

ISHC Conference

08 October 2007 - Hong Kong

Bill Linehan

InterContinental Hotels Group

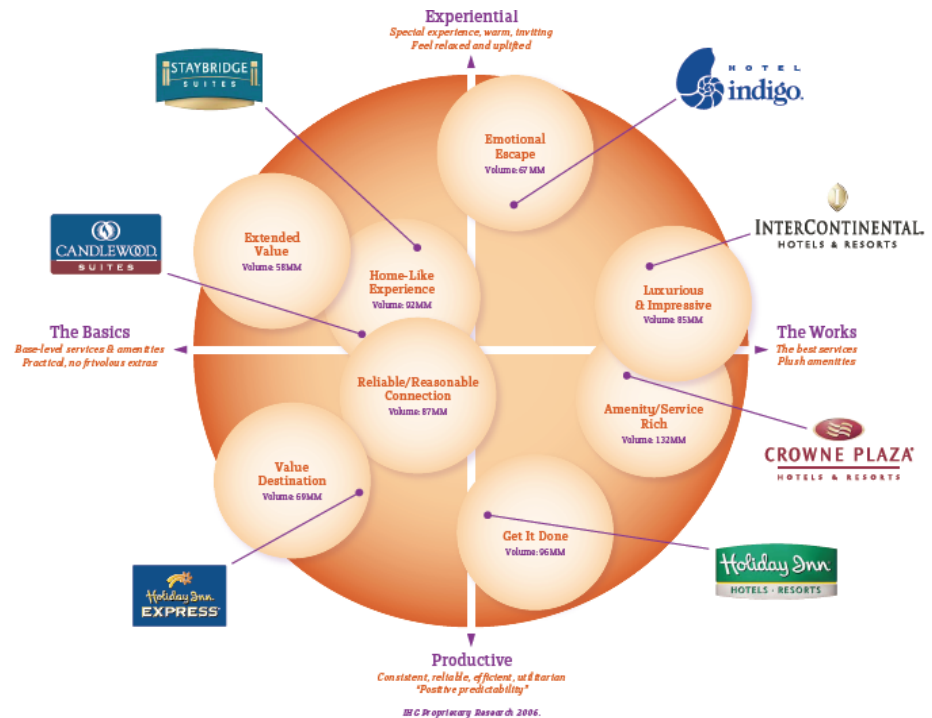
Vice President, Global Marketing and New Business Development





Agenda

- IHG Overview
- Driving Consumer Demand
- IHG Brands
- Summary



Consumers don't buy "price tiers", they choose based on stay occasions, which our portfolio is designed to serve



- Maximize the performance potential of our current brand portfolio
- Better integrate and align all actions around a tightly defined brand promise and experience
- Project scenarios that describe anticipated future changes in the competitive landscape








7 Distinct Brands Focused on Specific Consumer Categories & Affinities

						
Luxury Full Service	Upscale Full Service	Upscale Extended Stay	Upscale Branded Boutique	Midscale With F&B	Midscale Without F&B	Midscale Extended Stay
<p>Global brand located in major cities and resorts offering exceptional levels of comfort and service</p> <ul style="list-style-type: none"> • Sponsor of Aston Martin Racing 	<p>Located in major gateway cities offering business travelers high levels of comfort service and amenities</p> <ul style="list-style-type: none"> • Sponsor of Crowne Plaza Open in China and the Crowne Plaza Invitational at Colonial in the US 	<p>All suite hotel brand offering comfortable, stylish accommodation</p> <ul style="list-style-type: none"> • Reached 100th hotel opening faster than any other brand in its segment 	<p>1st branded boutique hotel experience</p> <ul style="list-style-type: none"> • Appeals to style savvy guests who desire affordable luxury 	<p>World's most recognized hotel brand offering business & leisure travelers full service and modern facilities at an excellent value</p> <ul style="list-style-type: none"> • Sponsors Vauxhall Racing (EMEA), NASCAR & MLB 	<p>Fastest growing hotel brand in its limited service segment</p> <ul style="list-style-type: none"> • Award winning Stay Smart[®] advertising 	<p>Focused on comfort, space & value</p> <ul style="list-style-type: none"> • Complimentary fitness center & guest laundry are open 24 hrs. • Partner with Habitat for Humanity
<i>In the Know</i>	<i>The Place to Meet</i>	<i>Get Comfortable</i>	<i>Peace</i>	<i>Look Again</i>	<i>Stay Smart</i>	<i>Consider Us Home</i>
147 Open 50 Pipeline	283 Open 87 Pipeline	112 Open 127 Pipeline	8 Open 36 Pipeline	1,384 Open 323 Pipeline	1,741 Open 619 Pipeline	142 Open 171 Pipeline

The IHG pipeline alone is within the world's top 9 hotel chains

IHG Properties

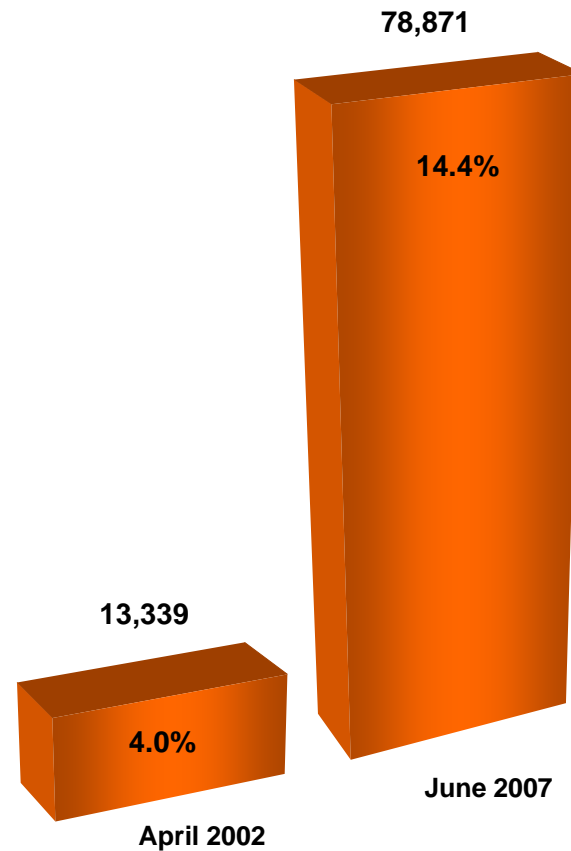
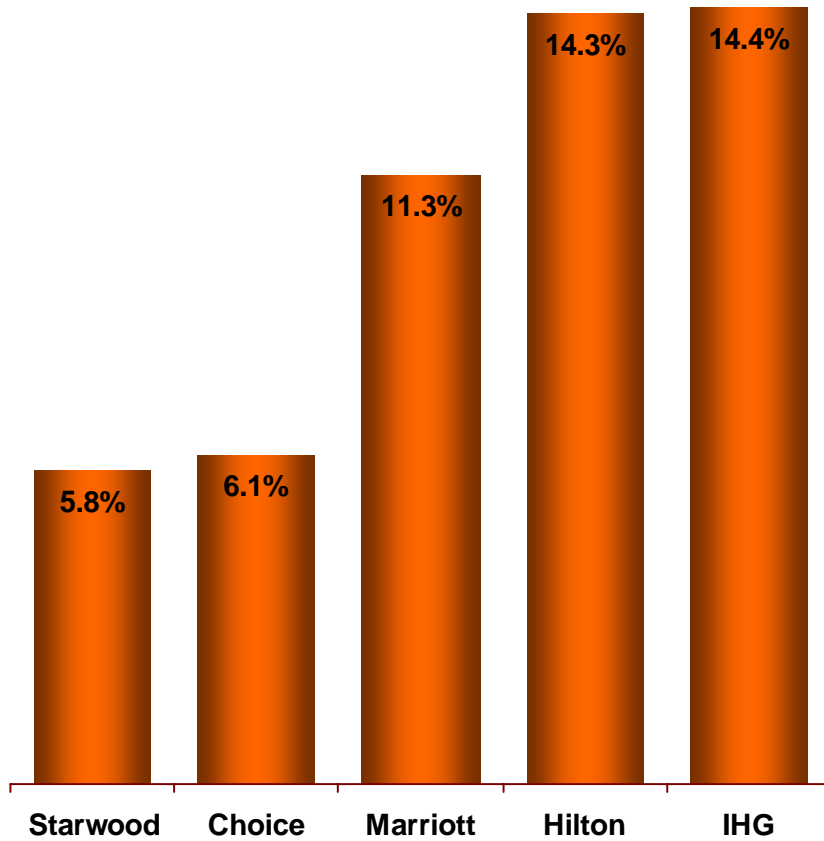
System Size as of June 30, 2007

