INTERCONTINENTAL HOTELS GROUP PLC /NEW/
Form 6-K
February 17, 2015

SECURITIES AND EXCHANGE COMMISSION

Washington DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 AND 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For 17 February 2015

InterContinental Hotels Group PLC
(Registrant's name)

Broadwater Park, Denham, Buckinghamshire, UB9 5HJ, United Kingdom
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): Not applicable

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EXHIBIT INDEX

99.1 Final Results

Exhibit No: 99.1

InterContinental Hotels Group PLC
Preliminary Results for the year to 31 December 2014
Excellent year with strong financial performance and continued delivery of winning strategy

Financial summary1	Reported			Underlying at FY13 constant rates2		
	2014	2013	% Change	2014	2013	% Change
Revenue	$1,858m	$1,903m	(2)%	$1,667m	$1,573m	6%
Fee Revenue3	$1,255m	$1,176m	7%	$1,261m	$1,176m	7%
Operating profit	$651m	$668m	(3)%	$648m5	$591m	10%
Adjusted EPS	158.3¢	158.3¢	-	155.4¢	138.5¢	12%
Basic EPS4	158.3¢	140.9¢	12%	-	-	-
Total dividend per share	77.0¢	70.0¢	10%	-	-	-
Net debt	$1,533m	$1,153m	-	-	-	-

1All figures before exceptional items unless otherwise noted. 2Excluding owned asset disposals, significant liquidated damages, and results from managed lease hotels, at constant FY13 exchange rates (CER). Underlying adjusted EPS based on underlying EBIT, effective tax rate, and reported interest at actual exchange rates. 3Group revenue excluding owned & leased hotels, managed leases and significant liquidated damages. 4After exceptional items. 5Underlying operating profit of $639m at actual FY14 exchange rates.

Richard Solomons, Chief Executive of InterContinental Hotels Group PLC, said:
"2014 was an excellent year for IHG as we delivered against our long-term winning strategy for high quality growth. We achieved strong RevPAR performance of 6.1%, and our best net system size growth since 2009 of 3.4%, increasing our operating profit on an underlying2 basis by 10%.

We remain committed to reducing the capital intensity of the business and maintaining an efficient balance sheet with disposal proceeds received in the year of almost $400m and shareholder returns, including ordinary dividends, of over $1bn. We are proposing an increase in the total dividend for the year of 10%.

We expanded our brand portfolio and strengthened our position in boutique hotels, the fastest growing segment in the industry over the last five years, with the acquisition of Kimpton Hotels & Restaurants. The first properties for our innovative, consumer focused, EVEN Hotels and HUALUXE Hotels and Resorts brands are now open. Significant growth milestones were achieved across our established brands as we continue to strengthen our scale positions in the most important global markets.

Looking into 2015, we face many macroeconomic and geopolitical uncertainties, but are confident that our strategy for high quality growth coupled with the momentum in the business positions us well for continued strong performance."

Financial Highlights

· Strong underlying financial performance

- Strong annual RevPAR performance with global comparable RevPAR up 6.1%, led by 7.4% growth in the Americas. Q4 global comparable RevPAR growth of 5.1%, with 7.0% growth in the Americas.
- $23bn total gross revenue from hotels in IHG's system (up 6% year on year; 7% CER).
- Underlying2 fee revenue up 7% and operating profit up 10% driven by strong trading and enhanced productivity. Reported operating profit down 3% reflecting owned hotel disposals and 2013 liquidated damages.
- Group fee-based margin up 1.5%pts to 44.7%, benefiting from strong growth in our scale markets. We will continue to invest for long-term growth in developing markets in 2015.

