2020 interim results presentation

11th August 2020

IHG®

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.

The merits or suitability of investing in any securities previously issued or issued in future by the Company for any investor’s particular situation should be independently determined by such investor. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of the transaction in question.

Keith Barr

Chief Executive Officer

11 August 2020

H1 2020: navigating the Covid-19 crisis effectively and responsibly

Rooms & RevPAR

- 883k rooms (5,918 hotels), +3.2% net growth YoY
- (52)% Global RevPAR decline, (75)% in Q2
- 95% of estate open as of July 31st
- July occupancy[1] ~45%, up from April trough ~20%
- July RevPAR expected to be ~(58)%, up from April trough (82)%

Results

- (83)% underlying operating profit decline
- (90)% adjusted EPS decline
- $(66)m Free Cash Flow
- $2.0bn available liquidity maintained
- No interim dividend proposed

Protecting the business

- Decisive cost action; robust liquidity and cash flow
- Providing support to owners to help keep hotels open, lower their costs and manage cash
- New operating procedures to protect colleagues and deliver guest safety
- Ensuring guests have confidence to stay with flexibility and rapid implementation of the IHG Clean Promise

Focusing on growth

- 181 signings (77 in Q2), 91 openings (47 in Q2)
- Following success in EMEAA, launched voco hotels in Americas and Greater China
- ~40% of pipeline under construction; 47 ground breaks in Q2
- Leveraging investment in technology and loyalty
- Planning business recovery in a responsible way

[1] Refers to comparable open hotels

Paul Edgecliffe-Johnson

Chief Financial Officer & Group Head of Strategy

H1 2020 Financial Review

11 August 2020

Financial performance

Results from reportable segments[1]	Reported			Underlying[2]
$ million	H1 2020	H1 2019	% Change	H1 2020
Revenue[3]	$488m	$1,012m	(52)%	(51)%
Operating profit	$74m	$410m	(82)%	(83)%
Revenue from fee business	$375m	$730m	(49)%	(48)%
Operating profit from fee business	$97m	$394m	(75)%	(75)%
Fee margin[4]	26.1%	54.1%	(28.0)%pts	
Adjusted Interest[5]	$62m	$66m	(6)%	
Reported tax rate	(127)%	21%	(148)%pts	
Adjusted EPS[6]	14.3¢	148.6¢	(90)%	
Interim Dividend	-	39.9¢	(100)%	

[1] Reportable segments excludes System Fund results, hotel cost reimbursements and exceptional items. [2] Reportable segment results excluding significant liquidated damages, current year disposals and stated at constant H1 2020 exchange rates (CER). [3] Comprises the Group's fee business and owned, leased and managed lease hotels. [4] Excludes owned, leased and managed lease hotels, significant liquidated damages and the results of the Group's captive insurance company, with 2019 restated accordingly. [5] Adjusted interest adds back $4m of interest charges in relation to the System Fund. [6] Calculated using results from Reportable Segments and Adjusted Interest, and excluding changes in fair value to contingent consideration.

We have recognised a number of predominantly non-cash exceptional items relating to the impact of Covid-19

IHG

Impairment charges

- Covid-19 a trigger event for impairment testing across financial and other non-current assets
- A reduction in industry forecasts has resulted in a number of impairment charges being recognised

Derecognition of hotel leases

- Relates to the UK leased portfolio and German leased hotels
- Include variable lease payments with guarantees; subject to an annual and cumulative cap
- Leases now considered to be fully variable; associated liabilities and right of use assets derecognised from the balance sheet

A full summary of all exceptional items can be found in the Appendix

Category	Detail	$m
Impairments	Intangible assets for acquired open and pipeline management agreements	(47)
	Property, plant and equipment across our owned, leased and managed lease estate	(85)
	Trade deposits and loans, together with related contract assets	(78)
	Investments in associates[1]	(21)
	Trade and other receivables	(22)
	Right-of-use assets	(5)
	Total impairments	**(258)**
Hotel lease derecognition	Lease liability	71
	Right-of-use asset	(49)
Non-operating items	Fair value gains on contingent purchase consideration	21

[1] Shown net of a $13m fair value gain on a put option over part of IHG's investment in the New York Barclay associate.

Fee-based business model shows relative resilience in spite of RevPAR downturn

RevPAR

X

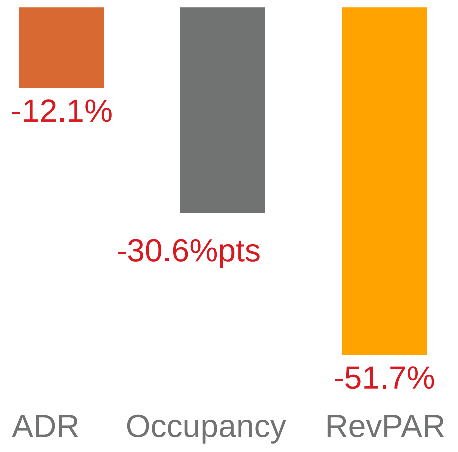
Rooms

X

Royalty Rate

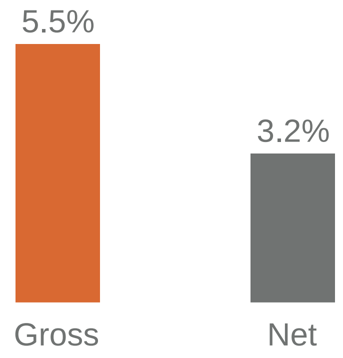
H1 2020 fee revenue: $375m, down 49%[1] and 48% underlying[2]

H1 2020 Group comparable RevPAR growth



-53.0% Total RevPAR growth[4]

H1 2020 system growth (%YoY)

