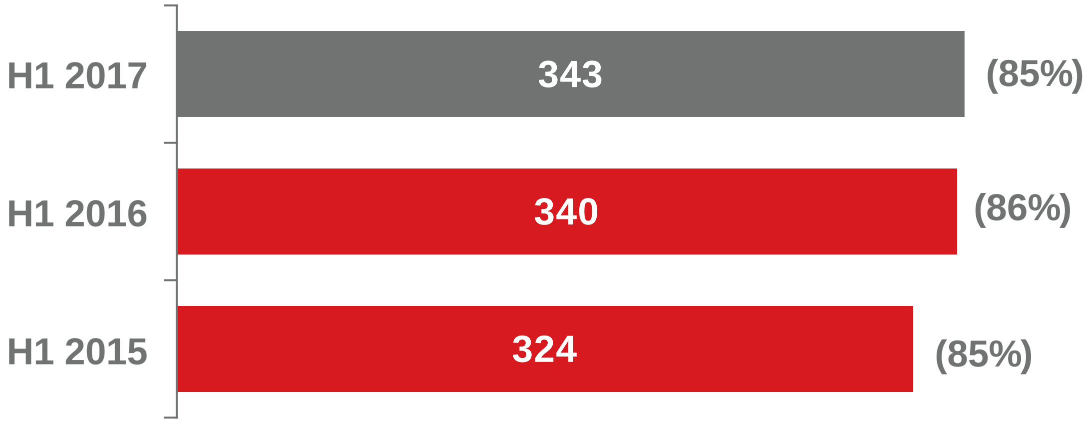
Total gross revenue $bn[1] (rooms only)

Group royalty drivers H1 2017 YoY



Franchise Fees ($m)

Franchise EBIT $m (margin %)



Based on actual USD with the exception of group royalty drivers which are calculated at constant exchange rates.
[1]Total gross revenue is defined as total room revenue from franchise hotels, it is not revenue attributable to IHG.

Hotel management

Total gross revenue $bn[1](total hotel)

Management Fees[2] ($m)

Managed EBIT $m (margin %)

Reported managed lease revenue and EBIT ($m)

$m	H1 2017	H1 2016
Americas revenue	18	20
Americas EBIT	1	1
Europe revenue	38	38
Europe EBIT	1	1
AMEA revenue	24	24
AMEA EBIT	2	2

Based on actual USD with the exception of group royalty drivers which are calculated at constant exchange rates; [1]Total gross revenue is defined as total hotel revenue from managed hotels, it is not revenue attributable to IHG; [2]Hotel management fees and EBIT exclude the results of managed leased properties and individually significant liquidated damages of $3m in H1 2015 (H1 2017, $nil; H1 2016, $nil).

Hotel owned & leased

Owned & Leased Revenue $m

Owned & Leased EBIT $m (margin %)

Owned & Leased EBITDA $m

All charts exclude results from disposed assets: InterContinental – Le Grand (sold 2015) and InterContinental Hong Kong (sold 2015).


Hotel Indigo Los Angeles, USA

Interim Results Presentation
8 August 2017

IHG®