

Part II Organizational Action (continued)

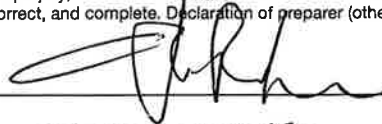
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► APPLICABLE
INTERNAL REVENUE CODE SECTIONS ARE 354, 358, 301, 1001, 1221, 1223

18 Can any resulting loss be recognized? ► A LOSS WILL BE RECOGNIZED BY SHAREHOLDERS WHO RECEIVE CASH IN LIEU OF FRACTIONAL SHARES IF THE AMOUNT OF CASH RECEIVED IS LESS THAN THE SHAREHOLDER'S TAX BASIS IN THE FRACTIONAL SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE ABOVE DESCRIBED ORGANIZATIONAL ACTIONS ARE REPORTABLE IN TAX YEAR 2016.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►  Date ► 15 JUNE 2016

Print your name ► GEORGE TURNER Title ► COMPANY SECRETARY

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►			Firm's EIN ►	
Firm's address ►			Phone no.	

INTERCONTINENTAL HOTELS GROUP, PLC
FORM 8937 - STATEMENT 1 ATTACHMENT

The Company paid on Monday 23 May 2016, a special dividend of US\$6.329 per each ordinary share outstanding as of Friday 6 May 2016. The Company consolidated its shares in order to broadly maintain comparability, as far as possible, of the share price before and after the payment of the special dividend.

The effect of the share consolidation was that shareholders on the register at the close of business on Friday 6 May, received **5 new ordinary shares for 6 existing ordinary shares** and in that proportion for any other number of existing ordinary shares then held. The proportion of the total issued share capital of the Company held by each shareholder immediately before and following the share consolidation, save for fractional entitlements, remained unchanged. Apart from having a different nominal value, each new ordinary share carries the same rights as set out in the Company's Articles of Association that attached to the old ordinary shares.

Shareholders whose holdings of old ordinary shares that could not be consolidated into whole numbers of new ordinary shares were left with a fractional entitlement. New ordinary shares representing the aggregated number of such fractional entitlements were sold in the market on Monday 9 May 2016 for an average gross price of 2695.8132 pence on behalf of the relevant shareholders. The net proceeds of the sale, after the deduction of the expenses of the sale, were paid in due proportion to the relevant shareholders on Tuesday 17 May 2016. Shareholders who held only one ordinary share received only cash.

For further information regarding the special dividend and share consolidation, please see the Shareholder Circular and Notice of General Meeting at

http://www.ihgplc.com/files/reports/ar2015/files/pdf/notice_of_agm.pdf

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