Full Year Results Presentation
21 February 2017

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2016 highlights
- Strong operating model driving shareholder returns

Fee growth momentum	Underlying fee revenues[1]	⬆	4%
Leveraging scale and cost discipline	Fee-based margin[2]	⬆	2.5%pt
Strong EPS growth	Underlying adjusted EPS[3]	⬆	23%
Highly cash generative	Underlying free cash flow[4]	⬆	18%
Driving shareholder value	202.5¢ special dividend per share		$400m
	64¢ final dividend per share	⬆	11%

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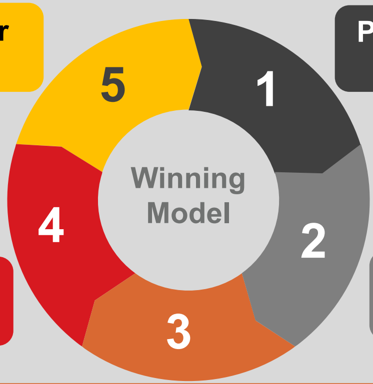
[1] Fee revenue excludes revenue from owned and leased hotels, managed lease hotels, and significant liquidated damages receipts; growth stated at CER. [2] Adjusted for owned and leased hotels, managed lease hotels, and significant liquidated damages; stated at CER. [3] Underling profit excludes owned asset disposals, managed leases and significant liquidated damages; stated at CER. Underlying adjusted EPS calculated before exceptional items, using reported interest and tax. [4] Excludes cash receipts on behalf of system fund of ~$95m from renegotiation of long-term partnership agreements.

Consistent execution of our winning strategy drives high quality growth

Value creation: Superior shareholder returns

Winning Model



1. Preferred portfolio of brands
2. Build and leverage scale
3. Strong loyalty programme
4. Effective channel management
5. Superior owner proposition

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

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Hotel Indigo, Tianjin, Greater China

Financial Review

Paul Edgecliffe-Johnson
CFO

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Strong underlying financial performance

	Underlying[1]			*Reported*
$ million	**2016**	**2015**	**% Change**	***2016***
Revenue	**$1,582m**	**$1,513m**	**4.6%**	***$1,715m***
Fee revenue[2]	**$1,409m**	**$1,349m**	**4.4%**	***$1,380m***
Operating profit[3]	**$702m**	**$641m**	**9.5%**	***$707m***
Fee-based margin	**48.0%**	**45.5%**	**2.5%pts**	***48.8%***
Reported interest	***$(87)m***	***$(87)m***	**-**	***$(87)m***
Reported tax rate[3]	***30%***	***30%***	**-**	***30%***
Reported basic weighted average shares	***212m***	***235m***	***(9.8)%***	***212m***
Adjusted EPS[4]	**203.1¢**	**165.0¢**	**23.1%**	**203.3¢**

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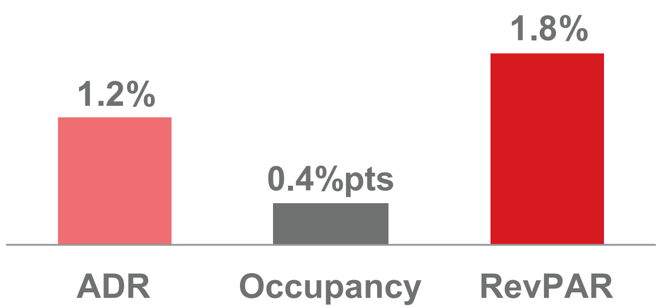
[1]Underlying excludes owned asset disposals, managed leases and significant liquidated damages at constant FY15 exchange rates (CER). Note: Interest, tax and average share count as reported; [2]Group revenue excluding owned and leased hotels, managed leases and significant liquidated damages; [3] Before 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

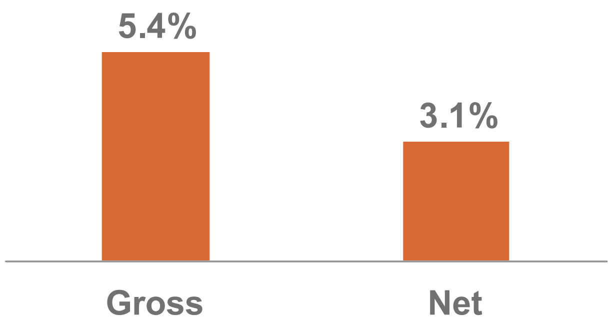
2016 underlying fee revenue[1] $1,409m up 4.4%[2]

2016 Group RevPAR growth[2]



2016: 1.2% Total RevPAR growth[2]

2016 system growth (%YoY)



2016: 40k rooms opened, 17k rooms removed

[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant FY15 exchange rates (CER).
[2]Growth stated at CER.

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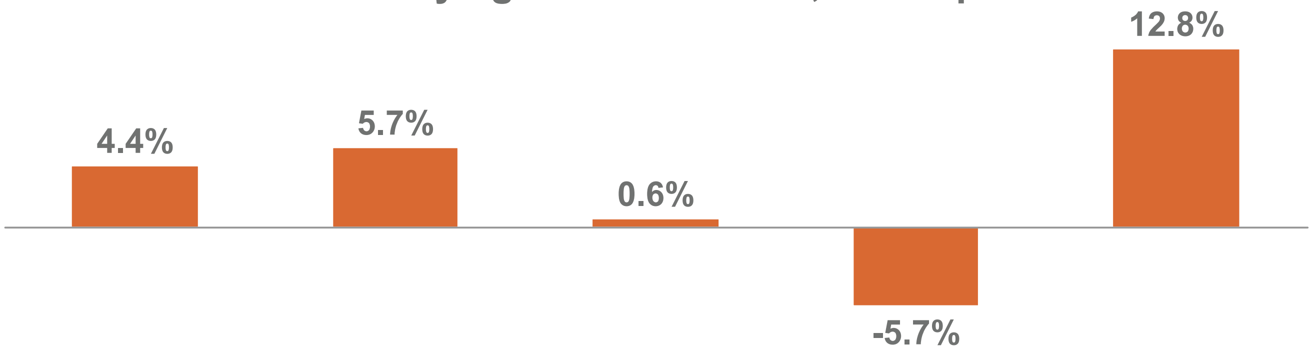
Business model continues to drive strong fee revenue growth

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

2016 underlying fee revenue[1] $1,409m up 4.4%[2]



	Group[3]	Americas	Europe	AMEA	Greater China
2016 underlying fee revenue (CER)[1]	$1,409m	$831m	$161m	$150m	$123m
Absolute change vs. 2015 (CER)[1]	$60m	$45m	$1m	$(9)m	$14m

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[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant FY15 exchange rates (CER).
[2]Growth stated at CER.
[3]Group fee revenue includes $144m of central revenue.

Americas
– rate increases driving strong fee revenue and profit growth

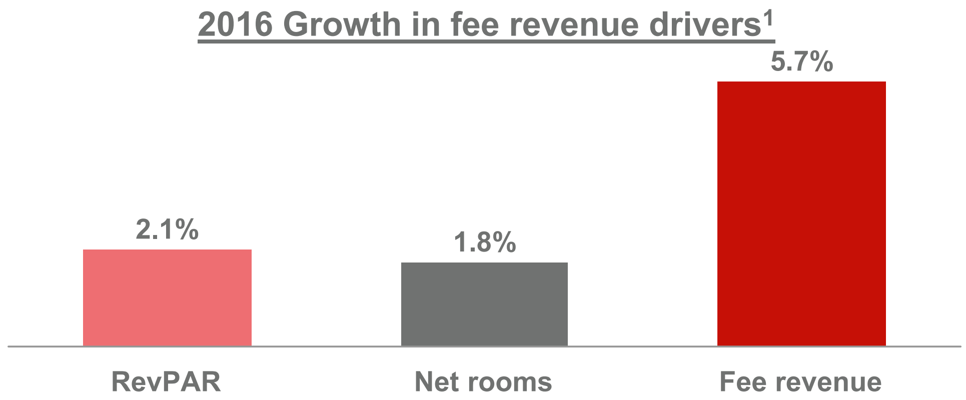
- Comparable RevPAR up 2.1%; US up 1.8%
- Q4 US RevPAR up 1.3%
  - Non-oil markets up 2.2%; oil markets down 6.1%

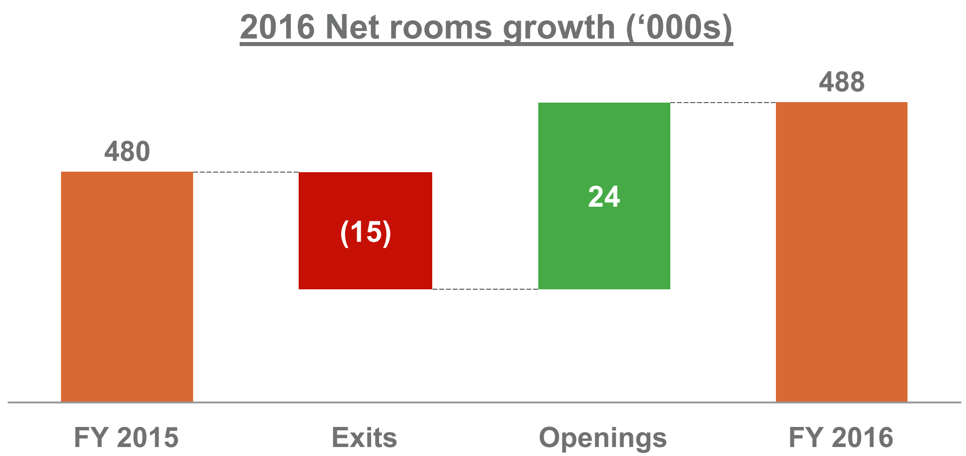
- YoY net rooms growth 1.8% (Gross: 4.9%)

- Fee revenue[1] up 5.7%

- Underlying[2] revenue up 6% ($53m) and profit[2] up 8% ($46m) including:
  - $4m in liquidated damages in managed estate in H2 2016
  - $(8)m relating to InterContinental Barclay
  - $10m benefit from lower US healthcare costs
- 2017: InterContinental Barclay management fees expected to offset costs of JV

- Pipeline: 102k rooms; 37k rooms signed in 2016





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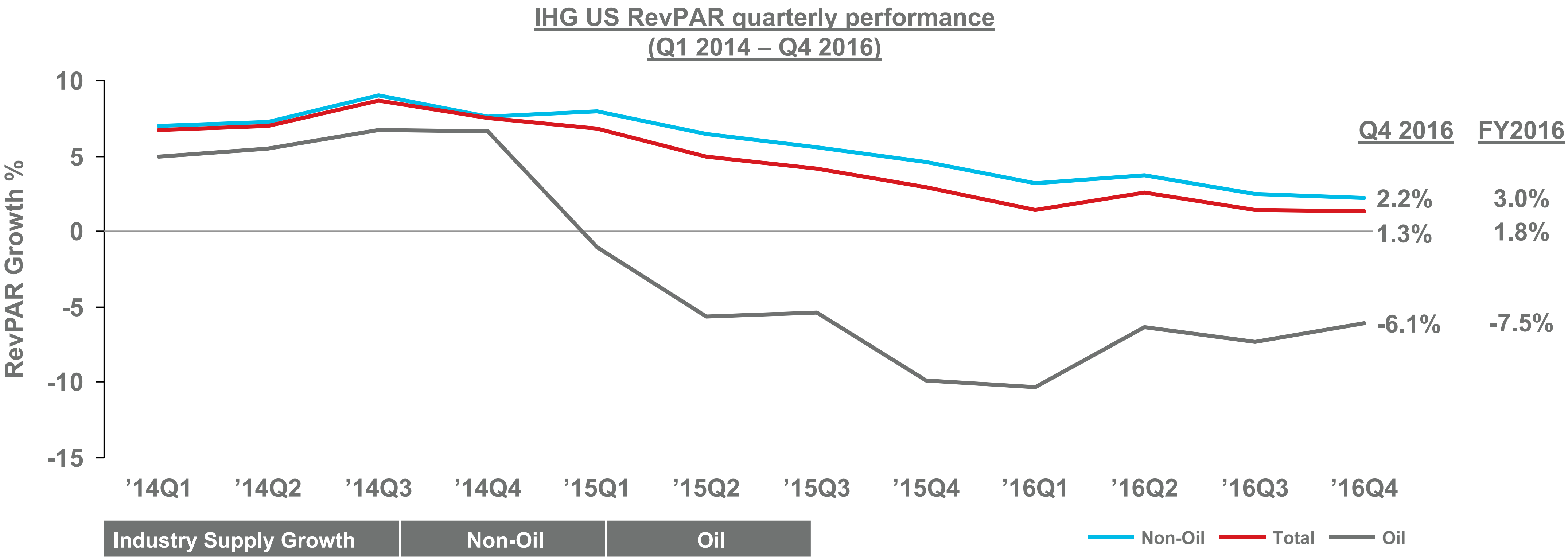
[2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant FY15 exchange rates (CER).