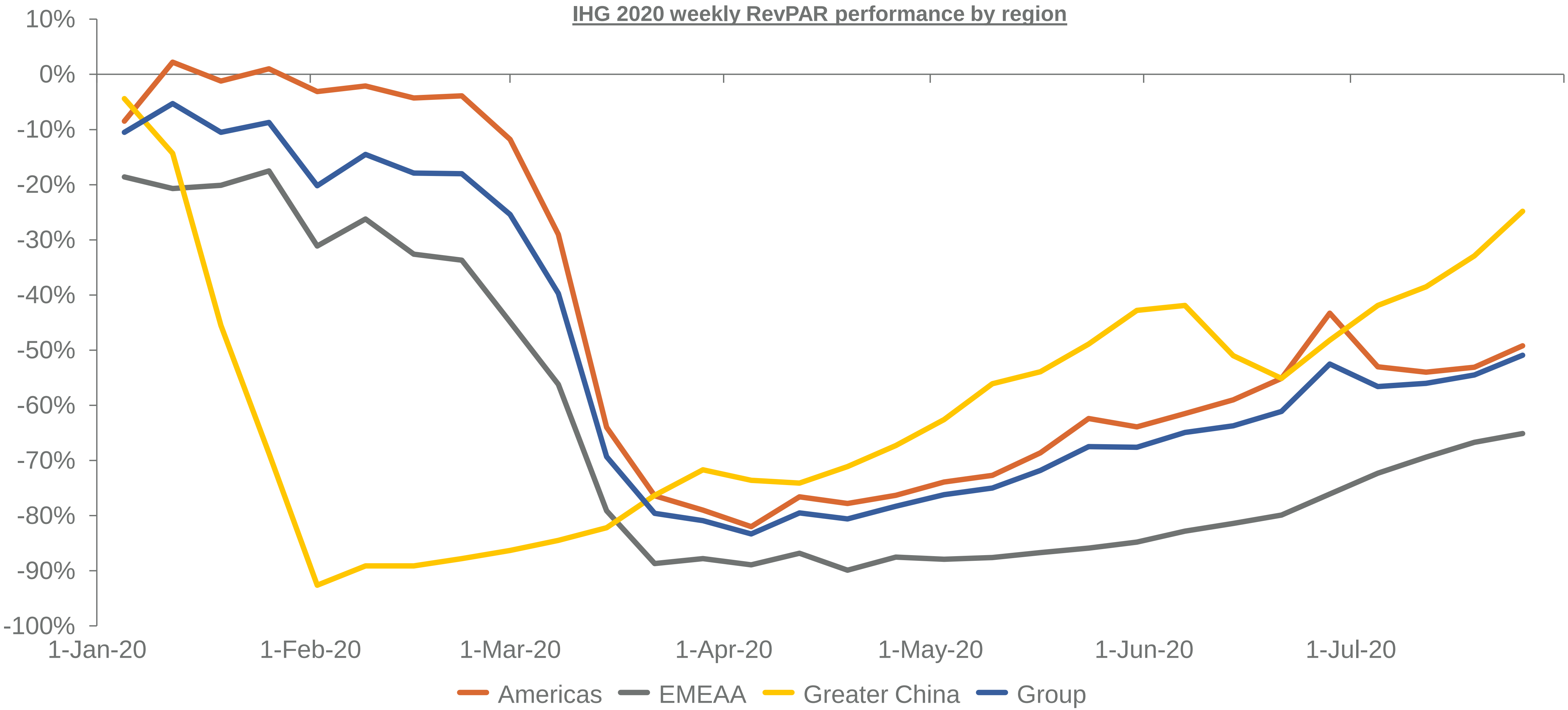


- 12k rooms opened in H1
- 12k[3] rooms removed in H1

+4.5% Growth in available rooms[4]

[1] Growth stated at AER. [2] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals and stated at constant H1 2020 exchange rates (CER). [3] Removals include 2.1k rooms relating to a previously flagged hotel portfolio in Germany. [4] Growth stated for underlying fee business.

Weekly RevPAR performance highlights initial signs of recovery across each of our regions



Americas
Q2 US RevPAR outperformance in the weighted segments in which we compete

- H1 Comparable RevPAR down 47.6%; US down 46.8%
- Q2 US RevPAR down 69.3%
  - Franchised estate down 66% and Managed estate down 86%
  - Upper Midscale and Extended Stay proving most resilient segments

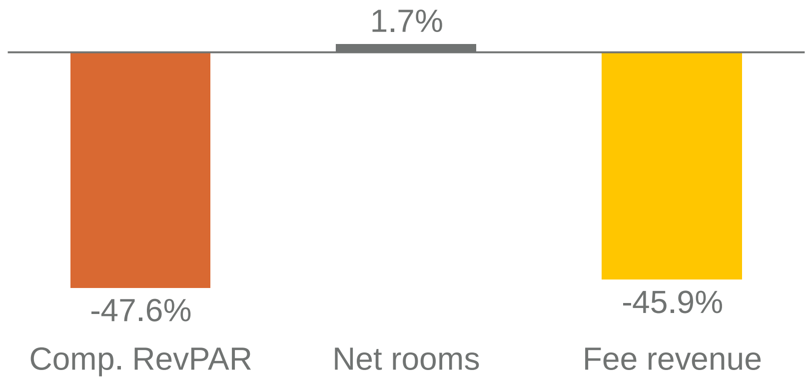
- July RevPAR expected to be down ~54%; occupancy in comparable open hotels ~45%
- 97% of the estate open as of the end of the month

- YoY net rooms growth 1.7% (gross: up 3.9%)
  - Development continuing with >30 ground breaks in Q2

- Underlying fee revenue[1] down 46%, underlying fee operating profit[2] down 49%:
  - Impact from higher levels of temporary hotel closures in US managed estate partially offset by fee business cost savings, a $4m payroll tax credit benefit and a $4m litigation settlement benefit
- Owned, leased and managed lease profit down $31m to a loss of $10m, impacted by the temporary closure of a number of hotels; results include a $4m benefit from business interruption insurance

- Pipeline: 116k rooms; 9k signed
- Signings include 15 avid and 7 Atwell Suites hotels

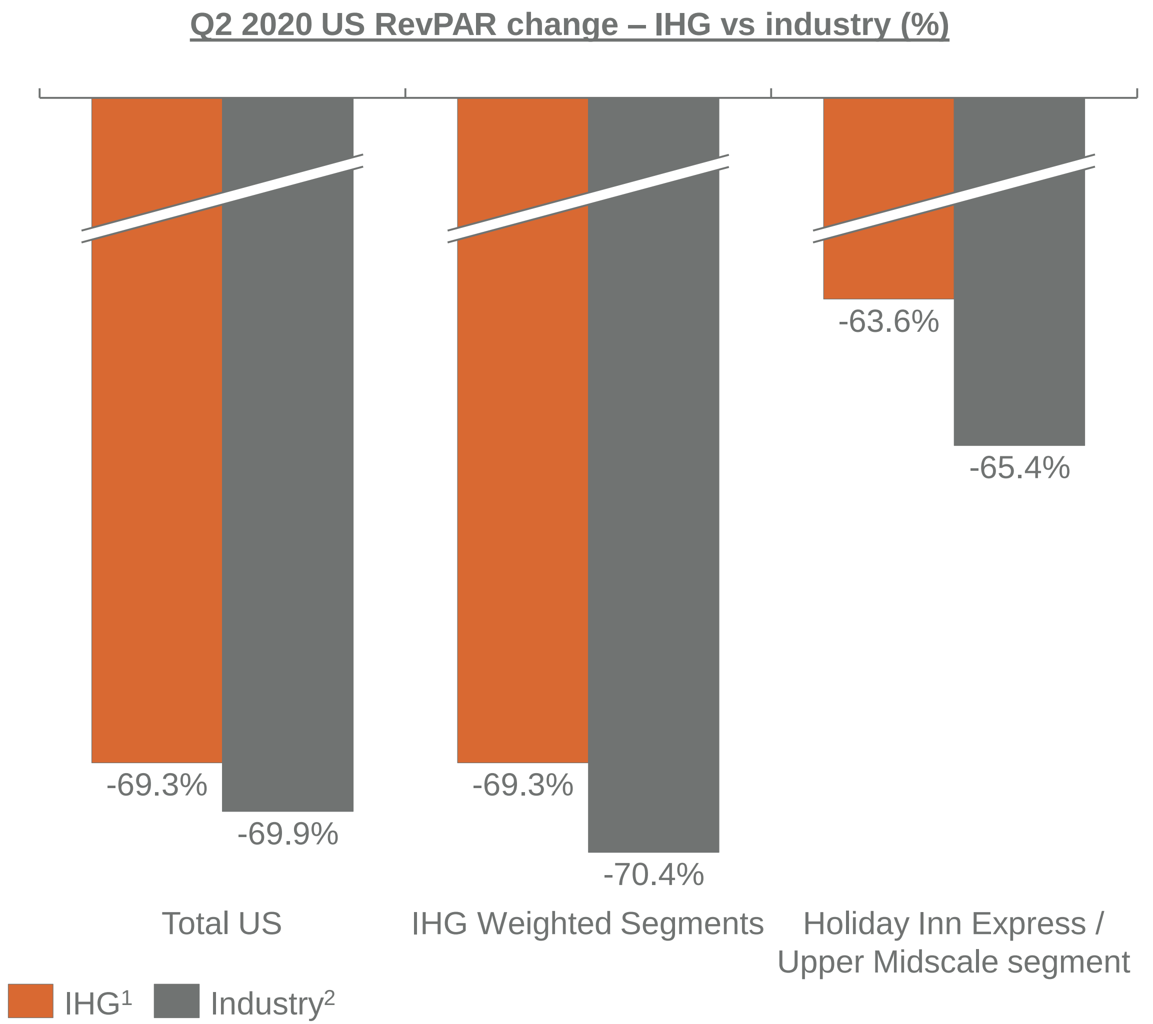
H1 2020 Growth in fee revenue drivers[1]

