INTERCONTINENTAL HOTELS GROUP PLC /NEW/
Form 6-K
February 14, 2012

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 14 February 2012

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

InterContinental Hotels Group PLC
Preliminary Results for the year to 31 December 2011

Excellent 26% growth in operating profit driven by brand outperformance and scale efficiencies

Financial summary°	2011	2010	% Change YoY Actual	CER[2]	CER & ex. LDs[3]
Revenue	$1,768m	$1,628m	9%	7%	6%
Operating profit	$559m	$444m	26%	25%	21%
Total adjusted EPS	130.4¢	98.6¢	32%		
Total basic EPS[1]	159.2¢	101.7¢	57%		
Total dividend per share	55.0¢	48.0¢	15%		
Net debt	$538m	$743m			

Richard Solomons, Chief Executive of InterContinental Hotels Group PLC, said:
"The strength of our brands, underpinned by our global systems and scale, delivered 6.2% growth in revenue per available room (RevPAR) in the year. We have continued to outperform the industry in key markets such as the US and Greater China where RevPAR was up 7.9% and 10.7% respectively.
We are strengthening our business through developing our brand portfolio supported by targeted investment. We also ensure that our hotels with our best in class delivery systems are known for industry leading guest experiences delivered by talented people and dedicated owners.
Looking ahead, in spite of considerable uncertainty in the Eurozone, IHG is well positioned globally to benefit from positive long term industry trends and, in particular, growing demand in emerging markets. Our 15% dividend growth reflects the confidence we have in our ability to deliver high quality growth through market share and margin gains, due to our preferred brands, geographic diversity, robust balance sheet and scalable business model."

Driving Market Share

- Total gross revenue* from hotels in IHG's system of $20.2bn, up 8%.
- 2011 global RevPAR growth of 6.2%, 6.9% excluding Egypt, Bahrain and Japan.
  - Americas 7.5% (US 7.9%); Europe 4.7%; AMEA 0.9% (5.5% ex Egypt, Bahrain, Japan); Greater China 10.7%.
  - 2011 global rate growth of 2.5% and occupancy growth of 2.3%pts.
  - Fourth quarter global RevPAR growth of 4.6%, (5.2% ex Egypt, Bahrain and Japan) with rate up 2.8%.
- Total system size of 658,348 rooms (4,480 hotels), up 2% year on year.
  -

44,265 rooms (241 hotels) added to the system, including 6,986 rooms (2 hotels) from the first InterContinental Alliance Resorts and 4,796 rooms (25 hotels) managed on US army bases.

- 33,078 rooms (198 hotels) were removed, including 16,329 rooms (122 hotels) in relation to the Holiday Inn relaunch and 6,994 (43 hotels) which were scheduled to leave as a result of the HPT contract renegotiation.
- Total pipeline of 180,484 rooms (1,144 hotels), of which 40% is under construction. Over one quarter of the pipeline is in Greater China, of which c.70% is under construction. Leading global pipeline share at 13%.
- Signings of 55,424 rooms (356 hotels), in line with 2010. Includes 32,477 Holiday Inn brand family rooms.
- Due to the continued restrictions on the availability of debt finance, net system growth for 2012 is currently expected to be in the region of 2%-3% as previously disclosed.

• Building preferred brands

- Holiday Inn relaunch continues to drive benefits with US RevPAR premiums to the upper midscale segment growing; premiums now sitting at 4%pts and 9%pts for Holiday Inn and Holiday Inn Express respectively.
- Three phase Crowne Plaza repositioning underway, with third phase expected to complete by end of 2015.
- Hotel Indigo and Holiday Inn Express brand growth supported by JV investments totalling $60m. These will increase the distribution of Hotel Indigo in New York and launch the Holiday Inn Express brand in India.
- New brand launches for US midscale and China upper upscale are targeted for the first half of 2012.

• Best in class delivery

- 69% of rooms revenue delivered through IHG's Channels or by PCR members direct to hotel (2010: 68%).
- Industry leading innovative web and mobile strategy delivered 19% of rooms revenue through IHG's direct websites (2010:18%). Best Price Guarantee and Roomkey.com search engine launched in last 6 months.

Growing Margins

• Strong cost management and scale benefits drive margin growth

- Continued improvement in fee based margins* up 4.9%pts to 40.6%, c.1%pt on an underlying basis.
- $261m (CER) regional and central costs are in line with expectations and up 1% on 2010. These were $268m on a reported basis and include $8m of above target short-term performance based incentive costs.

Current trading update

• January global RevPAR up 6.0%, with rate up 3.5%. Americas 7.7%, Europe 3.0%, AMEA 4.2%. Greater China growth of 1.2% reflects the shift of Chinese New Year into January in 2012 from February in 2011.

