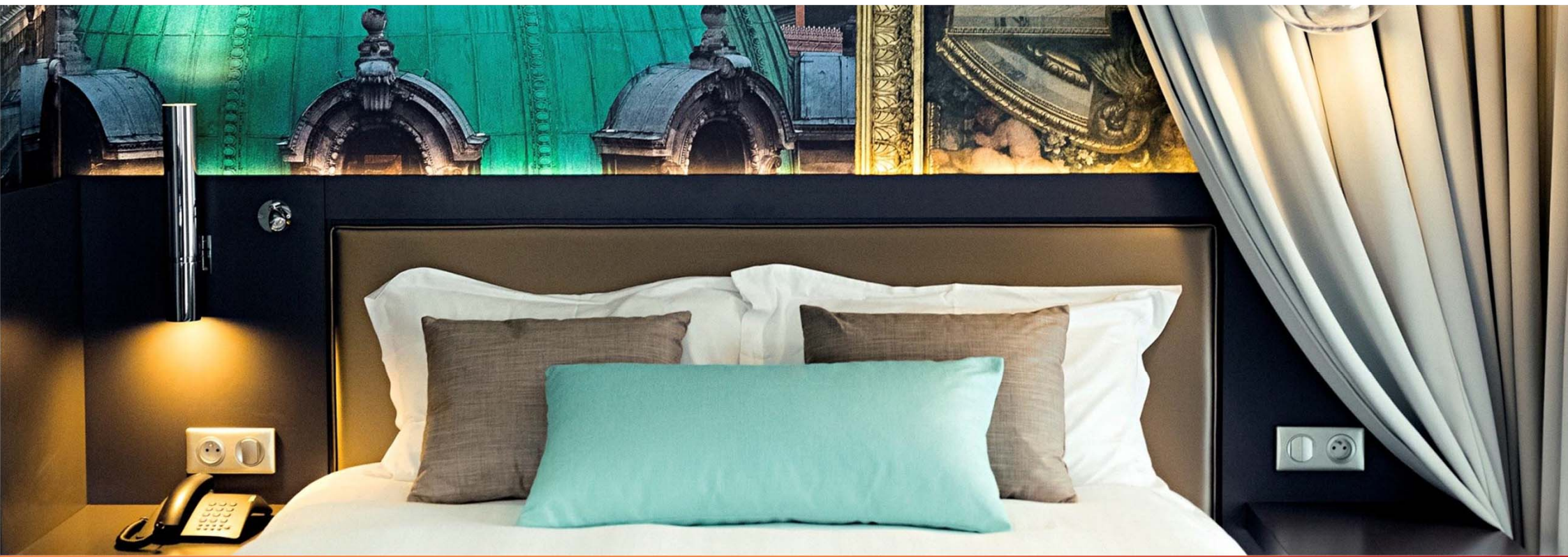




Full year results presentation

20th February 2018

IHG[®]

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Keith Barr

Chief Executive Officer

2017 Highlights

- delivered a strong performance

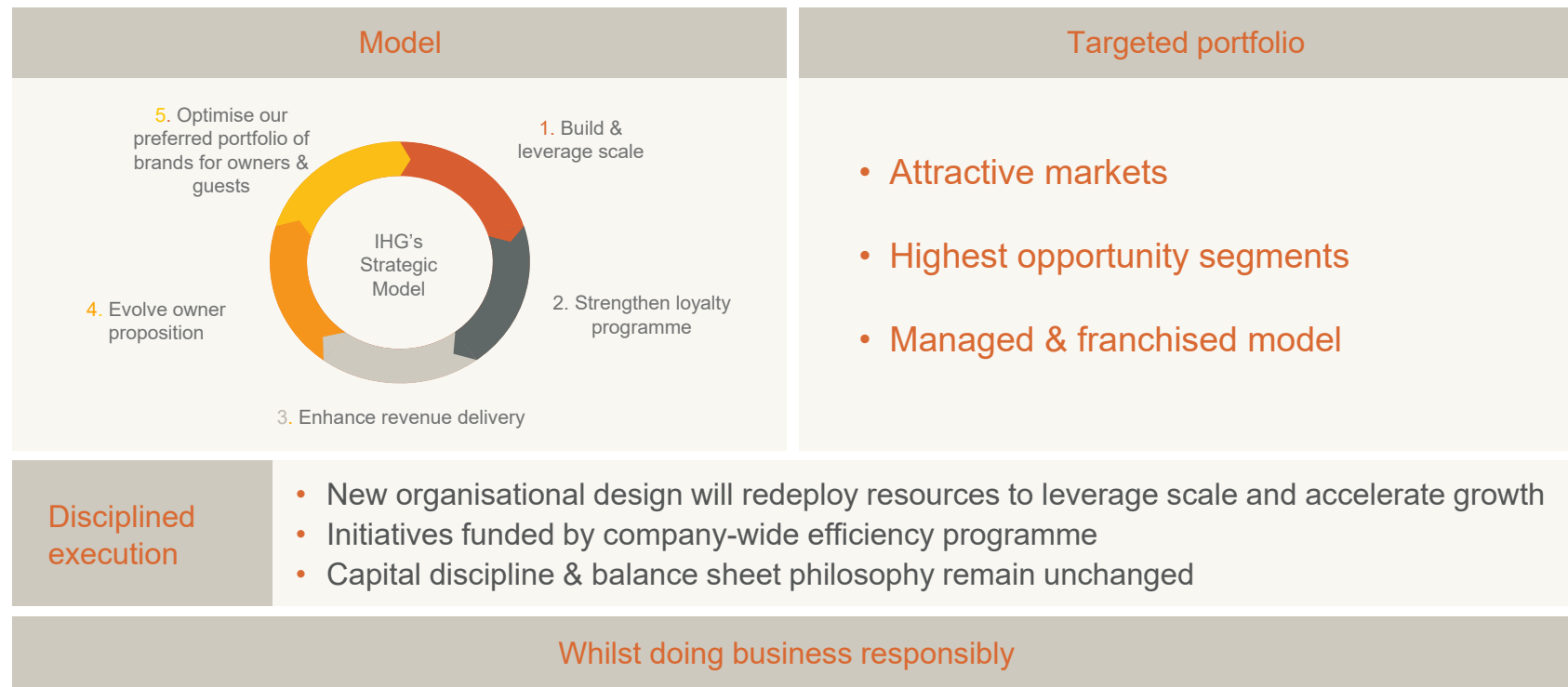


Fee growth momentum	Underlying fee revenues¹	+5%
Leveraging scale and cost discipline	Fee-based margin²	+1.6%pt
Strong EPS growth	Underlying adjusted EPS³	+22%
Highly cash generative	Underlying free cash flow	\$516m
Driving shareholder value	104¢ total dividend per share	+11%

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 Underlying 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.

We have a clearly defined strategy which will continue to drive superior shareholder returns

Value creation: delivering industry-leading medium term net rooms growth





Paul Edgecliffe-Johnson

Chief Financial Officer

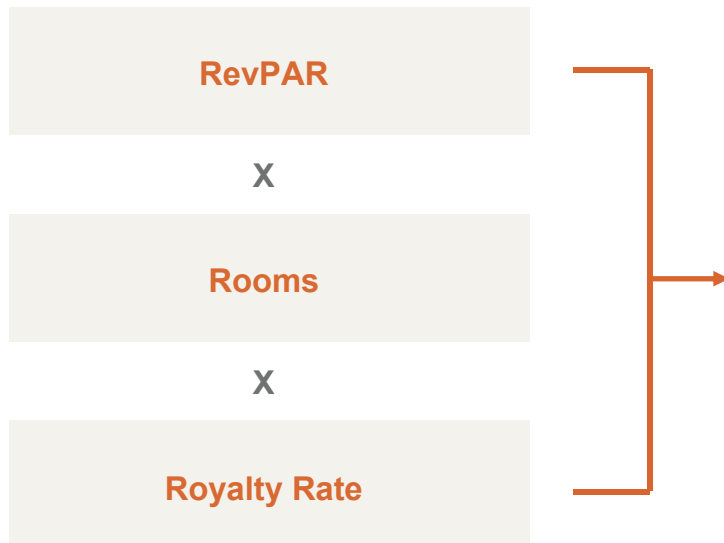
Financial Review

Strong underlying financial performance

	Underlying ¹			Reported
\$ million	2017	2016	% Change	2017
Revenue	\$1,663m	\$1,553m	5%	\$1,784m
Fee revenue ²	\$1,449m	\$1,380m	5%	\$1,437m
Operating profit ³	\$759m	\$700m	8%	\$759m
Fee-based margin	50.2%	48.8%	1.4%pts	50.4%
Reported interest	\$(85)m	\$(87)m	(2.3)%	\$(85)m
Reported tax rate ³	30%	30%	-	30%
Reported basic weighted average shares	193m	212m	(9.0)%	193m
Adjusted EPS ⁴	245.1¢	200.9¢	22%	244.6¢
Total Dividend	104¢	94¢	11%	104¢

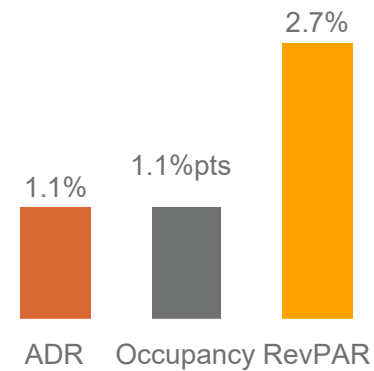
¹Underlying excludes owned asset disposals, managed leases and significant liquidated damages at constant FY 2016 exchange rates (CER). Note: Interest, tax rate and average share count as reported; ²Group revenue excluding owned and leased hotels, managed leases and significant liquidated damages; ³Before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

Resilient fee-based business model driving solid fee revenue growth



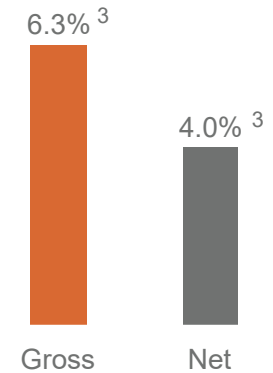
2017 underlying fee revenue¹ \$1,449m up 5.0%²

2017 Group RevPAR growth²



2017: +2.1% Total RevPAR growth²

2017 system growth (%YoY)



2017: 48k rooms opened³,
17k rooms removed; expect
2018 to be at higher end

¹Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant FY 2016 exchange rates (CER) ²Growth 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.