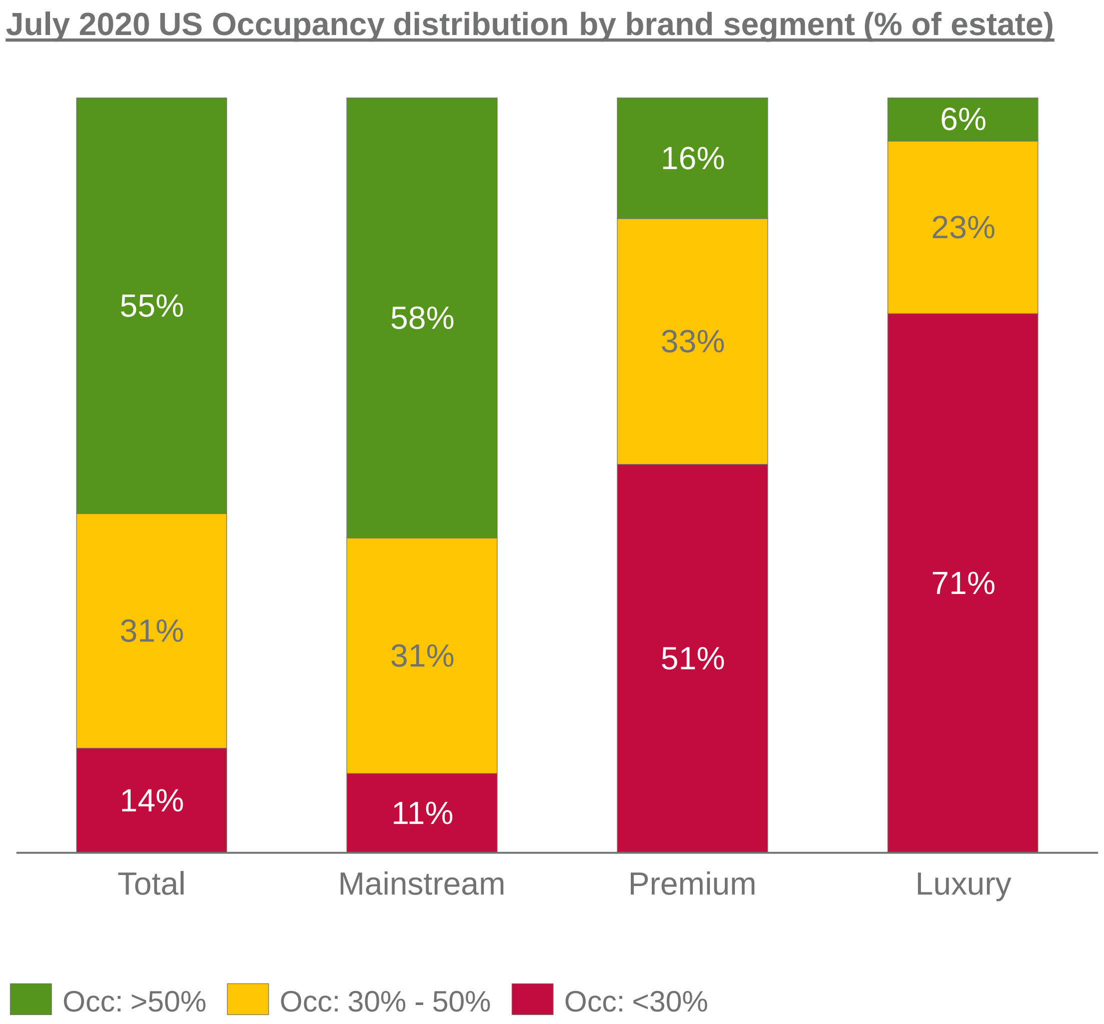


H1 2020 Net rooms growth ('000s)

[1] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals and stated at constant H1 2020 exchange rates (CER). [2] Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year disposals at constant H1 2020 exchange rates (CER). [3] Growth stated at CER.

Americas – US
Our weighting to mainstream has helped drive market outperformance





[1] Includes the adverse impact of hotels temporarily closed as a result of Covid-19. [2] Industry data per STR, which excludes hotels that have been closed for >1 month

Europe, Middle East, Asia and Africa
Challenging trading conditions with mandated closures and travel restrictions

- Comparable RevPAR down 58.9% (Q2 down 87.6%)
- UK down 59%; London down 63%; Provinces down 57%
- H1 trough in April, with small but sequential improvements through May and June

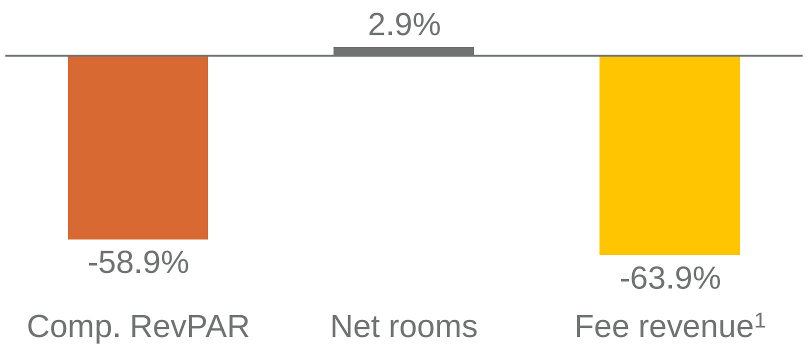
- July RevPAR expected to be down ~74%; occupancy in comparable open hotels >30%
- 84% of the estate open as of the end of the month

- YoY net rooms growth 2.9% (gross: up 5.6%)
- Removals include 2.1k rooms relating to a previously flagged hotel portfolio in Germany

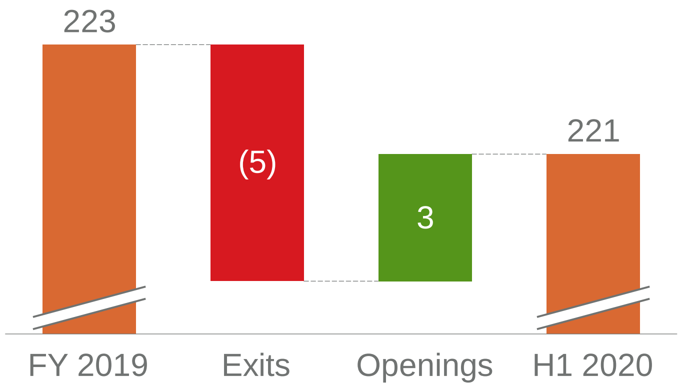
- Underlying fee revenue[1] down 63% ($95m) and underlying fee operating profit[2] down $91m to a loss of $4m, impacted by lower incentive management fee income
- Owned, leased and managed lease loss[3] increased $8m; hotel closures partially offset by: significant cost reduction measures; rent reductions; $3m of disposal gains
- Rental payments relating to UK and German leased hotels now fully variable through the income statement; no lease liability or right-of-use asset on the balance sheet

- Pipeline: 80k rooms; 4k signed
- Signings include 4 Hotel Indigo, 4 InterContinental and 2 Six Senses properties

H1 2020 Growth in fee revenue drivers[1]



H1 2020 Net rooms growth ('000s)



[1] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals and stated at constant H1 2020 exchange rates (CER). [2] Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year disposals at constant H1 2020 exchange rates. (CER) [3] Growth stated at CER.

Greater China
Occupancy levels recovered to >50% through July

- Comparable RevPAR down 61.7% (Q2 down 59.2%)
  - Mainland China down 59% (Q2 down 56%)
  - Tier 1 RevPAR down 66% in Q2, with Tier 2-4 RevPAR down 50%
  - ~80% of our demand in Greater China is domestic driven
  - Hong Kong SAR down 86% (Q2 down 90%)

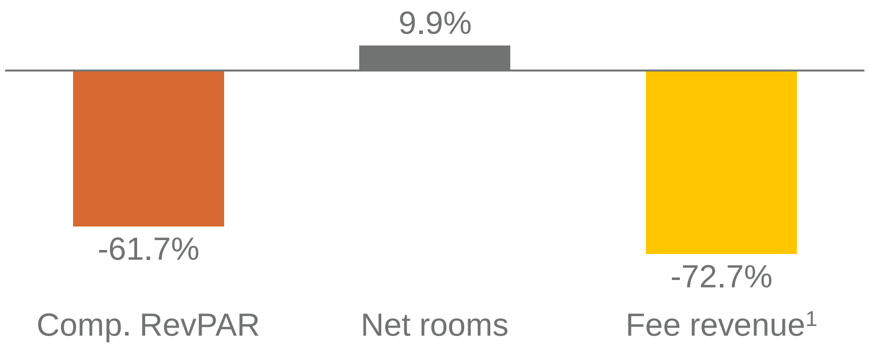
- July RevPAR expected to be down ~36%; occupancy in comparable open hotels >50%
- >99% of the estate open as of the end of the month

