

INTERCONTINENTAL HOTELS GROUP PLC /NEW/  
Form 20-F  
March 02, 2017  
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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 20-F

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 1-10409

# InterContinental Hotels Group PLC

(Exact name of registrant as specified in its charter)

**England and Wales**

(Jurisdiction of incorporation or organization)

**Broadwater Park,**

**Denham, Buckinghamshire UB9 5HR**

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
<b>American Depositary Shares</b>	<b>New York Stock Exchange</b>
<b>Ordinary Shares of 18<sup>318</sup>/<sub>329</sub> pence each</b>	<b>New York Stock Exchange*</b>

\* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

**Securities registered or to be registered pursuant to Section 12(g) of the Act:**

**None**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

**None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

<b>Ordinary Shares of 18<sup>318</sup>/<sub>329</sub> pence each</b>	<b>197,517,380</b>
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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934: Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject

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to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company  
(Do not check if a smaller reporting company)

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP International Reporting Standards as issued by Other  
the International Standards Accounting Board

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The Strategic Report on pages 2 to 45 was approved by the Board on 20 February 2016.

George Turner, Company Secretary

**IHG Annual Report and Form 20-F 2016**      Strategic Report

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*IHG at a glance*

We have a diverse portfolio of differentiated brands that are well known and loved by millions of guests around the world. Whatever their needs, we have the right hotel brands for both our guests and owners.

We are focused on strengthening our portfolio of preferred brands, building and leveraging scale, and delivering revenue to our hotels through the lowest-cost, direct channels. Our proposition to third-party hotel owners

is highly competitive and drives superior returns for them. We execute an asset-light strategy with a focus on the most attractive, high-growth markets and industry segments. We take a disciplined approach to capital

allocation, investing for the future growth of our brands. This enables us to drive sustainable growth in our profitability and deliver superior shareholder returns over the long term.

**OUR BRANDS**

Live the InterContinental Life

A different way to stay

Making travel inspiring

Where wellness is built in

Capturing the spirit of Chinese hospitality

Making business travel work

**FINANCIAL HIGHLIGHTS**

Group revenue

**\$1,715m (-4.9%)**

2015: \$1,803m

Group operating profit

**\$678m (-54.8%)**

2015: \$1,499m

Joy of travel for all	Simple, smart travel	The joy of lifetime vacations	Group operating profit before exceptional items
			<b>\$707m (+4.0%)</b>
			2015: \$680m
The joy of family holidays	Feel at ease when you stay with us	Your home base	Total gross revenue in IHG's System
			<b>\$24.5bn (+2.1%)</b>
			2015: \$24.0bn
			Total underlying operating profit growth
			<b>\$61m (+9.5%)</b>
			2015: \$67m
			Revenue per available room (RevPAR) growth
			<b>+1.8%</b>
			2015: +4.4%
			Underlying fee revenue growth
			<b>+4.4%</b>

2015: +7.7% (excluding growth arising from the acquisition of Kimpton Hotels & Restaurants)  
Driven by: +1.8% (2015: 4.4%) RevPAR growth; and 3.1% (2015: 4.8%) net System size growth

For further information on our brands, see pages 10 and 11.

#### **Use of Non-GAAP measures**

In addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional financial measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures. Further explanation in relation to these measures can be found on page 26, and reconciliations to IFRS figures, where they have been adjusted, are on pages 156 and 157.

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*We are one of the world's leading hotel companies, whose purpose is to create Great Hotels Guests Love® through delivering our promise of True Hospitality for everyone.*

**Definition System**

Hotels/rooms operating under our franchise and management agreements, together with IHG owned and leased hotels/rooms.

**OUR SCALE**

We predominantly franchise our brands to, and manage hotels on behalf of, third-party hotel owners; our focus is therefore on building preferred brands and strong revenue delivery systems.

Total hotels (rooms) in the IHG System

**5,174**

**(767,135)**

2015: 5,032 (744,368)

Franchised hotels (rooms)

**4,321**

**(542,650)**

2015: 4,219 (530,748)

Managed hotels (rooms)

**845**

**(222,073)**

2015: 806 (211,403)

Owned and leased hotels (rooms)

**8**

**(2,412)**

2015: 7 (2,217)

Total hotels (rooms) in the pipeline

**1,470**

**(230,076)**

2015: 1,330 (213,916)

For details on central revenue and net central costs, see page 43.

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***Chairman's statement***

***The work being done by our colleagues day in, day out, to deliver the real hallmarks of our distinctive brands, and bring each of them to life, is truly outstanding.***

**Patrick Cescau**

Chairman

Throughout 2016, we continued to focus on delivering our proven strategy for high-quality growth and enhancing our offer for guests and owners. In what was another year of change for both our sector and the wider world, we once again demonstrated our ability to deliver sustainable growth.

**Shaped for success**

IHG has a long track record of succeeding in a changing world. As a global business, with a footprint in nearly 100 countries, managing through change and uncertainty is something that we are very used to. Our success comes from having a clear, proven and focused strategy in place, which continues to deliver value in this environment. It is also a result of having a portfolio of brands that mean something to our guests, strong long-term relationships with our owners, and significant global scale.

As the hospitality and consumer landscape continues to evolve, with continued digitisation, changing demographics and further industry consolidation, coupled with broader political, economic and societal

**Strategic priorities**

Against this backdrop, we continue to make sure that we deliver on our strategy in a way that makes sense for different markets and geographies, and that resources are aligned behind the greatest opportunities. This involves staying close to the trends shaping our industry, something we capture each year in our IHG Trends Report (see page 8). The Board's priority remains to ensure that the business is focused on staying agile and moving at pace, whilst at the same time maintaining our strategic direction and ensuring that we continue to nurture a culture of strong values, develop world-class talent, and maintain trust and integrity with our stakeholders.

**Our Board and our culture**

Making sure our Board has the right expertise to challenge and support the business in its corporate decision-making is crucial, and is something I personally take very seriously indeed. We regularly review the composition of the Board to ensure that our combined skill set is aligned with the business's strategic priorities. At the end of 2016, the Board comprised six Non-Executive

change, these core strengths and capabilities will remain at the heart of our success.