Strategic Progress

· Enhancing our portfolio of preferred brands

- Significant milestones reached across our brand family including the 400th Crowne Plaza, the 200th Staybridge Suites, the 60th Hotel Indigo in its 10th anniversary year, opening of the first two properties for the wellness-focused EVEN Hotels, and over 100 open and pipeline hotels for the Holiday Inn Express brand in China.
- Acquisition of Kimpton Hotels & Restaurants LLC ("Kimpton") completed in January 2015. Along with Hotel Indigo and EVEN Hotels, creates industry's leading lifestyle & boutique business with over 200 open and pipeline hotels.
- First hotel for the HUALUXE Hotels and Resorts brand opened in February 2015.

· Building and leveraging scale

- 710k rooms open at year end (722k including Kimpton) as we delivered our strongest net system size growth since 2009 of 3.4% with 41k rooms opened, and 18k rooms removed.
- Highest signings in six years of 70k rooms into our 194k room pipeline (197k including Kimpton).
- 85% of open rooms and 89% of pipeline in our 10 priority markets.
- 5% share of global industry supply, 13% share of active industry pipeline; well positioned to drive future growth.

· Driving revenue delivery through technology and digital channels

- 71% room revenue delivered by direct and indirect channels, including $4bn of digital revenues. 50% growth in mobile bookings to over $900m.
- Increased personalisation and redemption offers for 84m IHG Rewards Club members.
- Improved our number one rated mobile app with launch of mobile check-in and check-out at over 500 hotels.
- Established strategic relationship with Amadeus to develop innovative and efficient technology solutions.

· Commitment to efficient balance sheet and driving shareholder returns

- Year end net debt / EBITDA of 2.1x; 2.6x following completion of Kimpton acquisition.
- Over $1bn returned to shareholders during 2014; 11% increase in final dividend to 52¢.

Americas - Excellent RevPAR performance and highest signings in 6 years

The Americas is our largest region, contributing 68% of our operating profit before central overheads in the year. The US contributes over 80% of our fee revenues in the Americas, where we also focus on growth in Mexico, Canada, and Latin America. In the US, we have driven strong growth in RevPAR in a favourable supply and demand environment.

Comparable RevPAR increased 7.4%, driven by rate growth of 3.7%; fourth quarter RevPAR increased 7.0%. In the US, RevPAR was up 7.5% in both the full year and fourth quarter. Strong performance across all our brands was driven by continued demand growth set against limited supply increases, with like-for-like growth in the fourth quarter benefiting from the Government shut down in 2013.

On an underlying1 basis, revenue was up 10% and operating profit was up 8% driven predominantly by strong RevPAR growth in the fee business and an increase in net rooms. Regional overheads of $65m increased following investment in our development and quality teams, and unusually high healthcare costs. Underlying1 owned profits exhibited high growth due to post refurbishment performance at Holiday Inn Aruba and strong trading at the InterContinental Boston. Reported revenue decreased 5% to $871m and operating profit decreased 1% to $544m due to the sale of owned assets and significant liquidated damages of $31m received in 2013 (versus $7m in 2014).

We opened 21k rooms (178 hotels) including the 492-room Holiday Inn Financial District in Manhattan, one of 64 hotels opened in the fourth quarter. We also opened the first two hotels for the EVEN Hotels brand in June, which have received consistently excellent guest feedback. The removal of 12k rooms (95 hotels), over 30% fewer than in 2013, demonstrates our continued commitment to quality.

We signed 38k rooms (319 hotels), our best performance for six years and 12% up versus 2013. Signings in the year included a 900-room new build InterContinental hotel in Los Angeles, which will be our largest for the brand in the US, the 777-room Holiday Inn Resort Nickelodeon Suites, one of over 200 Holiday Inn brand family signings, and Crowne Plaza Atlanta - Midtown, which also opened in the year, and is one of 10 signings for the brand.

2015:
Key performance indicators for Kimpton will be reported from the first quarter and profit and loss information will be consolidated in Americas managed from half year results. The refurbishment of InterContinental New York Barclay is progressing well and the hotel is expected to reopen in 2016. We incurred costs of $5m in relation to our 20% joint venture share of the hotel's operating expenditure (reflected in Americas managed operating profit), and we expect a similar cost in 2015, as previously indicated.