Americas
– US oil market performance impacted by high supply growth



Industry Supply Growth	Non-Oil	Oil
FY 2014	0.5%	2.2%
FY 2015	0.8%	3.0%
FY 2016	1.4%	3.1%

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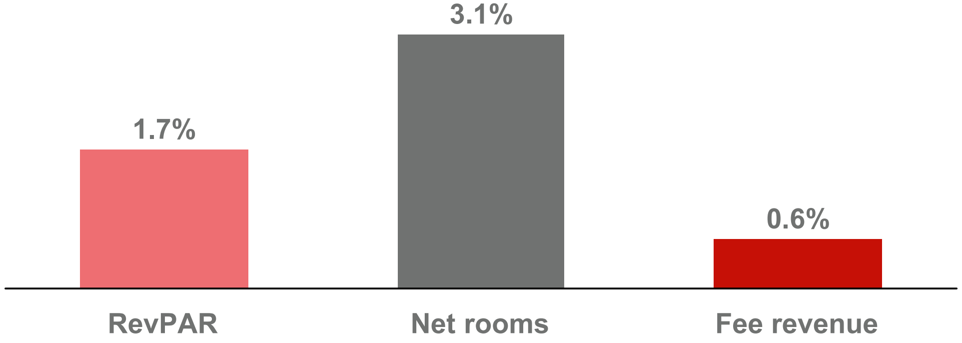
Source: Industry Supply Growth data: Smith Travel Research – US only.

Europe
– outperformance in priority markets, highest signings since 2007

- Comparable RevPAR up 1.7% (Q4 up 3.1%)
  - UK: +2.6%; provinces: +4.5%; London: -0.6%
  - Germany up 6.8%
  - Europe excl. markets impacted by security concerns[4] up 4% (Q4 up 4.5%)
- YoY net rooms growth 3.1%
  - Gross rooms growth 3.9%
- Fee revenue[1] up 0.6%
- Underlying[2] revenue up 1%; underlying[2] profit flat, with managed profit declining due to:
  - Impact of three hotels[3] in key cities
  - Difficult trading conditions in Paris
- Pipeline: 24k rooms
  - 10k rooms signed in 2016, highest since 2007

2016 Growth in fee revenue drivers[1]



2016 Net rooms growth ('000s)

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[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant FY15 exchange rates (CER); [2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant FY15 exchange rates (CER); [3]As per H1 2016 results, $2m revenue reduction in relation to three managed hotels; two of which have exited the system and one of which is undergoing a major refurbishment; [4]Markets impacted by security concerns: France, Belgium, Turkey.

Asia, Middle East & Africa – solid trading offset by weakness in oil markets

- Comparable RevPAR down 0.2% (Q4 flat)
  - 3.7% growth ex Middle East (down 7.0%)
  - Japan 3.6%; Australia 2.9%; S.E Asia 2.0%
- Total RevPAR down 2.0% due to proportion of hotel openings in developing markets

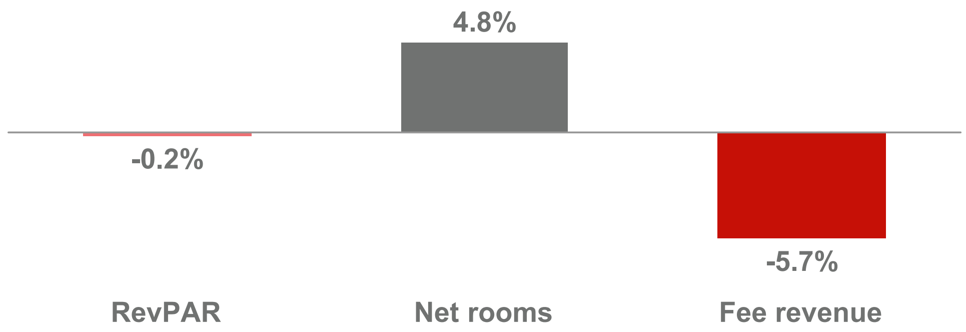
- YoY net rooms growth 4.8% (Gross 6.2%)

- Fee revenue[1] down 5.7%

- Underlying[2] revenue down 4% ($8m)
- Underlying[2] profit down 4% ($3m)
  - Managed profit up 8% excluding four hotels[3]
  - Managed profit in 2017 expected to be in line with 2016

- Pipeline: 40k rooms; 11k rooms signed in 2016

2016 Growth in fee revenue drivers[1]



2016 Net rooms growth (‘000s)

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[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant FY15 exchange rates (CER); [2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant FY15 exchange rates (CER); [3]Growth in managed profit was offset by a $7m reduction in relation to four hotels (previously flagged): three long-standing contracts being renewed onto standard market terms and one equity stake disposal.

Greater China
– RevPAR and net rooms growth driving double digit profit growth

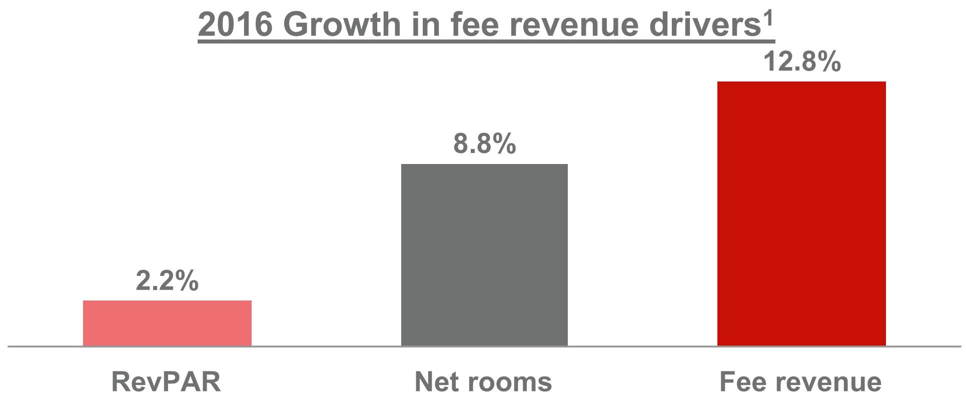
- Comparable RevPAR up 2.2% (Q4 3.2%)
  - Mainland China up 3.9%, Tier 1 up 6.3%
  - Hong Kong down 2.3%; Macau down 13.8%
- Total RevPAR down 3.1%

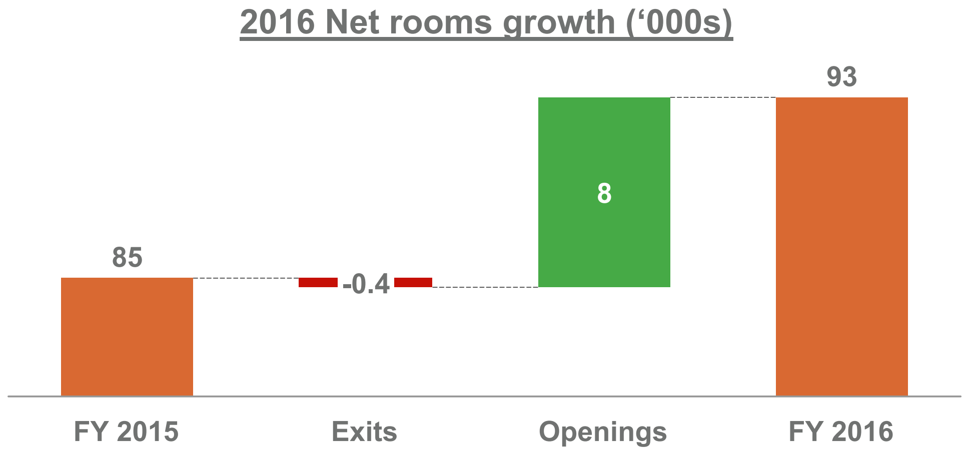
- YoY net rooms growth 8.8% (Gross: 9.3%)

- Fee revenue[1] up 12.8%

- Underlying[2] revenue up 13% and profit[2] up 15%
  - Investment in growth more than offset by scale benefits and cost efficiencies

- Pipeline: 64k rooms
  - 19k rooms signed in 2016 (82 hotels)
  - 20 Franchise Plus hotel signings





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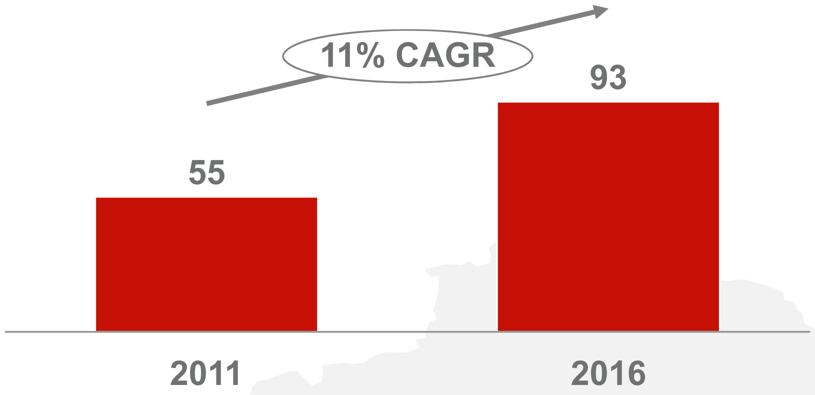
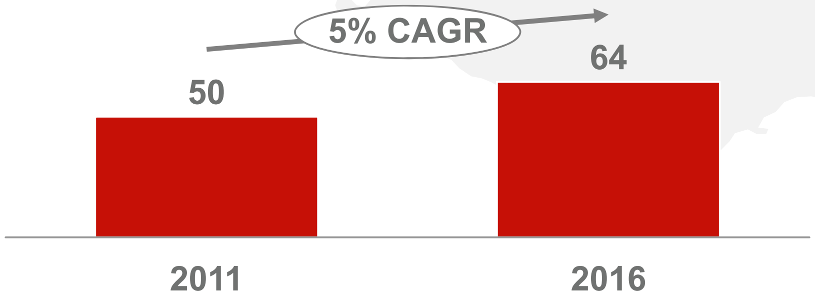
[1]Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant FY15 exchange rates (CER).
[2]Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant FY15 exchange rates (CER).

Greater China
– significant early investment accelerating growth

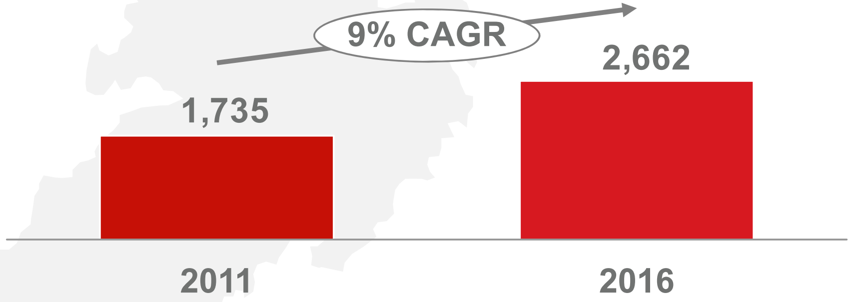
Open rooms ('000s)



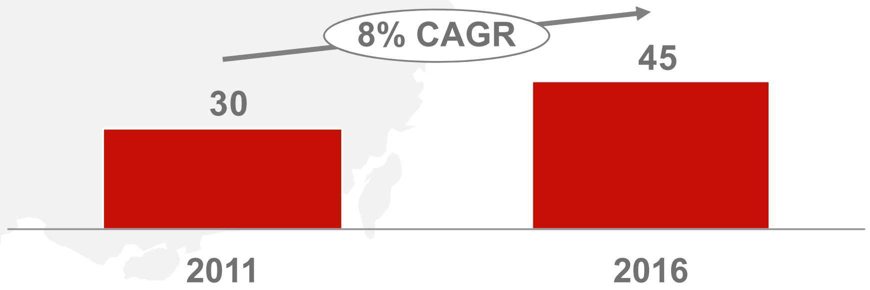
Rooms Pipeline ('000s)



Gross Revenues excl. Owned & Leased[1] (USD millions)



EBIT excl. Owned & Leased[1] (USD millions)



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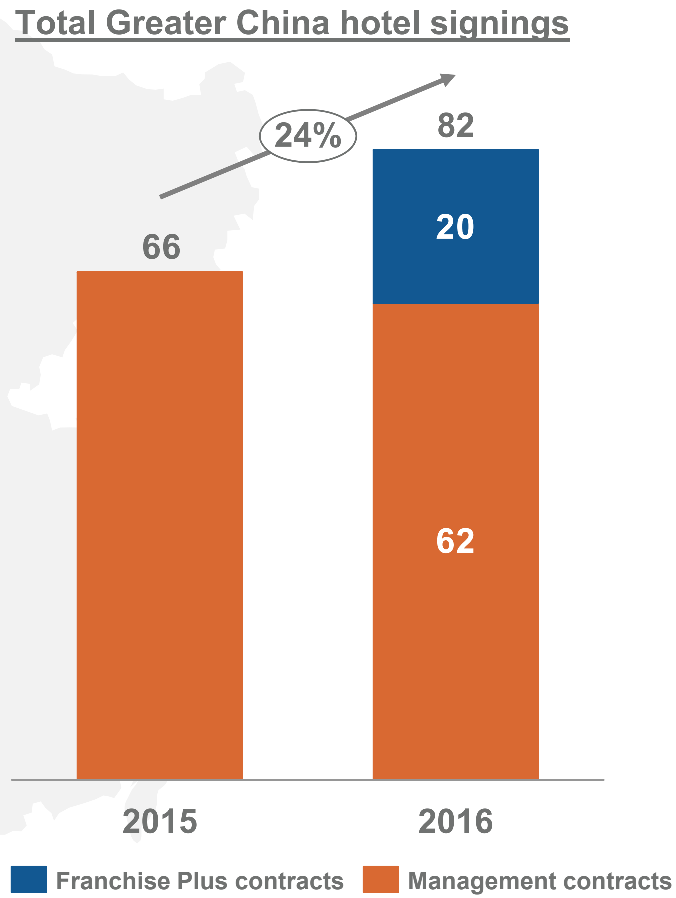
[1]At AER.