Globally							
Open Hotels	147	283	8	1,384	1,741	112	142
Pipeline	50	87	36	323	619	127	171
% Growth	34%	31%	450%	23%	36%	113%	120%
# Countries	63	51	2	73	25	4	2

AMER							
Open Hotels	49	163	8	965	1,555	112	142
Pipeline	7	28	36	238	530	119	171
% Growth	14%	17%	450%	25%	34%	106%	100%

IHG has one of the leading U.S. pipelines

IHG Share of U.S. Active Pipeline as of June 2007



Source: Smith Travel Research

How IHG Drives Consumer Demand

Sustained profitability result from the integration of many elements, each informed by consumer and marketplace insights

- 52% rooms revenue through channel delivery at rate premium over hotel direct
- 34% rooms revenue are PCR members
- 24% Global Sales delivery



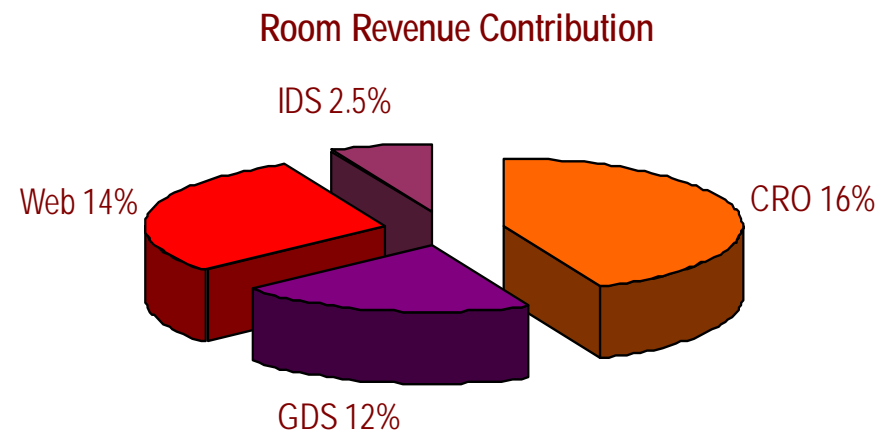
*Averages based on 2006 brand performance as reported in 2007 UFOC filing

Channel Marketing = 46% of Rooms Revenue across all brands globally

\$5.9bn rooms revenue in 2006, 23.2% increase over 2005

(First Half 2007 = \$3.2bn)

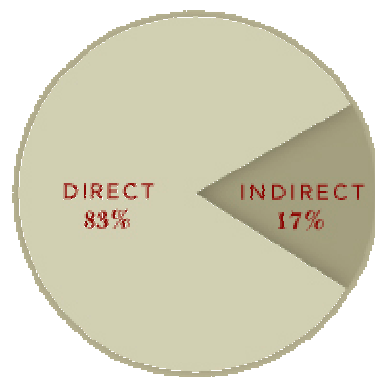
- 700 transactions per second – 26 million calls in 2006
- IHG is the largest search marketer among suppliers in the travel industry
- IHG is the leading hotel supplier on Travelocity, Orbitz, Zuji, Wotif, C-Trip, E-Long and many other quality intermediaries.
- Performance Marketing manages over 1,000 IHG websites
- \$2.1bn in web-based rooms revenue in 2006
(86% through IHG web sites)



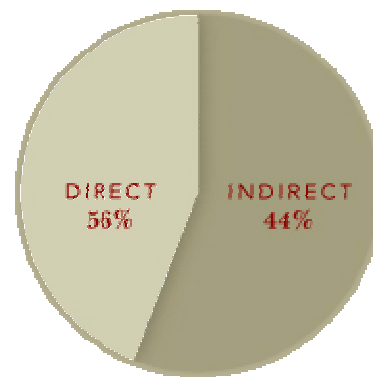
IHG builds loyal guest relationships with performance marketing

Performance Marketing

- More than 1,200 IHG proprietary websites driving business to our distribution channels
- IHG delivers over 80% of all online bookings from its branded websites according to PhocusWright's Online Travel Overview
- Fewest clicks to book in the industry – over 15 million visitors to IHG brand sites in July 2007



IHG



INDUSTRY AVERAGE

Loyalty Program: *World's largest with over 33 million members*

Generated 34% of total room nights, or \$4.4 billion in revenue in 2006 and \$2.46 billion in first half 2007

- Fastest growing - Membership has doubled in the past 4 years
- PCR members drive 36% more stays than non-members
- PCR members drive rate premium
- Awards include:
 - **“Best Hotel Loyalty Program in the World” 2 years in a row**
 - Global Traveler magazine, December 2005/January 2006
 - **“Hotel Program of the Year” 2 years in a row**
 - Inside Flyer Magazine, 2005, 2006
 - **“Top Pick” for Best Loyalty Program**
 - Smart Money Magazine, 2007
 - The UK's *Sunday Times* described Priority Club Rewards as 'A user-friendly scheme with a huge range of hotels', rating the rewards scheme an 8/10, beating reward schemes offered by Hilton, Starwood and Hyatt hands down.