Europe - Strong trading performance in the UK and Germany
Europe contributed 11% of our operating profit before central overheads in the year. Our business in Europe is focused on growth in our priority markets of the UK, Germany, Russia and the CIS, and the top 50 European cities, which contribute approximately 85% of our total fee revenues in the region.

Comparable RevPAR increased 5.1% with growth in both ADR and occupancy; fourth quarter RevPAR increased 4.2%. Trading was particularly strong in the UK, up 8.9%, with low double digit growth in the provinces and high single digit growth in London. Germany also performed well with RevPAR up 4.1%. We outperformed the industry in Russia and the CIS, but fee income declined by $3m in 2014, due to the challenging economic environment and currency devaluation in the second half.

On an underlying1 basis, revenue increased 1% and operating profit increased 3%. This reflects good growth in the franchise business, which delivered 11% operating profit growth. This was partially offset by a decline in profit at InterContinental Paris - Le Grand, during the refurbishment of its historic Salon Opera ballroom in the first half of 2014. Reported revenue decreased 7% (7% CER) to $374m and operating profit decreased 15% (13% CER) to $89m due to the disposal of owned assets and receipt of significant liquidated damages in 2013.

Openings of 5k rooms (35 hotels) included two landmark InterContinental hotels; one in Dublin, Ireland, which was both signed and opened in December and the other in Lisbon, Portugal. We also opened four new properties for the Hotel Indigo brand in prime city locations of Paris, Madrid, Rome and St Petersburg. We signed 8k rooms (48 hotels) into our pipeline, including 2k rooms (12 hotels) in Germany, our strongest ever level of signings in the market driven by our multi-development agreement partners and the use of recyclable capital investment.

2015:
We have recently streamlined our mainstream Europe managed business, which will result in the transfer of most of our UK managed hotels to franchise contracts, and allows us to accelerate the growth of our business in this priority market. 21 hotels transferred during 2014, and the balance will transfer in 2015. If this change had been in place for the full year, managed and franchised EBIT would have been $8m lower and $10m higher respectively, and we expect UK franchised income from these hotels to rise by a further $3m in the medium-term as a result of these changes.

1 Excluding owned asset disposals, significant liquidated damages, and results from managed lease hotels, at constant FY13 exchange rates (CER).

AMEA - Robust performance led by RevPAR growth in established markets
AMEA contributed 10% of our operating profit before central overheads in the year. Our Asia, Middle East & Africa region is our most diverse, including the developed markets of the Middle East, Australia and Japan, and developing markets such as Indonesia and India. 54% of our open hotels in the region are in developed markets, whereas 77% of our pipeline is in developing markets.

Comparable RevPAR increased 3.8% driven by 2.4% rate growth, with fourth quarter RevPAR up 3.1%. Total RevPAR was up 2.2% as hotels opened in developing markets with lower RevPAR. Our performance was led by the Middle East, up 5.6%, driven by solid performance in Saudi Arabia and recovery in Egypt, and Indonesia, up 9.1%. This was supported by positive trading in the mature markets of Japan, which grew by 6.7%, and Australia, which grew by 3.9%. Elsewhere, both India and South East Asia exhibited steady growth, with the exception of Thailand which suffered from political instability in the first half of the year and saw a double digit decline in RevPAR.

On an underlying1 basis, revenue was up 2% and operating profit up 5%. This reflects solid like-for-like performance in our fee-based business, partially offset by investment in long-term business development and the political unrest in Thailand. Reported revenue increased 5% (10% CER) to $242m and operating profit decreased 2% (up 1% CER) to $84m, impacted by the receipt of $6m in liquidated damages during 2013.

We opened 4k rooms (19 hotels) including nine hotels in our focus markets of Indonesia and India, and the iconic InterContinental Double Bay Sydney. We signed 8k rooms (32 hotels), including the second Hotel Indigo property in the Middle East, a 1,000-room Holiday Inn in Manila and four InterContinental hotels across the region.