**Crowne Plaza Atlanta Midtown, Georgia, US,**

which completed a major renovation in 2016

Directors, myself as Chairman, and two Executive Directors. We are delighted that, effective from 1 March 2017, Malina Ngai will be joining the Board as a Non-Executive Director and she will also sit on the Corporate Responsibility, Nomination and Remuneration Committees. Malina will bring a deep understanding of how consumer-facing, branded companies operate, as well as the role that technology and digital-commerce play in transforming the consumer experience. She also has a truly global perspective and significant insight into the Asian market, which is a key focus for the business.

We are a diverse Board in terms of gender, nationality and age, as well as in the broad range of skills and areas of expertise we collectively bring to the table. Ensuring that we strengthen this breadth, particularly from a regional and gender diversity perspective, will continue to be a key priority for us. This will ensure that the Board has the ability to maintain a high-quality level of discussion and debate, and keep IHG well prepared for the future.

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**FULL-YEAR DIVIDEND**

**Five-year progress (¢)**

**FINAL DIVIDEND**

64.0¢ to be paid on 22 May 2017

(2015: 57.5¢)

**RETURN OF FUNDS**

Since March 2004, the Group has returned over £5.9 billion of funds to shareholders by way of special dividends, capital returns and share repurchase programmes. A further return of funds of \$400 million via a special dividend with share consolidation is proposed in 2017.

**Paid during the last five years**

\$500 million paid 22 October 2012

\$350 million paid 4 October 2013

\$750 million paid 14 July 2014

\$500m share buyback completed in 2014

\$1.5 billion paid 23 May 2016, equivalent to 632.9¢/438.2p per share

We know that, to be truly successful, we must also focus on how we deliver sustainable, high-quality growth. We achieve this through a passionate commitment to instilling IHG's effective culture and values in our ways of working, and maintaining our deep commitment to conducting business responsibly – a principle that guides the behaviour of our colleagues, and builds trust with consumers and investors.

### **Shareholder returns**

Our close, trusted relationships with our owners, together with our internationally-renowned brands, people, scale and systems, is a powerful combination that continues to deliver outstanding long-term shareholder value.

I am pleased to announce that the Board is recommending a final dividend of 64.0 cents per ordinary share, an increase of 11 per cent on the final dividend for 2015, resulting in a full year dividend of 94.0 cents per share, up 11 per cent on 2015. The Board has also proposed a \$400 million special dividend with share consolidation, which will take the total funds returned to shareholders since 2003 to \$12.8 billion. With our asset-light strategy concluding in 2015, it is important to note that nearly \$5 billion of the total returns has come from IHG's underlying operations, illustrating the strength of our cash generative business model and ability to deliver sustained organic growth.

### **Thank you**

I spent time in all our regions during the year and visited brands across our portfolio. During this time, I had the opportunity to meet many of our colleagues and have seen first-hand the many improvements that we are making to our brands. I have also spent time with our owners, as well as representatives of the IHG Owners Association, to share ideas, discuss new projects and, alongside our Executive Committee, ensure that we maintain our excellent working relationships.

I am very proud of all the achievements we have made in 2016. The work being done by our colleagues day in, day out, to deliver the real hallmarks of our distinctive brands, and bring each of them to life, is truly outstanding. Their passion and enthusiasm has been a driving factor in our strong and improving satisfaction scores (Guest Love), and has fuelled further demand from our owner community, illustrated by another strong year of hotel openings and signings. As we head into 2017, I would like to thank all colleagues for their tireless efforts to create great guest experiences, and our owners for their continued confidence in our business and commitment to driving success.

**Patrick Cescau**

Chairman

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*Chief Executive Officer's review*

*Underpinning the success of all our brands is a focus on digital leadership. This involves us using new technologies and data to deliver truly relevant experiences.*

**Richard Solomons**

Chief Executive Officer

**KEY HIGHLIGHTS**

Gross revenue delivered through mobile bookings

*\$1.6bn*

The launch of

*Your Rate*

by IHG® Rewards Club

Total hotel signings

516

The highest number since 2008

IHG delivered another year of consistent, high-quality growth and strong financial and operational performance in 2016, led by the continued execution of our Winning Model.

This focus, brought to life by our talented colleagues and supported by strong owner relationships, enables us to successfully differentiate ourselves from the competition and meet the needs of our guests in an ever-changing consumer environment.

We made important progress against every element of our Winning Model. We built scale where it matters by broadening the global footprint of our brands in key markets, made important enhancements to our digital channels, significantly strengthened our direct-bookings offer for guests and owners, and further improved our industry-leading loyalty programme (see pages 16, 17 and 30).

### **Financial and operational highlights**

Alongside this important work, we delivered strong underlying operating profit growth, signed the highest number of hotels since 2008, and closed the year with almost 5,200 open hotels in our portfolio. We remained focused on driving growth in markets where we see the greatest opportunities, and continued to build important momentum in this approach. IHG finished 2016 with a pipeline of 230,000 rooms, with approximately 90 per cent of them situated in our 10 priority markets. This represents a 14 per cent share of the active industry pipeline – more than three times our share of current supply – and illustrates our attractive prospects for strong, organic growth.

In what is an increasingly important space, we made excellent progress in driving digital growth across the business, strengthening our booking channels and leveraging our leading, data-driven marketing capabilities to engage with more guests in ways that are both relevant and most preferred. Digital revenue grew approximately eight per cent driven by mobile, which delivered \$1.6 billion in revenue. This channel alone now drives more traffic to our websites than desktop, with our award-winning app a key driver of this shifting trend. This is particularly important and helpful for our owners, with increased direct bookings delivering more low-cost revenue.

### **Brands-led business**

The increasing global demand from guests and owners for our portfolio of brands is extremely encouraging. Throughout the year, we made real progress, be it by entering new markets or securing flagship locations, or by introducing important enhancements to service and design that are making a positive difference to the guest experience and helping attract new business.

In InterContinental Hotels & Resorts' 70th anniversary year, we strengthened its position as the world's largest luxury hotel brand with a significant global marketing campaign, more iconic openings, improved service training and the highest number of hotel and room signings since 2008.