Our strong penetration in developing markets dilutes short term RevPAR but provides a long runway for future revenue growth

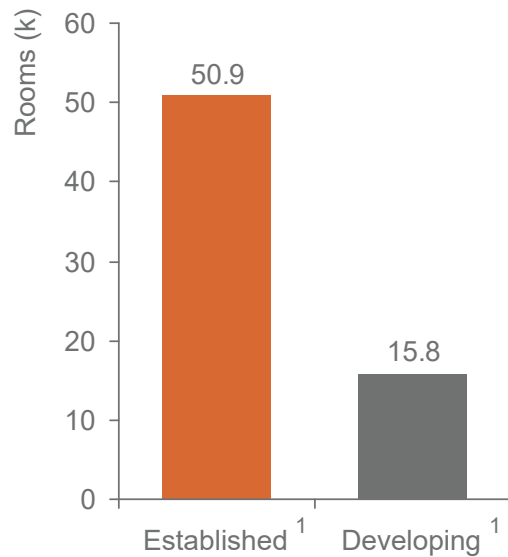
	RevPAR Growth %		Net rooms growth %		Adjusted Underlying Fee Revenue ¹ Growth %	Comments
	Comparable	Total ²	YoY	Available		
	Hotels that have traded in all months being compared (i.e. steady state)	All hotels that were open in 2017 and 2016 (incl hotels that are ramping up)	31 st December 2017 vs 2016	Aggregate number of rooms available for sale in 2017 vs 2016	Excludes owned asset disposals, managed leases and significant liquidated damages at constant FY 2016 exchange rates	
Americas	1.6%	2.0%	1.9%	1.3%	2.1%	Rooms available diluted by openings weighted to H2 and removals weighted to H1
Europe	6.3%	6.3%	3.0%	3.3%	10.0%	Broadly in line
AMEA	1.5%	(3.0)%	12.6%	9.2%	8.1%	- Total RevPAR impacted by openings in developing markets - Rooms available impacted by weighting of openings in end of H1
Greater China	6.0%	1.4%	9.2%	8.6%	9.4%	- Total RevPAR impacted by openings in less developed cities - Rooms available impacted by removals weighted to H1
Total	2.7%	1.8%	4.0%	3.3%	4.6%	

¹Underlying fee revenue excludes owned and leased hotels, managed leases, significant liquidated damages at constant FY 2016 exchange rates (CER) with an additional adjustment removing the results from three properties in Venezuela.

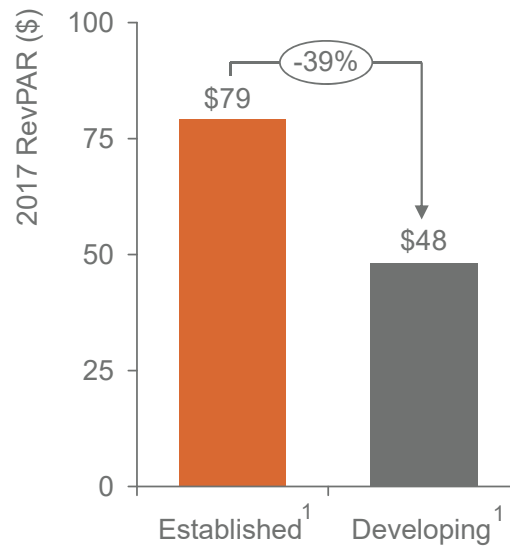
² Excluding three properties in Venezuela

We are confident in the long term potential of developing markets where recent RevPAR growth rates are ~2x that achieved in established markets

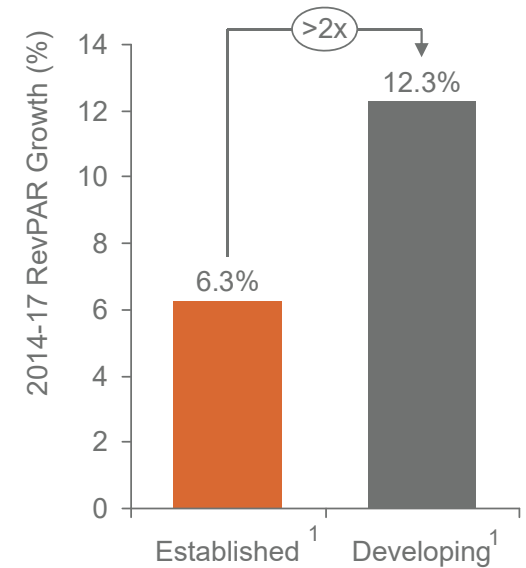
In 2012 and 2013 we opened 67k rooms in established and developing markets.



Although 2017 RevPAR for this developing market cohort is ~40% lower than the established markets...



... the growth rate achieved over the past 4 years is ~2x as high



¹ Established markets comprise the Americas, Europe, primary cities in Greater China and select markets in AMEA (Japan, Australia and the Middle East); ² Developing markets comprise: SW Asia, SE Asia, Africa and Secondary and Tertiary cities in mainland China

Americas

Stronger Q4 US RevPAR; avid hotels' momentum accelerates

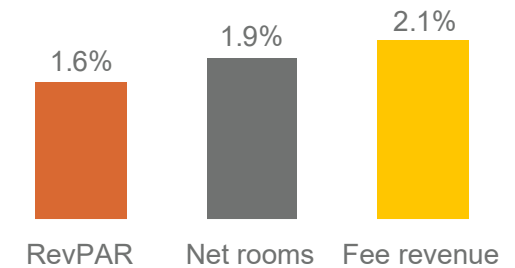
- Comparable RevPAR up 1.6%, US up 1.2%
- Q4 US RevPAR up 3.0%

- YoY net rooms growth 1.9% (Gross: up 4.4%)

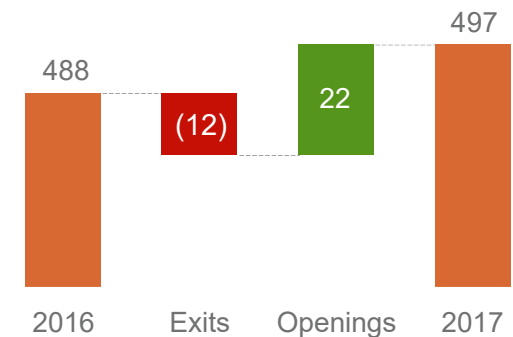
- Fee revenue¹ up 2.1%

- Underlying² revenue up 4%; underlying² profit up 3% impacted by:
 - Annualisation of investment in development resources
 - Delayed payroll tax credit recognition
 - Initial impact of Crowne Plaza Accelerate financial incentives
 - Lower than expected claims in US Healthcare programme
- Owned and Leased profit up 21% driven by EVEN Brooklyn ramp up and Holiday Inn Aruba trading
- Pipeline: 109k rooms; 37k signed
- 4k avid hotels rooms signed since launch in Sept '17; further 3k rooms since the end of 2017

2017 Growth in fee revenue drivers¹



2017 Net rooms growth ('000s)



¹Underlying fee revenue excludes owned and leased hotels, managed leases, significant liquidated damages at constant FY 2016 exchange rates (CER) with an additional adjustment removing the results from three properties in Venezuela. Including the three Venezuelan properties increases Fee Revenue growth to 2.8%. ²Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant FY 2016 exchange rates (CER).

Europe

Strong UK RevPAR growth and recovery in terror impacted markets

- Comparable RevPAR up 6.3% (Q4 up 5.6%)
- UK up 4.5%; Provinces up 4.6%; London up 4.3%
- Strong growth in previously terror impacted markets
 - France 7.1%; Paris 12.8%
 - Double digit growth in Belgium and Turkey
- Southern European markets up by 11.1%

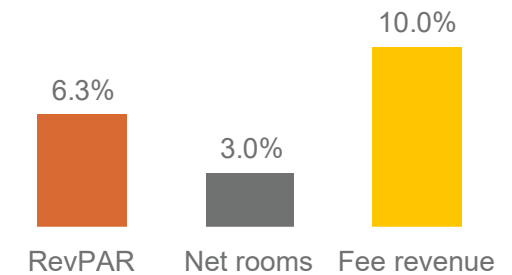
- YoY net rooms growth 3.0% (Gross: up 4.5%)

- Fee revenue¹ up 10.0%

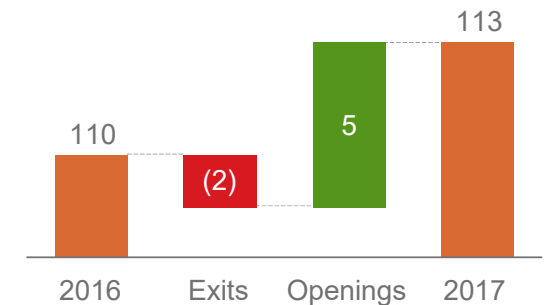
- Underlying² revenue up 10%; underlying² profit up 16%

- Pipeline: 26k rooms; 9k signed

2017 Growth in fee revenue drivers¹



2017 Net rooms growth ('000s)



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

Asia, Middle East & Africa

Double digit rooms growth; strong trading outside the Middle East

- Comparable RevPAR up 1.5% (Q4 up 2.6%)
 - 4.4% growth excl. Middle East (down 4.1%)
 - Japan up 2.7%; Australasia up 5.8%; S.E Asia up 5.5%
- Total RevPAR down 3.0% due to mix effect of openings in lower RevPAR developing markets

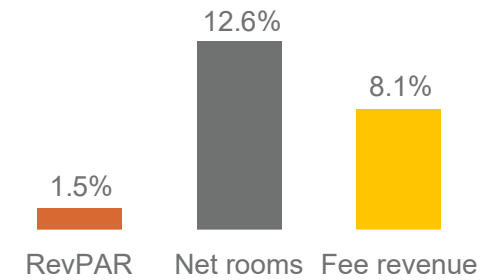
- YoY net rooms growth 12.6%³ (Gross 14.6%³)
 - Includes 3.5K rooms in Makkah, Saudi Arabia annualised fees ~\$1m