2015:
Investment into long-term business development will continue, and combined with a small number of minor refurbishments and contract renewals will have an approximately $3m negative impact on 2015

operating profit.

Greater China - Record year for openings and 9.5% fee revenue growth in our 30th anniversary year

Greater China contributed 11% of our operating profit before central overheads in the year. Over the last 30 years, we have developed the leading managed hotel business in Greater China with 78k rooms open and a further 54k rooms in the pipeline. We achieved our highest ever openings in the year of 11k rooms, increasing our system size by 14%, whilst signing 16k rooms, our best year for hotel signings since 2007. Having originally developed our business in tier one cities and the eastern seaboard, our more recent growth has focused on tier two and three cities. Tier two and three cities will generate long-term demand growth in the region and now represent two-thirds of our open rooms and over 90% of our pipeline rooms.

Comparable RevPAR increased 1.6%, led by an improvement in occupancy, with fourth quarter RevPAR down 2.0%. Total RevPAR declined by 3.4% as hotels opened in lower RevPAR markets. Our performance was significantly ahead of the industry, reflecting IHG's scale and operational excellence in the region, and was achieved in a challenging environment with slower macro-economic conditions, government austerity measures and protests in Hong Kong. Trading was strongest in tier one cities, especially Shanghai and Guangzhou, which benefited from high levels of transient and corporate business. Tier two and three cities continue to see strong levels of demand growth, but have been impacted by higher levels of new supply as these markets develop.

Reported revenue increased 3% (3% CER) to $242m driven by fee revenue up 9.5%, and operating profit was up 9% (10% CER) to $89m. Managed profit was up 24% to $63m, reflecting improvements in operating margin, 15% net room growth, and a small number of one-off items that contributed approximately $5m to EBIT. This was partially offset by performance of our owned InterContinental hotel in Hong Kong where operating profit fell $5m, due to the continuing redevelopment of the area adjacent to the hotel and protests in central Hong Kong.

We opened our 50th Holiday Inn Express hotel in 2014 and with 50 more in the pipeline, Holiday Inn Express is the largest international limited service brand in China. In February 2015, we opened our first hotel for the HUALUXE Hotels and Resorts brand, which is based on four key priorities that Chinese guests want and that IHG identified through an in depth Chinese consumer insights study.

2015:

We will invest a further $5m into regional overheads in our China business in 2015, particularly for the training and development of the highly skilled workforce needed to deliver our service commitment at our hotels, thereby allowing us to outperform for our owners, and grow our share of new hotels being developed.

1 Excluding owned asset disposals, significant liquidated damages, and results from managed lease hotels, at constant FY13 exchange rates (CER).

Capital allocation - commitment to efficient balance sheet and investing for growth

· Reducing the asset intensity of the business - progress on asset disposals

- Disposals of InterContinental Mark Hopkins San Francisco and an 80% interest in InterContinental New York Barclay completed in the first half of the year, with net cash proceeds of $346m.
- We accepted an offer of €330m for InterContinental Paris - Le Grand in the fourth quarter and proceeds are expected to be received in the first half of 2015.

· Investing for growth

- Acquisition of Kimpton Hotels & Restaurants LLC for $430m closed in January 2015.
- $271m gross capital expenditure in 2014 comprised: $154m maintenance capex and key money; $60m recyclable investments; and $57m system funded capital investments. $48m proceeds received from other assets and $20m system fund depreciation received via working capital, resulting in $203m of net capital expenditure.
- Gross capex guidance remains unchanged at up to $350m per annum into the medium term.

· Shareholder returns - over $1bn returned to shareholders in 2014

- Final dividend increase proposed of 11% to 52¢, which equates to a full year dividend of 77¢, up 10%, reflecting the cash generative nature of our business model.
- $763m returned to shareholders in July via $2.93 per share special dividend with 12 for 13 share consolidation and $500m share buyback programme completed, with 3.4m shares repurchased for $110m in the first half.