Global Sales: \$2.8 billion in system revenue in 2006 (\$1.7 billion in first half 2007)

- 220 segment specific sales professionals
 - 55% of the resources are based in the Americas delivering \$1.1 billion in revenue
 - 35% in EMEA delivered \$430 million in revenue
 - 10% in APAC delivered \$175 million in revenue
- Global Sales generates revenue for all brands by managing key business-to-business relationships in the transient and group markets
- Manage relationships with over 2,000 global corporate accounts
- 2007 goals include 10% increase over 2006 revenue and 5% ADR growth

Agenda

- IHG Overview
- Driving Consumer Demand
- IHG Brands
 - InterContinental Hotels & Resorts
 - Crowne Plaza Hotels & Resorts
 - Hotel Indigo
 - Holiday Inn Hotels & Resorts
 - Holiday Inn Express
 - Staybridge Suites
 - Candlewood Suites
- Summary



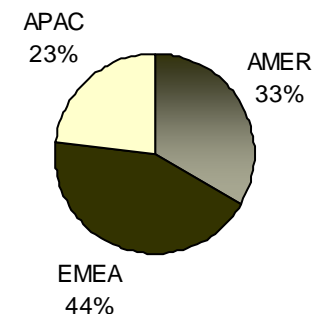
A prestigious and truly global brand



- Located in major cities and resorts offering high levels of comfort and excellent service.
- InterContinental San Francisco is named New Construction Deal of the Year by Hotel Business magazine.
- The readers of Global Traveler magazine named InterContinental Hotels & Resorts the “Best Domestic Hotel Chain” in the annual GT Tested Awards.
- The readers of Business Traveller named InterContinental Hotels & Resorts the Best Hotel Chain in the Middle East
- World Travel Awards named IC the Worlds Leading Hotel Brand
- InterContinental The Barclay New York – awarded "Best Hotel for Business Service" for a New York hotel with more than 500 rooms.



Distribution by Region

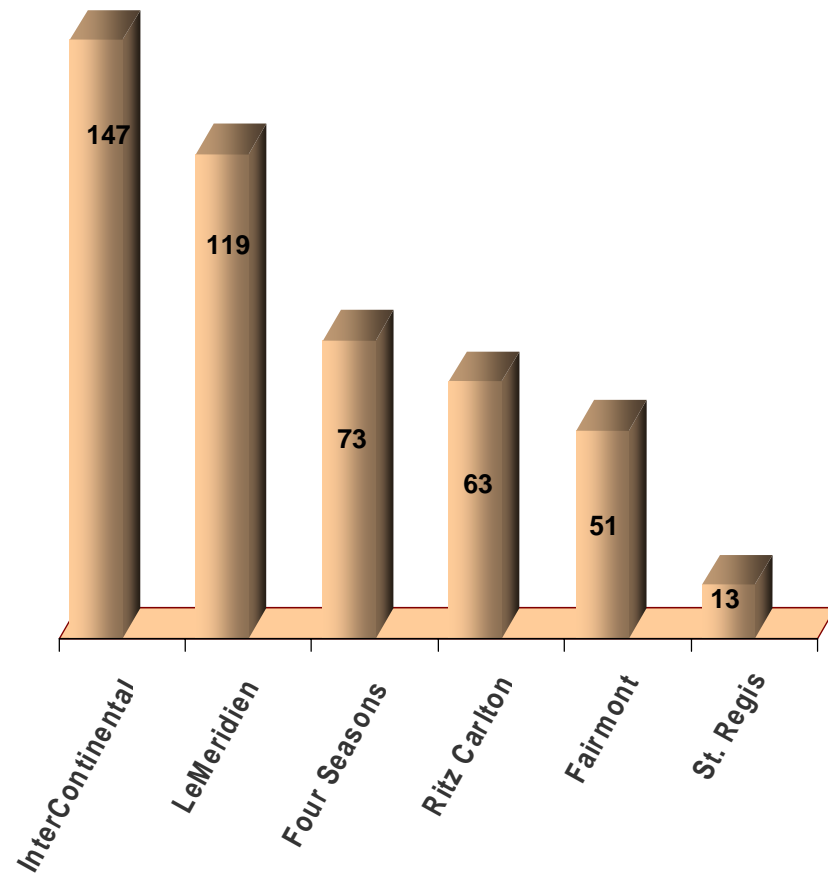




The InterContinental Growth Story

- **World's First and Largest Among Luxury Brands:**
 - 60-year heritage
 - 147 hotels including 33 resorts
 - 63 countries on 6 continents
- **Increasing appeal to owners**
 - 2006: record 26 signings
 - 2004: 11 signings
 - Over 100 owners of which 19 are new in 2006
- **Significant opportunity to grow**
 - New distribution in high demand city centres
 - Resort locations under-penetrated
- **Opportunities for industry-leading returns from future investments**