Greater China
– tailored franchising solution to drive growth

Franchise Plus model accelerating growth

- 20 franchise hotel signings since May 2016
- Mix of locations: ~80% outside Tier 1 cities
- New model brings significant benefits:
  - Allows IHG to control brand standards
  - Similar economics to existing franchise contracts
  - Opportunity for rapid growth into untapped markets
  - Meets owner demand for those wanting franchise offer



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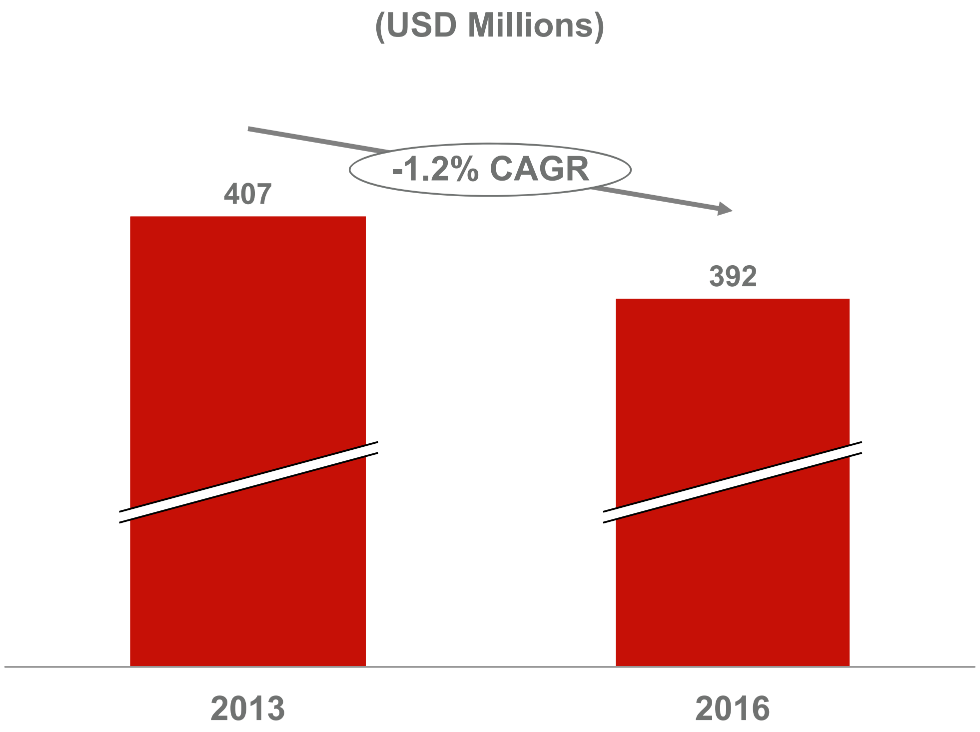
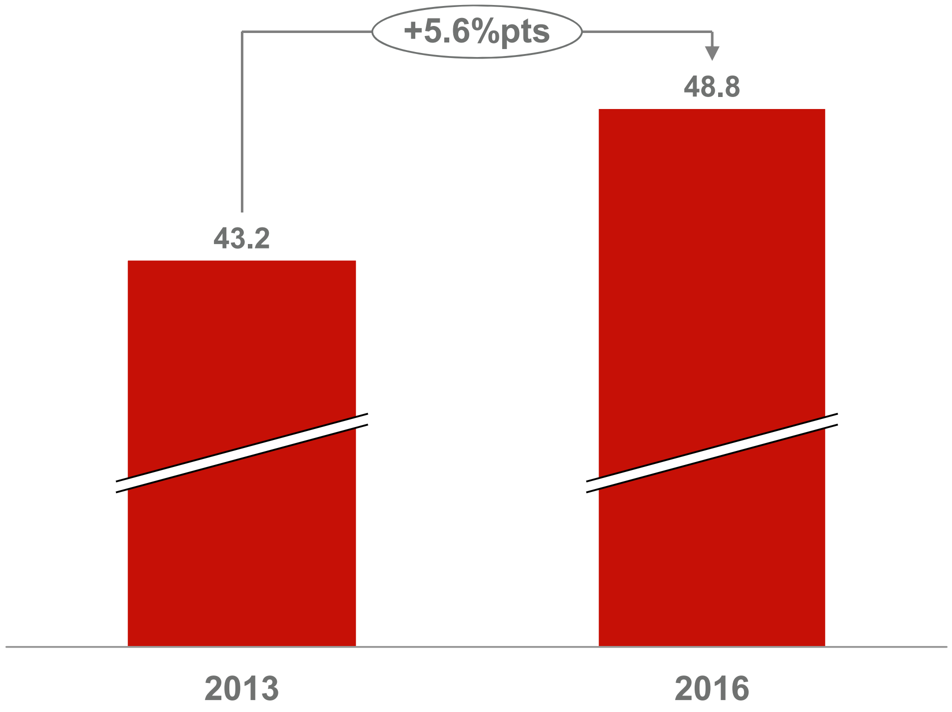
Group fee margin growth through strategic cost management

We have kept gross overheads[1] broadly flat since 2013…



…to support margin growth of 5.6%pts over that period



[1]Gross overheads includes regional and central costs and excludes central revenues.
All numbers are at AER.

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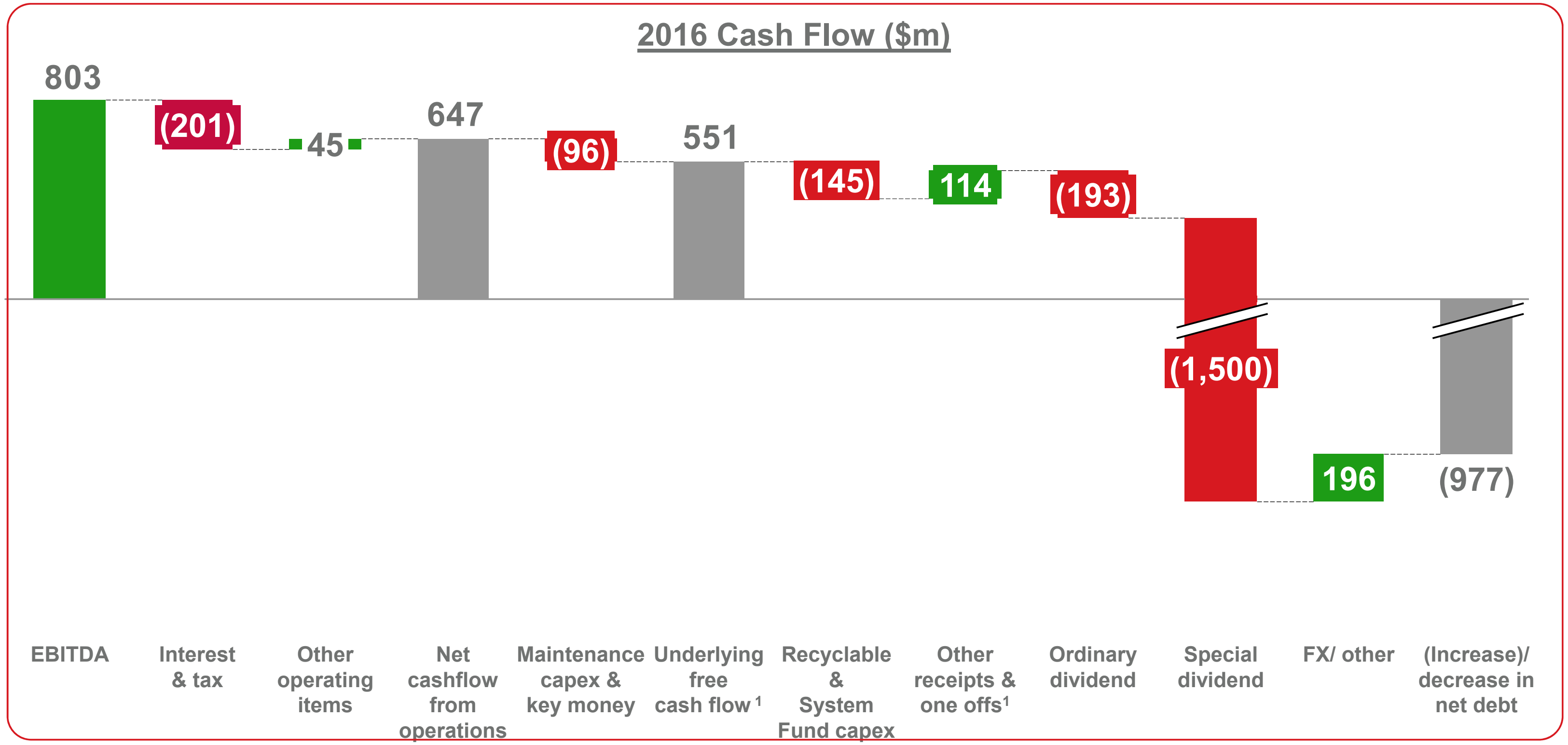
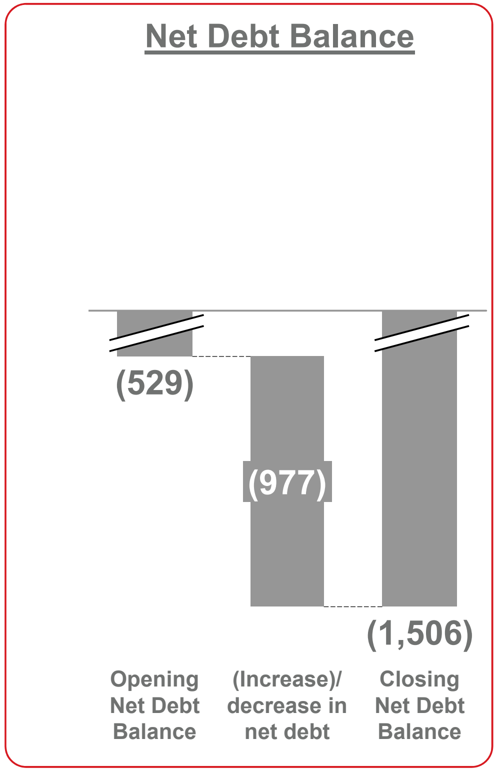
Significant cash flow from operations to fund growth investment

- Gross capital expenditure of $241m covered ~3x by net cashflow from operations
- $1.5bn special dividend funded by operations and cash generated from prior disposals





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[1]One-off $95m cash receipt from partnership renegotiation in 2016 excluded from underlying free cash flow, but included within other receipts and one-offs.

Targeted capital expenditure

Maintenance capex & key money

$m	2014	2015	2016
Maintenance capex	101	56	51
Key money	53	59	45
Total	154	115	96

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

Recyclable investments

$m	2014	2015	2016
Gross out [1]	60	78	40
Gross in	(48)	(17)	(25)
Net total	12	61	15

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

System fund capital investments

$m	2014	2015	2016
Gross out	57	71	105
Gross in	(20)	(21)	(31)
Net total	37	50	74

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

Total capital investments

Gross total	271	264	241
Net total	203	226	185

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

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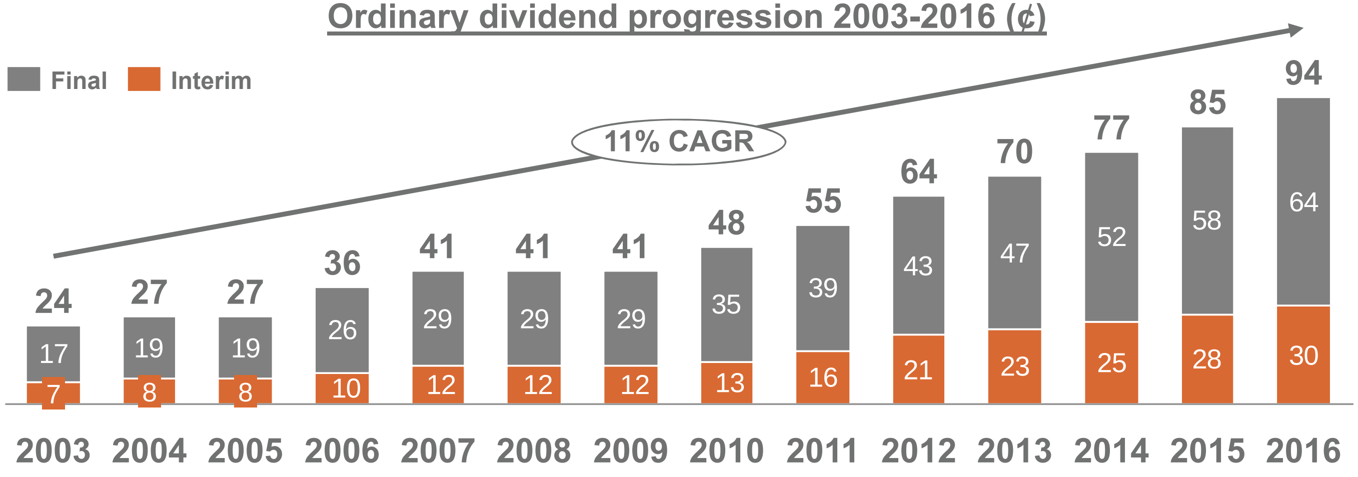
[1] Gross investment for the InterContinental New York The Barclay was $10m in 2016, $24m in 2015, and $18m in 2014.