· Efficient balance sheet provides flexibility

- Year-end net debt of $1,533m (including $218m finance lease on InterContinental Boston) is up $380m on 2013 due to the return of funds to shareholders, partially offset by proceeds from asset disposals.
- Year-end borrowings position represents a net debt / EBITDA ratio of 2.1x, 2.6x on a pro forma basis including the $430m acquisition of Kimpton in January 2015.

Foreign exchange - volatile currency markets impact reported profit

Foreign exchange movements impacted 2014 reported profit by approximately $9m; underlying1 operating profit of $648m would have been $639m at actual 2014 exchange rates. This was driven by a weakening of certain currencies in Europe and AMEA versus the dollar, which reduced reported revenue, whilst the British pound appreciated in the first half increasing reported overheads.

Currency markets have been volatile in recent months with a significant strengthening of the US dollar, and we expect foreign exchange to have a continued impact on 2015 reported profit. If the prevailing exchange rates at the end of January 2015 had existed throughout 2014, 2014 reported operating profit would have reduced by a further $7m.

Interest, tax, and exceptional items

Interest: Net financial expenses increased by $7m to $80m reflecting an increase in average net debt levels following the payment of the special dividend, and the foreign exchange translation impact on interest on the two sterling denominated bonds. Financing costs include $19m in respect of the finance lease on InterContinental Boston.

Tax: Effective rate for 2014 is 31% (2013: 29%). 2015 tax rate expected to be low to mid 30s, as previously guided.

Exceptional operating items: Net exceptional operating gain of $29m for the full year comprised: $130m net gain on asset disposals; $14m charge relating to changes to the Venezuelan currency exchange rate; $29m charge relating primarily to structural efficiency programmes across IHG's Global Human Resources and Technology functions; $6m from a partial cash-out of the UK unfunded pension arrangements; $45m charge for restructuring the UK managed hotel portfolio; and $7m Kimpton acquisition transaction costs.

1 Excluding owned asset disposals, significant liquidated damages, and results from managed lease hotels, at constant FY13 exchange rates (CER).

Appendix 1: RevPAR Movement Summary

	Full Year 2014			Q4 2014		
	RevPAR	Rate	Occ.	RevPAR	Rate	Occ.
Group	6.1%	2.7%	2.2pts	5.1%	2.4%	1.7pts
Americas	7.4%	3.7%	2.4pts	7.0%	3.6%	2.0pts
Europe	5.1%	2.3%	1.9pts	4.2%	2.5%	1.1pts
AMEA	3.8%	2.4%	1.0pts	3.1%	1.5%	1.2pts
G. China	1.6%	(2.3)%	2.4pts	(2.0)%	(3.4)%	1.0pts

Appendix 2: Full Year System & Pipeline Summary (rooms)

	System					Pipeline	
	Openings	Removals	Net	Total	YoY%	Signings	Total
Group	41,052	(17,630)	23,422	710,295	3.4%	69,696	193,772
Americas	20,823	(12,230)	8,593	460,017	1.9%	38,108	86,195
Europe	5,353	(3,211)	2,142	104,208	2.1%	7,804	18,893
AMEA	4,228	(1,190)	3,038	67,876	4.7%	8,030	34,346
G. China	10,648	(999)	9,649	78,194	14.1%	15,754	54,338

Appendix 3: Full Year financial headlines

Operating Profit	Total		Americas		Europe		AMEA		G. China		Central	
$m	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Franchised	639	595	544	499	78	79	12	12	5	5	-	-
Managed	228	247	47	74	30	30	88	92	63	51	-	-
Owned & leased	77	111	18	30	14	30	3	4	42	47	-	-
Regional overheads	(138)	(130)	(65)	(53)	(33)	(34)	(19)	(22)	(21)	(21)	-	-
Profit pre central overheads	806	823	544	550	89	105	84	86	89	82	-	-
Central overheads	(155)	(155)	-	-	-	-	-	-	-	-	(155)	(155)
Group Operating profit	651	668	544	550	89	105	84	86	89	82	(155)	(155)