World's Top Brand of Luxury Hotels



A prestigious and truly global brand



Occupancy

Airport & Urban = 73.5%

Other = 68.4%

Luxury segment = 72.1%

Upper Upscale Segment = 72.3%



InterContinental Hong Kong Presidential Suite

ADR

Airport & Urban = \$216.08

Other = \$174.47

Luxury segment = \$291.07

Upper Upscale segment = \$160.15

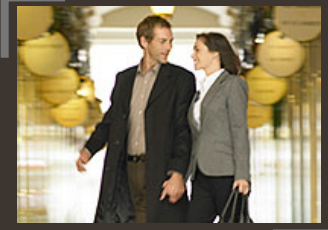
RevPAR

Airport & Urban = \$162.66

Other = \$119.41

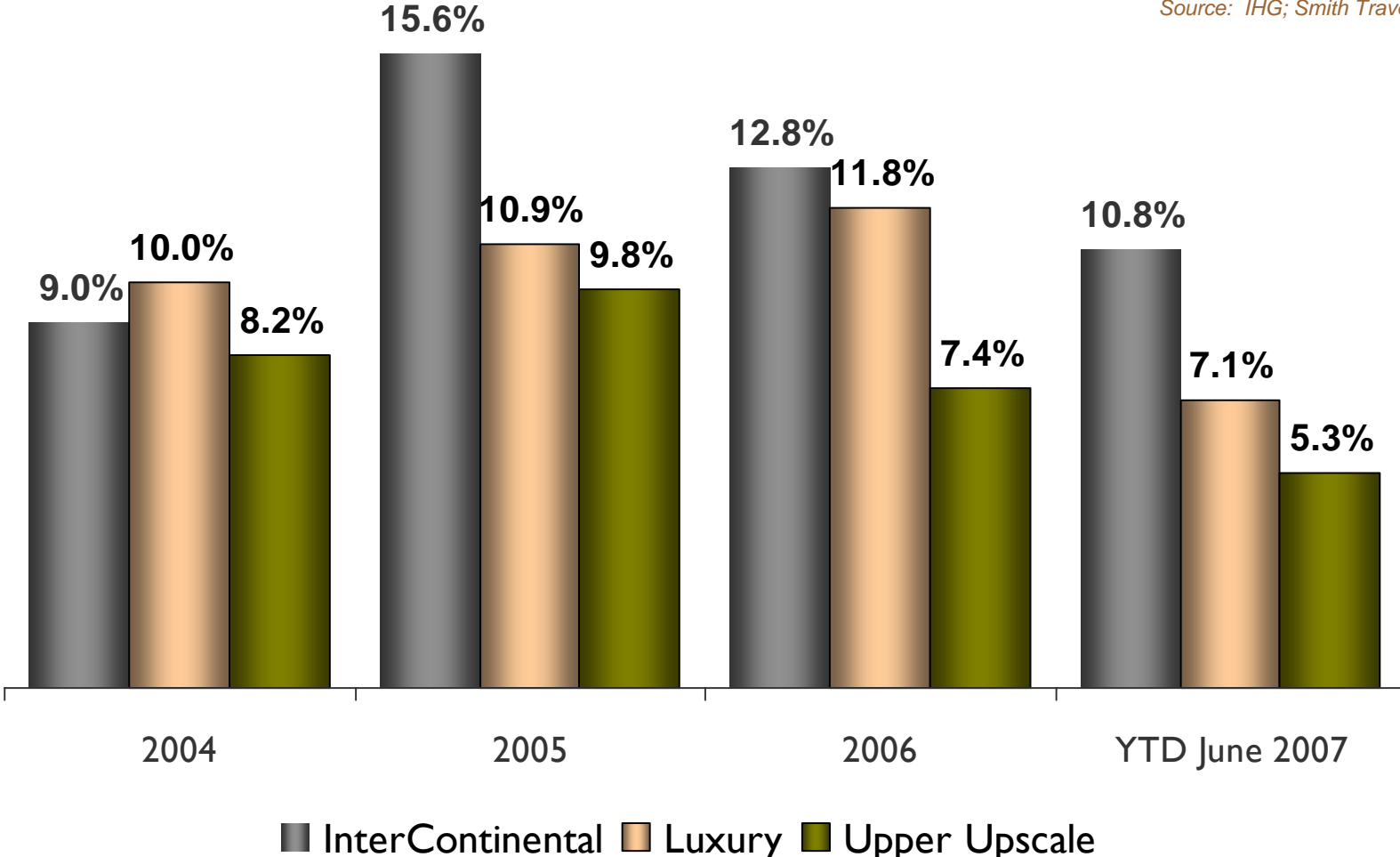
Luxury segment = \$209.75

Upper Upscale segment = \$115.80



InterContinental RevPAR Growth (Chain Scale)

Source: IHG; Smith Travel Research





The InterContinental Pipeline

Asia Pacific

- Beijing North
- Phi Phi Island Resort
- Century City Chengdu
- Fiji Resort and Spa
- Hangzhou
- Huizhou Resort and Spa
- Jiuzhai Paradise Resort
- Resorts Pattaya and Samui in Thailand
- Nanjing
- Pune
- Indao
- Saigon
- Sanya Resort and Spa
- World Expo Village Shanghai
- Islamabad
- Lake View Ningbo
- Westlake Hanoi

EMEA

- Almaty
- Davos Resort and Spa
- Krems Resort and Spa
- Moscow
- Residential Suites Dubai
- Kiev
- Tripoli
- Porto Palacio Das Cardosas, Portugal
- Belgrade

Americas

- Milwaukee
- Nashville Summit
- Phoenix Resort and Spa
- Chicago O'Hare
- San Francisco
- Orlando

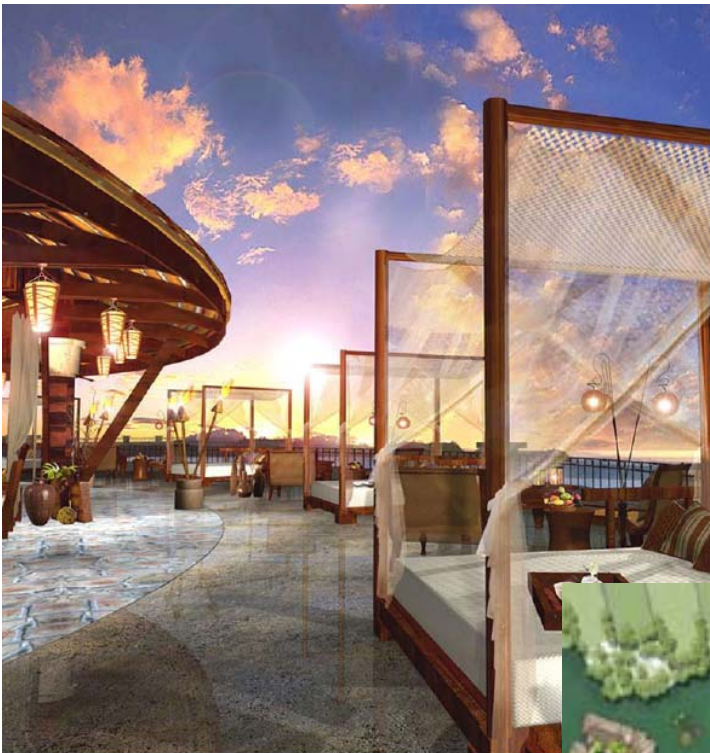


Hua Hin Resort, Thailand
Opening 2008

InterContinental Hanoi Westlake



Opens: Late 2007



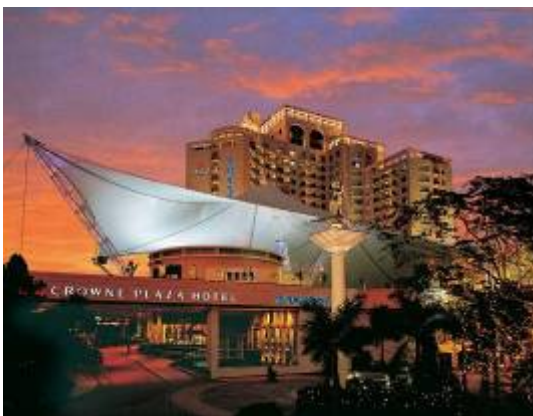
- 359 guestrooms with Vietnamese décor and private balconies
- Dedicated meetings and events building feature a ballroom and 4 multi-purpose meeting rooms
- Six cutting edge restaurants as well as the Sunset Bar
- Located on its own island minutes from the center of old town in Hanoi's most prestigious residential area surrounding Westlake





One of the fastest growing Upscale brands

- One of the worlds fastest growing brands in its segment
- Positioned for growth in prime locations around the globe and leveraged as a key member of the IHG portfolio of brands, we are providing investors and developers with the ability to make profitable returns in the upscale hotel market.
 - 5,330 net rooms added in 2006 in Americas, 15% growth
 - 74 hotels in the global pipeline (*including Dallas, Houston, NYC Midtown, Baltimore, London, Moscow, Prague and Guangzhou*)
- Forbes China Top 50 Business Hotels in China included Crowne Plaza Shenzhen and Crowne Plaza Jinan
- MAXXotel Awards 2006 – Best Performing Resort in Australia, Crowne Plaza Coogee Beach- Sydney