- YoY net rooms growth 9.9% (gross: up 12.2%)

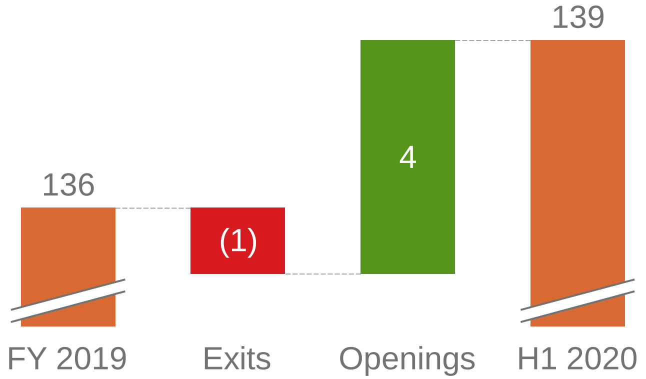
- Underlying fee revenue[1] down 72% ($46m) and operating profit[2] down $40m to a loss of $5m driven by lower incentive management fee income

- Pipeline: 92k rooms, with construction resumed on >95% of 2020 projects
  - 13k rooms signed, including first voco properties in the region

H1 2020 Growth in fee revenue drivers[1]



H1 2020 Net rooms growth ('000s)



[1] Underlying fee revenue excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals and stated at constant H1 2020 exchange rates (CER). [2] Underlying fee operating profit excludes owned, leased and managed lease hotels, significant liquidated damages and current year disposals at constant H1 2020 exchange rates (CER).

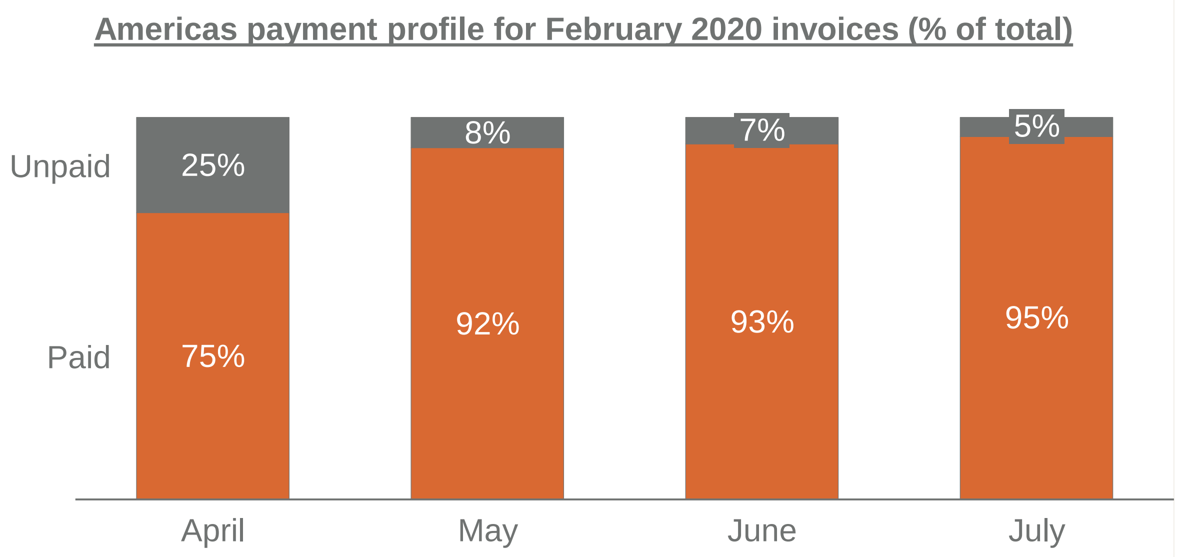
Measures to reduce costs, preserve cash and support our owners through actively managing working capital

IHG

Cost actions and cash preservation

- On track to achieve **~$150m** of fee business cost savings in 2020, driven by salaries and wages reductions and challenges to discretionary spend
- Targeting for **~50%** of cost savings to be sustainable beyond 2020, alongside continued investment in growth initiatives
- Scaling down marketing spend across the System Fund, reflecting lower levels of assessment income
- Taken cost containment action across our owned, leased and managed lease hotels, with **~$130m** overall reduction to the cost base in H1
- Targeting a FY2020 reduction in gross capex of **~$100m** over FY2019

Owner payment profile



- We have 2,250+ owners across our 4,300+ Americas hotels
- Offered temporary discounts to our owners on a number of system fees, and prompt payment discounts on royalties
- Continuing to see ~80% of invoices paid within 90 days of due date

Targeting reduction in gross capital expenditure for FY 2020

IHG

Short term guidance

Maintenance capex, key money and selective investments

$m	H1 2020	H1 2019
Maintenance capex	32	28
Key money	26	17
Total	58	45

- Key money: used to secure hotel signings
- Maintenance: relates to owned, leased and managed lease hotels and corporate infrastructure

Recyclable investments

$m	H1 2020	H1 2019
Gross out	2	14
Gross in	(18)	(5)
Net total	(16)	9

- Investment behind growth initiatives
- Profile can vary year to year, but expected to be broadly neutral over time

System Fund capital investments

$m	H1 2020	H1 2019
Gross out	25	42
Gross in	(28)	(23)
Net total	(3)	19

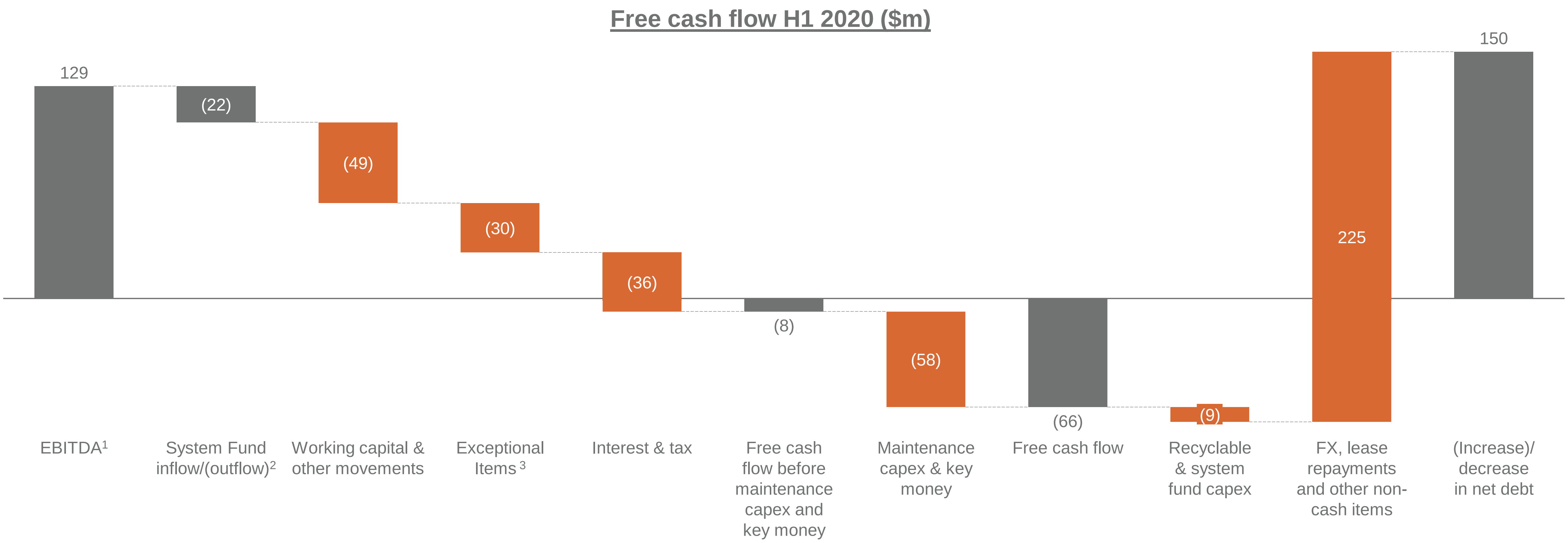
- Invested into projects that benefit our hotel network e.g. GRS
- Repaid when depreciation charged to System Fund