Illustrating our ability to successfully grow and develop some of our newer US brands, we celebrated taking Kimpton Hotels & Restaurants global, signing a deal in Paris and opening a property in Grand Cayman. In 2017, the brand will debut in Europe, opening a hotel in Amsterdam. We also doubled the size of our lifestyle brand, EVEN Hotels, to six open hotels, added more to the pipeline and signed a deal to launch the brand in Australia and New Zealand.

For our Crowne Plaza Hotels & Resorts brand, we established a new global identity and service style to help to further build on its industry-leading position in many of our markets around the world. Using this as a foundation, we announced the Crowne Plaza Accelerate programme – a \$200 million investment programme designed to deliver an improved performance in The Americas through enhanced service and marketing that better resonates with the

modern business traveller.

### **Delivering our strategy**

Underpinning the success of all our brands is a focus on digital leadership. In 2016, we made strong progress in enhancing the Guest Journey (Dream, Plan, Book, Stay and Share), building more rewarding loyalty relationships, and strengthening our competitive advantage, by leveraging the latest technology.

Following a successful trial, we rolled out Your Rate by IHG Rewards Club globally, providing access to exclusive, preferential rates to loyalty members booking through our direct channels. This has led to higher direct bookings, delivering better-quality revenue to our hotels, and a rise in membership enrolments. We also

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increased our attractiveness to Chinese travellers through a deal with China's leading third-party online payment solutions company, Alipay, to offer their services across our hotels and online platforms worldwide, and we made important progress with the development of our new Guest Reservation System (GRS), which remains on track to begin roll-out in 2017. IHG has a rich history of innovation, and the new GRS will provide an industry-leading cloud-based booking platform that offers guests a more personalised experience and allows hotels to manage and sell rooms in a more powerful way.

Our digital business is one of the ways in which we build meaningful lifetime relationships with our guests. This involves us using new technologies and data to deliver truly relevant experiences be it more targeted marketing, or through enhanced arrival information that empowers our hotels to create a more personal stay. Mobile check-out and our wifi offer, IHG Connect, are all also making important contributions in this area. All these programmes will continue to expand across our hotels in 2017.

Combining this commercial strength with our unique brand propositions and outstanding colleagues forms the bedrock of creating Great Hotels Guests Love, which we deliver through providing True Hospitality for everyone. This important commitment connects us all at IHG and centres on our passion to make everyone feel welcome and cared

**Kimpton Seafire Resort + Spa, Grand Cayman,**

the first Kimpton hotel outside of the US, which opened in 2016

our hotels around the world, and across areas including disaster relief and environmental protection. In 2016, the Foundation made 34 grants to 25 organisations, including donations to the Sichuan Province Foundation for Poverty Alleviation in China, and it supported communities affected by disasters such as flooding in France and earthquakes in Japan and Ecuador.

Travel Awards for the sixth consecutive year, while Condé Nast also named the Kimpton RiverPlace Hotel in Portland, Oregon, US one of the world's top hotels.

**Strengthened position**

for, recognised and respected – be it guests, owners, partners, colleagues or those in the communities in which we work.

### **Our responsible business credentials**

We have made excellent progress with our two corporate responsibility programmes, IHG® Academy and the IHG Green Engage system. IHG Academy has been building hospitality skills in local communities for more than a decade and, in 2016, we introduced 11,985 new participants to programmes in 75 countries, while our group-wide sustainability programme, the IHG Green Engage system, is helping drive real improvements in how our hotels responsibly manage things such as water, carbon and waste.

We reached another significant milestone with the launch of the IHG® Foundation in February 2016. The IHG Foundation builds on the positive impact of our corporate responsibility initiatives, and allows us to make a deeper, more lasting change in communities beyond

### **Awards**

External recognition is the best measure of our progress and, in 2016, IHG won over 200 awards. This is an outstanding achievement. I am particularly proud of the many employer awards, including winning Best Employer Brand in the UK at the Personnel Today Awards, and being named on Atlanta's Best Places to Work list by the Atlanta Business Chronicle. IHG was also named Britain's most admired company in the leisure and hotels sector by Management Today, and 8th in their list of all UK companies. Our brands also picked up many coveted awards. Crowne Plaza was voted best Upscale Hotel Brand in North America by Business Travel News, up from 8th in 2015, and InterContinental Hotels & Resorts was named the World's Leading Hotel Brand at the World Travel Awards. The Flyer Travel Awards named HUALUXE Hotels and Resorts Best New Hotel Brand in China and Holiday Inn was voted the Best Mid-Range Hotel Brand in China at the TTG China

It was a busy year, and both our industry and the world is changing at pace. This brings both challenges and opportunities and I remain confident that, by executing our winning strategy and leveraging the strength of our business model, we will continue to deliver sustainable, organic growth into the future.

We head into 2017 in a position of strength, and I would once again like to thank all our owners for their support and for the trust they place in us. Our owners are crucial to our performance, and we place the utmost importance on our relationship with them. I would also like to thank our talented, passionate and energetic colleagues, who bring our brands to life and remain IHG's greatest competitive advantage.

**Richard Solomons**

Chief Executive Officer

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*Our preferred brands*

IHG is a brands-led business, and we create Great Hotels Guests Love<sup>®</sup> through our portfolio of complementary and differentiated hotel brands. Our brands are trusted for meeting guests' needs, for rewarding loyalty and for delivering memorable experiences.

**InterContinental<sup>®</sup> Hotels & Resorts:**

**Live the InterContinental Life**

International travel should always be alluring. As the world's first international luxury travel hotel brand, we have been pioneering new international destinations for decades. We are dedicated to those who appreciate and enjoy the InterContinental Life—the glamour and exhilaration of fascinating places, mixed with our international know-how and local cultural wisdom.

**Guest stay occasions:** short-break experience, mixing business with pleasure, social identity<sup>b</sup>.

**Kimpton<sup>®</sup> Hotels & Restaurants:**

**A different way to stay**

As the industry pioneer that first introduced the boutique concept to the US, we are renowned for making travellers feel genuinely cared for through thoughtful perks and amenities, inventive meetings and events, bold and playful design, and a sincerely personal style of guest service.