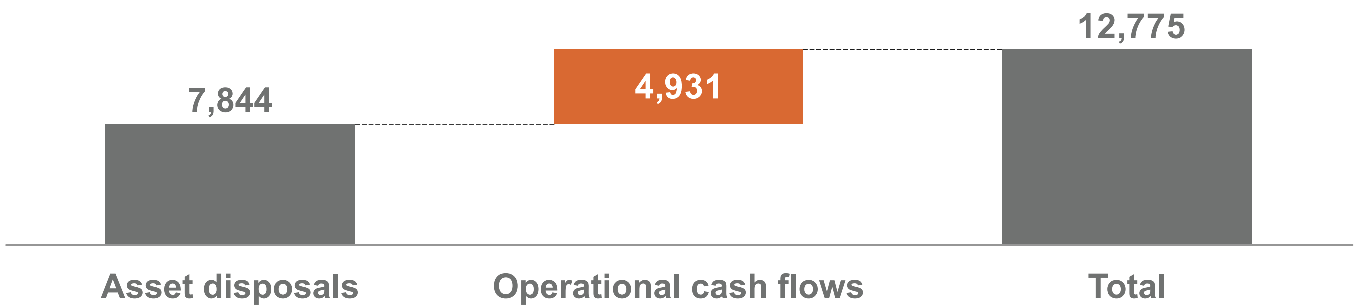
Consistently strong shareholder returns

- Strong cash flows driving consistent shareholder returns
  - Total dividend of 94¢, with 11% CAGR since 2003
  - $400m proposed special dividend
  - 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)

Ordinary dividend progression 2003-2016 (¢)



Shareholder returns 2003-16 ($m)



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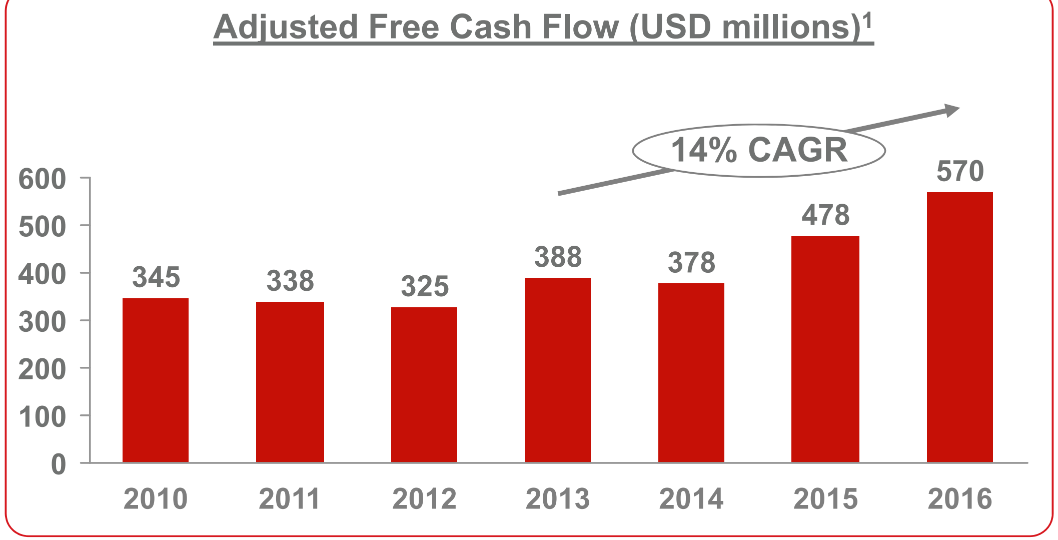
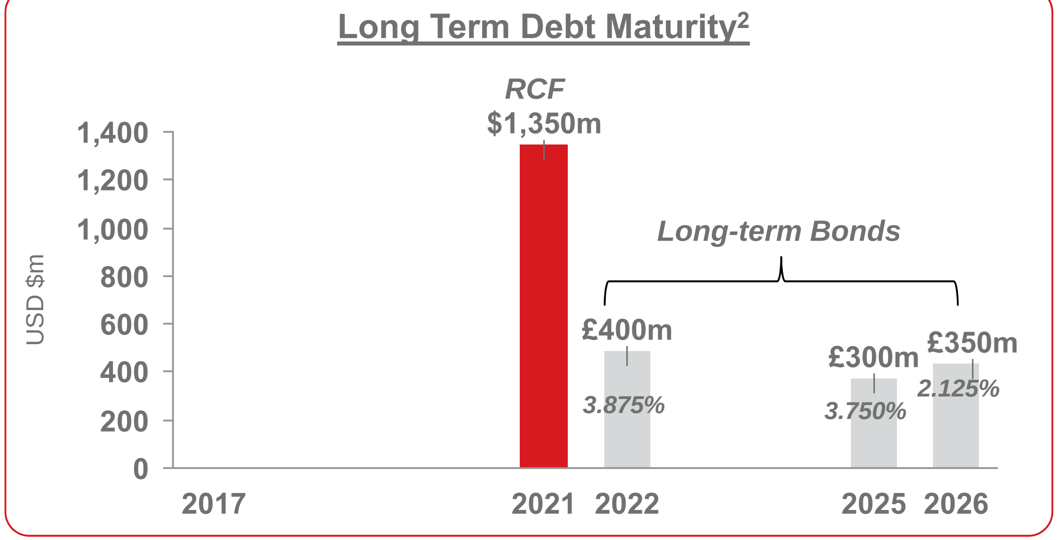
Highly cash generative business and secure long term sources of funding





- Free cash flow normalised for major asset sales and exceptional items:
  - Consistent cash generation from underlying operations, 14% CAGR since 2013
  - 95% EBIT from fee revenues driving future cash flows

- £350m, 10-yr bond issued Aug 2016 at 2.125% interest rate
- Long term bond maturities are well spread to 2026:
  - Average maturity of Bond debt is 7.9 years
  - Average cost of Bond debt reduced to 3.26% at Dec 2016
- $1.35bn Revolving Credit Facility matures in 2021

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[1]Free cash flow from Supplementary Information, normalised for major asset disposals, cash flow relating to exceptional operating items, and $95m one-off receipt from partnership renegotiation in 2016.
[2]Excluding long term finance lease.

Operating Review
Richard Solomons
CEO

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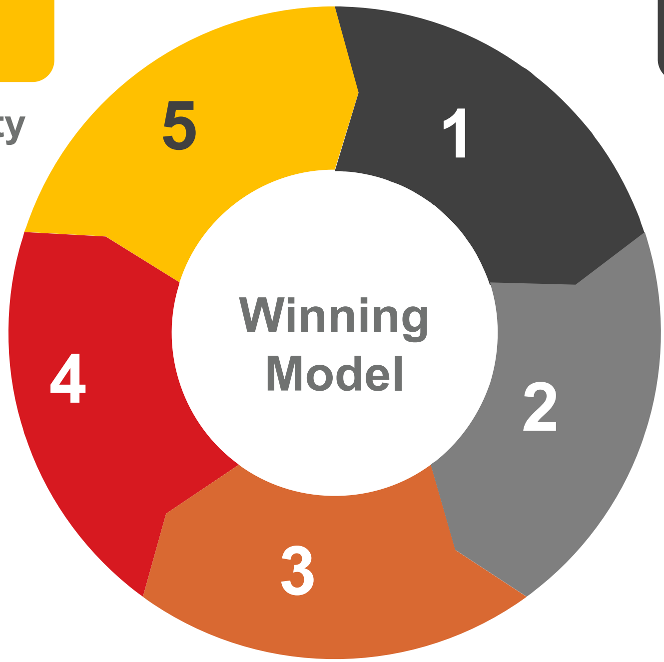
Our Winning Model has consistently guided our targeted investments …

Superior owner proposition

- Revenue management capability
- Leading franchise support
- Kimpton acquisition

Preferred guest experiences delivered through people

- Holiday Inn relaunch
- Crowne Plaza refresh
- Brand portfolio expansion



Effective channel management

- Innovative digital marketing
- Web & mobile technology
- Dynamic corporate rate pricing

Build & leverage scale

- Asset-light restructuring
- Target attractive markets
- Early investment in China

Strong brand portfolio & loyalty programme

- Rebrand IHG Rewards Club
- Enhanced points flexibility

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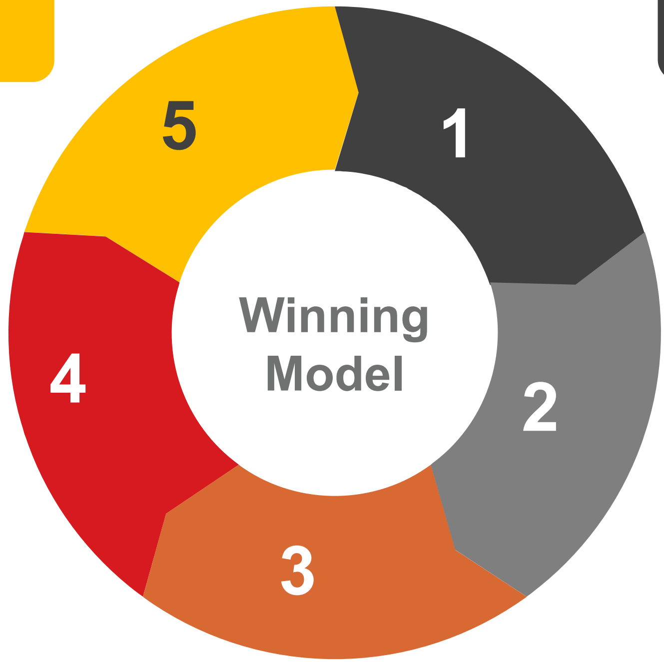
...and we have continued to build on these in 2016

Superior owner proposition

- World-class restaurant & bar expertise
- Leading revenue management capability & tools

Preferred guest experiences delivered through people

- InterContinental global luxury
- Crowne Plaza ‘Accelerate’
- Holiday Inn Brand Family designs
- New brand portfolio expansion



Effective channel management

- Investment in GRS
- Direct digital channels

Build & leverage scale

- China outperformance
- Tailored China franchise offer

Strong brand portfolio & loyalty programme

- Enhancing our loyalty offering with Your Rate
- Embedding Spire Elite top membership tier

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In a diverse accommodation landscape, IHG's differentiated brands address a range of stay occasions

	Needs based segments	IHG brands	Non-hotel
	• Rest and go	Holiday Inn Express	
Leisure	• Romantic getaway • Short break experience	InterContinental Hotels & Resorts; Kimpton Hotels & Restaurants; hotel Indigo	Short term home rental
Leisure	• Well-being • Family time	Kimpton Hotels & Restaurants; EVEN Hotels; Holiday Inn; Holiday Inn Resort; Holiday Inn Club Vacations	Short term home rental
Business	• Mixing business with pleasure • Business productivity	InterContinental Hotels & Resorts; Kimpton Hotels & Restaurants; hotel Indigo; Crowne Plaza Hotels & Resorts; Holiday Inn; Staybridge Suites; Candlewood Suites	Serviced Apartments
Business	• Business interactions • Social identity	InterContinental Hotels & Resorts; Hualuxe Hotels and Resorts 華邑酒店及度假村; Holiday Inn	Serviced Apartments

Length of stay →

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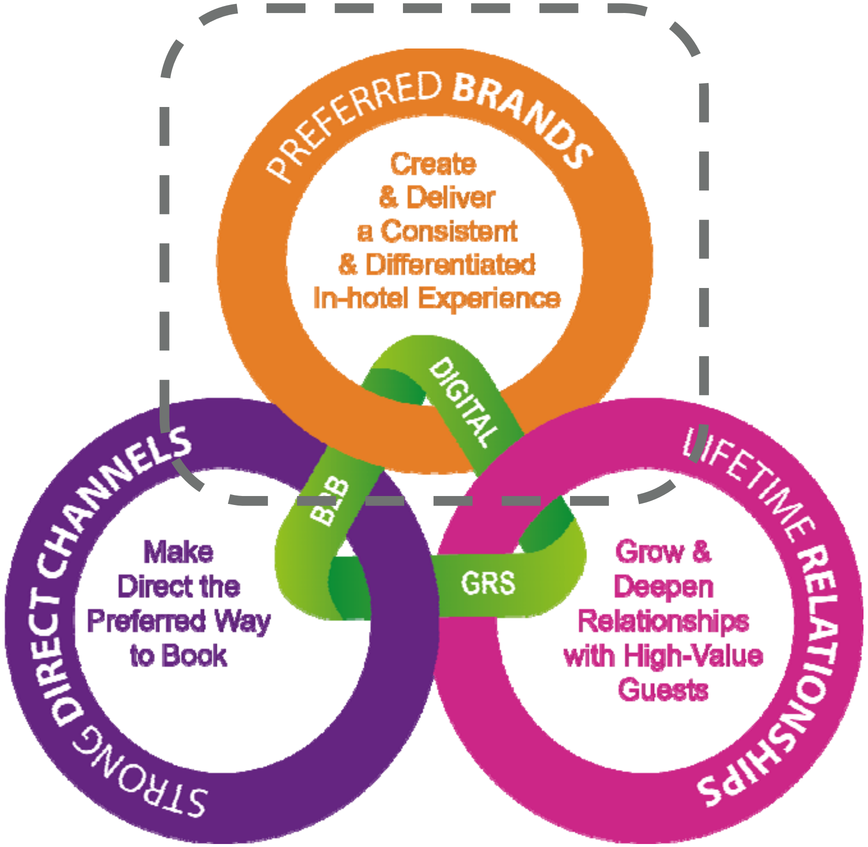
Preferred brands are at the heart of our Commercial Strategy



