

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION*

2 March 2017

Dear Shareholder

Publication of InterContinental Hotels Group PLC's (IHG) Annual Report and Form 20-F for year ended 31 December 2016

I am pleased to let you know that IHG's Annual Report and Form 20-F 2016 has now been published and can be viewed, together with a video from Chief Executive Officer Richard Solomons, on IHG's corporate website. Please visit www.ihgplc.com/investors for further details.

Special dividend and share consolidation

We are committed to delivering long-term shareholder value and, on 21 February 2017, the Board announced its intention to return US\$400 million to shareholders by way of a special dividend with a share consolidation (Special Dividend) to be paid on 22 May 2017 to shareholders on the register at the close of business on 5 May 2017.

This US\$400 million Special Dividend continues IHG's excellent track record of delivering returns to its shareholders and, as the first return following the completion of our asset-light strategy, demonstrates the highly cash-generative nature of IHG's business model. Since IHG's demerger from Six Continents PLC in April 2003 and following the payment of the Special Dividend, IHG will have returned US\$12.8 billion to shareholders, nearly US\$5 billion of which is from underlying operations.

Final dividend

I am also pleased to announce that the Board is recommending that the final dividend for 2016 is 64.0 cents per share, resulting in a full-year dividend of 94.0 cents per share, an increase of 11 per cent compared with 2015. Subject to shareholder approval at IHG's Annual General Meeting (AGM), the final dividend will be paid on 22 May 2017 to shareholders on the register at the close of business on 5 May 2017. The sterling amount of the final dividend will be announced on 11 May 2017 using the average of the daily exchange rates from 8 May 2017 to 10 May 2017 inclusive.

The Board

In 2016, we said goodbye to Tracy Robbins, Jennifer Laing and Ying Yeh, after four, 10 and eight years on the Board respectively. Jill McDonald, a Non-Executive Director, succeeded Jennifer as Chairman of the Corporate Responsibility (CR) Committee. Jill's notable marketing and operational skills, as well as her already active involvement in the CR Committee, made her the ideal candidate.

* This document requires you to take action if you wish to receive an email notification whenever shareholder documents and information are available on our website (see the section of this document entitled 'Electronic communications' for more information). If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000. This notification is not a summary of the Annual Report and Form 20-F 2016 and should not be regarded as a substitute for reading the Annual Report and Form 20-F 2016.



*IHG® Rewards Club not applicable to Kimpton® Hotels & Restaurants; to be included at a future date.

In February 2017, Malina Ngai was appointed to the Board as a Non-Executive Director, with effect from 1 March 2017. Malina will bring to the Board considerable experience in consumer-facing, branded operations as well as deep insight into the Asian market, which is a key focus for IHG. We are also very proud of our commitment to maintaining a diverse board and, following Malina's appointment, the level of female representation on the Board will increase from 33 to 40 per cent.

Electronic communications

If, in future, you wish to receive an email notification (rather than a letter on paper) whenever shareholder documents and information is made available on our website, please register your email address at www.shareview.co.uk. You will need your Shareholder Reference Number, which can be found on the Form of Proxy that will be sent to you in April alongside the Notice of AGM. We will then send you a message via email each time we display a shareholder document on our website.

If at any time you want to change the way you receive shareholder documents, want a paper copy of a specific document, have any queries regarding this letter or are unable to locate the documents on our website, please contact our Registrar at the following address:

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA

Telephone 0371 384 2132[†] (UK calls)
+44 (0) 121 415 7034 (non-UK calls)
0371 384 2255[†] (textphone[∞] for UK calls)
+44 (0) 121 415 7028 (textphone[∞] for non-UK calls)

The AGM

The AGM will be held at 11.00am on Friday 5 May 2017 at InterContinental London Park Lane, One Hamilton Place, Park Lane, London W1J 7QY. The Notice of AGM (which will set out the resolutions to be put to the AGM, information about the business of the AGM, and further information relating to the Special Dividend) and the Form of Proxy will be sent to you separately in April.

The AGM provides a useful forum for direct communications with shareholders and I look forward to meeting you and answering any questions that you may have.

Yours faithfully



Patrick Cescau
Chairman

[†] Lines are open 8.30am – 5.30pm Monday to Friday, excluding UK public holidays.
[∞] Callers must have compatible equipment.