**Guest stay occasions:** short-break experience, business productivity, family time.

**HUALUXE<sup>®</sup> Hotels and Resorts:**

**Capturing the spirit of Chinese hospitality**

We are the first upscale international hotel brand designed specifically for Chinese guests. We have woven into every detail of the luxury brand's service and design an acknowledgement of Chinese culture and heritage, with particular emphasis on the Chinese values of etiquette, rejuvenation in nature, recognition of status and enabling spaces.

**Guest stay occasion:**

building business interactions.

**Hotel Indigo<sup>®</sup>:**

**Making travel inspiring**

We serve the curious—people who are inspired by new places, new people and new ideas. Each hotel is part of the pulse and the rhythm of a place, drawing on the story of its local area to inspire every aspect of the hotel,

**EVEN<sup>®</sup> Hotels:**

**Where wellness is built in**

We provide a strong lifestyle offering for travellers seeking more options to stay healthier and happier away from home. Our hotels, and wellness-savvy staff, offer guests a best-in-class fitness experience,

**Crowne Plaza<sup>®</sup> Hotels & Resorts:**

**Making business travel work**

We believe business travel should work better. In every market in the world, business has changed, and so has work. It's more digital, more flexible, more mobile, more connected. As one of the world's

from intriguing design to distinctive local ingredients in our menus.

**Guest stay occasions:** short-break experience, business productivity, romantic getaway<sup>a</sup>.

healthier food choices, and natural and relaxing spaces. Beyond our hotels, we support the needs of travellers through wellwellwell.com, a go-to source for healthier, happier travel.

**Guest stay occasion:** well-being.

largest upscale brands, we have properties located in major urban centres, gateway cities and resort destinations all around the globe.

**Guest stay occasions:** business productivity, building business interactions<sup>b</sup>.

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Our hotel brands are underpinned by the IHG® parent brand, strengthened by our leading loyalty programme, IHG® Rewards Club, and are brought to life by outstanding people in great hotels. Building upon an in-depth understanding of what matters most to guests, we continually enhance our brands promises.

In a crowded marketplace, our brands therefore stand out from the competition and continue to deliver memorable stay experiences, which in turn drives the performance of our business.

See page 29 for a breakdown of IHG hotels open and in the pipeline.

**Definition** Guest stay occasion

We broadly segment the market into nine globally relevant categories that align to the different occasions for which guests might travel, such as for family time or for a romantic getaway. By understanding these guest stay occasions, we are able to deliver a differentiated brand experience that better meets our guests expectations.

**Holiday Inn® Hotels & Resorts:**

**Joy of travel for all**

We believe the joy of travel is for everyone. We pride ourselves on delivering an affordable, enjoyable hotel experience where guests are always welcomed warmly. We opened the doors of our first hotel in 1952, and since then we have been making travel a more enjoyable experience for all.

**Guest stay occasions:** family time, mixing business with pleasure, social identity<sup>b</sup>.

**Holiday Inn Express® Hotels:**

**Simple, smart travel**

We keep it simple and smart. As IHG's largest hotel brand, we're the clear choice for the increasing number of travellers who need a simple, engaging place to rest, recharge and get a little work done. We offer everything guests need, and provide more where it matters most.

**Guest stay occasion:** rest and go.

**Staybridge Suites Hotels®:**

**Feel at ease when you stay with us**

As an extended-stay brand, we make sure every space features a sense of community, comfort and convenience, so guests can feel at home while on the road. Staybridge Suites is ideal for upscale business and leisure travellers who want to enjoy the best of home and hotel.

**Guest stay occasion:** business productivity.

**Holiday Inn Club Vacations®:**

**The joy of lifetime vacations**

Our owners are part of a community of people who understand the importance of family and investing in a lifetime of invaluable memories. All of our properties offer spacious villa accommodation for families in top leisure destinations, and access to world-class attractions such as mountain adventures, championship golf courses and serene beaches.

**Guest stay occasion:** family time.

**Holiday Inn Resort®:**

**The joy of family holidays**

We want all families to experience the joy of great holidays together. In some of the world's most desirable locations – on the beach, by the theme park, next to the golf course, our resorts offer a wide variety of activities and comforts, from kids clubs and signature swimming pools, to informal restaurants and quiet, fireside lounges.

**Guest stay occasion:** family time.

**Candlewood Suites Hotels®:**

**Your home base**

We offer a more casual kind of longer stay, where you will always feel at home, at your best and really productive while on the road. All of our locations throughout The Americas are easily accessible, and we are always opening new hotels, so guests can book a spacious suite whenever and wherever it works for them.

**Guest stay occasion:** business productivity.

<sup>a</sup> US only

<sup>b</sup> China/India only

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***Our business model***

Our portfolio of 12 preferred brands are built on unique customer insights and cater to a broad range of needs. We predominantly franchise our hotel brands to, or manage hotels on behalf of, third-party hotel owners, resulting in an asset-light business model.

Whether we franchise or manage hotels to third-party hotel owners depends largely on market maturity, owner preference and, in certain cases, the particular brand.

Mature markets predominantly follow a franchise model:

- In The Americas and Europe, over 90 per cent of IHG hotels are franchised.

While a managed model is typically used in emerging markets:

- In AMEA about 80 per cent of IHG hotels are managed by us; and
- In Greater China, that figure rises to more than 98 per cent.

In addition, we own/lease and manage a few select hotels, however, this figure has dramatically reduced from over 180 owned hotels 15 years ago, to just eight hotels at 31 December 2016.

**Definition System Fund or Fund**

assessment fees and contributions collected from hotels within the IHG System which fund specifically marketing, the IHG Rewards Club loyalty programme and the Guest Reservation System.

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**DISCIPLINED APPROACH TO ALLOCATION OF CAPITAL**

Our focus on an asset-light business model is supported by a disciplined, long-term approach to allocating capital and reducing the asset intensity of the business. We seek to maintain an efficient balance sheet with an investment-grade credit rating. Our business is highly cash-generative (see page 45), and we have three primary uses for this cash:

**1.**

Invest in the business to drive growth: this includes strategic investments and our day-to-day capital expenditures – see table below, and page 107 for further details of our capital expenditure in 2016.