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InterContinental Hotels & Resorts
- strengthening its position as the leading luxury hotel brand

INTERCONTINENTAL®
HOTELS & RESORTS

2003-2015	2016	2017+
Sold assets & retained management contracts Expansion into emerging markets Brand evolution to affirm our leadership in global luxury	Embedding "True Luxury" - Operational service excellence - Enhancing Club InterContinental Multiple flagship openings Building & leveraging scale Signature culinary experiences	Flagship openings (2017+) Club InterContinental scale & regionalisation

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InterContinental Hotels & Resorts
- growing scale and guest preference, winning multiple accolades

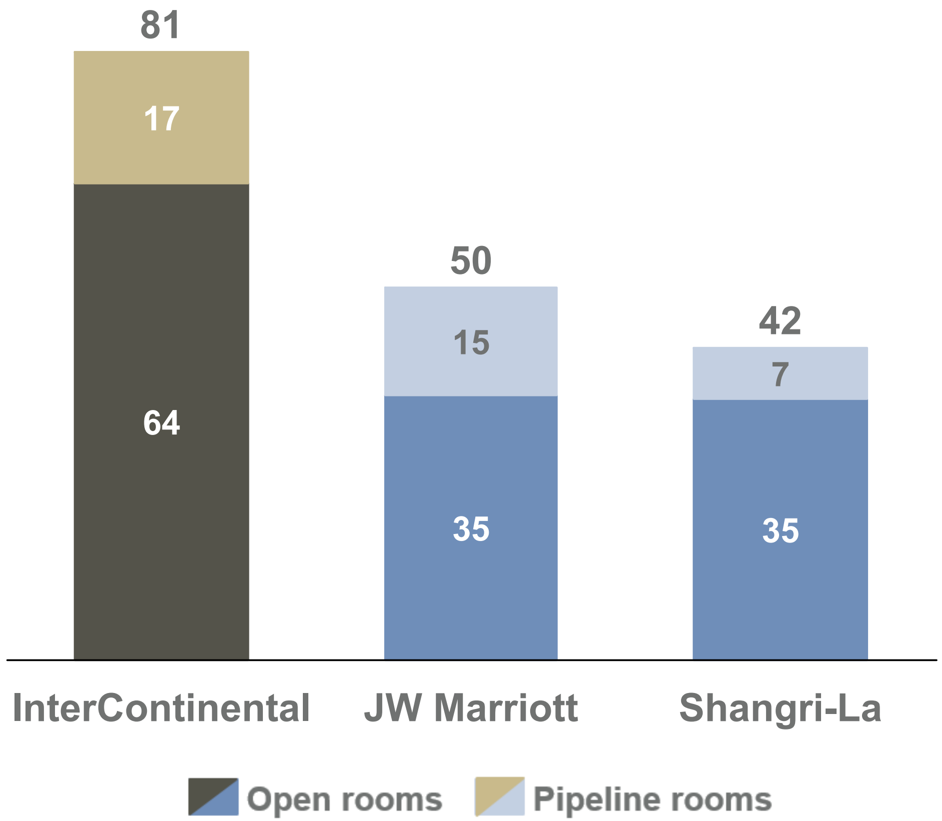
<u>5-year[1] InterContinental metrics (global)</u>

+7.3pt	+4.4pt	+22%
Guest Love	*RevPAR outperformance*	*Total Gross Revenue*

2016 awards

- Leading Hotel Brand (8th consecutive year)
  – World Traveller Awards
- Best Business Hotel Chain Worldwide
  – Business Traveller Awards
- 10 individual hotel Condé Nast Traveller Readers' Choice Awards

<u>Luxury brands (global, 000s rooms)[2]</u>



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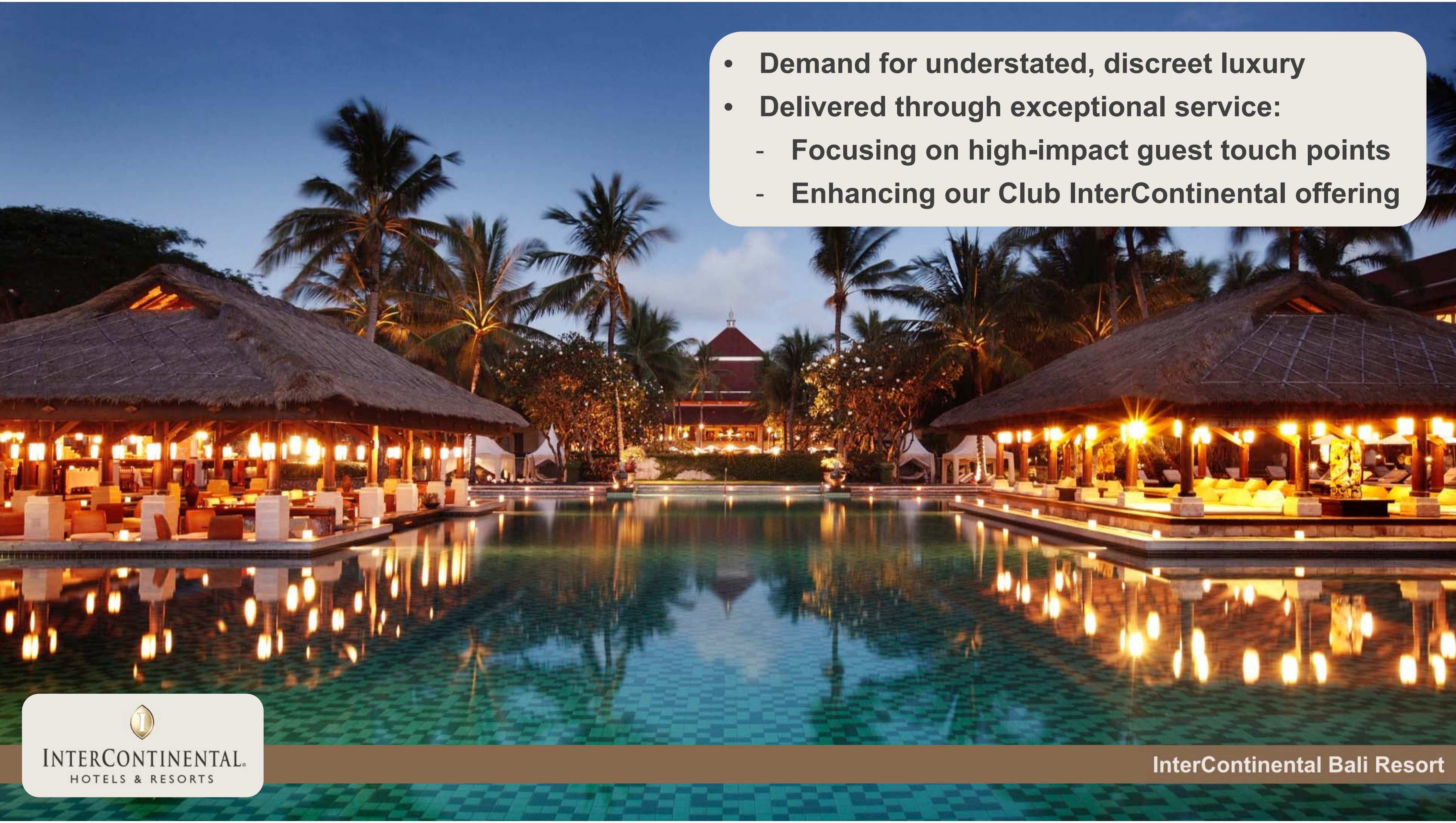
[1] 2011-2016. Guest Love =overall HeartBeat full year score; RevPAR outperformance = RGI versus GM comp set (excluding subject property); Total Gross Revenue = total rooms revenue from franchise hotels and total hotel revenue from managed, owned and managed lease hotels. [2] STR census and active pipeline data, 7 January 2017. IHG FY2016 actuals.



- Demand for understated, discreet luxury
- Delivered through exceptional service:
  - Focusing on high-impact guest touch points
  - Enhancing our Club InterContinental offering

INTERCONTINENTAL.
HOTELS & RESORTS

InterContinental Bali Resort

- 18 signings in 2016, best in 8 years, including four in the Americas
- ~12 openings in 2017, strengthening position as a leading luxury brand

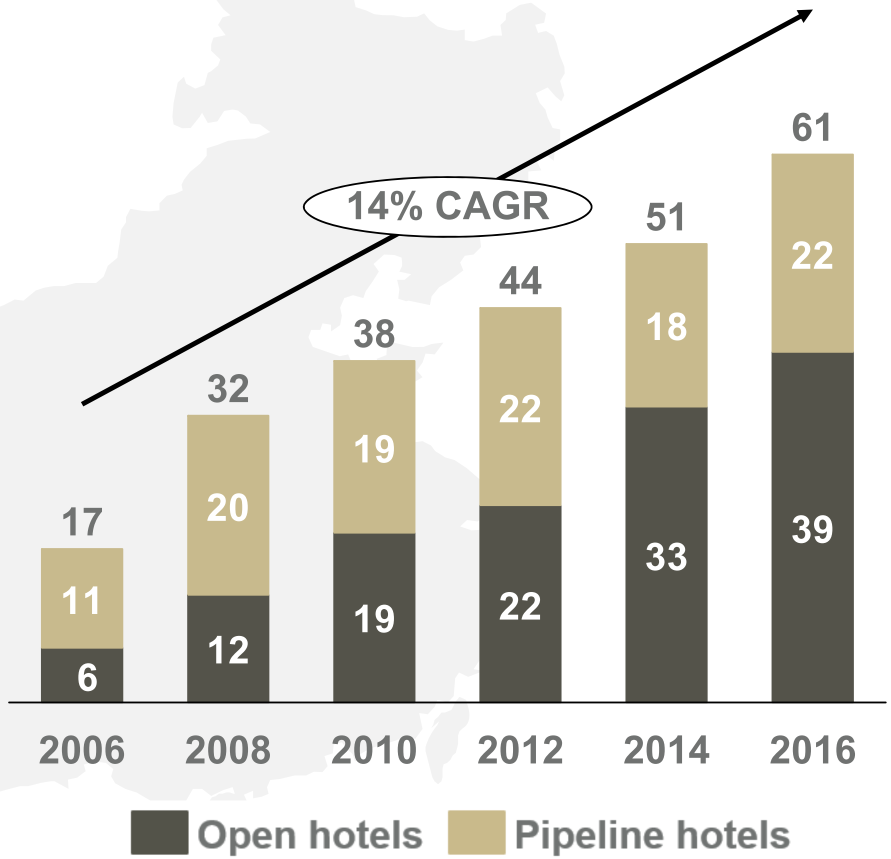
InterContinental Washington DC – The Wharf (rendering)

InterContinental Hotels & Resorts in Greater China - rapid system growth with rising brand preference

Largest InterContinental market globally

- 5th opening in Shanghai in 2016
- Multiple 2016 accolades
  - #1 Luxury hotel brand in China[1]
  - Best Hotel Brand (Hurun Report)
- Effective localised campaigns
  - Celebrity social media endorsement reaching 50m Sina Weibo followers
- Strong growth in China for past decade:
  - Open and pipeline rooms CAGR of 14%
  - Total Gross Revenues[2] up ~5x to $840m

InterContinental hotels (Greater China, 2006-2016)



[1] Preference score, Millward Brown data, Nov 2016, and 2016 Baidu brand equity awards

[2] 2006-2016, calculated at actual currency

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Holiday Inn Brand Family
- the leading global mainstream brand

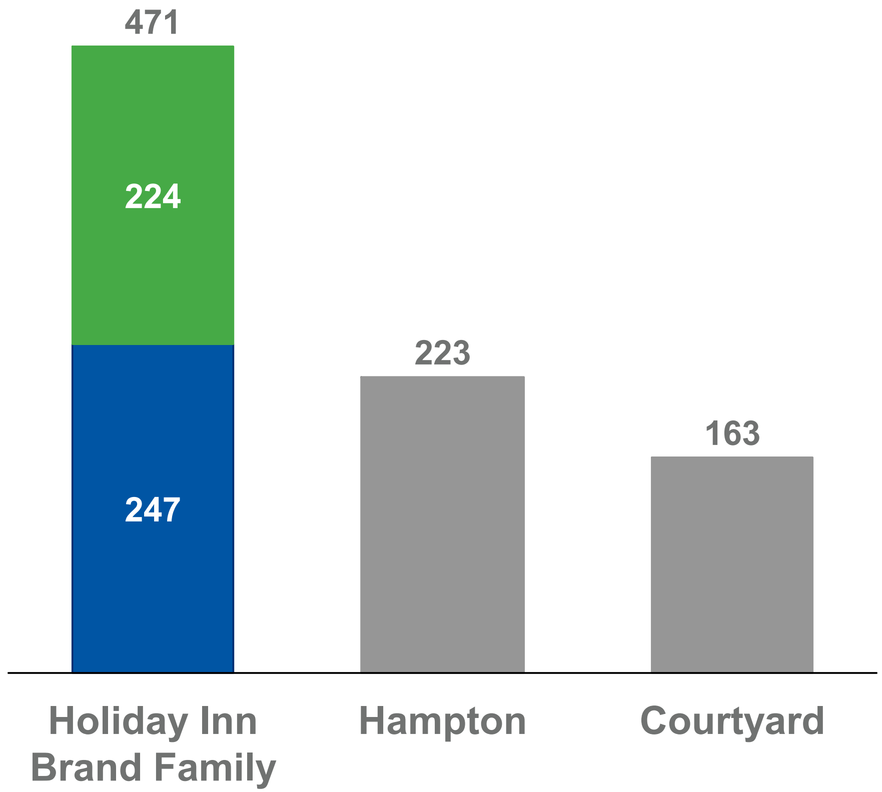
5-year[1] Holiday Inn Brand Family metrics (global)

+3.7pt
Guest Love

+13%
System size

+30%
Total Gross Revenue

Mainstream open rooms[2] (global, 000s)



Brand Family remains the engine of our business

- System revenues up +30%, or nearly $3bn
- Holiday Inn Brand Family represents over 1/3 of global upper midscale pipeline rooms[2]
- ~45%[3] of US industry growth expected to be in the mainstream[4] segment over the next decade

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[1] 2011-2016. Guest Love =overall HeartBeat full year score; Total Gross Revenue = total rooms revenue from franchise hotels and total hotel revenue from managed, owned and managed lease hotels.
[2] STR census and active pipeline data, 7 January 2017. IHG FY2016 actuals. [3] Source: STR, Oxford Economics, McKinsey and IHG Estimates. [4] Midscale & upper midscale segments.