- Fee revenue¹ up 8.1%

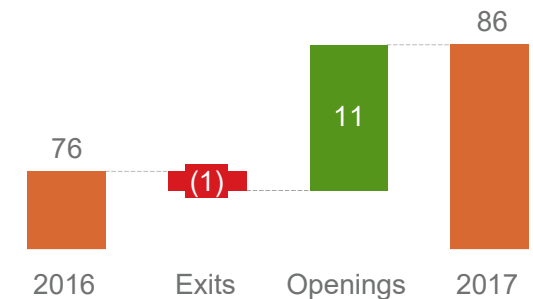
- Underlying² revenue up 5%; underlying² profit up 12%

- Pipeline: 35k rooms
- 13k rooms signed, highest since 2008

2017 Growth in fee revenue drivers¹



2017 Net rooms growth ('000s)



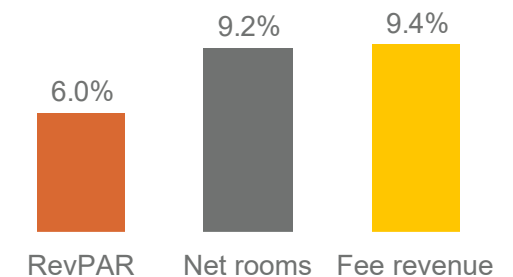
¹Underlying fee revenue excludes owned and leased hotels, managed leases and significant liquidated damages at constant FY 2016 exchange rates (CER); ²Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant FY 2016 exchange rates (CER); ³Includes 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

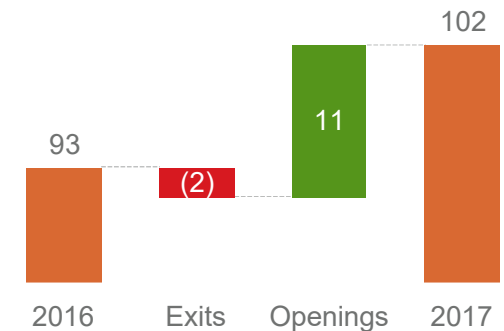
Continued industry outperformance; record room openings

- Comparable RevPAR up 6.0% (Q4 up 7.3%)
 - Mainland China up 6.6%, Tier 1 up 6.9%; Tier 2-4 up 6.5%
 - Hong Kong up 2.7%; Macau up 11.4%
- Total RevPAR up 1.4% due to mix effect of openings in lower RevPAR cities
- YoY net rooms growth 9.2% (Gross: 11.4%), including the 100th Holiday Inn Express
- Fee revenue¹ up 9.4%
- Underlying² revenue up 9% and profit² up 16%
- Pipeline: 72k rooms
 - 24k rooms signed, highest since 2007
 - 54 Franchise Plus signings (74 since May'16 launch)

2017 Growth in fee revenue drivers¹



2017 Net rooms growth ('000s)



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

²Underlying growth excludes owned asset disposals, managed leases and significant liquidated damages at constant FY 2016 exchange rates (CER).

US Tax Reform materially lowers our group effective rate from 2018 onwards



2017 impact

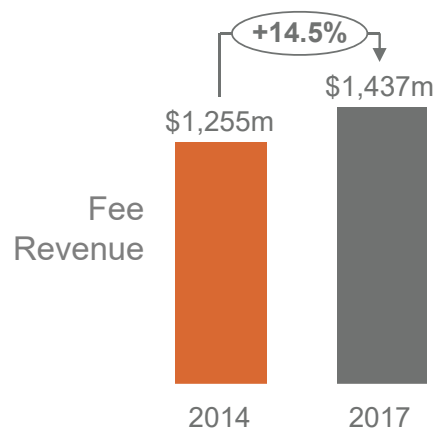
- \$108m exceptional tax credit in 2017
- Realised in cash terms over a long period from 2018

From 2018

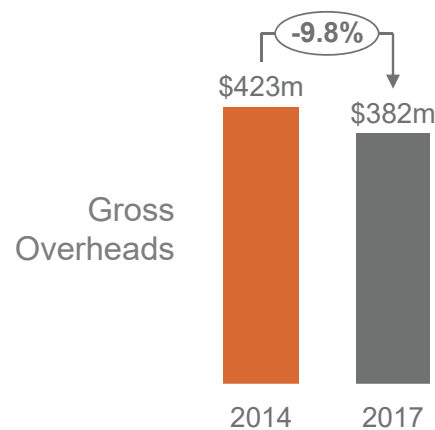
- P&L: Effective tax rate will be in the to the mid to low 20s percentage point range.
- Cash: 2018 cash tax rate is expected to be in the high single digit percentage point range. Longer term it will align more closely with the P&L rate.

Relentless cost control has contributed to strong margin growth in recent years

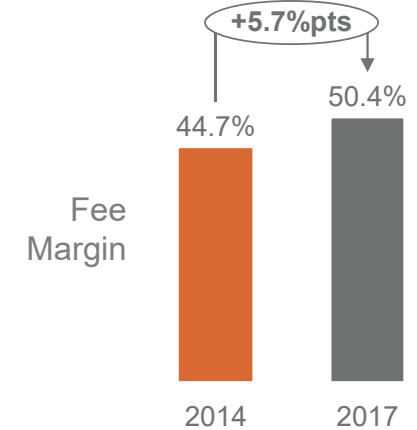
Fee Revenue growth...



...together with financial discipline and scale benefits...



...has led to significant fee margin growth

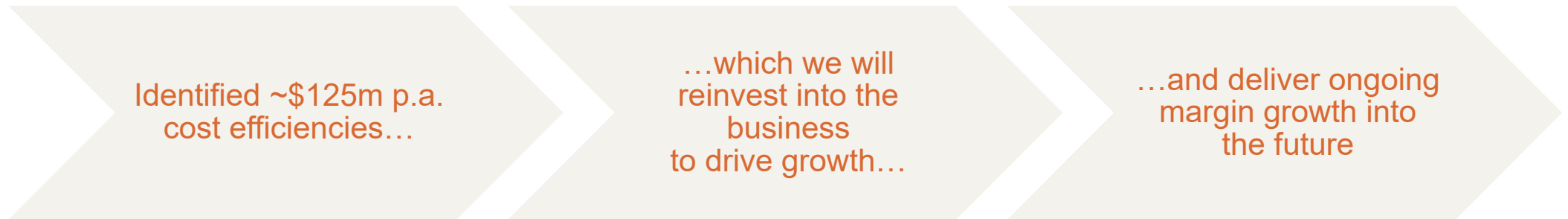


- Incremental fee revenue from:
 - New build: 40%
 - RevPAR growth: 60%

- Relentless focus on cost management
- Centralised procurement
- Zero based budgeting
- Offshoring

All numbers stated at AER.

Our new efficiency programme will redirect resources against our additional strategic initiatives whilst maintaining margin progression



Realised by 2020, achieved through:

- New flatter, simpler, organisational structure
- Near shoring, off shoring and outsourcing non-core activities
- Increased automation
- New ways of working
- Targeting savings and reinvestment matched each year
- ~135bps average p.a. over the past 12 years
- Expected to maintain similar increases in the medium term

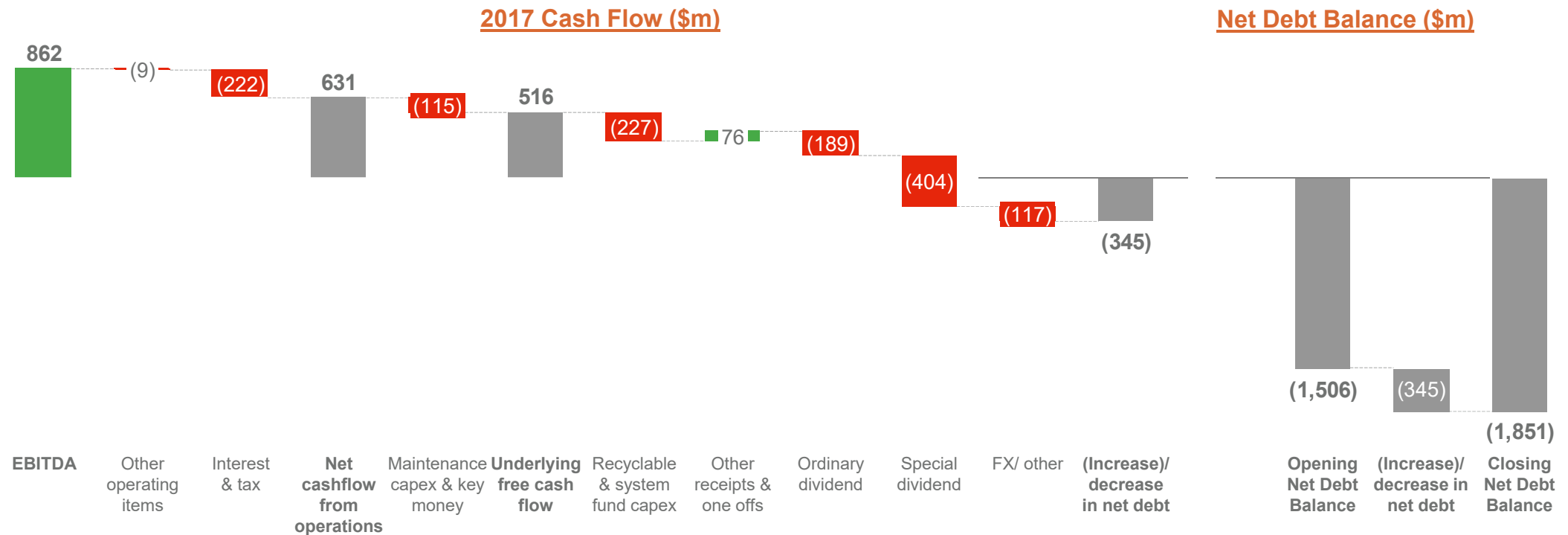
Targeting \$125m in annual savings for reinvestment in strategic initiatives, with \$200m costs to achieve

	Savings by 2020	Reinvestment Initiatives				
		Evolve Owner Proposition	Add New Brands	Strengthen Existing Brands	Strengthen Loyalty Programme	Enhance Revenue Delivery
Total P&L	\$50m	✓	✓			
System Fund	\$75m			✓	✓	✓
Total	\$125m					

- P&L split: ~1/3 Regions; ~2/3 Central
- Phasing of savings: 2018 40%; 2019 80%; 2020 100%
- \$200m exceptional cash costs: 2017 \$31m; majority of remaining expected in 2018

Significant cash flow from operations well above capex needs

- Gross capital expenditure of \$342m covered 1.8x by net cashflow from operations
- \$0.4bn special dividend funded by operations and leverage
- LTM net debt to EBITDA at 2.1x