Appendix 4: Constant exchange rate (CER) and underlying operating profit movement before exceptional items

	Total***		Americas		Europe		AMEA		G. China	
Reported	Actual*	CER**	Actual*	CER**	Actual*	CER**	Actual*	CER**	Actual*	CER**
Growth/ (decline)	(3)%	(1)%	(1)%	(1)%	(15)%	(13)%	(2)%	1%	9%	10%

Underlying****	Total***	Americas	Europe	AMEA	G. China
Growth/ (decline)	10%	8%	3%	5%	10%

Exchange rates:	GBP:USD	EUR:USD
2014	0.61	0.75

* US dollar actual currency

** Translated at constant 2013 exchange rates

2013	0.64	0.75	*** After central overheads **** At CER and excluding: owned asset disposals, results from managed lease hotels and significant liquidated damages (see below for definitions)

Appendix 5: Definitions
CER: constant exchange rates with FY13 exchange rates applied to FY14.

Comparable RevPAR: Revenue per available room for hotels that have traded for a full 12 months in FY13 and FY14, reported at CER.

Fee revenue: Group revenue excluding owned & leased hotels, managed leases and significant liquidated damages.

Fee margin: adjusted for owned and leased hotels, managed leases and significant liquidated damages.

Managed lease hotels: properties structured for legal reasons as operating leases but with the same characteristics as management contracts

Americas: Revenue 2014 $38m; 2013 $34m; EBIT 2014 $nil, 2013 $nil. Europe: Revenue 2014 $90m; 2013 $89m; EBIT 2014 $2m, 2013 $2m. AMEA: Revenue 2014 $41m; 2013 $21m; EBIT 2014 $4m, 2013 $1m.

Owned asset disposals: InterContinental Mark Hopkins San Francisco was sold on 27 March 2014 (2014: $9m revenue and $nil EBIT, 2013: $43m revenue and $6m EBIT); 80% of IHG's interest in the InterContinental New York Barclay was disposed of on 31 March 2014 retaining the remaining 20% in a joint venture (2014: $14m revenue and $(1)m EBIT, 2013: $75m revenue and $14m EBIT) and InterContinental London Park Lane was sold on 1 May 2013 (2013: $22m revenue and $8m EBIT).

Significant liquidated damages: $7m in 2014 ($4m Americas franchised in Q1, $3m Americas franchised in Q2); $46m in 2013 ($31m Americas managed in Q1, $9m Europe franchised in Q2, $6m AMEA managed in Q4).

Total gross revenue: total rooms revenue from franchised hotels and total hotel revenue from managed, owned and leased hotels. It is not revenue attributable to IHG, as it is derived mainly from hotels owned by third parties. The metric is highlighted as an indicator of the scale and reach of IHG's brands.

Total RevPAR: Revenue per available room including results from hotels that have opened or exited in either FY13 or FY14, reported at CER.

Appendix 6: Investor Information for proposed 2014 final dividend

Ex-dividend date:	2 April 2015	Record date:	7 April 2015
Payment date:	15 May 2015	Dividend payment:	Ordinary shares: 33.8 pence per share; ADRs: 52.0 cents per ADR

For further information, please contact:

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Media Relations (Yasmin Diamond; Zoë Bird):	+44 (0)1895 512 008	+44 (0)7736 746 167

Presentation for Analysts and Shareholders:
A presentation with Richard Solomons, Chief Executive Officer and Paul Edgecliffe-Johnson, Chief Financial Officer will commence at 9:30am UK time on 17 February at Goldman Sachs, Rivercourt, 120 Fleet Street, London, EC4A 2BE. There will be an opportunity to ask questions. The presentation will conclude at approximately 10:30am.