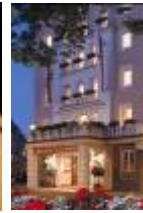
Shenzhen, China



Jinan, China



Coogee Beach – Sydney AUS



US/ Can Brand Performance*

Occupancy

Airport & Urban = 71.5%

Leisure = 69.8%

Other = 65%

Upscale segment = 70.3%

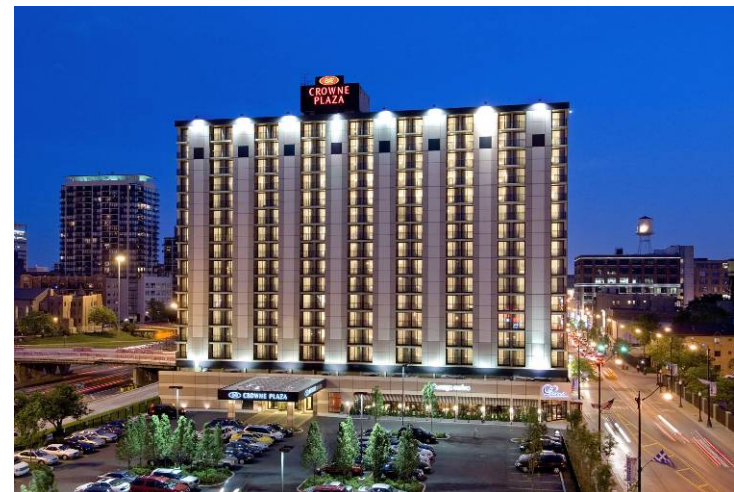
ADR

Airport & Urban = \$124.61

Leisure = \$126.66

Other = \$109.87

Upscale segment = \$118.10



Chicago Metro

RevPAR

Airport & Urban = \$89.12

Leisure = \$88.40

Other = \$71.37

Upscale segment = \$83.04

*Averages based on UFOC calculation and STR as of June 30, 2007

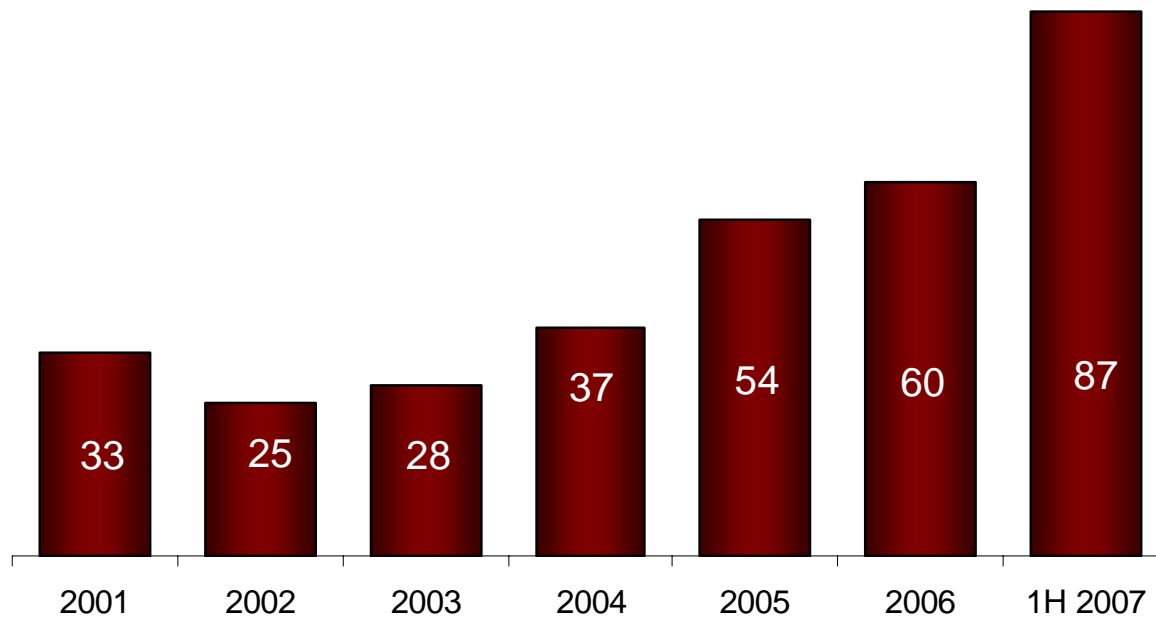


CROWNE PLAZA®

HOTELS & RESORTS

THE PLACE TO MEET.

Crowne Plaza Global Pipeline Momentum



New build hotels include:

- Mazatlan
- Antigua
- Shanghai
- Beijing airport
- Science City Guangzhou
- Changzhou
- New Delhi
- Danang
- Bangkok
- Changi Airport
- Singapore

30 properties in China alone

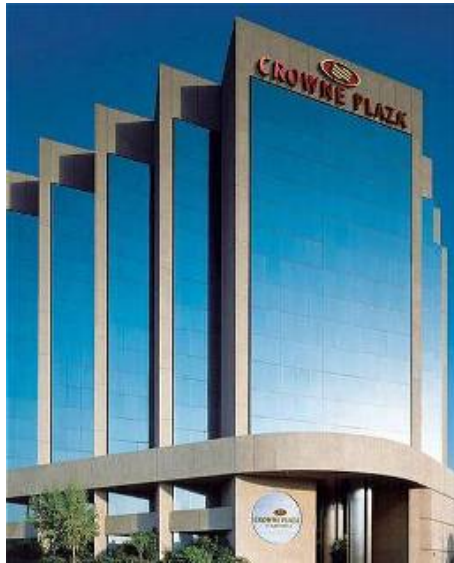


CROWNE PLAZA®

HOTELS & RESORTS

THE PLACE TO MEET.