Holiday Inn Brand Family
- evolving the brand experience to drive guest and owner preference

2003-2015

- Holiday Inn relaunch (2007-2011)
- Holiday Inn Club Vacations (2008)
- Design concept launches:
  - Formula Blue (US)
  - Open Lobby (Europe)

2016

- Design philosophy:
  - Contemporary room designs
  - Flexible public spaces
- Creative brand platforms:
  - Localised campaigns
  - Social media utilisation
- Sharpened guest experience:
  - Breakfast offering
  - Restaurant & bar concepts

2017+

- Global roll-out of new designs
- Franchise Plus roll-out in China

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Holiday Inn Liverpool City Centre - Open Lobby

Open Lobby in Europe is enhancing guest experience:

- Likelihood to return + 7pts[1]
- Guest Love +8pts[1]
- Restaurant & bar revenue +19%[2]
- In 50 hotels; 100 by year end 2017

[1]Average Heartbeat change, post-implementation of the Open Lobby [2] Average food & beverage spend post-implementation

Formula Blue (US):

- +4pt guest satisfaction uplift[1]
- +4% RevPAR premium v control[2]
- Implemented in ~175 hotels in 2016
- 2/3 adoption in estate by 2020

Holiday Inn Express, Omaha Airport - Formula Blue Public Area

[1] Overall Guest Love score for Formula Blue hotels versus Brand average [2] Formula Blue hotel outperformance versus local upper midscale was +4pts greater than non-Formula Blue hotel outperformance.

Branded family experience in China

- In 80 hotels since April 2016
- Driving incremental ADR +22%[1]
- Owner ROI[2] >2.5x

Holiday Inn BOOMi Kids package - China

[1]BOOMi package ADR versus average Greater China Holiday Inn ADR [2] Includes license and advertising costs, welcome pack and themed bedding.

- **Breakfast – improved choice and quality, delivered via lean staffing model**
  - **Increased satisfaction +15pts at pilot hotels**
- **Enhancing franchise restaurant & bar concepts**

Holiday Inn Express Munich City Centre

[1]UK Holiday Inn Express Breakfast Trial locations, change in Breakfast Heartbeat score post-implementation.

Crowne Plaza
- regional approaches driving global growth

CROWNE PLAZA
HOTELS & RESORTS

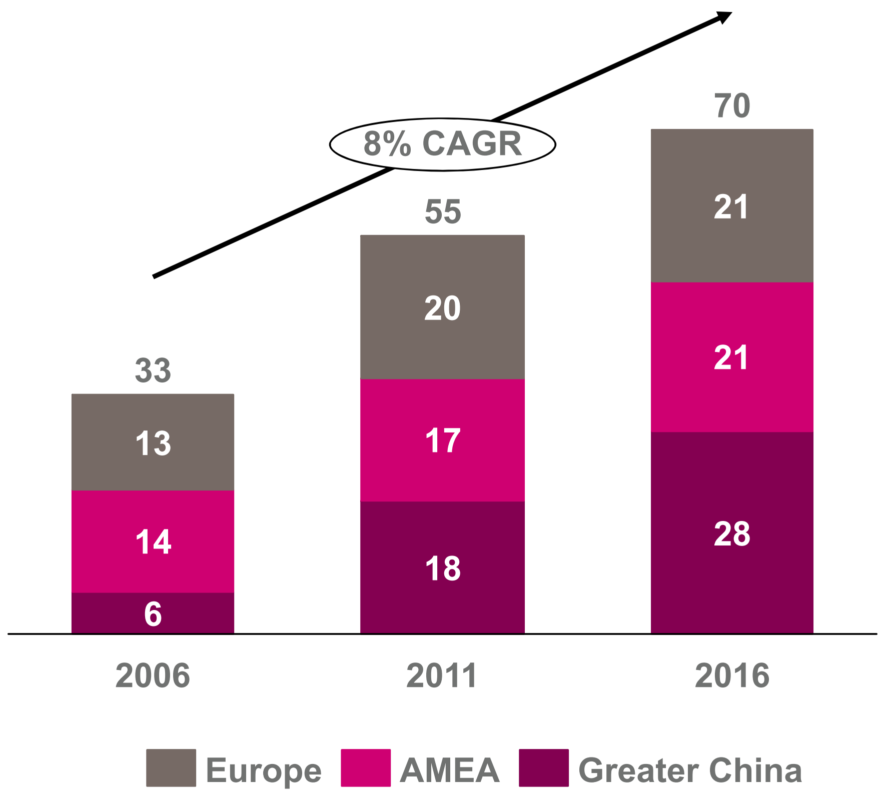
Global – strengthening leadership position

- Best Hotel Chain in Europe
  - Guardian Travel Awards 2016
- World's Best Airport Hotel
  - Crowne Plaza Changi Airport, Singapore
- Brand awareness increased +4pts yoy[1]:
  - Business productivity campaigns driving significant Guest Love uplifts

5-year[2] Crowne Plaza metrics (Global ex-Americas)

+6pt	+28%	+26%
Guest Love	Total Gross Revenue	System Size

Open Crowne Plaza rooms (Global ex-Americas, 000s)



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[1] Millward Brown, Nov 2016
[2] 2011-2016. Guest Love = overall HeartBeat full year score; Total Gross Revenue = total rooms revenue from franchise hotels and total hotel revenue from managed, owned and managed lease hotels.

Crowne Plaza
- regional approaches driving global growth

CROWNE PLAZA®
HOTELS & RESORTS

US - Crowne Plaza Accelerate plan…

- Driving quality improvements:
  - Guest Love up 4pts since 2012
  - Minimum quality threshold +4pts by 2019
- $100m marketing spend over 3 years:
  - 200% increase by 2018 (v 2015)[1]
  - Dedicated commercial team
- $100m investment to drive refurbishments & halo signings – within capex guidance
- Initiatives for rapid adoption of new brand essentials

…already driving improvements

- Awarded "Best Upscale Hotel Brand" by Business Travel News, up from 8th in 2015

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[1] Average forecast Crowne Plaza system fund spend, 2015 v 2018.

Accelerating the growth of our luxury, boutique and lifestyle brands

KIMPTON HOTELS & RESTAURANTS | hotel INDIGO | EVEN HOTELS | HUALUXE HOTELS AND RESORTS 華邑酒店及度假村

2003-2015	2016	2017+
Hotel Indigo (2004) EVEN Hotels (2012) HUALUXE (2012) Kimpton acquisition (2015)	Established scale with Hotel Indigo: - 150 open and pipeline hotels EVEN Hotels traction: - Doubled US open portfolio Kimpton international growth: - 1st opening outside N. America HUALUXE: 4th opening; 3 signings in 2016	1st Hotel Indigo Resort Opening (Q2) Kimpton expansion into Europe & Asia 3 HUALUXE openings in 2017

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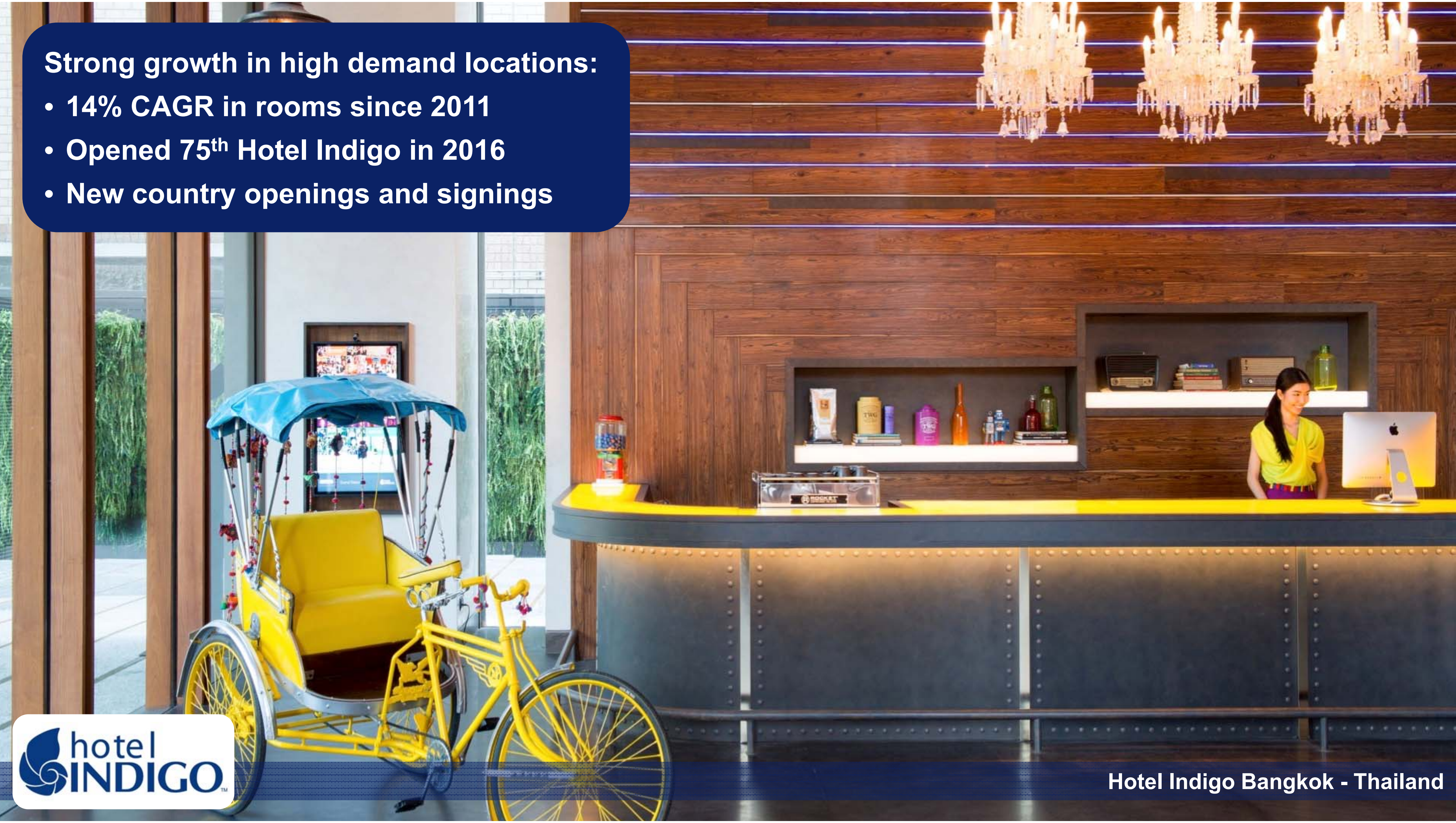
Strong growth in high demand locations:

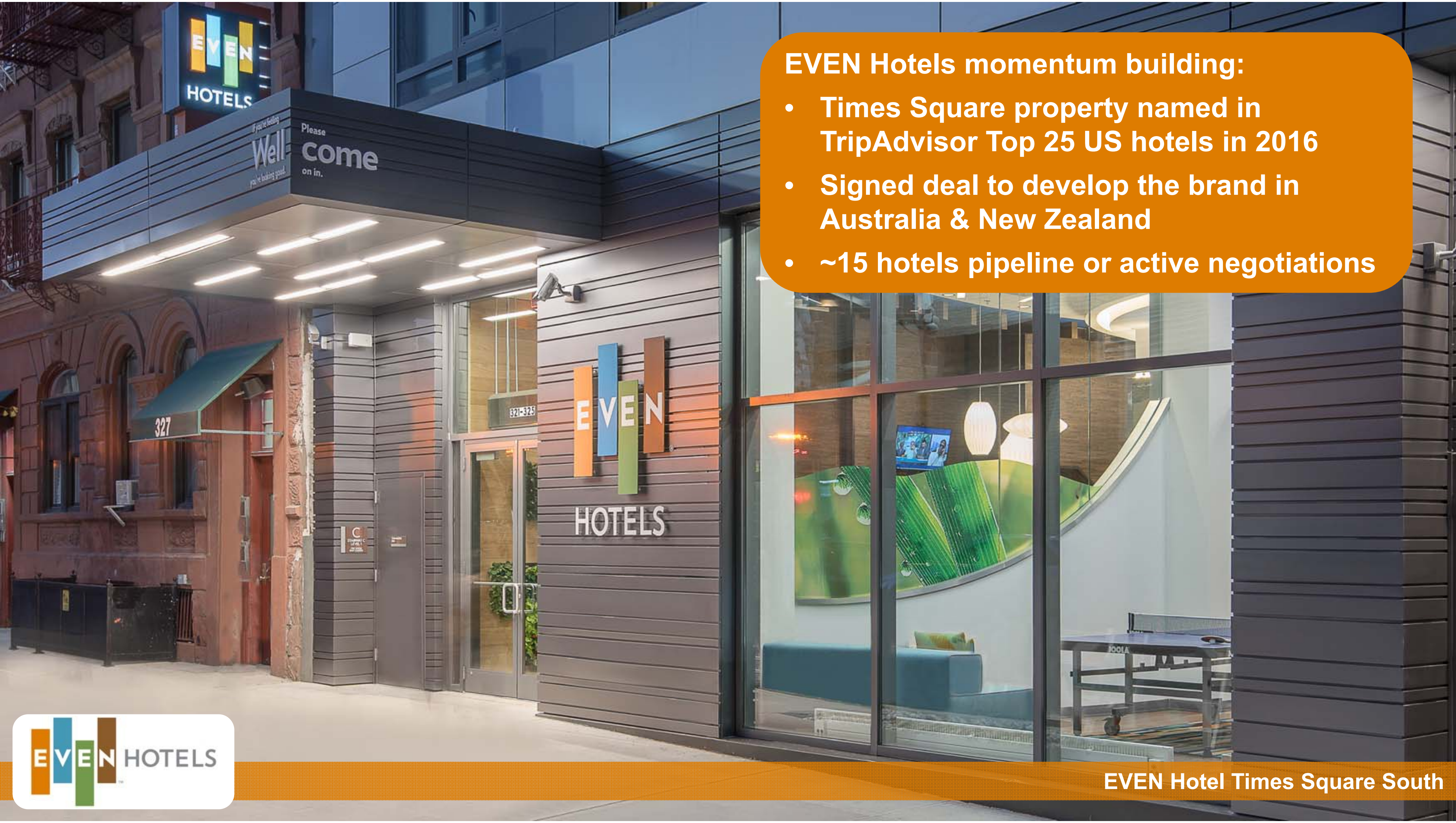
- 14% CAGR in rooms since 2011
- Opened 75th Hotel Indigo in 2016
- New country openings and signings



Hotel Indigo Bangkok - Thailand

EVEN Hotels momentum building:

- Times Square property named in TripAdvisor Top 25 US hotels in 2016
- Signed deal to develop the brand in Australia & New Zealand
- ~15 hotels pipeline or active negotiations



EVEN Hotel Times Square South

- All hotels top 10 on TripAdvisor[1]
- Strong early trading performance
- Three key openings in 2017
- 22 pipeline hotels (7k rooms)

HUALUXE HOTELS AND RESORTS 華邑酒店及度假村

HUALUXE Haikou Seaview

[1] As at 17 January 2017, no score available for Kunming

- Opened 1st hotel outside of North America
- Signed two hotels in Europe in 2016
- Leveraging the Restaurant & Bar expertise
- Over 10k referrals per day via IHG channels

KIMPTON® HOTELS & RESTAURANTS

Kimpton Seafire Resort & Spa, Grand Cayman

Operational excellence enhanced by Restaurant & Bar expertise

Franchise Performance Support

Revenue Management for Hire

Restaurant & Bar expertise

IHG Winning in the Americas Event (7 July 2016)

- Owner centric relationships
- Industry-leading revenue tools
- Innovative operational support tools

Revenue enhancing R&B support

- ~8,800 outlets across our portfolio
- Food & beverage represents ~30% of total managed revenues; $3.1bn in 2016
- >$3bn generated in franchise estate

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Restaurant & Bar offering driving owner profit and guest satisfaction

Tailored approach to Luxury & Lifestyle

- Targeted celebrity chef partnerships
- Destination restaurants in key gateway locations creates halo effect
- Enhances the brand story

Celebrity partnerships:

- Average check ~60% higher than typical outlet
- Diner conversion ratios 50% higher

Marina Social (Jason Atherton), InterContinental Dubai Marina

Restaurant & Bar offering driving owner profit and guest satisfaction

Tailored approach to Luxury & Lifestyle

- Targeted celebrity chef partnerships
- Destination restaurants in key gateway locations creates halo effect
- Enhances the brand story

Creating a library of franchise concepts

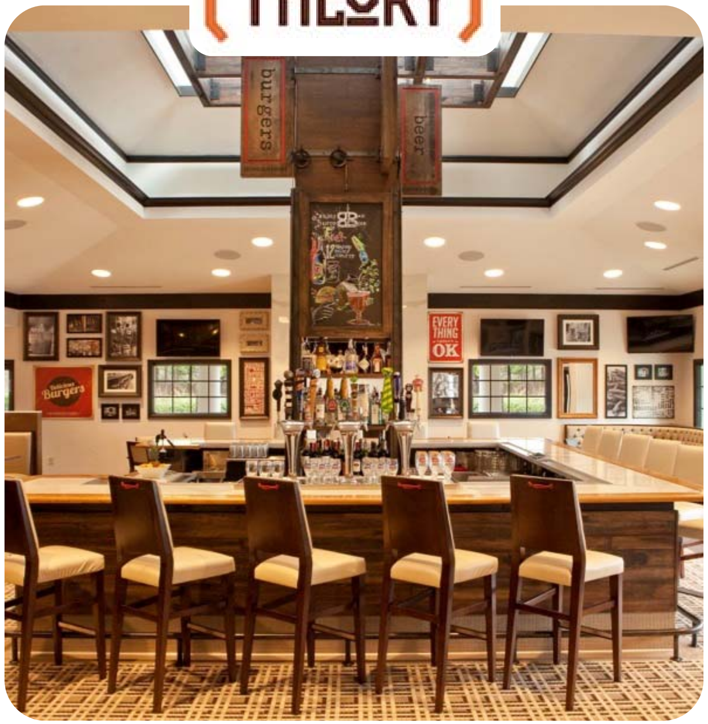
- Offers owners a variety of options to fit physical product and micro-market
- Driving owner ROI and guest heartbeat
- Significant IHG branding opportunity

© IHG

Stock Burger, Holiday Inn Brighton Seafront

- Award-winning concepts driving owner returns
- Stock Burger in Brighton:
  - ➢ +47% revenues
  - ➢ +29% profits
- ~10 further projects in European gateway cities

Enhancing our franchise offer by providing our owners with high-return, hotel-specific dining solutions



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Leveraging world-class R&B expertise from Kimpton

- Authentic restauranteur mindset
- Specialist restaurant design capabilities

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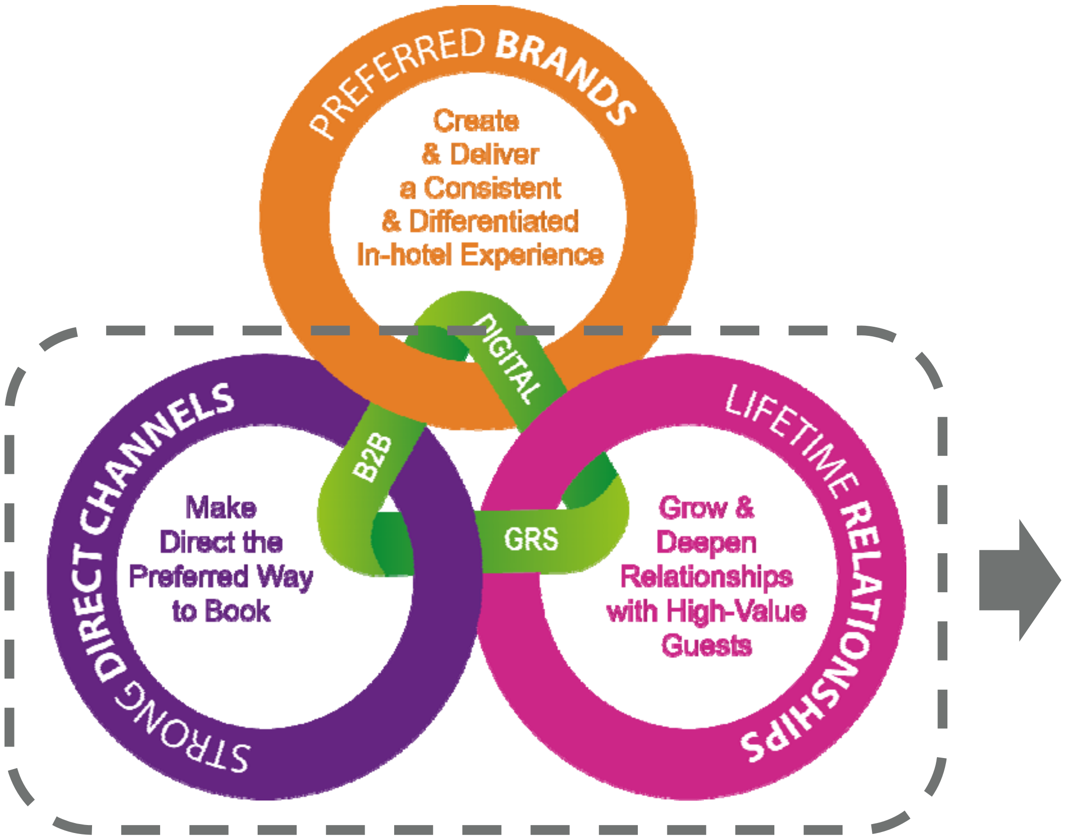
IHG's Commercial Strategy and technology innovations are critical to driving future competitive advantage



IHG Commercial Strategy Event (29 Sep 2016)

- IHG Rewards Club
- The Digital Guest Journey
- Guest Reservation System

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Enhancements to our loyalty programme drive member contribution and advocacy

+

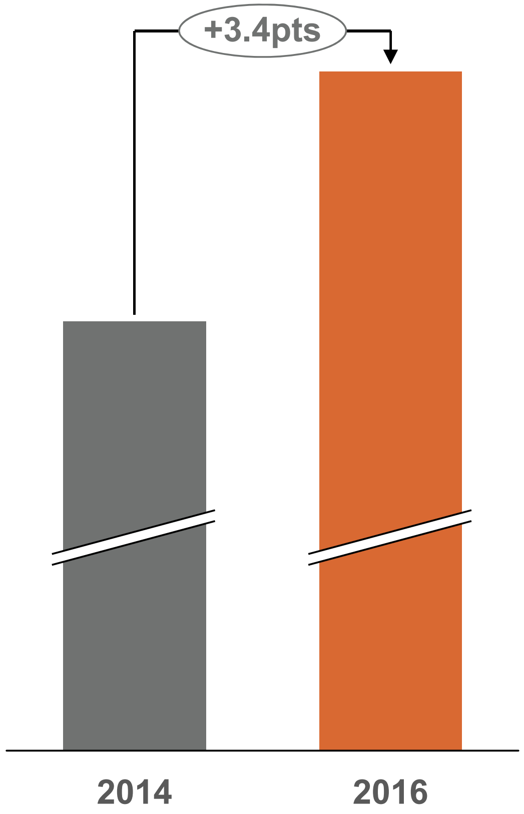
***Your Rate* by IHG Rewards Club ®**

Direct retail channel growth rates — **5pts YoY**

Member Enrolments — **16% YoY**

Engaged Members (6+ stays YTD) — **7% YoY**

Loyalty Contribution (%)



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Together with our enhanced web and mobile channels, this is driving increasing system contribution

Evolving our brand websites

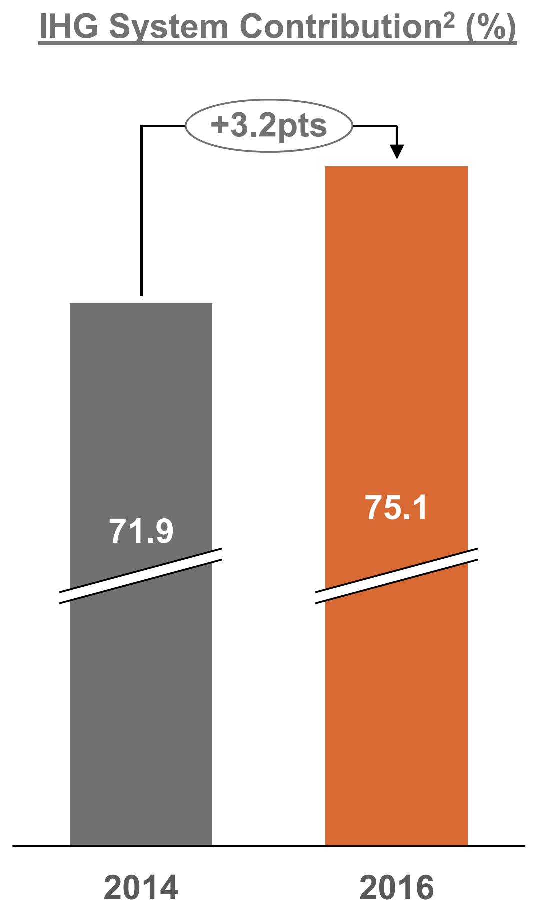
- 2 millionth Guest Review on ihg.com
- 87 brand/language combinations
- $4.3bn revenues[1] in 2016; rolling-out Alipay globally

Supported by accelerating mobile growth

- Mobile revenue reached $1.6bn in 2016; up by 33%
- >50% of website visitors now from Mobile channels
- Mobile check out now live in 1,800 hotels

Rapid adoption of IHG App, particularly in China

- 2m downloads, with App bookings up 50% yoy
- 19 of top 20 App booked hotels in China