There will be a live audio webcast of the results presentation on the web address www.ihgplc.com/prelims15. The archived webcast of the presentation is expected to be on this website later on the day of the results and will remain on it for the foreseeable future. There will also be a live dial-in facility:

UK toll:	+44 (0)20 3003 2666
UK toll free:	0808 109 0700
US toll:	+1 646 843 4608
Passcode:	IHG Investor

A replay of the conference call will also be available following the event - details are below.

Replay:	+44 (0)20 3350 6902
Pin:	4028159

US conference call and Q&A:
There will also be a conference call, primarily for US investors and analysts, at 9:00am Eastern Standard Time on 17 February with Richard Solomons, Chief Executive Officer and Paul Edgecliffe-Johnson, Chief Financial Officer. There will be an opportunity to ask questions.

UK toll:	+44 (0)20 3003 2666
US toll:	+1 646 843 4608
US toll free:	+1 866 966 5335
Passcode:	IHG Investor

A replay of the conference call will also be available following the event - details are below.

Replay:	+44 (0)20 3350 6902
Pin:	3290546

Website:
The full release and supplementary data will be available on our website from 7:00am (London time) on 17 February. The web address is www.ihgplc.com/prelims15.

Notes to Editors:
IHG (InterContinental Hotels Group) [LON:IHG, NYSE:IHG (ADRs)] is a global organisation with a broad portfolio of hotel brands, including InterContinental® Hotels & Resorts, HUALUXE® Hotels and Resorts, Crowne Plaza® Hotels & Resorts, Hotel Indigo®, EVEN™ Hotels, Holiday Inn® Hotels & Resorts, Holiday Inn Express®, Staybridge Suites® and Candlewood Suites®. In January 2015, IHG acquired Kimpton Hotels & Restaurants, the world's leading boutique hotel business.
IHG manages IHG® Rewards Club, the world's first and largest hotel loyalty programme with over 84 million members worldwide. The programme was relaunched in July 2013, offering enhanced benefits for members including free internet across all hotels, globally.
IHG franchises, leases, manages or owns over 4,800 hotels and more than 710,000 guest rooms in nearly 100 countries, with over 1,200 hotels in its development pipeline. Over 350,000 people work across IHG's hotels and corporate offices worldwide.

In January 2015 we completed the acquisition of Kimpton Hotels & Restaurants, adding 62 hotels (11,300 rooms) to our system size and 16 hotels to our development pipeline.
InterContinental Hotels Group PLC is the Group's holding company and is incorporated in Great Britain and registered in England and Wales.
Visit www.ihg.com for hotel information and reservations and www.ihgrewardsclub.com for more on IHG Rewards Club. For our latest news, visit: www.ihg.com/media, www.twitter.com/ihg, www.facebook.com/ihg or www.youtube.com/ihgplc.

Cautionary note regarding forward-looking statements:
This announcement contains certain forward-looking statements as defined under United States law (Section 21E of the Securities Exchange Act of 1934) and otherwise. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe' or other words of similar meaning. These statements are based on assumptions and assessments made by InterContinental Hotels Group PLC's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by, such forward-looking statements. The main factors that could affect the business and the financial results are described in the 'Risk Factors' section in the current InterContinental Hotels Group PLC's Annual report and Form 20-F filed with the United States Securities and Exchange Commission.

This Business Review provides a commentary on the performance of InterContinental Hotels Group PLC (the Group or IHG) for the financial year ended 31 December 2014.