**2.**

Maintain sustainable growth in the ordinary dividend: compound annual growth of 11 per cent since 2003.

**3.**

Return surplus funds to shareholders. In February 2017, we proposed a further \$400 million return of funds to shareholders via a special dividend with share consolidation.

**IHG's outlook on capital expenditure**

Capital expenditure incurred by IHG can be summarised as follows.

**Capital expenditure**

Maintenance capital expenditure and key money to access strategic growth

**Examples**

Maintenance of our owned and leased hotels, which is now reducing as we have become increasingly asset-light.

Corporate infrastructure maintenance for example, in respect of our offices and systems.

Deployment of key money, which is used to access strategic opportunities, particularly in high-quality and sought-after locations when returns are financially and/or strategically attractive.

Recyclable investments to drive the growth of our brands and our expansion in priority markets

Through the acquisition of real estate, investment through joint ventures or via equity capital.

We aim to recycle this capital by selling these investments when the time is right and to reinvest elsewhere in the business and across our portfolio, as we are currently doing for our EVEN Hotels brand.

System-Funded capital investments for strategic investment to drive growth at hotel level

The development of tools and systems that hotels use to drive performance, such as our new, pioneering Guest Reservation System developed with Amadeus.

See Chairman's statement for progress on dividends, page 5.

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***Our strategy for***

***high-quality growth***

We are focused on delivering high-quality growth, which for us means delivering consistent, sustained growth in cash flows and profits over the long term, via our portfolio of preferred brands.

Our strategy is unchanged. Through our Winning Model, we focus on value-creation by building preferred brands, delivering a superior owner proposition, leveraging scale and generating revenue through the lowest-cost, direct channels. We concentrate on a Targeted Portfolio that, together with

Disciplined Execution of our strategy and a commitment to doing business responsibly, will drive superior shareholder returns.

We measure our performance with a set of carefully selected key performance indicators (KPIs), which monitor our success in achieving our strategy – see pages 23 to 25.

For further information on our strategy, go to [www.ihgplc.com/about-us](http://www.ihgplc.com/about-us) under Our strategy.

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Our Winning Model in action: executing our strategy	<b>IHG Annual Report and Form 20-F 2016</b>	17
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***Doing business responsibly***

We genuinely care about the well-being of our guests and colleagues – and the impact we have on local communities and businesses too. Our responsible business culture is embedded throughout our organisation and underpins our entire strategy.

**Our culture of responsible business**

In a climate where employees, guests and other stakeholders want confirmation that companies uphold their values, it's important that the credibility and value of our brands are maintained through a culture of responsible business. We achieve this through:

strong governance and leadership, which promote responsible business attitudes and behaviours;

ensuring our employees understand key legal and reputational issues and our Winning Ways (see box to the left);

ensuring the safety and security of employees, guests and other visitors to our hotels and offices;

operating effective risk management and internal controls; and

engaging in responsible procurement.

Our responsible business activities are also closely aligned to the objectives of the United Nations Sustainable Development Goals (SDGs), which means that we are contributing to the UN's aim of transforming our world by 2030.

**Corporate responsibility**

Through our corporate responsibility programmes, we are capitalising on our unique position to help make communities

around the world better places to be for all. In September 2013, IHG released a number of five-year corporate responsibility targets, which focus on measuring the positive impact IHG has around the globe (see page 25 for our performance against these targets).

### **Our communities**

Through the IHG® Academy, a collaboration between our hotels, education providers and community organisations in our local communities, we are nurturing and developing people, to improve their employability and grow their careers in the hospitality industry. It is our way of opening doors and creating opportunities for all.

### **Our environment**

IHG Green Engage system is our Group-wide, online sustainability programme, which helps hotels manage their use of energy, carbon, water and waste, and minimise their overall utility costs and environmental impact. By delivering more environmentally sustainable hotels, we can drive cost efficiencies for owners as well as meet the expectations of all our stakeholders.

### **Human rights**

IHG focuses on those areas of human rights that are most relevant to our business and we work to ensure our values are reflected consistently across our business. We have developed an e-learning module on human rights and modern slavery. In addition, we publish a human rights policy, which is translated into more than 40 languages.

We report on diversity in our supply chain and set targets to ensure that corporate responsibility criteria, including human rights standards, are integrated into the selection and evaluation process for preferred suppliers. We also require our suppliers to adhere to our Vendor Code of Conduct.

See [www.ihgplc.com/responsible-business](http://www.ihgplc.com/responsible-business) for details on our first Slavery and Human Trafficking Statement, detailing the steps we are taking to eradicate modern slavery in our supply chain and business.

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Employee Engagement

*88.7%*

of survey respondents in 2016 were engaged,

an improvement of

*14ppt*

since 2010

Awards

*24*

received in 2016 for our people practices

More information on our employees can be found on page 161 and on our website

at [www.ihg.com/responsible-business](http://www.ihg.com/responsible-business) under Our people.

**Our people and our culture**

Our colleagues live our corporate values, and are fundamental to helping us create Great Hotels Guests Love. To attract and retain the best talent, we invest in our people – we offer our people our commitment to develop their careers, keep them involved in the business and reward and recognise them for their contributions. We call this our room to be yourself commitment.

In turn, we ask our employees to live our Winning Ways, see box on page 18.

As we prioritise recruiting, developing and building talent capability to lead growth, we are progressing key initiatives in these areas.

### **Attracting talent**

This year, we have further embedded our employer brand identity with the *All of you at IHG* campaign, which captures colleagues across our regions doing what they love best, to highlight our diverse roles, people and brands. In November, we were recognised for our achievements by *Personnel Today*, and presented with the award for employer branding.