Crown Plaza Hotels



Mexico City North



Sunrise, FL Sawgrass Mills



Chicago Metro

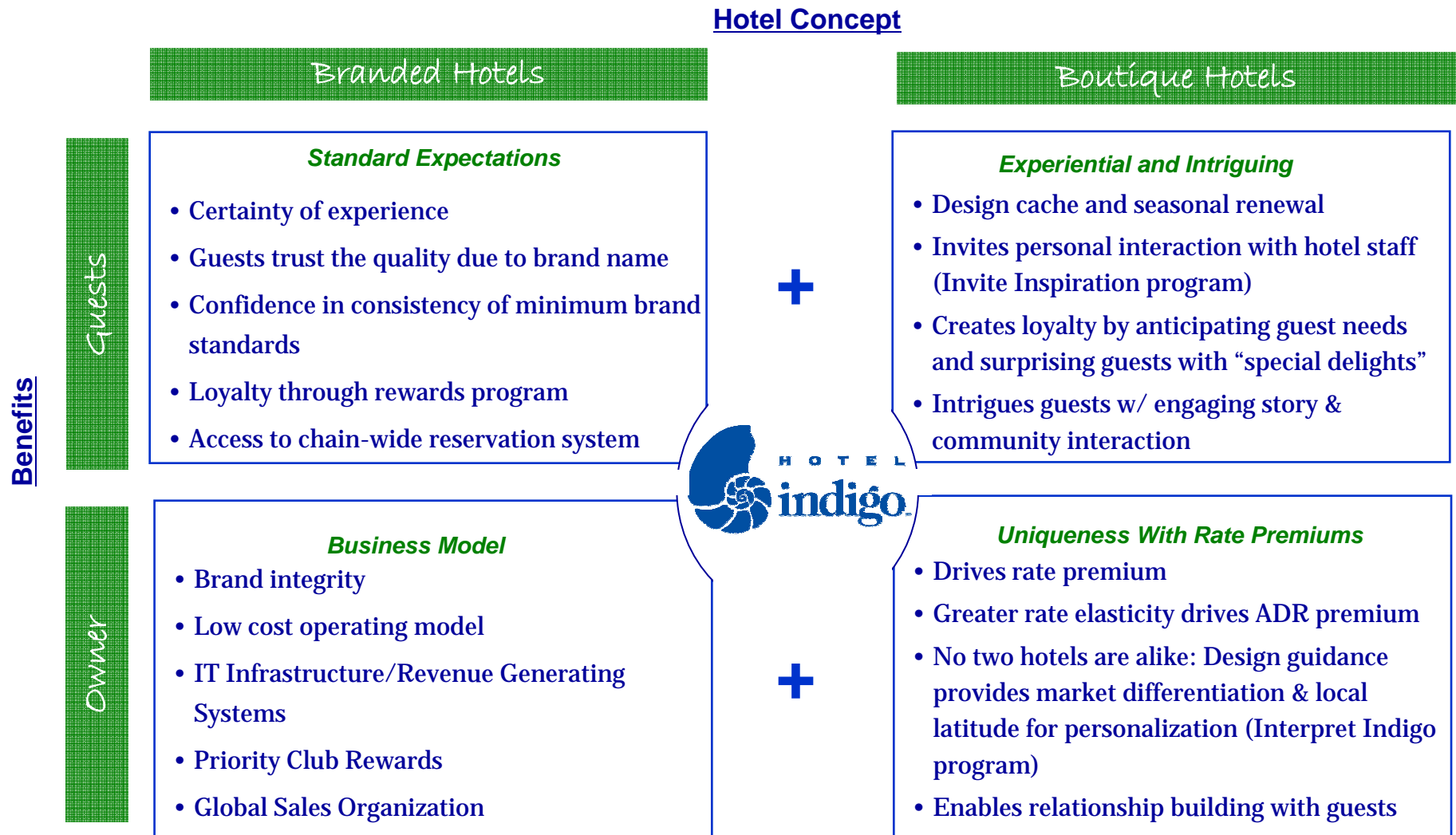


Caserta, Italy

Interpret Hotel Indigo with local character



Positioning: Branded Boutique



The “Branded Boutique” offers engaged service to the consumer which is easy to deliver for the owner

Hotel Indigo properties under development



San Diego, CA



Nashville, TN



Union Square, NYC



Chelsea, NYC



Rahway, NJ



Denver, CO



Las Vegas





A distinct and defensible brand position combined with compelling economics and IHG enterprise systems are catalysts for a growing development pipeline

- **Open**

- Atlanta Midtown, Georgia (140 rooms)
- Chicago Gold Coast, Illinois (165 rooms)
- Chicago Schaumburg North, Illinois (192 rooms)
- Houston at the Galleria, Texas (131 rooms)
- Dallas Downtown, Texas (170 rooms)
- Sarasota, Florida (95 rooms)
- Scottsdale, Arizona (126 rooms)
- Ottawa, Ontario, Canada (106 rooms)
- Buffalo- Amherst, New York (187 rooms)

- **Total Hotels Open: 9**

- **Under Development**

- Nashville – West End, Tennessee (140 rooms)
- Knoxville – At The University, Tennessee (126 rooms)
- Durham, North Carolina (120 rooms)
- Fort Myers, Florida (62 rooms)
- College Park, Georgia (120 rooms)
- Las Vegas, Nevada (148 rooms)
- Jacksonville, Florida (96 rooms)
- Baltimore, Maryland (135 rooms)
- Hanover, Maryland (140 rooms)
- Savannah, Georgia (140 rooms)
- San Antonio, Texas (91 rooms)
- New York, New York (122 rooms)
- Madison, Wisconsin (140 rooms)
- St. Louis, Missouri (120 rooms)
- Indianapolis, Indiana (143 rooms)
- Newton, Massachusetts (191 rooms)
- Columbus Architectural, Indiana (90 rooms)
- Fishers-Indy's Uptown, Indiana (115 rooms)
- Phoenix, Arizona (120 rooms)
- St. Louis, Missouri (128 rooms)

- **Under Development (Cont.)**

- Vernon Hills, Illinois (128 rooms)
- Chantilly, Virginia (120 rooms)
- Seagrove Beach (64 rooms)
- Ashburn, Virginia (150 rooms)
- Herndon, Virginia (200 rooms)
- Linthicum, Maryland (150 rooms)
- Nashville, Tennessee (107 rooms)
- Monterrey, Colonia del Valle, Mexico (140 rooms)
- Latham, New York (107 rooms)
- Rahway, New Jersey (102 rooms)
- Santa Fe, Mexico City, Mexico (150 rooms)
- Basking Ridge, New Jersey (112 rooms)
- Athens, Georgia (100 rooms)
- Las Vegas, Nevada (150 rooms)
- New York, New York (95 rooms)
- Miami Lakes, Florida (84 rooms)
- Miami, Florida (122 rooms)
- Glendale, California (147 rooms)
- Broomfield, Colorado (153 rooms)
- Asheville, North Carolina (100 rooms)
- North Scottsdale, Arizona (120 rooms)
- Miami Beach, Florida (135 rooms)
- San Antonio, Texas (149 rooms)
- Tampa, Florida (170 rooms)
- Atlanta, Georgia (168 rooms)
- Pensacola Beach, Florida (160 rooms)
- Navarre Beach, Florida (160 rooms)
- Brooklyn, New York (180 rooms)
- Pittsburgh, Pennsylvania (135 rooms)