Targeted capital expenditure to drive growth

Maintenance capex, key money and selective investments	\$m	2016	2017
	Maintenance capex	51	58
	Key money	45	57
	Total	96	115
Recyclable investments		2016	2017
	Gross out	40	85
	Gross in	(25)	(79)
	Net total	15	6
System fund capital investments	\$m	2016	2017
	Gross out	105	142
	Gross in	(31)	(36)
	Net total	74	106
Total capital investments	Gross total	241	342
	Net total	185	227

Medium term guidance unchanged:

- ~\$150m per annum
- Key money: ~\$75m per annum

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

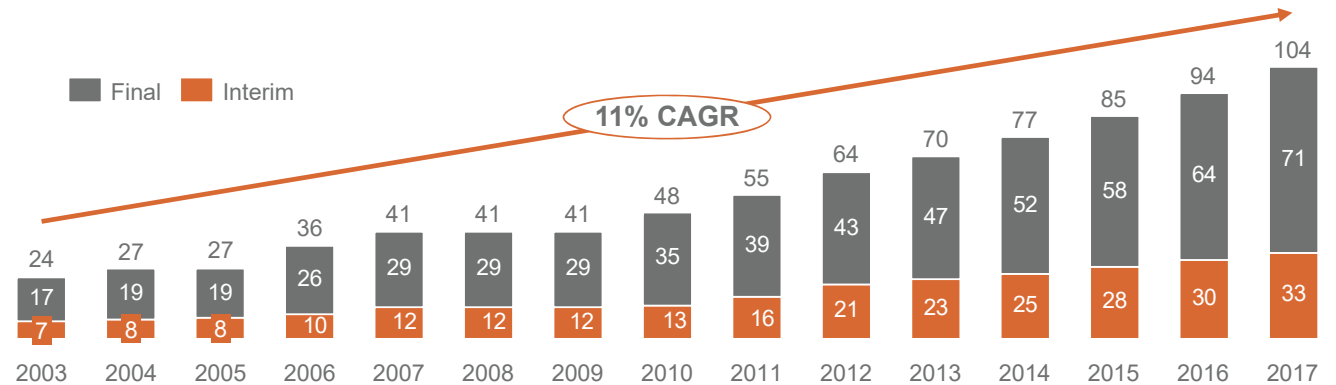
- ~\$100m per annum
- Repaid when depreciation charged to System fund

- Gross: up to \$350m per annum
- Net: ~\$150m

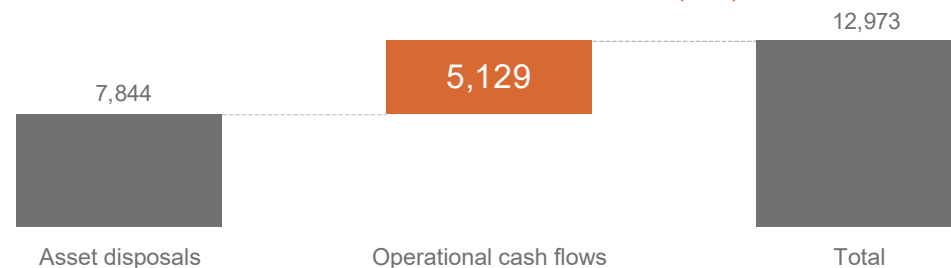
Highly cash generative business driving strong shareholder returns

- Strong cash flows driving consistent shareholder returns
- Total dividend of 104¢, with 11% CAGR since 2003
- \$0.4bn special dividend paid in May 2017
- Total returns of \$13bn since 2003, ~40% from operations
 - \$2.3bn ordinary dividend
 - \$10.7bn additional
- Strong financial position:
 - \$1.4bn Bonds¹
 - \$0.3bn RCF utilised²
 - \$1.1bn RCF unutilised

Ordinary dividend progression 2003-2017 (¢)



Shareholder returns 2003-17 (\$m)



¹ First Bond (£400m) matures in November 2022; ² Revolving Credit Facility matures in March 2022

Our strategy for uses of cash remains unchanged and we are committed to future shareholder returns



Invest in the
business to
drive growth



Maintain sustainable
growth in ordinary
dividend



Return surplus
funds to
shareholders

Commitment to Investment Grade Credit Rating
2.0x – 2.5x Net Debt : EBITDA



Keith Barr

Chief Executive Officer

Strategic Update

20 February 2018

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IHG has consistently delivered a strong performance against all key metrics

Net Rooms Growth 2014-17



IHG
+12.4%
Market¹
+6.3%

Fee Revenue Growth² 2014-17



+14.5%

Adjusted EPS Growth 2014-17



+54.5%

Guest Love Growth 2014-17



+3.0%pts

IHG Rewards Club Member contribution growth 2014-17



+3.5%pts

System Contribution Growth 2014-17



+5.2%pts

¹ Source: STR; ² Fee revenue excludes revenue from owned and leased hotels, managed lease hotels, and significant liquidated damages receipts;

In an industry with strong fundamentals, scale is becoming increasingly important and IHG is well positioned to capitalise on this

Strong dynamics for the branded hotel industry

- GDP+ growth industry
- Growing disposable incomes
- Ageing population
- Globalisation of travel
- Emerging market expansion
- High owner ROI
- Attractive owner real estate class
- 47% of global rooms unbranded¹

The importance of scale

- High barriers to entry
- Strong marketing capability
- Favourable commission rates
- Speed to market
- Access to state of the art technology
- Scale position in key markets
- Leading risk management capability
- Better owner returns

¹ STR census data

But in order to deliver industry-leading net rooms growth over the medium term, we need to make our strategic model work harder



1. Build & leverage scale

Design a new organisational structure which redeploys resources to leverage scale and accelerate growth

2. Strengthen loyalty programme

Continue to innovate IHG Rewards Club to create a more differentiated offering and leverage & expand loyalty partnerships

3. Enhance revenue delivery

Prioritise digital & technological innovation to drive increased direct revenues e.g. Guest Reservation System

4. Evolve owner proposition

Upweight owner support to accelerate growth & expand our industry leading franchise offer into new areas

5. Optimise our preferred portfolio of brands for owners and guests

- Strengthen & grow existing brands
- Augment portfolio with new brands to match identified valuable opportunities

New organisational structure which redeploys resources to leverage scale and accelerate growth



New regional operating structure



Elie Maalouf
Regional CEO,
Americas



Jolyon Bulley
Regional CEO,
Greater China



Kenneth Macpherson
Regional CEO,
EMEA

- Directing focus and effort on those markets that matter most, whilst leveraging best practices to drive profitable growth

The Americas



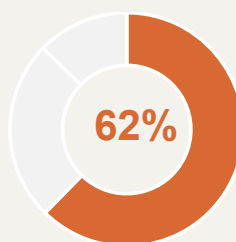
Americas

Market Size¹: **~\$190bn**
Growth Potential¹: **~\$90bn**
Branded / Unbranded²: **65% / 35%**

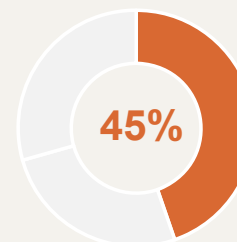
IHG Market Share²: **7%**
IHG Pipeline Share²: **13%**

Build on strong position as IHG's largest region and act as a launch-pad for innovation and initiatives to be scaled globally

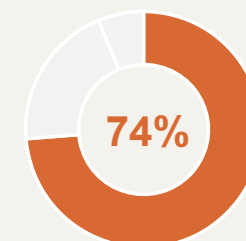
Share of IHG Open Rooms (2017)



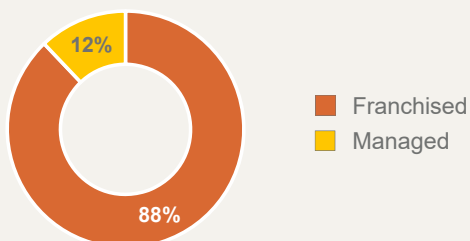
Share of IHG Pipeline Rooms (2017)



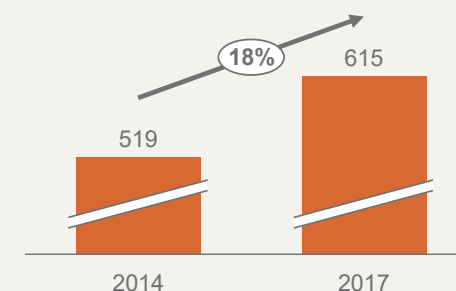
Share of IHG EBIT³ (2017)



Split between Managed & Franchised % of rooms (2017)



Fee EBIT 2014-17 \$m / % growth⁴



¹ STR and IHG estimates; ² STR census data; ³ EBIT is before central overheads; ⁴ Fee EBIT excludes revenue from owned and leased hotels, managed lease hotels, and significant liquidated damages receipts

Greater China



Greater China

Market Size¹: ~\$50bn

Growth Potential¹: ~\$30bn

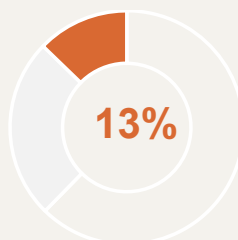
Branded / Unbranded²: 58% / 42%

IHG Market Share²: 4%

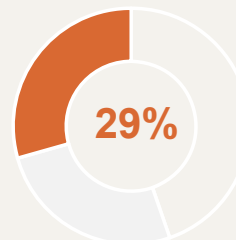
IHG Pipeline Share²: 21%

Drive further profitable system size expansion in IHG's fastest growing region

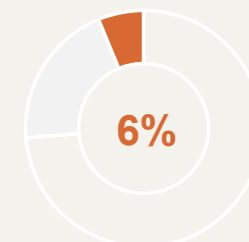
Share of IHG Open Rooms (2017)



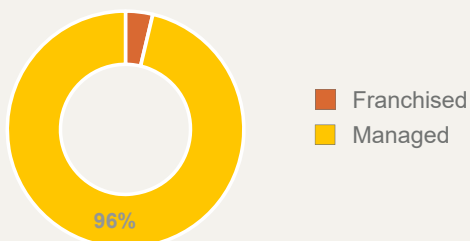
Share of IHG Pipeline Rooms (2017)