### **Continuous learning**

We are evolving our learning strategy through examining what technology we need to support the future of learning at IHG and improving our focus on priority content. In 2017, we will be launching an updated Learning Management system that will enable us to better reach colleagues with the right learning content at the right time. In 2016, we launched a new-look General Manager (GM) interactive-learning platform, providing all GMs with social learning and other online tools to connect them together and share their progress with one another. IHG's frontline colleagues now have access to more than 50 courses globally via IHG Frontline. As a result, more than 100,000 colleagues worldwide are able to take charge of their development and complete consistent brand, service and operations training through a single channel.

### **Developing a strong performance culture**

Our regions and functions are aligned to the internal performance measures that most effectively drive business performance across our organisation. This framework, together with our talent and leadership programmes for colleagues in our hotels and corporate offices, is designed to enhance our colleagues' performance while allowing them to focus on what matters most. This comprises our *Winning Culture*.

### **How we measure our culture**

Understanding how engaged our teams feel is a fundamental part of how we run our business, and we measure this through our Employee Engagement survey. In 2017, we will launch *Colleague HeartBeat*, which incorporates a new engagement survey, among other modules.

### **Diversity and inclusion**

At IHG, we recognise we can drive innovation, sustainable growth and competitive advantage if we mirror the diverse markets in which we operate and strive to be as inclusive and diverse as our brands. IHG in The Americas was recently recognised in the list of *The Best Places to Work for LGBT Equality* Corporate Equality Index Human Rights Campaign.

We are also making strong progress in attracting and retaining female leaders. The Hampton-Alexander review recently listed IHG in the top 20 of the FTSE 100 for female representation across Executive Committees and their direct reports.

As at 31 December 2016:

three of the nine Directors on the Board were female (33 per cent), however, following the appointment of Malina Ngai on 1 March 2017, four of the 10 Directors on the Board will be female (40 per cent);

34 out of the 128 senior managers employed by the Group (including directors of the subsidiaries) were female (27 per cent).

6,890 out of the 12,021 people employed by the Group and whose costs were borne by the Group or the System Fund were female (57 per cent).

Please see page 61 for more information on Board diversity and succession planning.

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### ***Risk management***

We deliver on our commitment to responsible business practices through our robust and effective risk management system, which continues to evolve in step with our business, and results in sustainable, long-term growth.

### **Our Winning Model strategy and risk**

Our strategy and business model create a number of risks and opportunities for the business. The Board is ultimately accountable for the effectiveness of our risk management and internal control systems, and is supported by the Audit Committee, Executive Committee and delegated committees, who oversee our risk management system to ensure that risks are appropriately identified and managed within IHG's risk appetite.

### **Risk appetite**

IHG's risk appetite reflects the nature and extent of risk that the Board is willing to take in pursuit of strategic and other business objectives. The risk appetite is then cascaded through the goals we set, the strategy we choose, decisions we make and how we allocate resources. IHG's risk appetite is further reflected in our governance committees, structures, policies and targets we select, as well as in development guidelines for new hotels. In 2016, the Audit Committee also considered IHG's approach to risk appetite more generally and in relation to the principal risk areas.

For more information, see page 57.

### **OUR RISK MANAGEMENT SYSTEM**

Our risk management system is fully integrated with the way we run the business through our culture, our controls and our reporting, and is reflected in our strategy. The Global Risk Management function is responsible for the support, enhancement and monitoring of the effectiveness of this system and includes the following key areas.

More information on our risk management system is available at [www.ihgplc.com/responsible-business](http://www.ihgplc.com/responsible-business) under Our culture of responsible

business in the Risk management section.

### **IHG's principal risks, uncertainties and review process**

The external risk environment remains dynamic. However, the Group's asset-light business model, diverse brand portfolio and wide geographical spread contribute to IHG's resilience to events that could affect specific segmental or geographical areas. Our Risk Working Group, chaired by the General Counsel and Company Secretary and comprised of the heads of Global Risk Management, Global Strategy and Global Internal Audit, provides input on, and oversight of, the principal risk review process, which identifies and assesses risks for ongoing monitoring and review by senior management.

The Directors have carried out an assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. These risks are reviewed formally by the Directors on a biannual basis and are considered in more detail through the activities of the Board and Committees. The approach to principal risks was further strengthened in 2016 through an increased consideration of risks within the strategic-planning processes and the engagement of all Executive Committee members in the discussion of principal risks throughout the year. We have a standing risk working group who provide guidance and oversight with regard to the principal risks and risk management system.

See pages 54 and 57 for details of the assessment of our principal risks by the Board and the Audit Committee.

Our principal risks remain unchanged, however, reflecting the dynamic environment in which we operate, we continue to review and refine the approach we take to mitigating our risk – see the table on pages 21 and 22.

These principal risks are supplemented by a broader description of risk factors set out on pages 164 to 167.

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<b>RISK TREND</b>		<b>RISK IMPACT</b>	
<b>How the external environment for each principal risk has changed over the past year:</b>		<b>How each principal risk links to our strategic priorities:</b>	
Increased risk	No change in risk	Winning Model Disciplined Execution	Targeted Portfolio Responsible Business

**Risk description**

Failure to deliver **preferred brands and loyalty** could impact our competitive positioning, our growth ambitions and our reputation with guests, owners and investors.

**Trend Impact Initiatives to manage these risks**

Each of the brands in our portfolio is designed, and continues to evolve, to meet specific guest needs and occasions, through distinct and complementary brand propositions informed by guest research and insights see pages 10 and 11.

We continue to innovate and evolve our hotel-room and public-space designs to ensure we deliver differentiated, relevant guest experiences. In 2016, we introduced several new design initiatives across our Holiday Inn and Holiday Inn Express brands see pages 17, 31 and 34.

We manage brand consistency through the entire hotel life cycle, supported by clear contractual terms, new hotel opening processes, brand standard requirements and compliance processes. Tools, training and guidance assist owners and those working at our hotels to deliver brand consistency.

Failure to recruit and retain the right **leadership and talent**, and to give them the tools, guidance and support to be successful, could impact the delivery of our strategic ambition.

For further information on our brand-strengthening initiatives this year, see pages 16 and 17.

We have a comprehensive, global people strategy in place, which includes a talent leadership programme, both in hotels and at a corporate level.

The talent development programme also reflects our culture and values. Our leadership framework, support tools, and training and development programmes help our people grow their careers – see page 19.