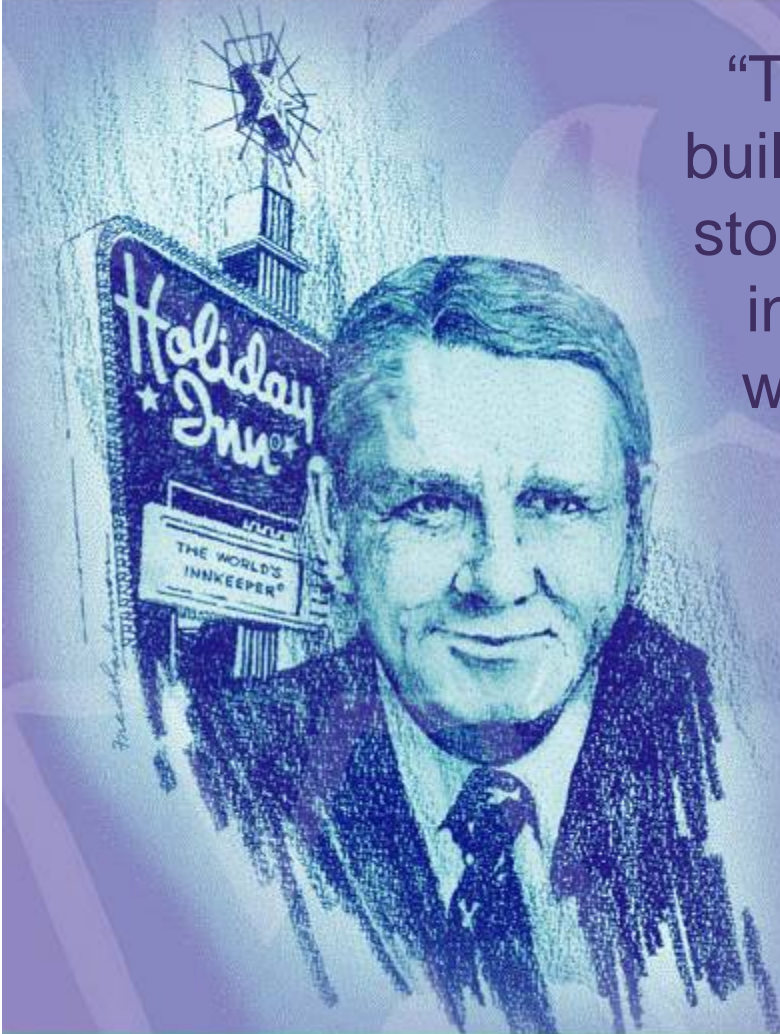
- **Total Hotels in Pipeline = 49 hotels**

- **TOTAL HOTELS Open and in Pipeline: 58**

9 out of 10 travelers have stayed at Holiday Inn®

“The Holiday Inn story is larger than buildings and happy vacations. It is the story of people – people who had faith in an idea, and who were willing to work together for its development.”

–*Kemmons Wilson* ,
“*The Holiday Inn Story*”
July, 1971





Holiday Inn focuses on what really matters to owners and guests

Since 1952 Holiday Inn Hotels & Resorts have provided the services business travelers need, while also offering leisure travelers a comfortable casual atmosphere where they can relax and enjoy restaurants, room service, swimming pools, fitness centers and comfortable lounges.

- Over 90 million guests each year
- We focus on our target consumer and build meaningful relationships through affinity marketing and by relating to their values
- Holiday Inn is the most global brand in its competitive set
 - Named “**Best Brand in the World**” at the 2006 Annual Business Traveller Asia Pacific Awards
 - Europe’s fastest growing brand
- Major League Baseball, NASCAR, VX Racing, Canadian Football and Australian Football league affiliations





Refreshing the Holiday Inn Brand

20 year record high pipeline 224 hotels in the Americas / 315 globally
80% of pipeline is New Builds – most new construction since the 1970s

- 176 prototypes in the US pipeline
- Prototype at 11% RevPAR premium to brand average
- 121% RevPAR penetration to competitive set
- MLB, NASCAR, Canadian Football League and Australian Football league affiliations





Holiday Inn performance metrics remain strong in first half of 2007 as compared to the industry segment