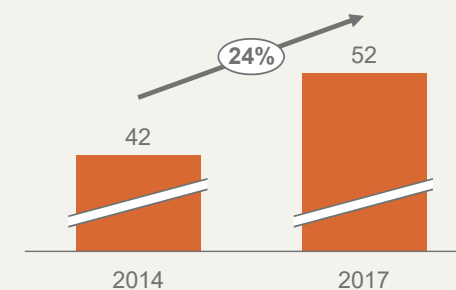
Share of IHG EBIT³ (2017)



Split between Managed & Franchised % of rooms (2017)



Fee EBIT 2014-17 \$m / % growth⁴



¹ STR and IHG estimates; ² STR census data; ³ EBIT is before central overheads ⁴Excludes a small number of one-off items that contributed approximately \$5m to EBIT in 2014 (as previously disclosed); Fee revenue excludes revenue from owned and leased hotels, managed lease hotels, and significant liquidated damages receipts

Europe, Middle East, Asia & Africa



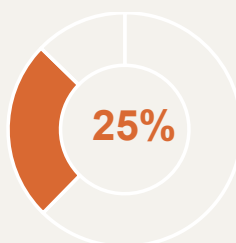
EMEAA

Market Size¹: ~\$200bn
Growth Potential¹: ~\$120bn
Branded / Unbranded²: 42% / 58%

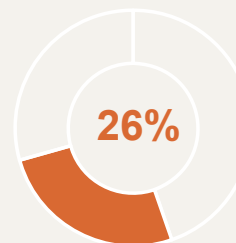
IHG Market Share: 2%
IHG Pipeline Share: 7%

Leverage scale across 72 countries to share best practice and upweight investment in those markets that matter most to drive growth

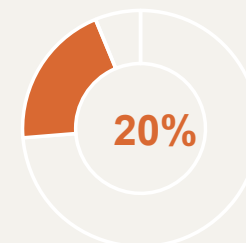
Share of IHG Open Rooms (2017)



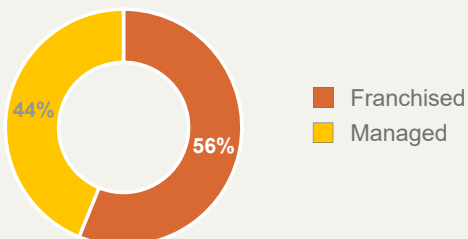
Share of IHG Pipeline Rooms (2017)



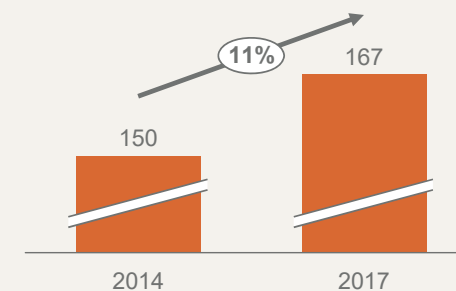
Share of IHG EBIT (2017)³



Split between Managed & Franchised % of rooms (2017)



Fee EBIT 2014-17 \$m / % growth⁴



¹ STR and IHG estimates; ² STR census data; ³ EBIT is before central overheads; ⁴ Fee revenue excludes revenue from owned and leased hotels, managed lease hotels, and significant liquidated damages receipts

New organisational structure which redeploys resources to leverage scale and accelerate growth



New regional operating structure



Elie Maalouf
Regional CEO, Americas



Jolyon Bulley
Regional CEO, Greater China



Kenneth Macpherson
Regional CEO, EMEA

- Directing focus and effort on those markets that matter most, whilst leveraging best practices to drive profitable growth

Integrated Commercial and Technology organisation



Eric Pearson
Chief Commercial & Technology Officer

- Sales, Channels & Revenue Management integrated with technology to maximise delivery
- Increased speed in deploying new products and services
- Improved efficiency through removal of duplication

Global Marketing organisation



Claire Bennett
Chief Marketing Officer

- Strengthened brand, loyalty & marketing capabilities to drive agility & efficiency
- Global brand category leads introduced to drive performance & growth
- Leverage shared services to maximise scale benefits & drive effective marketing



Paul Edgecliffe-Johnson
Chief Financial Officer



George Turner
EVP, Business Reputation & Responsibility



Ranjay Radhakrishnan
Chief Human Resources Officer



Yasmin Diamond
EVP, Global Corporate Affairs

Our loyalty programme delivers sustainable growth to IHG and our owners, and meets the needs and wants of our guests



Building Brands

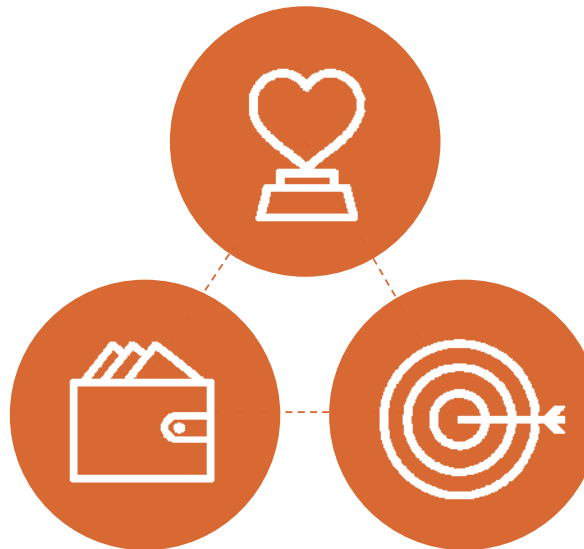
IHG® Rewards Club builds relationships creating an experience that guests love, and a willingness to try new brands

~90% of qualified nights are from members who enrolled at a different hotel

Profitable Revenue

IHG® Rewards Club encourages members to spend more, through more profitable channels

Members are 7x more likely to book direct

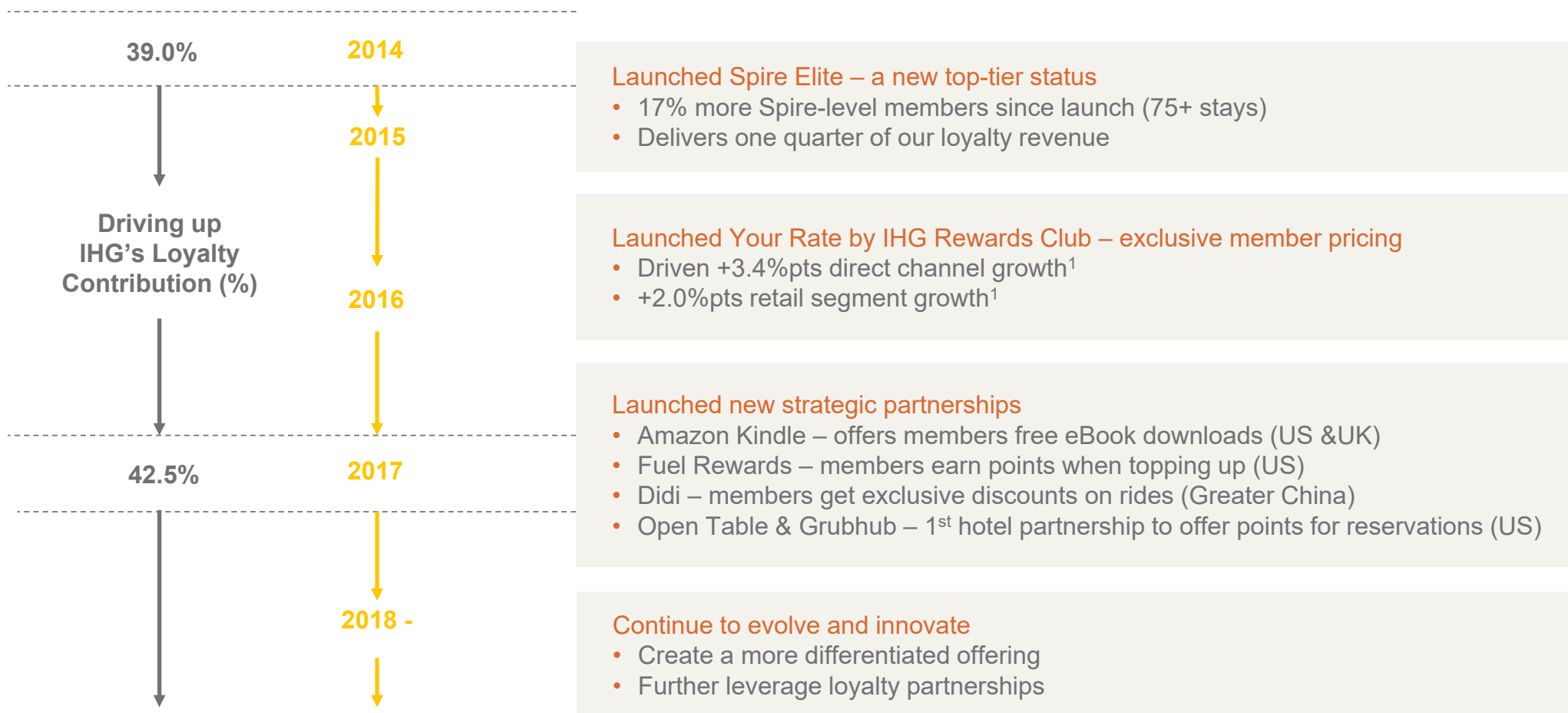


Driving Efficiency

IHG® Rewards Club creates efficiencies when talking to and targeting our customers