Our HR strategy manages specific training programmes globally, catering to specific talent needs in local markets, such as in Greater China.

We proactively manage succession planning at all levels and consider the diversity (more broadly than gender) of our people and leadership – see page 61.

Failure to maintain and enhance our **channel management and technology platforms** could impact on our ability to deliver revenue.

We recognise that technological advances, the growth of intermediaries and the sharing economy, and changing guest expectations mean that we must continually invest in, and improve, our technological systems to build lifetime relationships with our guests. Our focus is on encouraging guests to use direct booking channels. However, recognising that some travellers use intermediaries, we seek to secure improved terms with those intermediaries for our hotels.

This year, we extended our Your Rate by IHG Rewards Club loyalty benefit (see page 16) to further markets, allowing more guests to get the best hotel rates by booking directly through IHG's booking channels.

We remain on track to roll out our new Guest Reservation System (see page 17) in 2017, providing easier booking interfaces for both guests and hotels, enhanced digital functionality and easier technology upgrades to better meet guest needs.

Failure to maintain strong relationships with owners, and to demonstrate attractive returns on investment, which we call our **owner proposition**, could impact the retention and growth of IHG's System and development pipeline.

We have a multi-award-winning mobile app, which has been downloaded over seven million times since launching. Consistent with our philosophy and focus, our app includes the most advanced loyalty functionality across the industry.

Our franchise and managed owner offer includes tools, hotel solutions, revenue delivery systems, operational support and guidance to allow us to support our hotels and maintain relationships with owners throughout the hotel lifecycle.

We carefully monitor net System size growth, and focus on contract renewals and renegotiations, to ensure that our owners receive the best value with IHG franchise and management agreements.

Through the IHG Owners Association, we work with our owners to understand their key priorities and perspectives, for example, in respect of the use of the System Fund (described on page 43).

In 2016, we reviewed and enhanced the hotel budget guidance process to provide owners with better information.

We manage this risk by promoting a strong safety culture through our values and attitudes, our **Winning Ways** (see pages 18 and 19) and a strong governance system.

Failure to operate an appropriate risk management system which safeguards the **safety and security** of our guests and employees could impact our reputation.

In 2016, we enhanced oversight through the development of a Safe Hotel Advisory Group comprising risk and standards measurement.

We continuously monitor and refresh our brand safety standards where necessary, and work with our hotels to ensure that brand safety standards are met throughout the hotel lifecycle across our entire portfolio.

Our operational safety and security teams have extensive subject matter expertise and experience, and provide support to line management to equip them to plan for, and respond to, incidents across all of our regions.

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RISK MANAGEMENT CONTINUED

**Risk description**

The threat faced from the risk of **cybersecurity and information governance** is constantly evolving and, in 2016, has impacted a large number of organisations across multiple industries, including a number of cyber attacks on the hospitality industry. This threat could impact our operations, result in fines and legal actions, and undermine stakeholder trust in our business. In 2016, our Kimpton Hotels & Restaurants business in The Americas was subject to a cyber attack, and an investigation into another such attack at hotels in The Americas region is ongoing (see note 30 on page 141).

Failure to effectively manage our **programme and project**

**Trend Impact Strategic Initiatives to manage these risks**

We have applied a risk-based methodology to considering the value of our information assets, including Payment Card Information (PCI), other Personally Identifiable information (PII), non-public financial information and employee data, to formulate a set of policies, processes, guidance and accountabilities with regards to information security.

We monitor the evolution of this risk through our Information Security team and our Threats and Intelligence team, using forward-looking indicators and intelligence to inform our approach to managing this risk.

We are implementing a number of initiatives to address specific elements of this risk. These include the roll out of a Secure Payment System, tokenisation of key systems, the development of a revised information-management policy and increased focus on information shared with our suppliers and business partners.

The approach to the risk is overseen by an Information Security Committee, who led and sponsored a full review of all relevant policies in 2016.

We have a clearly defined incident management capability, which we are continuously developing and embedding across the organisation. We have deployed our incident response plan to develop and implement investigation, containment and mitigation steps in relation to both the Kimpton Security Incident and the Americas Security Incident (see note 30 on page 141).

Our programme management capability is overseen by our Strategic Portfolio Governance Group and implemented by our

**delivery** could impact the value realised from our investments.

Strategic Portfolio Management team.

The Strategic Portfolio Management team ensure strategic alignment and prioritisation of key programmes, develop organisational capability through training and implement the Group's project delivery approaches and tools. This team is supported by regional and functional project management teams, who manage and monitor specific programmes and projects.

In 2016, we continue to streamline our priorities to ensure we focus on those core programmes that have a significant impact on our business, including Crowne Plaza Accelerate (see page 30) and our new Guest Reservation System (see page 17).

Our regulatory compliance programme works to identify and respond to relevant regulatory requirements. These include anti-bribery and corruption, data privacy and antitrust.

While the hotel sector is not subject to stringent industry-specific regulations, failure to ensure legal, **regulatory and ethical compliance** could impact our reputation.

We ensure that our corporate employees conduct annual Code of Conduct training that highlights, on a rolling basis, key areas such as anti-bribery and competition law, to ensure that we consistently adhere to the highest legal and ethical standards. Our hotels across the globe also provide training to their employees to ensure they are aware of their obligations.

Increased public scrutiny, litigation and regulatory investigation highlight the need for companies to ensure that their **financial management and control systems** are robust.

The maintenance of a sound financial-reporting and control environment is achieved through an effective policy framework, training programmes, and layered performance and review processes.

IHG has a mature, experienced and stable global finance function that includes, among others, the following teams: Group Tax; Group Treasury; Procurement and Cost Efficiency; Global BSC Operations; Global and Regional Financial Planning and Analysis; Global Financial Reporting; and Governance and Compliance (including compliance with the Sarbanes-Oxley Act 2002 (SOX) see page 57 for further details of our SOX review process).

