

GROUP INCOME STATEMENT

	Year ended 31 December 2018			6 months ended 30 June 2018			Year ended 31 December 2017		
	As previously reported	Impact of IFRS 16	As restated	As previously reported	Impact of IFRS 16	As restated	As previously reported	Impact of IFRS 16	As restated
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total Revenue	4,337	-	4,337	2,113	-	2,113	4,075	-	4,075
Cost of sales	(706)	18	(688)	(305)	7	(298)	(571)	17	(554)
System Fund expenses	(1,379)	-	(1,379)	(630)	-	(630)	(1,276)	-	(1,276)
Cost reimbursements	(1,171)	-	(1,171)	(595)	-	(595)	(1,103)	-	(1,103)
Administrative expenses before exceptional items	(344)	33	(311)	(155)	17	(138)	(337)	33	(304)
Share of losses from associates and joint ventures	(1)	-	(1)	(3)	-	(3)	3	-	3
Other operating income and expenses	14	-	14	7	-	7	11	-	11
Depreciation and amortisation	(80)	(35)	(115)	(38)	(17)	(55)	(78)	(34)	(112)
Operating profit before exceptional items	670	16	686	394	7	401	724	16	740
Impairment	-	-	-	-	-	-	(18)	-	(18)
Other exceptional items	(104)	-	(104)	(53)	-	(53)	22	-	22
Operating profit	566	16	582	341	7	348	728	16	744
Financial income	5	-	5	2	-	2	4	-	4
Financial expenses	(86)	(19)	(105)	(40)	(9)	(49)	(76)	(19)	(95)
Profit before tax	485	(3)	482	303	(2)	301	656	(3)	653
Tax	(133)	1	(132)	(69)	1	(68)	(115)	(3)	(118)
Profit after tax	352	(2)	350	234	(1)	233	541	(6)	535
Profit attributable to equity holders	351	(2)	349	234	(1)	233	540	(6)	534
Minority interest	1	-	1	-	-	-	1	-	1
	352	(2)	350	234	(1)	233	541	(6)	535
Earnings per share									
Basic	184.7	(1.0)	183.7	123.2	(0.6)	122.6	279.8	(3.1)	276.7
Diluted	182.8	(1.0)	181.8	122.5	(0.5)	122.0	278.4	(3.1)	275.3
Adjusted	292.1	(1.1)	291.1	145.8	(0.5)	145.3	244.6	(1.6)	243.0

GROUP STATEMENT OF FINANCIAL POSITION

	31 December 2018			30 June 2018			31 December 2017		
	As previously reported	Total IFRS 16	As restated	As previously reported	Total IFRS 16	As restated	As previously reported	Total IFRS 16	As restated
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assets									
Property, plant and equipment	447	(174)	273	417	(175)	242	425	(175)	250
Right-of-use assets	-	513	513	-	478	478	-	486	486
Deferred tax assets	60	3	63	68	3	71	75	3	78
Other non-current assets	1,870	-	1,870	1,724	-	1,724	1,647	-	1,647
Total non-current assets	2,377	342	2,719	2,209	306	2,515	2,147	314	2,461
Trade and other receivables	613	(3)	610	675	(2)	673	551	(2)	549
Other current assets	763	-	763	264	-	264	312	-	312
Total current assets	1,376	(3)	1,373	939	(2)	937	863	(2)	861
Total assets	3,753	339	4,092	3,148	304	3,452	3,010	312	3,322
Liabilities									
Loans and other borrowings	(120)	16	(104)	(89)	16	(73)	(126)	16	(110)
Trade and other payables	(618)	2	(616)	(502)	2	(500)	(597)	2	(595)
Current lease liabilities	-	(55)	(55)	-	(43)	(43)	-	(44)	(44)
Other current liabilities	(632)	-	(632)	(611)	-	(611)	(557)	-	(557)
Total current liabilities	(1,370)	(37)	(1,407)	(1,202)	(25)	(1,227)	(1,280)	(26)	(1,306)
Loans and other borrowings	(2,129)	219	(1,910)	(1,946)	217	(1,729)	(1,893)	215	(1,678)
Trade and other payables	(158)	33	(125)	(31)	30	(1)	(36)	29	(7)
Non-current lease liabilities	-	(615)	(615)	-	(586)	(586)	-	(589)	(589)
Deferred tax liabilities	(131)	7	(124)	(115)	7	(108)	(101)	6	(95)
Other non-current liabilities	(1,042)	-	(1,042)	(1,016)	-	(1,016)	(1,001)	-	(1,001)
Total non-current liabilities	(3,460)	(356)	(3,816)	(3,108)	(332)	(3,440)	(3,031)	(339)	(3,370)
Total liabilities	(4,830)	(393)	(5,223)	(4,310)	(357)	(4,667)	(4,311)	(365)	(4,676)
Net liabilities	(1,077)	(54)	(1,131)	(1,162)	(53)	(1,215)	(1,301)	(53)	(1,354)
EQUITY									
Equity share capital	146	-	146	150	-	150	154	-	154
Capital redemption reserve	10	-	10	10	-	10	10	-	10
Shares held by employee share trusts	(4)	-	(4)	(1)	-	(1)	(5)	-	(5)
Other reserves	(2,865)	-	(2,865)	(2,869)	-	(2,869)	(2,874)	-	(2,874)
Fair value reserve	47	-	47	53	-	53	79	-	79
Cash flow hedge reserve	(4)	-	(4)	-	-	-	-	-	-
Currency translation reserve	419	1	420	394	1	395	377	-	377
Retained earnings	1,166	(55)	1,111	1,094	(54)	1,040	951	(53)	898
IHG shareholders' equity	(1,085)	(54)	(1,139)	(1,169)	(53)	(1,222)	(1,308)	(53)	(1,361)
Non-controlling interest	8	-	8	7	-	7	7	-	7
Total equity	(1,077)	(54)	(1,131)	(1,162)	(53)	(1,215)	(1,301)	(53)	(1,354)
<i>Net debt</i>	<i>(1,530)</i>	<i>(435)</i>	<i>(1,965)</i>	<i>(1,802)</i>	<i>(396)</i>	<i>(2,198)</i>	<i>(1,851)</i>	<i>(402)</i>	<i>(2,253)</i>