GROUP PERFORMANCE

		12 months ended 31 December		
Group results		2014	2013	%
		$m	$m	change
Revenue				
	Americas	871	916	(4.9)
	Europe	374	400	(6.5)
	AMEA	242	230	5.2
	Greater China	242	236	2.5
	Central	129	121	6.6
		1,858	1,903	(2.4)
Operating profit				
	Americas	544	550	(1.1)
	Europe	89	105	(15.2)
	AMEA	84	86	(2.3)
	Greater China	89	82	8.5
	Central	(155)	(155)	-
Operating profit before exceptional items		651	668	(2.5)
Exceptional operating items		29	5	480.0
		680	673	1.0

Net financial expenses	(80)	(73)	(9.6)
Profit before tax	600	600	-
Earnings per ordinary share			
Basic	158.3¢	140.9¢	12.3
Adjusted	158.3¢	158.3¢	-
Average US dollar to sterling exchange rate	$1 : £0.61	$1 : £0.64	(4.7)

Revenue decreased by $45m (2.4%) to $1,858m and operating profit before exceptional items decreased by $17m (2.5%) to $651m during the year ended 31 December 2014, due in part to the disposal of owned hotels in line with the Group's asset-light strategy.

On 27 March 2014, IHG completed the disposal of its freehold interest in InterContinental Mark Hopkins San Francisco for gross disposal proceeds of $120m and a long-term contract to manage the hotel. On 31 March 2014, IHG completed the disposal of 80% of its interest in InterContinental New York Barclay for gross proceeds of $274m and a 30-year management contract with two 10-year extension rights, retaining the remaining 20% in a joint venture set up to own and refurbish the hotel.

On 7 August 2014, the Group received a binding offer to acquire InterContinental Paris - Le Grand for proceeds of €330m in cash and a 30-year management contract with three 10-year extension rights. The offer was subsequently accepted on 8 December 2014, with the transaction expected to complete by the end of the first half of 2015, subject to the satisfaction of certain standard conditions.

On an underlying[1] basis, revenue and operating profit increased by $94m (6.0%) and $57m (9.6%) respectively. The underlying results exclude InterContinental Mark Hopkins San Francisco and InterContinental New York Barclay whilst under IHG ownership, the results of managed lease hotels, and the benefit of $7m liquidated damages receipts in 2014 and $46m liquidated damages receipts in 2013.

Comparable Group RevPAR increased by 6.1% (including an increase in average daily rate of 2.7%), led by particularly strong growth of 7.4% in The Americas. Group System size increased by 3.4% to 710,295 rooms whilst Group fee revenue[2] increased by 6.7%.

At constant currency, net central overheads decreased by $3m (1.9%) to $152m compared to 2013 (but at actual currency remained flat at $155m), helped by continued cost control, as well as additional technology fee income.

Group fee marginwas 44.7%, up 1.5 percentage points on 2013, after adjusting for owned and leased hotels, managed leases and significant liquidated damages. Group fee margin benefited from strong growth in IHG's scale markets.

Profit before tax of $600m was unchanged on 2013. Basic earnings per ordinary share increased by 12.3% to 158.3¢, whilst adjusted earnings per ordinary share remained flat at 158.3¢.

	12 months ended 31 December		
	2014	2013	%
Global total gross revenue	$bn	$bn	change
InterContinental	4.7	4.5	4.4
Crowne Plaza	4.2	4.0	5.0

Hotel Indigo	0.3	0.2	50.0
Holiday Inn	6.4	6.2	3.2
Holiday Inn Express	5.7	5.2	9.6
Staybridge Suites	0.7	0.6	16.7
Candlewood Suites	0.6	0.6	-
Other brands	0.2	0.3	(33.3)
Total	22.8	21.6	5.6

Total gross revenue
One measure of IHG System performance is the growth in total gross revenue, defined as total room revenue at franchised hotels and total hotel revenue at managed, owned and leased hotels. Total gross revenue is not revenue attributable to IHG, as it represents revenue generated mainly at hotels owned by third parties.

Total gross revenue increased by 5.6% (7.4% increase at constant currency) to $22.8bn, primarily driven by strong comparable RevPAR growth across the Group of 6.1% compared to 2013, coupled with an increase in System size of 3.4%.

	Hotels		Rooms	
Global hotel and room count at 31 December	2014	Change over 2013	2014	Change over 2013
Analysed by brand				
InterContinental	180	2	61,235	1,132
Crowne Plaza	406			