Total capital investments

Gross total	85	101
Net total	39	73

FY20 Reduction in Gross Capex of **~$100m** YoY

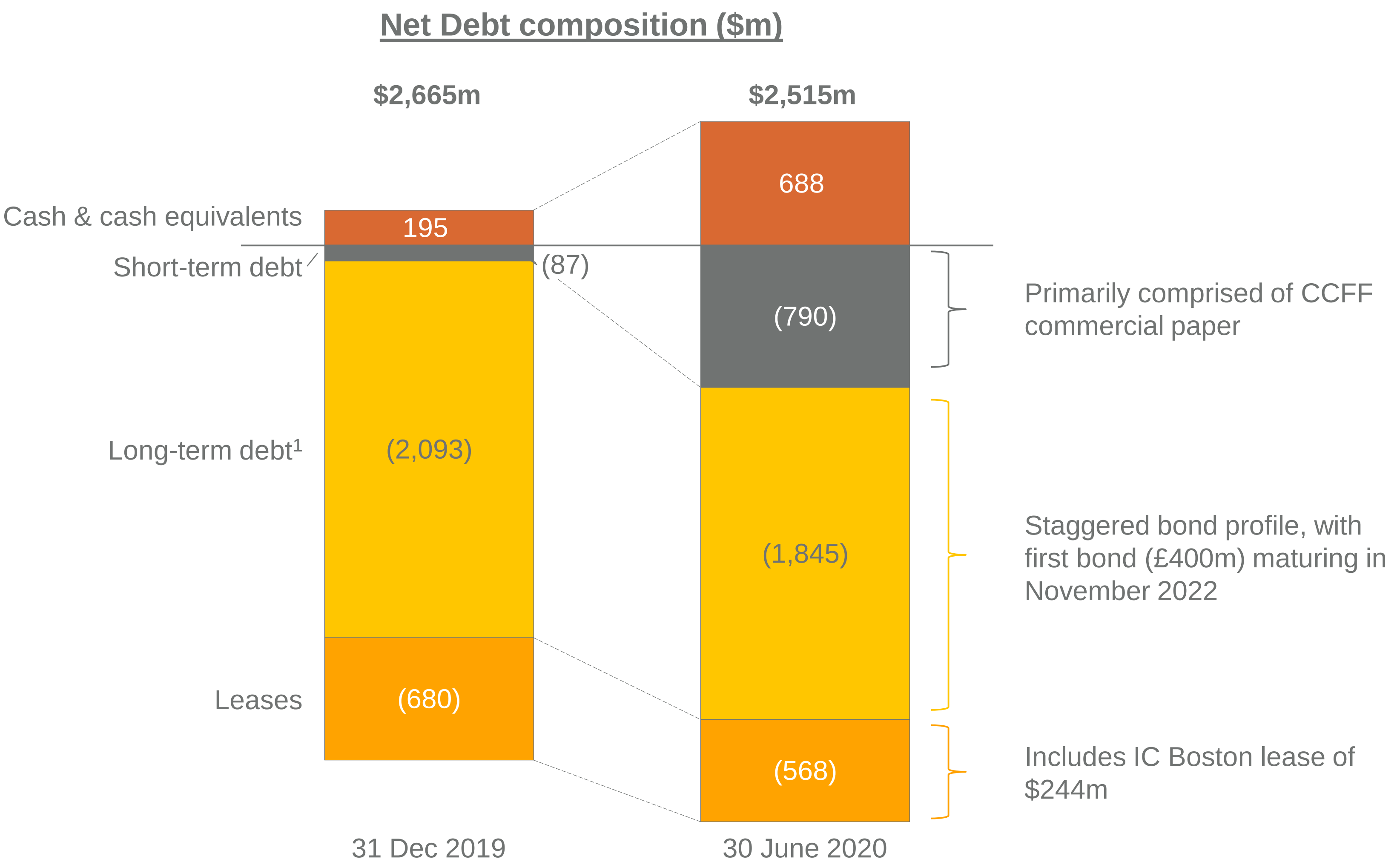
Disciplined working capital management limits cash outflow



- Decrease in free cash flow to $(66)m driven by the impact of Covid-19 on EBITDA; free cash flow broadly neutral in Q2
- Reduction in net debt driven by exchange rate movements and the derecognition of lease liabilities from the balance sheet

[1] Before exceptional items and System Fund result. [2] System Fund inflow/(outflow) includes $30m of depreciation and amortisation. [3] Includes $18m relating to litigation and $7m relating to efficiency programme.

Net Debt reduced and substantial liquidity maintained



Liquidity profile

- **~$2.0bn** of available liquidity, comprising ~$0.6bn of net cash on deposit and undrawn facilities of $1.35bn
- **~$2.0bn** of liquidity remains in place at the end of July
- Secured covenant waivers over $1.35bn syndicated and bilateral RCF until **December 2021**[2]
- Extended maturity of our $1.35bn RCF by 18 months until **September 2023**
- Issued **£600m** of commercial paper under UK Government's CCFF
- Have a staggered bond maturity profile

[1] Includes value of currency swaps hedging long-term debt. [2] Our customary interest cover and leverage ratio covenants have been replaced by a $400m minimum liquidity covenant (defined as unrestricted cash and undrawn facilities with a remaining term of 6 months) tested at 30 June 2020, 31 December 2020 and 30 June 2021. See our Financing Update from 27 April 2020 for further details.

Keith Barr

Chief Executive Officer

IHG's response to the Covid-19 pandemic

IHG

Colleagues

- New operating procedures for frontline colleagues
- Support services to those affected by job losses
- Aiding flexible and remote working

Cost reduction

- Up to $150m cost reduction in Fee Business
- ~50% sustainable into 2021
- System Fund cost base reduced

Communities

- Accommodation to frontline workers
- Partnership with aid organisations to fund disaster relief
- Enable IHG Rewards Club members to donate points

Liquidity and cash flow

- $2.0bn available liquidity
- Cash preservation and disciplined working capital management

Guests

- Flexible cancellation policy
- Protecting membership status of IHG Rewards Club members
- Global IHG Clean Promise

Owners

- Temporary fee relief
- Relaxation of brand standards
- Operational support
- Government advocacy

Owners: the value of our rapid response, system scale and ongoing operating and technology developments

IHG®

Immediate support

Maximising demand
- Enhanced demand driver mapping
- Coordinated Covid-related demand

Brand standards
- Temporary relaxation of brand standards
- Help owners protect cash flow

Operational advice
- Support with closing and re-opening hotels
- Flexing operations and reducing costs

Fee relief
- Temporary discount on fees including technology and System Fund assessments

Cash Flow
- Allow owners to manage cash flow through utilisation of maintenance reserves

Government advocacy
- Secure broader government support
- Help owners access government schemes

Leveraging our scale

Payment flexibility
- Case-by-case consideration of payment plans

Safety standards
- Enhancement of IHG Way of Clean
- Introduction of new operating procedures

IHG Concerto
- Automating front desk operations such as Contactless Check-in
- New Owner Engagement Portal

Technology development
- Enhancement to revenue management services
- Loyalty and mobile developments

Procurement
- Supporting supplier negotiations
- Scale leverage to secure improved terms

Responsible business focus
- Reducing carbon footprint in line with our Science Based Target
- Strengthened Diversity & Inclusion focus

Guests: the value of our branded flexibility and “stay safe” peace of mind

IHG

Immediate support

Cancellation fees	• Waived from the onset of the crisis
Cleanliness & Safety	• IHG Clean Promise • Face coverings in Americas
Loyalty	• Protected membership status • Paused point expiry until end of year • Reduced Elite status qualification requirements
Promotional activity	• IHG’s Heroes room rate for key workers • Key worker leisure rate introduced
Meet with Confidence	• Providing corporate bookers with greater flexibility • Enhanced approach to health and safety