[1] Web inclusive of mobile revenues [2] At 2016 constant currency

Innovations in technology underpin our Commercial Strategy

IHG Connect seamless log-on

- Implemented or installing in ~1,800 hotels
- Guest Love[1] up +5pts

Revenue Management for Hire

- Now mandatory in US[2]
- Driving 6pt yoy RGI uplift[3]

Guest Reservation System

- Nearing end of development phase; entering testing period
- On-track and on-budget to being roll-out in H2 2017

Utilising technology platforms

- Dedicated WeChat account with over 100k followers
- Facebook messenger bot assisting pre-stay management

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[1] 'Overall Internet' score, pre- versus post-implementation [2] Unless a full-time, certified revenue manager is employed at the property. [3] Average RGI uplift for hotels joining RMH in 2016

Conclusion

Targeted, long-term investments to drive sustainable growth

Consistently executed strategy, focussed on operational excellence

Expanding and innovating across our brands and technology

Cash generative model driving superior shareholder returns

Despite uncertainty, we are confident in the future growth of the business

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InterContinental Hotels Group

Q&A

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Crowne Plaza Cochin, India

Appendices

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2017 significant items

Flags at H1 2016 results		H1 2016	H2 2016	2017
• Favourable phasing of costs	Americas franchised	$5m	$(5)m	-
• Investment in development resources	Americas franchised	-	$(4)m	$(3m)
• Annualization of 2015 Kimpton exits	Americas managed	$(3)m	-	-
• InterContinental New York Barclay costs*	Americas managed	$(4)m	$(4)m	*
• US Healthcare**	Americas regional costs	$4m	$6m	-
• Revenue reduction at 3 hotels	Europe managed	$(2)m	-	-
• Revenue reduction at 4 hotels	AMEA managed	$(4)m	$(3)m	-
Additional flags at FY 2016 results				
• Liquidated damages	Americas managed	-	$4m	-
• Number of small items and developing market expansion	AMEA managed	-	-	Profits flat on 2016

* Since guidance provided at H1 2016 results, costs increased from $6m to $8m for FY 2016 due to impact of high supply growth on New York trading which is expected to continue to affect the results of our joint venture interest in 2017. We will also continue to incur joint venture costs as the hotel ramps up post repositioning, although these will largely be offset by related management fees.

**Since guidance provided at H1 2016 results, increased from $4m to $10m for FY 2016 due to lower than expected costs.

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Currency translation reduced reported EBIT by $1m in the year

$(1)m EBIT impact from currency translation in FY 2016

- Based on 2016 financials and Dec 30th exchange rates, we would expect a small negative impact in H1 2017

Region	Reported EBIT ($m)	Foreign exchange impact ($m)[3]	
	FY 2016	*Reported FY 2016 vs. FY 2016 at 2015 rates[1]*	*H1 2016 at Dec 30th rates vs. reported H1 2016[2]*
Americas	633	*(7)*	*(2)*
Europe	75	*(3)*	*(1)*
AMEA	82	-	*(2)*
Greater China	45	*(2)*	*(1)*
Central	(128)	*11*	*5*
Total	**707**	***(1)***	***(1)***

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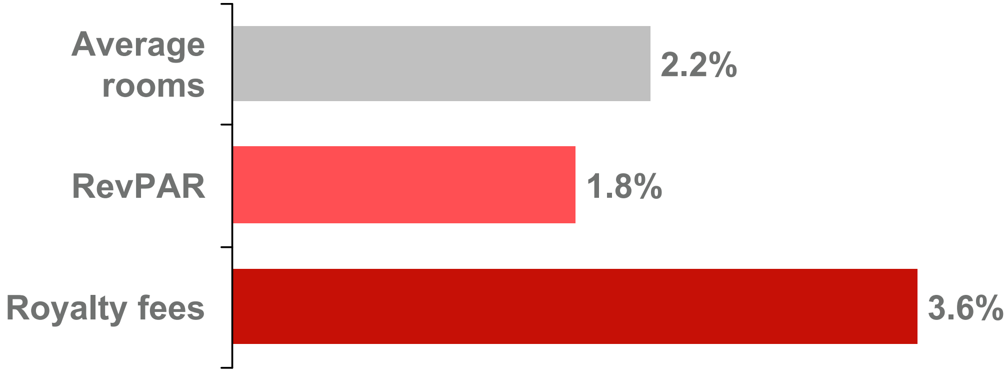
[1]Based on average monthly exchange rates in each year; [2]Estimated based on 30 Dec 2016 spot rate; [3]Major non USD currency exposure by region (Americas: Canadian Dollar, Mexican Peso; Europe: GB Pound, Euro, Russian Rouble; AMEA: Japanese Yen, Australian Dollar, Singapore Dollar; Greater China: Chinese Renminbi; Central: GB Pound).

Hotel franchising

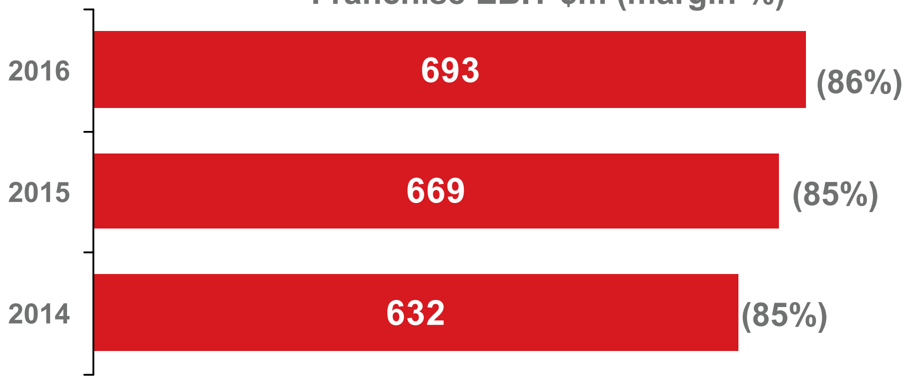
Total gross revenue $bn[1] (rooms only)

Group royalty drivers 2016 YoY



Franchise Fees[2] $m

Franchise EBIT $m (margin %)



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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; [2]Franchise fees and EBIT exclude individually significant liquidated damages of $7m in Americas in 2014.

Hotel management

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

Management Fees[2] $m

Managed EBIT[2] $m (margin %)

Reported managed lease revenue and EBIT ($m)

$m	2016	2015
Americas revenue	34	38
Americas EBIT	0	0
Europe revenue	77	75
Europe EBIT	2	1
AMEA revenue	51	46
AMEA EBIT	5	5

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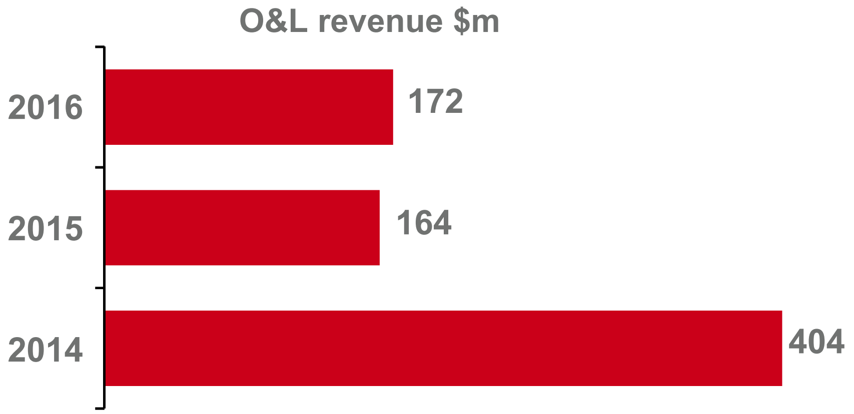
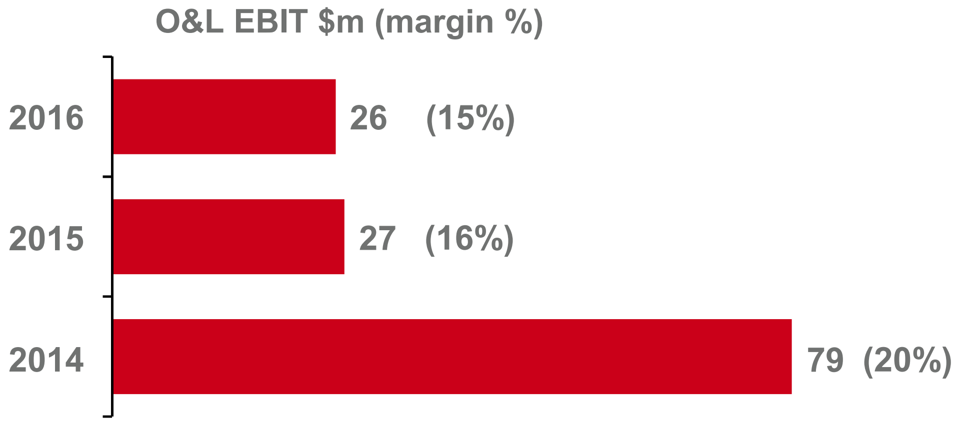
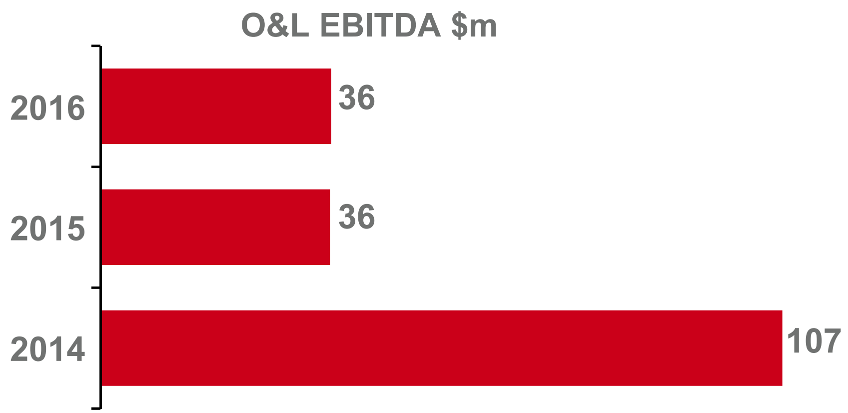
Based on actual USD with the exception of group royalty drivers which are calculated at constant exchange rates.
[1]Total gross revenue is defined as total hotel revenue from managed hotels, it is not revenue attributable to IHG; [2]Hotel management fees and EBIT exclude the results of leased properties and individually significant liquidated damages of $3m in 2015, along with a high number of small liquidated damages receipts totalling $4m.

Hotel owned & leased







Reported O&L revenue and EBIT from disposals ($m)

$m	2016	2015
InterContinental Paris Revenue	-	30
InterContinental Paris EBIT	-	1
InterContinental Hong Kong Revenue	-	98
InterContinental Hong Kong EBIT	-	29

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All charts exclude results from disposed assets: InterContinental New York Barclay (sold 2014), InterContinental Mark Hopkins San Francisco (sold 2014), InterContinental – Le Grand (sold 2015) and InterContinental Hong Kong (sold 2015).

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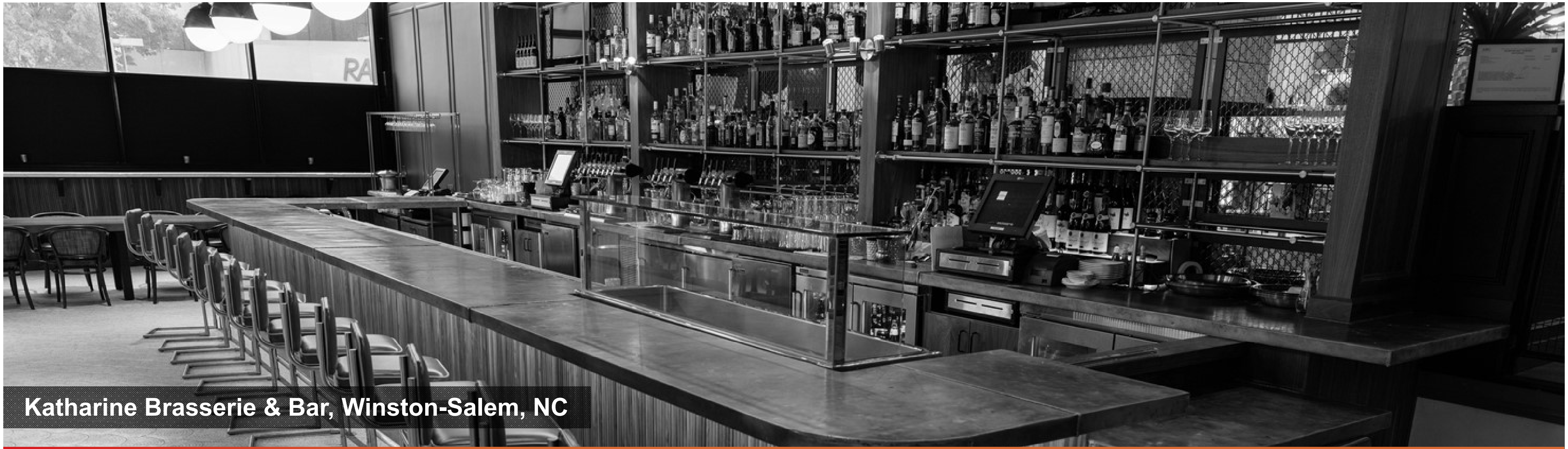

Katharine Brasserie & Bar, Winston-Salem, NC

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