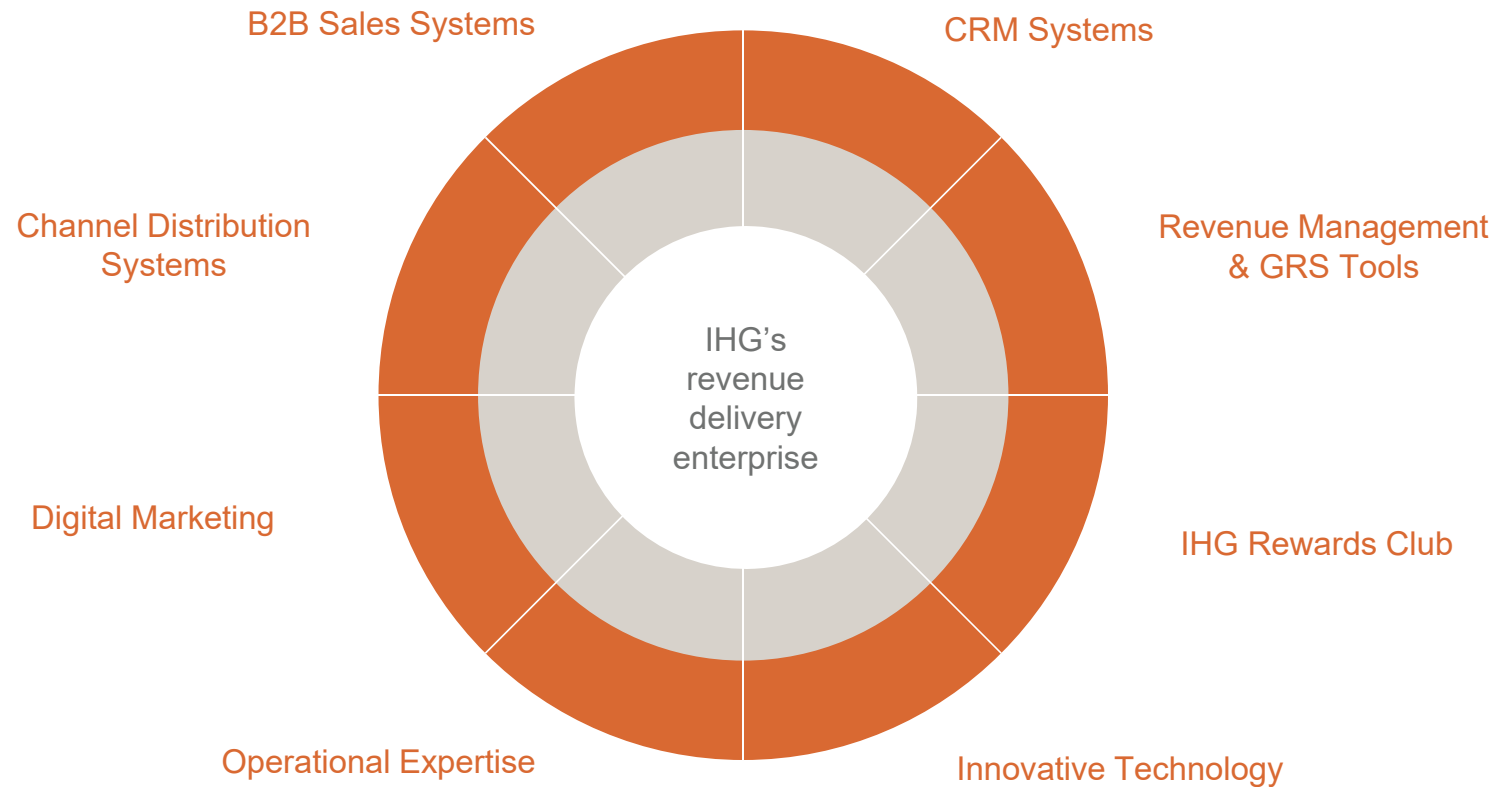
~75% of qualified revenue is from members who opt-in to engage with us directly

We have significantly enhanced our loyalty programme in recent years and will continue to do more to drive up loyalty contribution



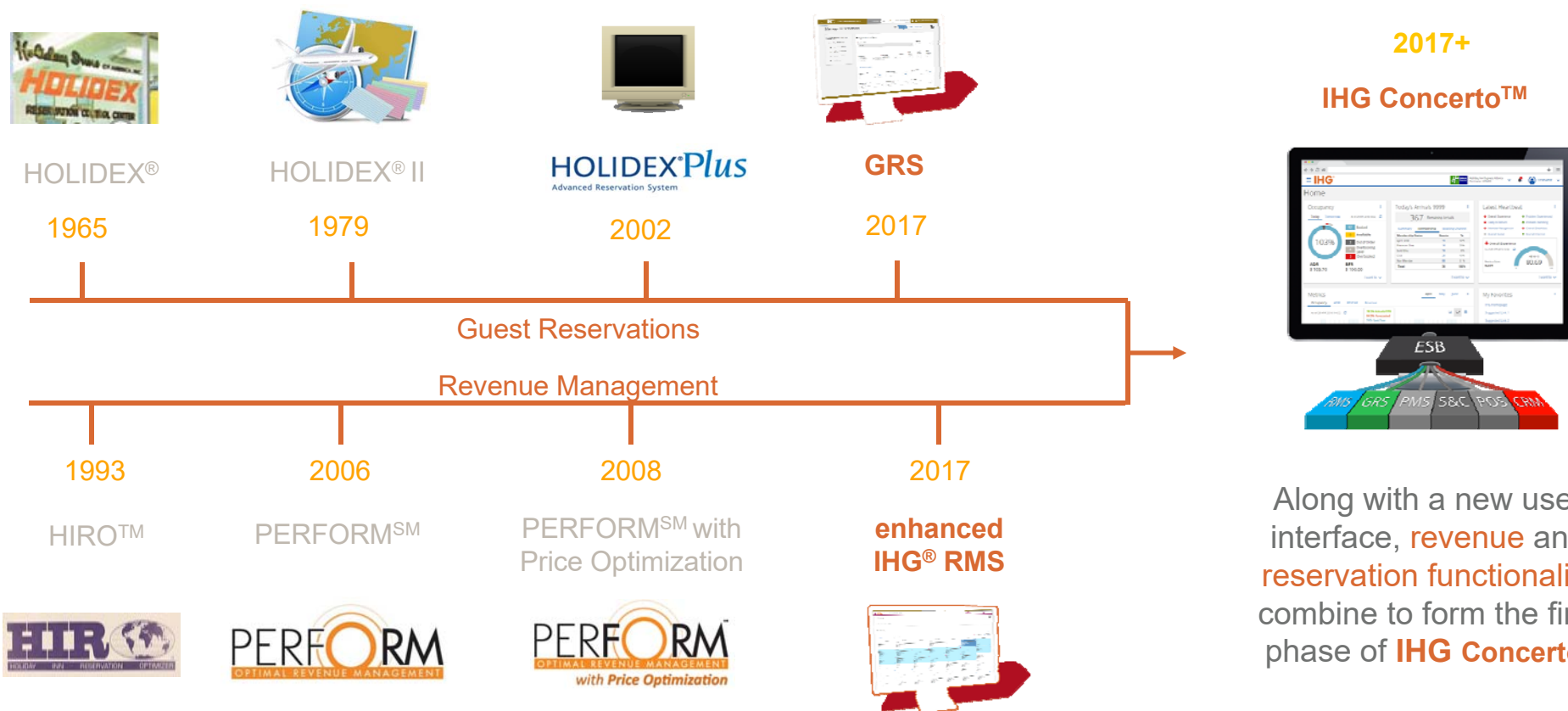
¹ In the 12 months post launch

The IHG revenue delivery enterprise supports 5,300+ hotels across ~100 countries and delivers some 76% of rooms revenues



IHG has a long history of Digital & Technological innovation

- leading the industry in revenue management and guest reservation technology



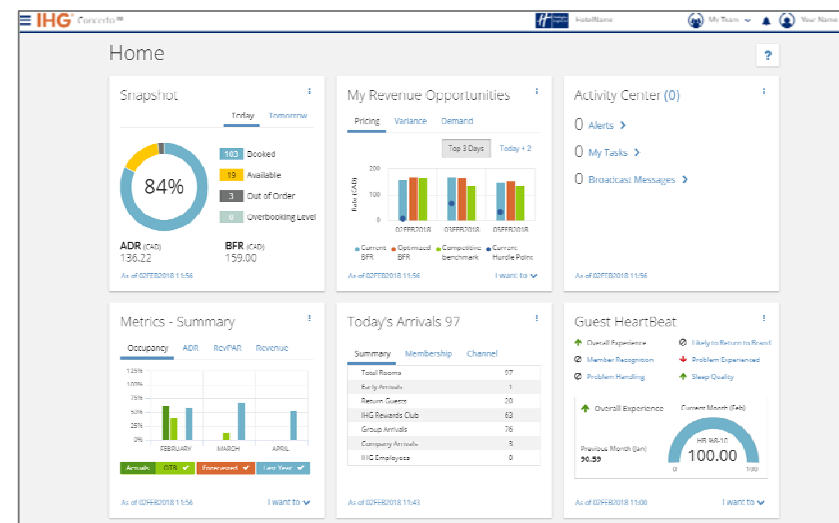
IHG Concerto™ & our Guest Reservation System

- we are driving a fundamental shift in how hotel solutions are delivered to users



IHG®

- IHG Concerto is a cloud, based, new hotel technology platform
- It will incorporate a comprehensive set of capabilities into a single seamless hotel management tool
- Designed to enhance usability, guest satisfaction, loyalty, and revenue for hotels
- Provides GMs with a powerful dashboard, plus online training and assistance
- Initial functionality live in >225 hotels across all regions:
 - IHG's new Guest Reservation System
 - Revenue management (yield & price optimisation)
 - Improved efficiency, ease of use and modern look & feel
- On track to complete roll out end of 2018 / start of 2019



IHG Concerto™

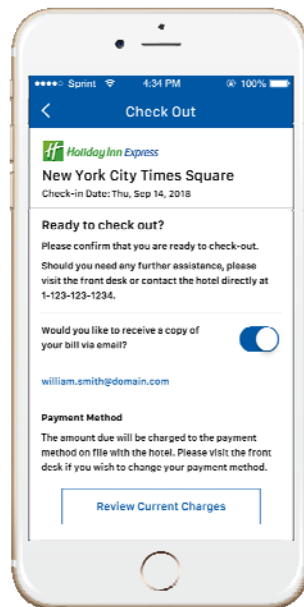
Powerful new suite of hotel technology



We continue to innovate, focusing on initiatives we can scale and which make the biggest impact to owners and guests

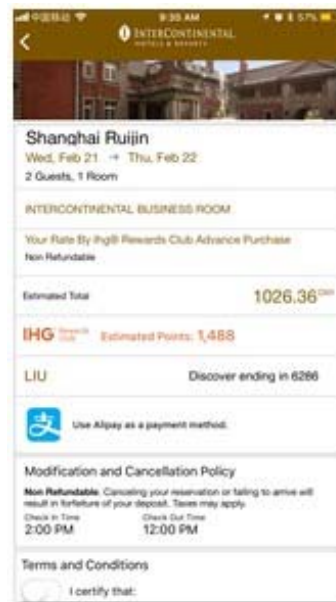


Mobile Check-Out



- Live in **>3,000** hotels across the US
- **90%** of guests reported improved check-out experience