Leveraging our scale

Booking flexibility	• Extension of *Book Now, Pay Later* policies
Cleanliness & Safety	• IHG Clean Promise • Mobile check-in and check-out
Personalisation	• Targeted campaigns for individual guests • Engagement and click through rate doubled
Global Sales	• WebEx for 1,500 Corporate Travel Managers to update on Covid-19 response
Guest satisfaction	• IHG’s Guest Satisfaction Index[1] has been net positive every month • Each month showing sequential improvement

[1] Guest Satisfaction Index (GSI) is an IHG metric that uses third party aggregated social media review data to benchmark IHG guest satisfaction performance against that of our competitors

Cleaning standards developed with industry-leading experts to enhance guest safety and reassurance

IHG®

Strengthening IHG Way of Clean

- New global standard of hotel cleanliness and hygiene
- Science-led protocols developed with the Cleveland Clinic, Ecolab and Diversey
- Provide assurance throughout the guest experience e.g. sanitiser stations, social distance floor markers, grab-and-go breakfast options
- Working with scientific advisors to determine appropriate new technologies to pilot
- Innovating food and beverage to incorporate new operating procedures, social distancing, contactless room service
- Protecting hotel colleagues with standards on PPE, installing shields at front desk, training and certification
- Supported by a new verification procedure

Over 30% uplift in percentage of positive third-party social review comments on cleanliness from guests following launch of the IHG Clean Promise

InterContinental Mark Hopkins, San Francisco, United States

Our commitment to operate a responsible business

Supporting our communities through the crisis and beyond

- Accommodation for the most vulnerable in society
- Donation to food banks across 70+ countries
- Developing a new strategic Communities approach

Ensuring long-term environmental resilience

- 2030 Science Based Target
- Task Force for Climate-related Financial Disclosures
- Engaging in forums with other business leaders and governments

Taking action to build a more diverse & inclusive culture

- Launch of new Americas D&I commitments
- Creation of new ethnic diversity network in Europe
- Developing a long term D&I ambition for the Group

Leveraging our investments in loyalty and technology to drive competitive advantage

IHG®

Enhancing value of loyalty programme

- Loyalty members driving increasing share of occupancy as hotels begin to reopen
- Points promotion to encourage more frequent stays
- Our most loyal guests have been returning first

Dynamic pricing for Reward Nights

- Dynamic pricing for Reward Nights rolled out globally
- Over 80% of hotels have reduced their points pricing to deliver ~25% more value for guests outside of peak times

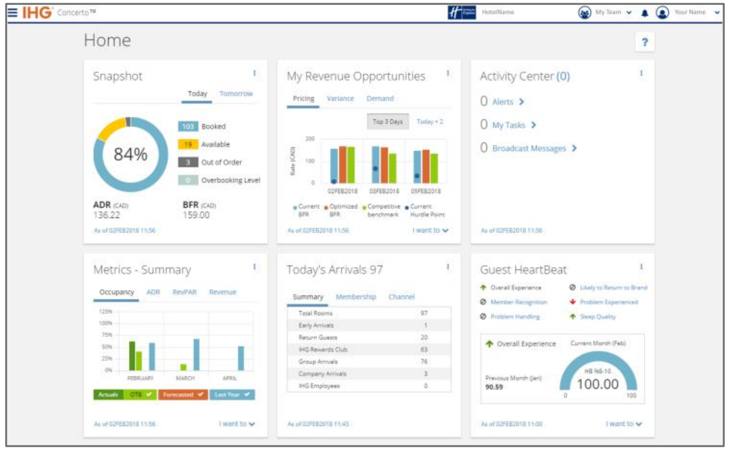
IHG Concerto

- Investment in cloud-based Concerto platform allows rapid deployment of mobile check-in/out
- Owner Engagement Portal providing real-time scorecard metrics, allowing owners to rapidly respond

Revenue management

- Use of machine learning to enhance revenue management algorithms ensuring pricing and owner returns are maximised during periods of volatile demand

IHG® Rewards Club



IHG Concerto™

Powerful new suite of hotel technology

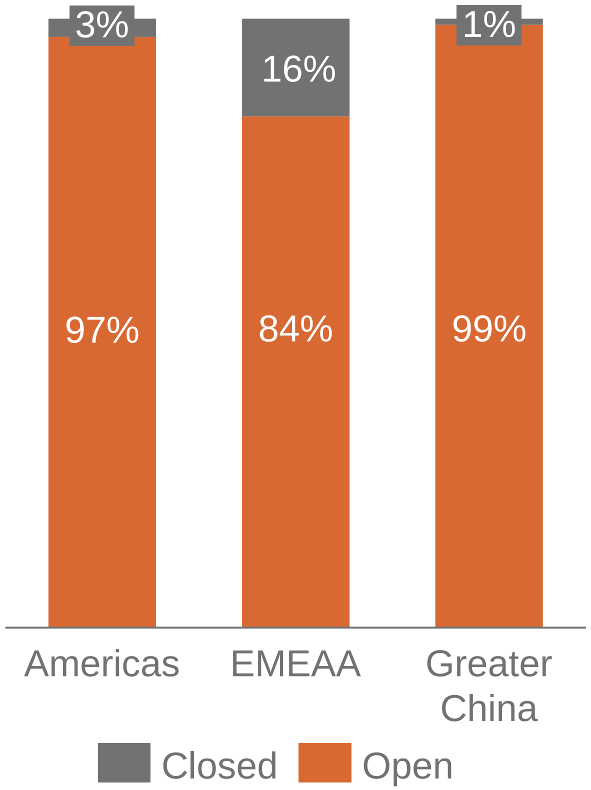
Reservations, Rate & Inventory Management | Yield & Price Optimisation | Property Management | Sales & Catering | Point of Sale | Service Optimisation | and more

CONCERTO HOME

IHG's business model provides a level of resilience relative to the wider industry

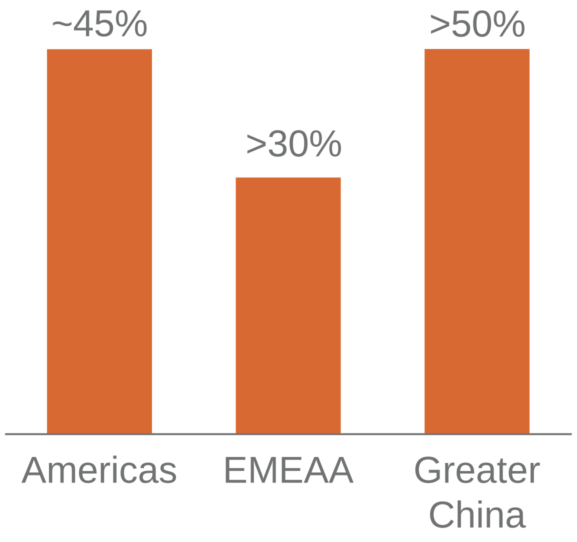
As of the end of July, ~95% of our hotels are open

Hotels by region (%)



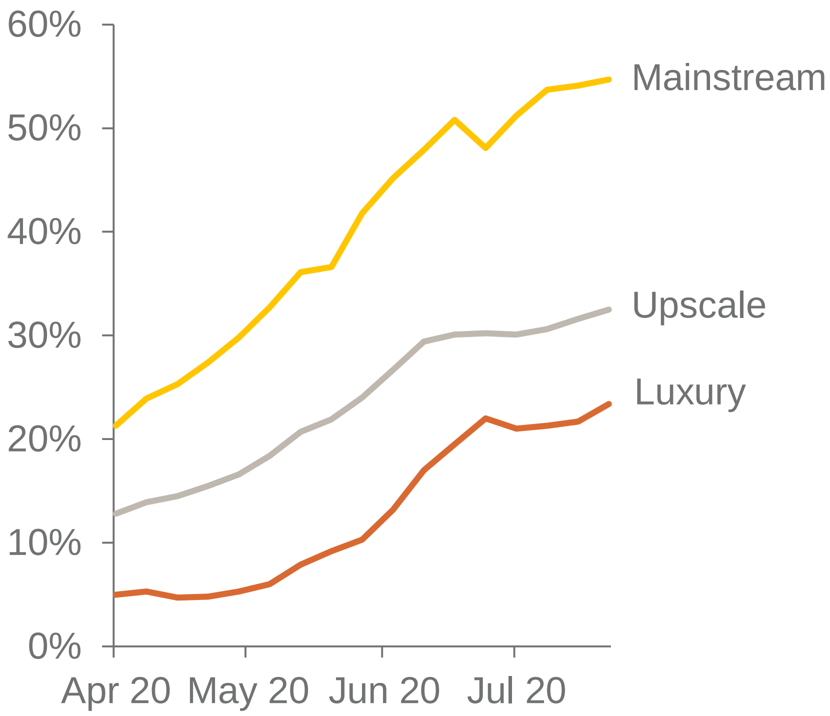
Occupancy[1] running at ~45%

July occupancy[1] by region



Occupancy[1] has been re-building fastest in our largest segment of mainstream

US weekly occupancy[1] (%)