GROUP STATEMENT OF CASH FLOWS

	Year ended 31 December 2018			6 months ended 30 June 2018			Year ended 31 December 2017		
	As previously reported	Total IFRS 16	As restated	As previously reported	Total IFRS 16	As restated	As previously reported	Total IFRS 16	As restated
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Profit for the year	352	(2)	350	234	(1)	233	541	(6)	535
Adjustments for:									
Net financial expenses	81	19	100	38	9	47	72	19	91
Income tax charge	133	(1)	132	69	(1)	68	115	3	118
Depreciation and amortisation	80	35	115	38	17	55	78	34	112
System Fund depreciation	45	4	49	16	2	18	36	5	41
Other adjustments	163	5	168	(68)	3	(65)	7	2	9
Cash flow from operations before contract acquisition costs	854	60	914	327	29	356	849	57	906
Contract acquisition costs, net of repayments	(54)		(54)	(25)	-	(25)	(57)	-	(57)
Cash flow from operations	800	60	860	302	29	331	792	57	849
Interest paid	(70)	(17)	(87)	(12)	(9)	(21)	(69)	(18)	(87)
Interest received	2	-	2	1	-	1	1	-	1
Tax paid on operating activities	(66)	-	(66)	(5)	-	(5)	(147)	-	(147)
Net cash flow from operations	666	43	709	286	20	306	577	39	616
Landlord contributions to property, plant and equipment	8	(8)	-	3	(3)	-	14	(14)	-
Other cash flows from investing activities	(197)	-	(197)	(105)	-	(105)	(220)	-	(220)
Net cash from investing activities	(189)	(8)	(197)	(102)	(3)	(105)	(206)	(14)	(220)
Lease repayments		(35)	(35)	-	(17)	(17)	-	(25)	(25)
Other cash flows from financing activities	86	-	86	(69)	-	(69)	(446)	-	(446)
Net cash from financing activities	86	(35)	51	(69)	(17)	(86)	(446)	(25)	(471)
Net movement in cash and cash equivalents in the period	563	-	563	115	-	115	(75)	-	(75)
Cash and cash equivalents at beginning of the period	58	-	58	58	-	58	117	-	117
Exchange rate effects	(21)	-	(21)	(13)	-	(13)	16	-	16
Cash and cash equivalents at end of the period	600	-	600	160	-	160	58	-	58

OPERATING PROFIT BY REGION
(before exceptional items)