Alipay Integration



- First international hotel company to have Alipay fully integrated into app
- **70%** of hotels in GC can take Alipay payment from within our app

IHG Connect



- Implemented/ being installed in **>3,000** Americas hotels and now scaling for global roll out
- Driving internet Guest Love uplifts of **~5%pts**

We have an industry leading owner proposition



High value brands

- High brand awareness and guest satisfaction
- Lower financing costs
- Scalable & flexible design solutions
- Turn-key procurement solutions for build-out
- Design & engineering support

Efficient cost to operate

- Leading Operations Support
- Hotel standard operating procedures e.g. i-series
- IHG Market Place purchasing platform
- Industry leading suite of technology tools
- IHG Green Engage online sustainability tool

High quality revenue generation

- Centrally negotiated OTA and travel agent commission
- Higher proportion of direct revenues e.g via Your Rate
- Online distribution and performance marketing
- Revenue Management for Hire
- Power of IHG Rewards Club

End to end solution that optimises owner returns

But we are enhancing and expanding this to unlock future growth



Increased investment to accelerate growth of our brands in the highest value markets, including **development and brand expansion capabilities**



Increased owner support to facilitate faster hotel openings and enhance owner relationships



Extend **Greater China franchise** offer to Holiday Inn and Crowne Plaza



Evolve owner proposition and operating model for **Kimpton Hotels & Restaurants**



Brand organisation restructured into categories to maximise synergies & efficiencies and to drive performance



Mainstream



551k rooms open
175k pipeline rooms
\$14bn IHG rooms revenue

Upscale



129k rooms open
43k pipeline rooms
\$4bn IHG rooms revenue

Luxury



79k rooms open
20k pipeline rooms
\$4bn IHG rooms revenue



Mainstream – continuing to innovate to stay fresh and relevant



Elevating design to drive consistency and distinctiveness for guests

- Scaling standard **modern new guest room design** globally, with >75 open & in the pipeline in Americas
- **High impact public space design** in 70 Europe hotels with ~80% of open & pipeline hotels committed (driving +7%pt overall Guest Love uplift¹); launching in the Americas in Q1 2018

Launching F&B solutions to enhance guest experience and owner returns

- Growing **full service burger concept** in US & UK
- Launching **innovative Fast Casual offer** in US
- Deploying **new standards and training** to drive consistency



Introducing new Brand Identity and Global Marketing to drive performance and maintain relevance with customers

¹ Uplifts measured pre- and post-refurbishment for existing estate



Mainstream – continuing to innovate to stay fresh and relevant



Fresh design to drive consistency and distinctiveness for guests

- Americas **Formula Blue full hotel design** >1,000 open and pipeline hotels, driving +4pts overall Guest Love uplift
- Europe **Next Gen Guest Room** >100 open and pipeline hotels, driving +4pts overall Guest Love uplift¹; targeting 50% of estate to have the new design by end 2018

Elevating breakfast to amplify leadership position for key guest moment

- Complete overhaul planned across the US estate in 2018
- Fully implemented in the UK, driving +10%pts uplift² in breakfast Guest Love



Introducing new Brand Identity and Global Marketing to drive performance and distinctiveness in a crowded marketplace

¹ Uplifts measured pre- and post-refurbishment for existing estate; ² Uplifts measured pre- and post breakfast implementation

Mainstream – good momentum for our extended stay brands



Extended Stay is a **highly attractive market**:

- **\$12bn** global segment, with double-digit US growth over the last 4 years¹

IHG has a strong and growing position

- **Candlewood Suites**: bought in 2004, grown >3x to 376 hotels
- **Staybridge Suites**:
 - launched in 1997: grown to 255 open hotels, 160 pipeline
 - 20 hotels opened in 2017, best for 8 years
 - International expansion: steady progress

We will continue to **innovate** to drive further growth

- Comprehensive **update to interior design** over next 18 months
- Increased investment in Extended Stay **marketing**

¹ STR market data

Upscale – laying the foundations for future growth



¹ STR census data

Crowne Plaza has a **leading position** in many markets

- **#1** Upscale position¹ in **Greater China**
(29k rooms open, 12k pipeline)
- **#2** Upscale position¹ in **EMEA**
(44k rooms open, 9k pipeline)

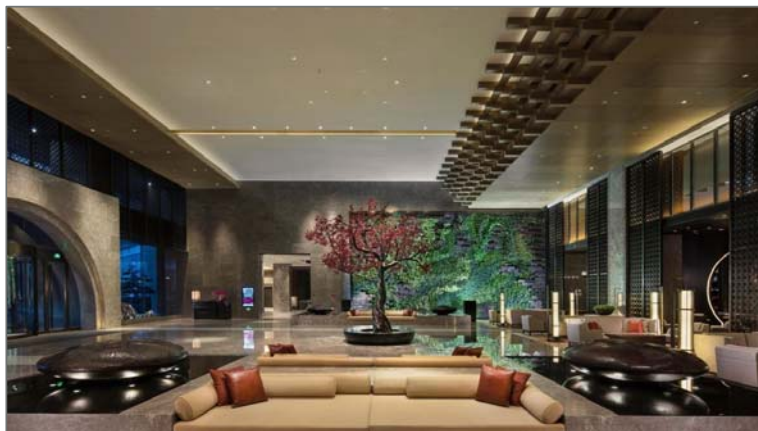
We have been working to **strengthen the brand in the Americas**

- **Removed ~12k rooms** over the past 6 years to drive increased quality
- **\$200m** Accelerate programme to **drive performance**, is working with improvements in RGI, RevPAR and Guest Love
- **Upweighted marketing spend**, with largest multi-media brand campaign in 10 years

We are working to **transform the guest experience** globally

- Plaza Workspace
- WorkLife Room
- New service philosophy: DARE to connect
- New F&B standards across breakfast, dinner and bar

Upscale – positioning HUALUXE for accelerated expansion



The HUALUXE brand has been built on **strong foundations**

- Built on over 3 decades of IHG's market insight in China
- World's first Upscale international hotel brand designed specifically for Chinese guests

We have **adapted the brand** to suit a changing market

- Increased design flexibility
- Reduced construction costs

The brand is now **well positioned** for future growth:

- 7 hotels open, 21 hotels in the pipeline
- Iconic openings include HUALUXE Zhangjiakou, Hebei Province, one of the host cities for the 2022 Winter Olympic Games.

Existing hotels are **performing strongly** to deliver results:

- #1 Guest Love score amongst IHG brands in Greater China
- Comparable hotels revenue up 15% YoY.

Upscale

– expanding our presence with lifestyle & boutique brands



EVEN Hotels is now gaining global traction

- Establishing **US credentials**:
 - EVEN Hotels Time Square South recognised as a winner in the 2017 TripAdvisor® Travelers' Choice® awards
- Expanding into **new markets**:
 - 1st signing of a multi-unit agreement to develop 10-15 hotels across Australia and New Zealand
 - Greater China brand debut with three signings



Hotel Indigo is expanding its footprint across all regions

- **Highest level of openings** in 5 years, including:
 - Iconic Hotel Indigo Los Angeles Downtown
 - First resort: Hotel Indigo Bali Seminyak Beach
- Accessing key “neighbourhood” locations, with new signings:
 - 1st for **Japan**: Hotel Indigo Hakone Gora
 - 4th for **London**: Hotel Indigo One Leicester Square



InterContinental continues to **lead the global Luxury segment:**

- 194 hotels open, 63 in the pipeline
- Iconic openings in 2017 included: LA Downtown, Washington, Hanoi and the first resort for the brand in UAE
- Industry accolades continue:
 - “World’s Leading Hotel Brand” by the World Travel Awards for the 9th consecutive year
 - 3rd Place in KPMG/Nunwood customer experience US ranking

We are **building on this strong position**

- Enhanced Club InterContinental experience – rollout in 2018
- New design style and visual identity guidelines to drive the brand’s luxury perception
- Launched Luxury & Lifestyle Sales team dedicated to luxury B2B
- Multi-year global campaign underway ‘Live the InterContinental Life’ targeting global travel flows and creating a deeper emotional link to the brand.



Driving **global growth for Kimpton**:

- Opened first property outside of the Americas – the Kimpton De Witt in Amsterdam
- Announced debuts for the brand in Greater China and South East Asia.
- 2 Kimpton signings in California in 2017 and a second for the brand in Caribbean
- Further deals in progress which will secure our presence in 10 key markets around the world

Leveraging the benefits of Kimpton's unique offer:

- Leveraging design and F&B best practices into IHG's network
- Kimpton Karma fully integrated into IHG Rewards Club

Augment portfolio with new brands

- strategic approach to identifying new brand opportunities



High value segments with significant growth potential



Attractive for owners; opportunity for material supply growth at a high ROI



IHG is advantaged to win; superior revenue delivery and price premium

Augment portfolio with new brands

- our findings highlight opportunities in each brand category



Criteria

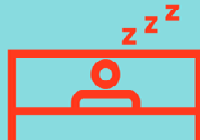
	Categories		
	Mainstream ¹	Upscale	Luxury
High value, high growth segment ¹	• ~\$115bn global segment • ~\$65bn of growth to 2025	• ~\$40bn global segment • ~\$20bn of growth to 2025	• ~\$60bn global segment • ~\$35bn of growth to 2025
Owner Opportunity	Owners with new build opportunities looking for a streamlined operating model with attractive returns and low cost of investment	Existing hotel owners looking for access to low cost, high revenue delivery systems.	Owners with existing hotels and new build opportunities looking for a high-end product that generates sizeable returns per asset
IHG's Competitive Offer	Industry leading midscale brand expertise	Industry leading revenue management & reservation tools, strong B2B offer and loyalty programme	Largest global Luxury brand operator ² Expertise in new luxury division
IHG's New Offering		Launching a conversion brand in 2018	Acquire small, asset-light luxury brand(s) to incubate and grow

¹ Mainstream classified as Midscale and Upper-Midscale; ² STR & IHG estimates; ³ STR census data