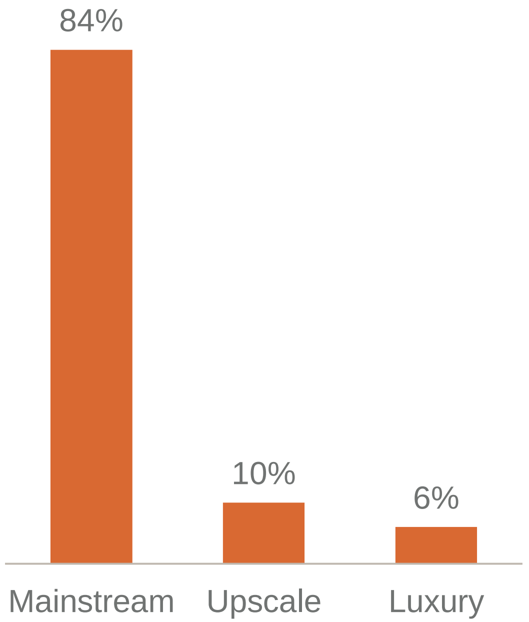


[1] Refers to comparable open IHG hotels

Our mix places us well to benefit from the expected shape of demand recovery

Mainstream, our largest segment, is outpacing overall industry RevPAR

US rooms distribution

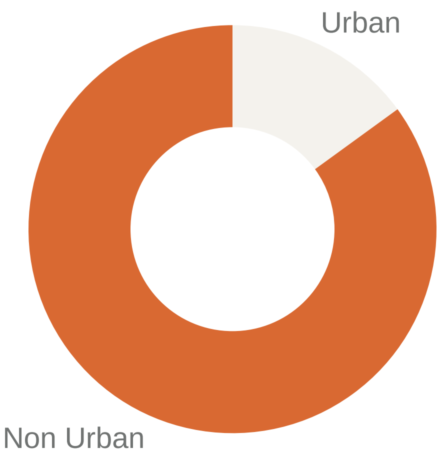


Domestic travel is leading the recovery

US demand mix

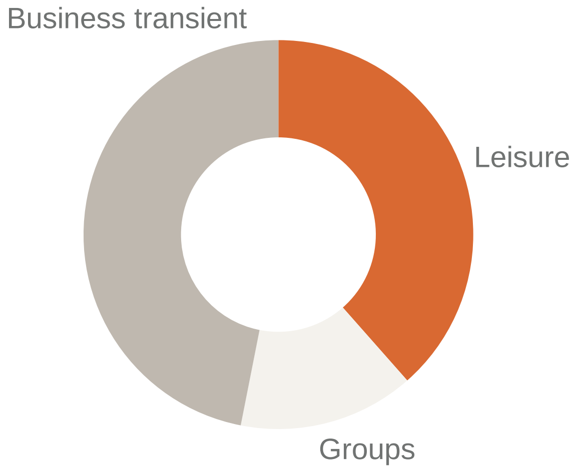
Non-urban[1] areas strongly outperforming urban

US rooms distribution



Groups is toughest area of demand; IHG's lowest exposure

2019 US guest stays



[1]Non-urban regions includes hotels located in small metro towns, suburban districts, interstate, airport and resort locations

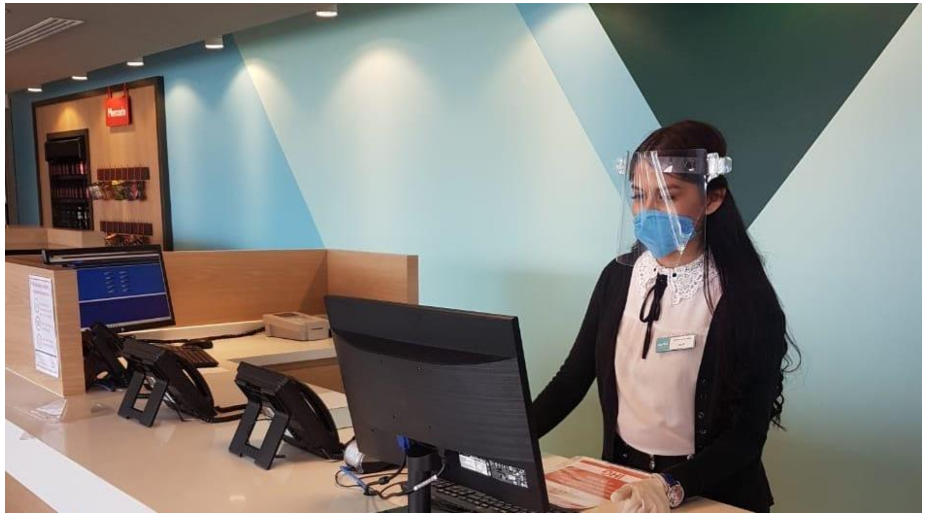
Our brand portfolio
- Breadth and depth of brand portfolio will drive future growth

IHG

Brand	Mainstream	Upscale	Luxury
Established Brands	Holiday Inn; Holiday Inn Express; Holiday Inn Club Vacations; Staybridge Suites; Candlewood Suites (An IHG Hotel)	Crowne Plaza Hotels & Resorts; Hualuxe Hotels and Resorts 華邑酒店及度假村; EVEN Hotels; Hotel Indigo	InterContinental Hotels & Resorts; Kimpton Hotels & Restaurants
New Brands	avid (An IHG Hotel); Atwell Suites (An IHG Hotel)	voco (An IHG Hotel)	Regent; Six Senses Hotels Resorts Spas

Metric	Mainstream	Upscale	Luxury
Number of hotels/% of total	5,022/73%	587/16%	309/11%
H1 hotel openings/signings	78/136	8/31	5/14
% of H1 signings that are conversions	19%	29%	57%

Mainstream
- Continued momentum for avid and Atwell Suites



avid
AN IHG HOTEL

- 14 hotels open; strong guest satisfaction
- 7 hotels opened in H1
- First avid hotel opened in Mexico
- >200 signings (20k rooms) since launch, including 15 hotels in H1
- ~90 hotels under construction or with plans approved for construction

ATWELL SUITES
AN IHG HOTEL

- Continued franchise applications from current and potential IHG owners
- Applications approved in diverse markets such as Miami (Florida), Denver (Colorado) and Charlotte (North Carolina)
- 19 franchise agreements executed or approved since launch
- First hotels are expected to break ground in 2020 and open in 2021

Upscale
- Global expansion of voco to Americas and Greater China

voco Paris Montparnasse, France *(due to open Q3 2020)*

voco Hangzhou Minghao Binjiang, Greater China *(due to open Q3 2020)*

voco Melbourne Central, Australia *(due to open Q1 2021)*

- Signed 40 hotels since launch in June 2018
- Attractive option for the conversion of high-quality individual and locally-branded hotels; numerous new-build opportunities
- Simplified hotel conversion process
- Following success of 36 open and pipeline hotels in EMEAA, expansion of brand to Americas and Greater China
- First signings in Greater China in June
- Strong owner interest in the Americas with key signings in landmark locations such as New York and Florida