	12 months ended 31 December 2018			6 months ended 30 June 2018			12 months ended 31 December 2017		
	As previously reported	IFRS 16	As restated	As previously reported	IFRS 16	As restated	As previously reported	IFRS 16	As restated
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Americas									
Fee business	633	5	638	310	2	312	608	5	613
Owned and leased	29	6	35	18	4	22	29	6	35
Operating Profit before exceptional items	662	11	673	328	6	334	637	11	648
EMEAA									
Fee business	200	2	202	94	1	95	165	2	167
Owned and leased	2	2	4	-	-	-	6	2	8
Operating Profit before exceptional items	202	4	206	94	1	95	171	4	175
GC									
Fee business	69	1	70	32	-	32	52	1	53
Operating Profit before exceptional items	69	1	70	32	-	32	52	1	53
CENTRAL									
Central operating loss	(117)	-	(117)	(48)	-	(48)	(102)	-	(102)
Operating Profit before exceptional items	(117)	-	(117)	(48)	-	(48)	(102)	-	(102)
GROUP									
Fee business	785	8	793	388	3	391	723	8	731
Owned and leased	31	8	39	18	4	22	35	8	43
Operating Profit from reportable segments	816	16	832	406	7	413	758	16	774
System Fund	(146)	-	(146)	(12)	-	(12)	(34)	-	(34)
Operating Profit before exceptional items	670	16	686	394	7	401	724	16	740
			-			-			-

FEE MARGIN BY REGION

(before exceptional items)

	12 months ended 31 December 2018			6 months ended 30 June 2018			12 months ended 31 December 2017		
	As previously reported	IFRS 16	As restated	As previously reported	IFRS 16	As restated	As previously reported	IFRS 16	As restated
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Americas									
Fee business revenue	853	-	853	413	-	413	811	-	811
Significant liquidated damages	-	-	-	-	-	-	-	-	-
Underlying fee revenue	853	-	853	413	-	413	811	-	811
Fee business operating profit	633	5	638	310	2	312	608	5	613
Significant liquidated damages	-	-	-	-	-	-	-	-	-
Underlying fee operating profit	633	5	638	310	2	312	608	5	613
Fee business margin	74.2%		74.8%	75.1%		75.5%	75.0%		75.6%
EMEAA									
Fee business revenue	320	-	320	153	-	153	294	-	294
Significant liquidated damages	(7)	-	(7)	(3)	-	(3)	-	-	-
Underlying fee revenue	313	-	313	150	-	150	294	-	294
Fee business operating profit	200	2	202	94	1	95	165	2	167
Significant liquidated damages	(7)	-	(7)	(3)	-	(3)	-	-	-
Underlying fee operating profit	193	2	195	91	1	92	165	2	167
Fee business margin	61.7%		62.3%	60.7%		61.3%	56.1%		56.8%
GC									
Fee business revenue	143	-	143	69	-	69	117	-	117
Acquisition of business	(1)	-	(1)	-	-	-	-	-	-
Significant liquidated damages	(6)	-	(6)	(4)	-	(4)	-	-	-
Underlying fee revenue	136	-	136	65	-	65	117	-	117
Fee business operating profit	69	1	70	32	-	32	52	1	53
Acquisition of business	(1)	-	(1)	-	-	-	-	-	-
Significant liquidated damages	(6)	-	(6)	(4)	-	(4)	-	-	-
Underlying fee operating profit	62	1	63	28	-	28	52	1	53
Fee business margin	45.6%		46.3%	43.1%		43.1%	44.4%		45.3%
CENTRAL									
Central revenues	170	-	170	84	-	84	157	-	157
Central operating loss	(117)	-	(117)	(48)	-	(48)	(102)	-	(102)
GROUP									
Fee business revenue	1,486	-	1,486	719	-	719	1,379	-	1,379
Acquisition of business	(1)	-	(1)	-	-	-	-	-	-
Significant liquidated damages	(13)	-	(13)	(7)	-	(7)	-	-	-
Underlying fee revenue	1,472	-	1,472	712	-	712	1,379	-	1,379
Fee business operating profit	785	8	793	388	3	391	723	8	731
Acquisition of business	(1)	-	(1)	-	-	-	-	-	-
Significant liquidated damages	(13)	-	(13)	(7)	-	(7)	-	-	-
Underlying fee operating profit	771	8	779	381	3	384	723	8	731
Fee business margin	52.4%		52.9%	53.5%		53.9%	52.4%		53.0%