## VIABILITY STATEMENT

In assessing the viability of the Group, the Directors have reviewed a number of scenarios, weighting downside risks that would threaten the business model, future performance, solvency and liquidity of the Group more heavily than opportunities. The scenario-testing focuses mostly, but not exclusively, on the impact of declining RevPAR on the viability of the Group, as most of the principal risks outlined on pages 21 and 22 will cause a deterioration in RevPAR. The scenarios included a severe but plausible downturn, like the financial crisis that occurred from 2008 to 2009 (when the Board maintained the ordinary dividend despite the severity of the downturn in trading), a widespread cyber security breach and a reverse stress test of the business starting from the presumption of the Group having insufficient liquidity to continue trading. In the severe scenarios, the

Directors also considered actions that would be taken if such events became a reality.

The Directors have determined that the three-year period to 31 December 2019 is an appropriate period to be covered by the viability statement. Although hospitality industry business cycles are on average longer than three years, the end of those cycles has only resulted in declining RevPAR when that has been caused by exogenous shocks, and the decline in RevPAR has only lasted two years. The Board has therefore determined that no additional insight can be gained from assessing these scenarios over a longer period, particularly as each year the Group's planning process builds into a robust three-year plan against which to test the scenarios.

The detailed three-year plan takes into consideration the principal risks, the Group's strategy, and current market conditions.

That plan then forms the basis for strategic actions taken across the business. The plan is reviewed annually by the Directors, and approved towards the end of the calendar year. Once approved, the plan is then cascaded to the business and used to set performance metrics and objectives. Performance against those metrics and objectives is then regularly reviewed by the Directors.

The Directors have assessed the viability of the Group over a three-year period to 31 December 2019, taking account of the Group's current position, the Group's strategy and the principal risks documented in the Strategic Report. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2019.

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***Key performance indicators (KPIs)***

We measure our performance through a set of carefully selected KPIs, which monitor our success in achieving our strategy and the progress of our Group to deliver high-quality growth.

The KPIs are organised around the framework of our strategy – our Winning Model and Targeted Portfolio underpinned by Disciplined Execution and doing business responsibly.

**KPIs**

**2016 status**

**2017 specific priorities**

**WINNING MODEL AND TARGETED PORTFOLIO**

**Net rooms supply**

Net total number of rooms in the IHG System.

**87%**

of open rooms are in priority markets

Continue to accelerate growth in our 10 priority markets (such as Germany – see page 30) and key city locations in order to achieve further scale benefits.

**Growth in underlying fee revenues<sup>b</sup>**

Group revenue excluding revenue from owned and leased hotels, managed leases and significant liquidated damages.

**89%**

of pipeline rooms are in priority markets

Support the expansion of Holiday Inn Express Franchise Plus programme in Greater China (see page 30 for details) and the development of Kimpton outside the US.

**75,812**

rooms signings

Continue to drive strong rooms supply growth, whilst ensuring that we maintain a high level of guest satisfaction across our entire portfolio of hotels with removals from the System.

**Total gross revenue from hotels in IHG's System<sup>a</sup>**

Total rooms revenue from franchised hotels and total hotel revenue from managed, owned and leased hotels. Other than for owned and leased hotels, it is not revenue wholly attributable to IHG, as it is mainly derived from hotels owned by third parties.

**\$4.3bn**

digital revenues delivered in 2016, up by 8% on 2015

Continue to drive adoption and impact of our revenue management tools, systems and processes amongst our owners.

Keep our focus on driving a greater revenue contribution from IHG Rewards Club members (see page 16).

**49%**

of hotels adopting IHG's revenue management service

Our new Guest Reservation System (see page 17) is on track to begin roll-out in 2017.

**System contribution to revenue**

The percentage of room revenue delivered through IHG's direct and indirect systems and channels.

Continue to expand the language capabilities of our online channels and call centres across all regions.

Drive greater food and beverage revenue, and support brand preference, by introducing new food and beverage concepts for our hotels to adopt.

<sup>a</sup> Including the acquisition of Kimpton (11,325 rooms).

<sup>b</sup> Use of Non-GAAP measures: In addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional financial measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures. Further explanation in relation to these measures can be found on page 26, and reconciliations to IFRS figures, where they have been adjusted, are on pages 156 and 157.

**LINK BETWEEN KPIS AND DIRECTORS REMUNERATION**

KPIs that could have an impact on the performance measures

for 2016 remuneration plans:

The Annual Performance Plan

The Long Term Incentive Plan

Key performance indicators (KPIs)

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KEY PERFORMANCE INDICATORS (KPIs) CONTINUED

**KPIs** **2016 status** **2017 specific priorities**

**WINNING MODEL AND TARGETED PORTFOLIO** CONTINUED

**Global RevPAR growth**

Revenue per available room: rooms revenue divided by the number of room nights that are available.

**105**

Holiday Inn Express hotels with the new room design opened in 2016

Continue the roll-out of our enhanced internet connectivity and wifi offer, IHG Connect, for guests across our estate (see page 31).

**+200**

Embed and drive adoption of customer relationship management systems in our hotels to help us to build lifetime relationships with guests.

**Guest Love**

IHG's guest satisfaction measurement indicator.

external recognitions for our brands, hotels and loyalty programme in 2016

Continue to invest in brand innovation, such as the new room designs for Holiday Inn Express.

Implemented, or in the process of installing, IHG Connect in over

**1,800**

Support the development of our high-performing general managers.

Focus on driving consistency and quality across our Crowne Plaza portfolio in the US through Crowne Plaza Accelerate (see page 30).

hotels in The  
Americas

Drive adoption of our learning solutions, such as the IHG Frontline online training platform, and brand-orientated services training across all IHG hotels, enabling our people to deliver consistently great guest experiences and maintain brand preference.

Expand the roll-out of our China Ready hotel accreditation in key Chinese outbound destinations across The Americas, Europe and AMEA to further increase the attractiveness of our hotels to Chinese travellers. Accredited hotels offer a range of services and amenities catering specifically to the Chinese traveller with frontline teams who have received cultural training to better serve Chinese guests.

<sup>a</sup> Changes to the method for calculating IHG's guest satisfaction scores (previously Guest HeartBeat) were introduced in 2016. The comparatives for 2014 and 2015 have been restated on the basis that the Guest Love methodology had always applied.