Continued signings across our luxury brands

InterContinental Grand Pacific Hotel, Fiji *(due to open in 2022)*

Kimpton Shanghai New Bund, Greater China *(due to open in 2023)*

Regent Shanghai Pudong, Greater China *(signed and opened in H1)*

Six Senses Antognolla, Italy *(due to open in 2023)*

Remain focused on future growth

Signings

77 in Q2 2020

- Signings achieved for each hotel brand in H1
- Greater China signings were in line with Q2 2019
- Conversion activity strengthening

Ground breaks

47 in Q2 2020

- ~40% of pipeline currently under construction
- ~80% of projects where construction had paused due to Covid-19, now resumed

Openings

47 in Q2 2020

- Recent openings impacted by Covid-19 related delays
- Expect some catch-up in H2, as markets begin to re-open though pace and level remains uncertain

Conclusions

- Decisive action taken to manage through Covid-19 crisis effectively and responsibly to protect our stakeholders
- Domestic mainstream demand returning first, with group and international travel taking more time
- Near-term outlook remains uncertain and the time period for market recovery is unknown
- Well placed with our industry-leading mainstream presence, and predominantly domestically-focused business
- Leveraging the benefit of our scale and strength of brands for owners and guests
- We have continued to sign and open new hotels, underscoring the confidence owners have in our system and brands
- The industry continues to have attractive structural growth drivers and IHG's cash-generative, resilient fee-based model, gives us confidence to emerge strongly when markets recover

IHG

Interim results presentation
Q&A

11 August 2020

Appendices

Growth rate analysis

IHG

	RevPAR growth %		Net rooms growth %		Underlying Fee Revenue[1] Growth %	Comments
H1 2020	Comparable	Total[2]	YoY	Available[2]		
	Hotels that have traded in all months being compared (i.e. steady state)	All hotels that were open in H1 2020 and H1 2019 (incl hotels that are ramping up)	30 June 2020 vs 2019	Aggregate number of rooms available for sale in H1 2020 vs H1 2019		
Americas	(47.6)%	(47.6)%	1.7%	2.7%	(45.7)%	
EMEAA	(58.9)%	(59.0)%	2.9%	3.8%	(62.9)%	
Greater China	(61.7)%	(65.1)%	9.9%	13.5%	(71.9)%	• Total RevPAR impacted by number of properties in ramp up and openings in less developed cities • Fee revenue growth impacted by lower levels of incentive management fee income
Total	**(51.7)%**	**(52.6)%**	**3.2%**	**4.5%**	**(47.9)%**	

[1] Underlying fee revenue and excludes owned, leased and managed lease hotels, significant liquidated damages, current year disposals, System Fund results and hotel cost reimbursements at constant H1 2020 exchange rates (CER).
[2] Underlying fee business Total RevPAR and Available rooms.

Currency translation

Region[1]	Reportable Segments Reported H1 2020 vs H1 2019 rates[2]		Reportable Segments H2 2019 at 30 June spot rate vs reported H2 2019[3]	
	Revenue	EBIT	Revenue	EBIT
Americas	$(2)m	$(2)m	$(3)m	$(3)m
EMEAA	$(7)m	$(2)m	$(4)m	$(1)m
Greater China	$(2)m	$(1)m	$0m	$0m
Central Overheads	$(1)m	$1m	$(1)m	$1m
Total IHG	**$(12)m**	**$(4)m**	**$(8)m**	**$(3)m**

[1] Major non USD currency exposure by region (**Americas:** Canadian Dollar, Mexican Peso; **EMEAA:** British Pound, Euro, Russian Rouble, Japanese Yen, Singapore Dollar; **Greater China:** Chinese Renminbi; **Central:** British Pound). [2] Based on monthly average exchange rates each year. [3] 30 June 2020 spot rates: 1.23 GBP:USD; 1.12 EUR:USD.

2020 notable items

Significant items		H1 2020	FY 2020
Payroll tax credits	AMER	\$4m	\$11m
Litigation settlement in relation to a single hotel	AMER	\$4m	\$4m
Individually significant Liquidated Damages[1]	EMEAA	\$1m	\$1m
Gain on disposal of Holiday Inn Melbourne Airport	EMEAA	\$3m	\$3m

[1] In February 2018, IHG received liquidated damages totalling \$15m relating to the termination of a portfolio of 13 open hotels (2k rooms) and 6 pipeline hotels (1k rooms) in Germany, which exited IHG's system in Q1 2020. Under IFRS15, the \$15m was recognised over the period from receipt until exit (H1 2018: \$2.8m, FY 2018: \$6.7m, FY 2019: \$7.7m, H1 2020: \$1.0m).

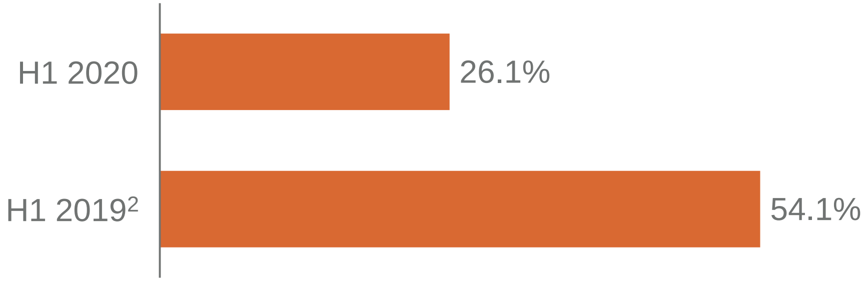
Fee margin[1] by region

Americas

Europe, Middle East, Asia and Africa

Greater China

Total IHG



[1] Fee margin excludes owned, leased and managed lease hotels, significant liquidated damages and the results of the Group's captive insurance company; is stated at AER. [2] H1 2019 fee margin updated to exclude the results of the Group's captive insurance company.

Exceptional Items

Category	Detail	Rationale	Charge ($m)
Impairment	Property, plant and equipment	• Carrying book value of owned, leased and managed leased assets in the Americas and EMEAA	(85)
	Intangible assets	• Acquired open and pipeline management agreements	(47)
	Trade deposits and loans	• Discounted value of deposits and loans held by owners in connection to managed hotels	(41)
	Contract assets	• Remaining undiscounted amount of trade deposits and loans	(37)
	Investment in associates	• Stakes in associates held by IHG; shown net of a $13m fair value gain on a put option over part of IHG's investment in the New York Barclay associate	(21)
	Trade and other receivables	• Impaired as a result of estimated expected credit losses arising from Covid-19	(22)
	Right-of-use assets	• Relates to the fixed element of an individual hotel lease agreement	(5)
Cost of sales & admin expenses	Derecognition of right of-use-assets	• Resulting from leases now being recognised as fully variable	(49)
	Derecognition of lease liabilities		71
	Onerous expenditure provision	• In respect of future contractual expenditure	(10)
	Reorganisation, acquisition and integration costs	• Relates to UK leased portfolio and Six Senses acquisition	(7)
	Provision for guarantees on 3rd party debt	• Commercially similar in nature to key money or trade deposits	(2)
Total operating exceptional items			**(255)**
Non-operating expenses: Fair value gains on contingent purchase consideration			21
Total exceptional items before tax			**(234)**

Exceptional Items: UK leased portfolio

IHG®

Our total exceptional items before tax of $(234)m includes the below items in respect of the UK leased portfolio:

- Leases now considered to be fully variable and so the associated lease liabilities and right of use assets have been derecognised from the balance sheet
- FY 2019 reported results benefited from charging $17m of rental guarantee lease payments against the IFRS 16 liability held on the balance sheet
- All remaining property, plant and equipment has been fully impaired to nil
- Provision recognised against the estimated value of future contractual expenditure
- Fair value adjustment to contingent purchase consideration resulting in a reduction to the value of the liability to nil

H1 2020 Exceptional Items	**$m**
Derecognition of right-of-use assets	(22)
Derecognition of lease liabilities	40
Impairment of property, plant and equipment	(50)
Provision for onerous contractual expenditure	(10)
Reorganisation costs	(4)
Fair value gains on contingent purchase consideration	21
Total	**(25)**