✓ Clear and simple booking



✓ Rooms designed for sound sleep



✓ Focused, high-quality breakfast



✓ Confidence in all we do



✓ **Clean**
✓ **Sleep**
✓ **Great value**



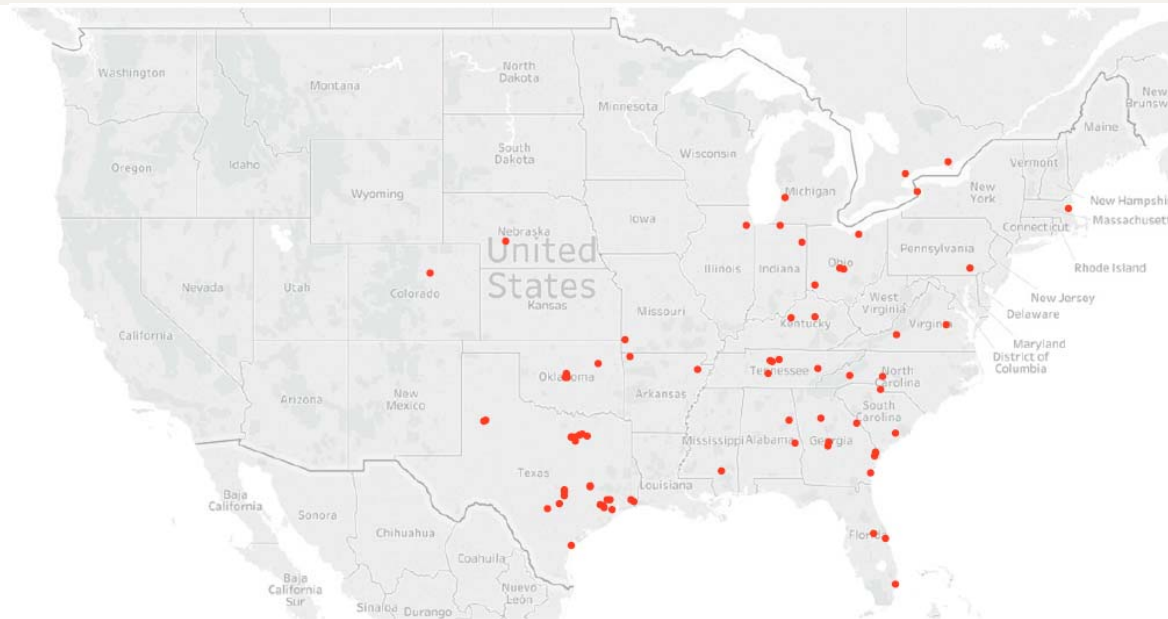
10-15%

Lower build costs

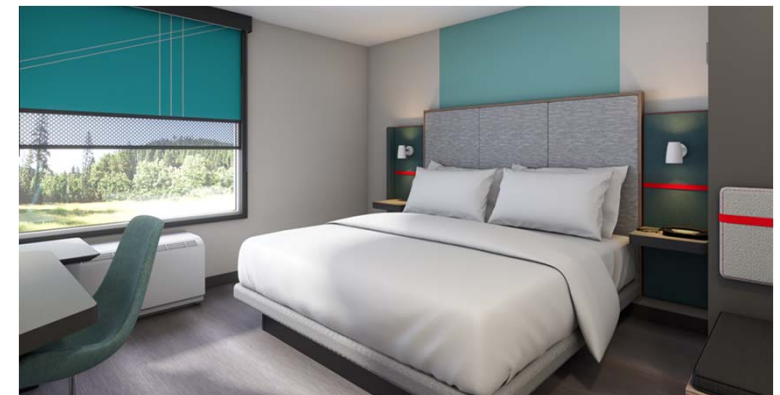


Simple to **build**
Simple to **operate**
Simple to **maintain**

Making exceptional progress towards becoming IHG's next brand of scale



- Launched in the US in September 2017
- 75 signings to date
- First ground break in Oklahoma City, due to open in Q3 2018
- First signings announced in Canada
- Brand being launched in Mexico
- Global launch of the brand in planning



Conclusions

We have delivered a strong performance in 2017

Our industry's fundamentals remain strong, and our scale is a competitive advantage

We have the right strategy and we are committed to making it work harder

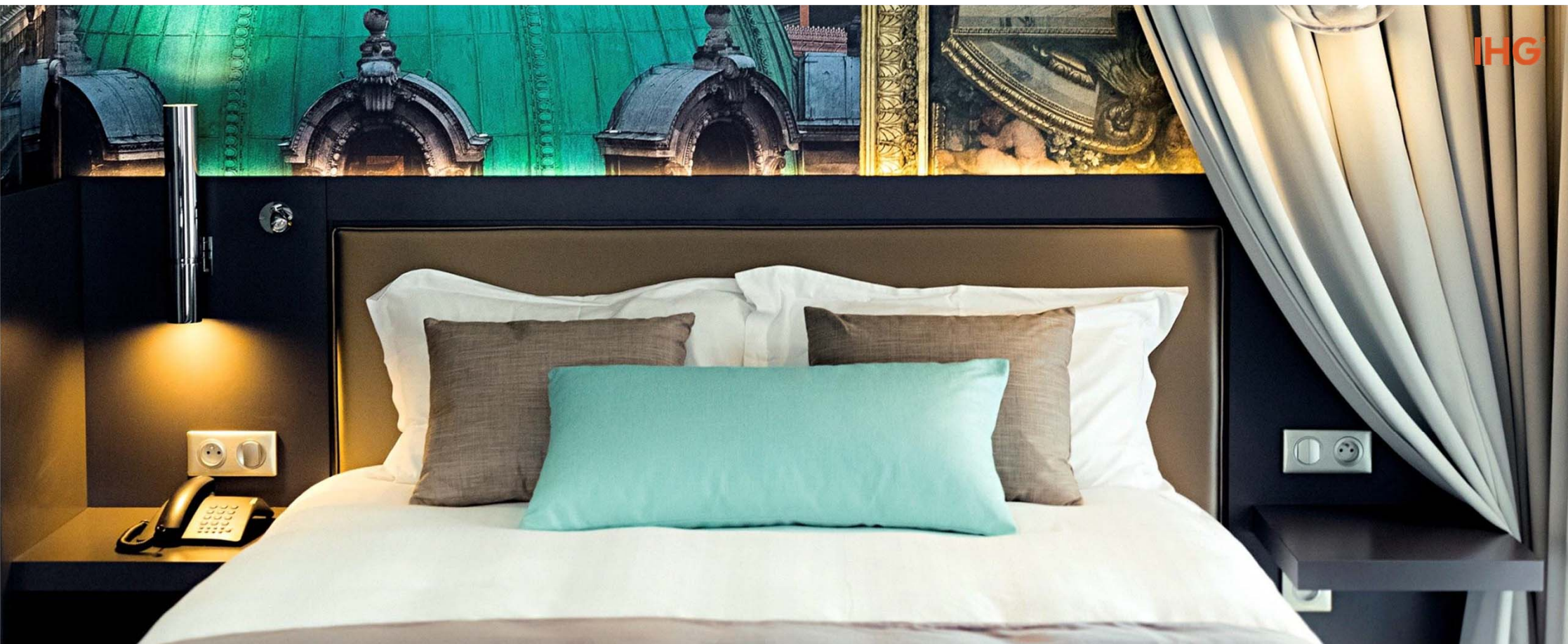
Company-wide reorganisation will free up capacity to invest to accelerate growth

Our new strategic priorities will drive industry leading net rooms' growth over the medium term

We remain committed to returning surplus funds to shareholders



Full year results presentation Q&A



Appendices

2018 significant items

Significant items noted at H1 2017 results		2017	2018
Investment in development resources	Americas franchise	\$(3)m	-
Number of small items and developing market expansion	AMEA managed	Profits flat on 2016	-
Flags at FY 2017 results		2017	2018
Timing of tax credit	Americas franchise	\$(6)m	+\$4m
US Healthcare programme	Americas overheads	+\$2m	\$(5)m
Crowne Plaza Accelerate fee incentives (as expected) ¹	Americas franchise	\$(2)m	\$(5)m

¹ Disclosed at Interims 2016: Crowne Plaza Accelerate fee incentives over the three year period starting in 2017

Currency translation increased 2017 group EBIT by \$2m

Region	Reported EBIT (\$m)	Foreign Exchange Impact (\$m) ²		
	FY 2017	Reported FY 2017 vs FY 2017 at 2016 rates ¹	H1 2017 at average January 2018 rates ³ vs reported H1 2017	FY 2017 at average January 2018 rates ³ vs reported FY 2017
Americas	644	1	1	1
Europe	86	1	4	6
AMEA	87	(3)	-	1
Greater China	52	-	1	2
Central Overheads	(110)	3	(4)	(7)
Total IHG	759	2	2	3

¹Based on monthly average exchange rates each year with an additional adjustment removing the results from three properties in Venezuela. ²Major 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). Inc. ³ Average January 2018 rates: 0.72 GBP:USD; 0.82 EUR:USD.

Hotel franchising

Total gross revenue \$bn¹(rooms only)



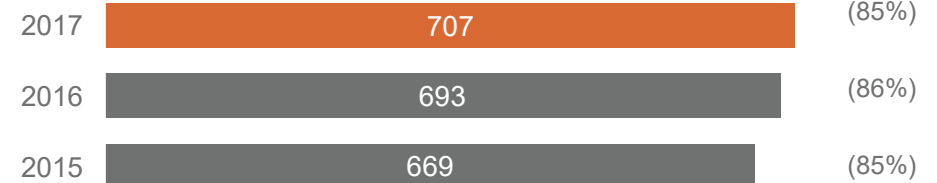
Group royalty drivers 2017 YoY



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.

¹Total gross revenue is defined as total room revenue from franchise hotels, it is not revenue attributable to IHG.

Hotel management

Total gross revenue \$bn¹ (total hotel)



Management Fees² \$m



Managed EBIT² \$m (margin %)



Reported managed lease revenue and EBIT (\$m)

\$m	2017	2016
Americas revenue	34	34
Americas EBIT	0	0
Europe revenue	77	77
Europe EBIT	0	2
AMEA revenue	52	51
AMEA EBIT	4	5

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

²Hotel management fees and EBIT exclude the results of managed leased properties and individually significant liquidated damages of \$3m in FY 2015 (FY 2017, \$nil; FY 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).

Cautionary note regarding forward-looking statements

This presentation may contain projections and forward looking statements. The words “believe”, “expect”, “anticipate”, “intend” and “plan” and similar expressions identify forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s financial position, potential business strategy, potential plans and potential objectives, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate. The forward-looking statements in this document speak only as at the date of this presentation and the Company assumes no obligation to update or provide any additional information in relation to such forward-looking statements.

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