Occupancy

Airport & Urban = 69.7%

Leisure = 65.8%

Other = 61.2%

Midscale w/ F&B segment = 56.8%

ADR

Airport & Urban = \$104.67

Leisure = \$123.34

Other = \$90.62

Midscale w/ F&B segment = \$83.24



RevPAR

Airport & Urban = \$72.96

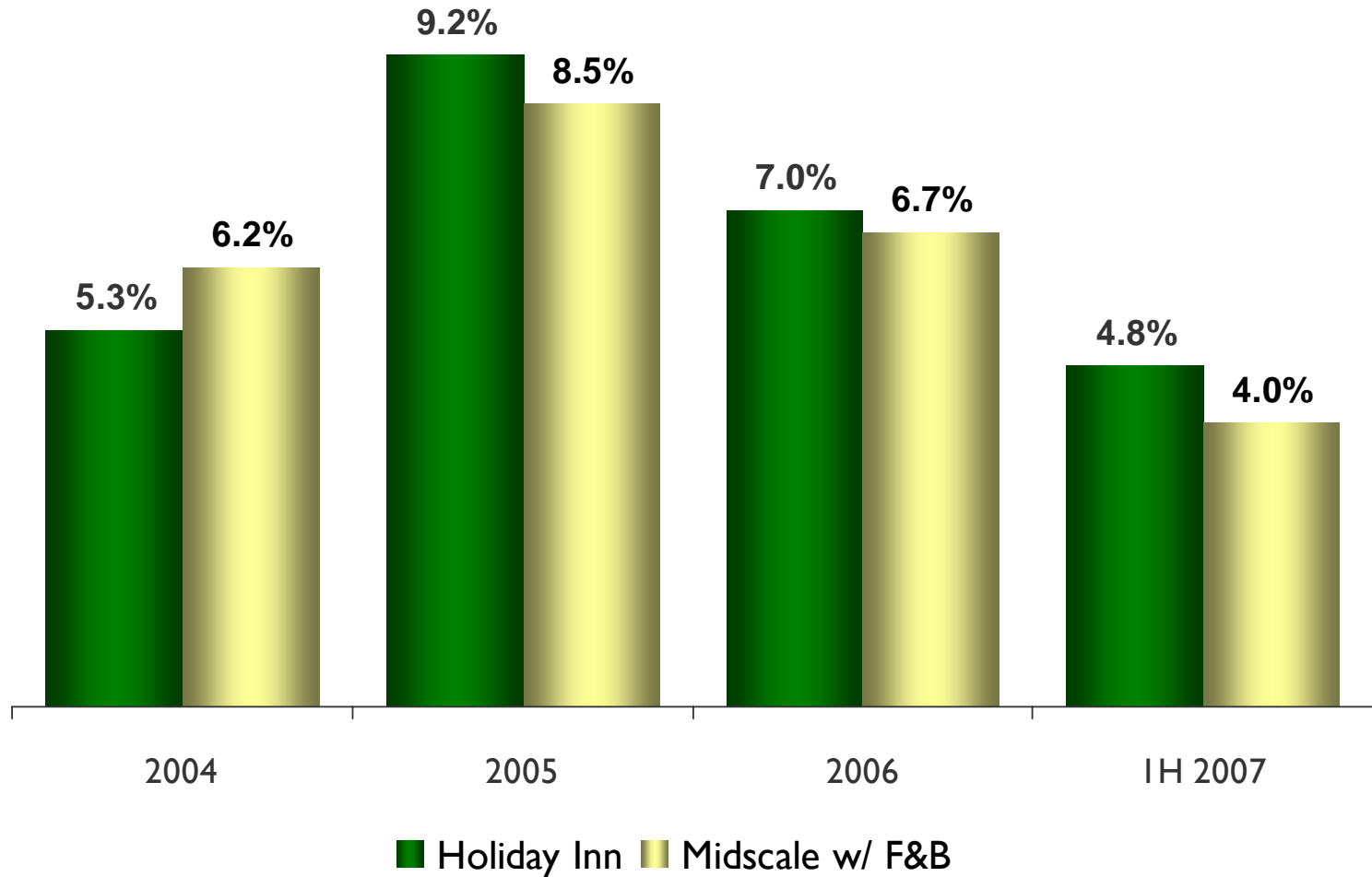
Leisure = \$81.18

Other = \$55.48

Midscale w/ F&B segment = \$47.27



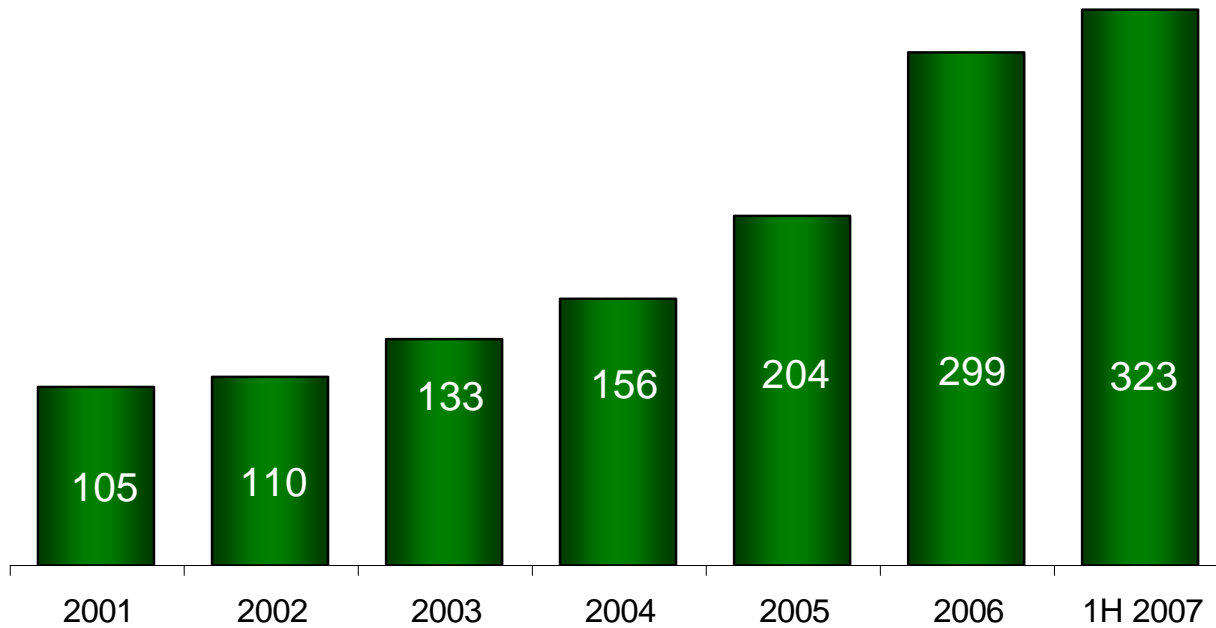
Holiday Inn has achieved significant RevPAR Growth as compared to the industry segment



Sources: IHG; Smith Travel Research



Holiday Inn global pipeline



New build hotels include:

- Palm Springs
- Miami Beach
- Cairo
- Moscow
- Shanghai
- Guangzhou airport
- Century City Chengdu
- Bangkok
- Jakarta

20 properties in China alone

A fresh, clean uncomplicated hotel choice

Offering comfort, convenience and good value.

- Fastest growing brands in the industry
 - *Opening two hotels per week*
- The most rapid food and beverage roll out in the hospitality industry.
 - *Our complimentary Express Start breakfast bar opened in 1,250 Holiday Inn Express hotels in just three months*
- Selected as one of “America’s Greatest Brands” for 2nd year in a row by American Brands Council



Holiday Inn Express Hong Kong



Express by Holiday Inn
Best Budget Hotel Chain

Express by Holiday Inn
voted
'Best Budget'
hotel chain

Express by Holiday
Inn has won this
award 6 times since
2000



Occupancy

Airport & Urban = 72.6%

Leisure = 66.3%

Mainstream = 67.4%

Midscale w/o F&B segment = 65.8%



Corona, CA

ADR

Airport & Urban = \$110.64

Leisure = \$108.92

Mainstream = \$91.11

Midscale w/o F&B segment = \$86.08

RevPAR

Airport & Urban = \$80.33

Leisure = \$72.18

Mainstream = \$61.45

Midscale w/o F&B segment = \$56.61



= 46% of rooms revenue from PCR members



An upscale extended-stay hotel brand offering comfortable and stylish accommodation.

IHG continues to innovate in the extended stay market. We have a significant presence in the US with Staybridge Suites. IHG has launched the first extended stay brand in the UK by introducing Staybridge Suites in 2006 and are now targeting the Middle East.

- New deals in the pipeline include:
 - Sacramento, CA
 - Denver, CO
 - Orlando, FL
 - Dallas and San Antonio, TX
 - London, Liverpool, Newcastle UK
 - Dubai
- Average length of stay = 8 nights
- 80% business; 20% leisure





Brand Performance

Occupancy

Urban = .72.9%

Leisure = 80.2%

Other = 72.8%

Upscale Extended Stay = 75.2%



Newcastle, UK Opening 2008

ADR

Urban = \$111.11

Leisure = \$103.62

Other = \$102.39

Upscale Extended Stay = \$116.81

RevPAR

Urban = \$81.05

Leisure - \$103.62

Other = \$74.53

Upscale Extended Stay = \$87.85



= 45% of rooms revenue from PCR members

Candlewood Brand Value Proposition



Candlewood Suites was created with a clear focus....

1. Target for guests 7+ nights
2. Well-designed accommodations and services for the self-reliant customer
3. Higher margins coupled with lower cost to develop and operate

Performs well in secondary & tertiary markets

- Low cost per key to build
- Demand is projected to continue to outpace supply
- Streamlined operating model

Properties in the pipeline include:

- New York City
- San Diego and Palm Desert, CA
- Houston, TX
- Fort Myers and Orlando, FL
- Toronto, Ontario



New York City *Opens Late 2008*



COMFORTS of HOME
BEDDING COLLECTION

by Candlewood Suites

*Chain Leadership Award for Design & Décor
- 2006 Lodging Hospitality*

Consider us home.

Brand Performance



Occupancy

Urban = .76.1%

Other = 69.9%

Midcale Extended Stay = 71.4%



Montreal

ADR

Urban = \$83.18

Other = \$68.76

Midscale Extended Stay = \$70.41

RevPAR

Urban = \$63.28

Other = \$48.04

Midscale Extended Stay = \$50.26



= 39% of rooms revenue from PCR members

Consider us home.

IHG provides rock solid support





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