º All figures are before exceptional items unless otherwise noted. See appendices 3 & 4 for financial headlines

[1] After exceptional items

[2] CER = constant exchange rates

[3] Excluding $16m significant liquidated damages in 2011

*See appendix 6 for definition

Highlights - in new regional structure

Americas - Strong performance driven by franchise business

RevPAR increased 7.5%; with 2.8% rate growth and fourth quarter RevPAR increased 6.6%. US RevPAR was up 7.9% in 2011, with 6.8% growth in the fourth quarter. On a total basis including the benefit of new hotels, US RevPAR grew 9.5% in the year, outperforming the industry up 8.2%.

Revenue increased 3% to $830m and operating profit increased 22% to $451m. After adjusting for owned hotel disposals and excluding (i) $10m managed liquidated damages receipt, (ii) $10m managed benefit year on year from the conclusion of a specific guarantee negotiation relating to one hotel and (iii) results from managed lease hotels*, revenue was up 7% and operating profit up 18%. This was driven by good RevPAR growth across the region, resulting in an 8% increase in franchise royalties, and strong trading at managed hotels. Owned profits benefitted by $4m year on year due to the cessation of depreciation of an asset held for sale in the year, but this was mostly offset by $3m of one-off reorganisation costs relating to one hotel. Regional overheads decreased by $8m, mainly due to a $6m year on year reduction in costs related to our self-insured healthcare benefit plan.

We signed 30,109 rooms and opened 27,107 rooms into the system (2010: 20,980 rooms opened). Openings included 6,986 rooms (2 hotels) from the first InterContinental Alliance Resorts, 4,796 rooms (25 hotels) managed on US army bases and 19 hotels outside the US, including InterContinental Vina del Mar, Chile; a Holiday Inn Resort in Acapulco, Mexico; and Canada's largest Holiday Inn. Signings included 15,349 rooms for the Holiday Inn brand family in the US, up 16% on the prior year, demonstrating the ongoing benefits from the relaunch.

Europe -RevPAR growth across much of the year drives strong profit increase

RevPAR increased 4.7%, with 2.9% rate growth. RevPAR was down 0.2% in the fourth quarter reflecting the deterioration in macro economic conditions across Europe (Q4 RevPAR: UK down 0.7%, Germany down 0.3%).

Revenue increased 24% (19% at CER) to $405m and operating profit increased 33% (26% at CER) to $104m. After adjusting for a leased hotel disposal and excluding results from managed lease hotels*, revenue increased 10% and operating profit increased 34%. This was driven by strong RevPAR growth including 10.9% across the two owned hotels and an $8m increase in franchise royalties as a result of 4.0% RevPAR growth and a 3% increase in room count.

We signed 5,779 rooms (38 hotels), including 7 Crowne Plaza hotels, and 5 Hotel Indigo hotels (with the first Hotel Indigo for Russia, in St Petersburg and three in the UK). 6,167 rooms (37 hotels) were opened into the system, up 1,748 rooms on 2010, including 10 Crowne Plaza hotels and the InterContinental hotels in Porto and Moscow.

AMEA - Good underlying growth in the managed business

RevPAR increased 0.9%, with 1.6% growth in the fourth quarter. RevPAR grew 5.5% excluding Egypt (9 hotels) and Bahrain (2 hotels) where political unrest caused significant disruption and Japan (32 hotels) where the earthquake and resultant events negatively impacted growth. RevPAR grew strongly in several other Middle East markets, including 8.9% in Saudi Arabia and 5.6% in the United Arab Emirates, and across the wider AMEA region including 12.9% in South East Asia and 6.3% in Australia, New Zealand and the South Pacific.

AMEA revenue increased 1% (2% decline at CER) to $216m and operating profit increased 2% (2% decline at CER) to $84m. After adjusting for a $6m liquidated damages receipt and excluding the negative impact on trading from events in the Middle East, Japan and New Zealand, revenue increased 4% and operating profit increased 9%. This was due to strong RevPAR growth across much of the managed business, partly offset by $4m from the structural changes to certain management contract terms and a 1% net reduction in the room count.

We signed 7,424 rooms in the year, mainly within the Holiday Inn brand family (23 hotels or 5,037 rooms) including 5 Holiday Inn Express hotels as part of the Joint Venture deal with Duet Hotels in India. 2,907 rooms (10 hotels) were opened, mostly with the Crowne Plaza and Holiday Inn brands including the first two Crowne Plaza hotels in Vietnam (West Hanoi and Danang) and a second Holiday Inn resort in Phuket, Thailand.

Greater China - Increasing scale drives profit growth

RevPAR increased 10.7% with rate growth of 5.9%. RevPAR was up 17.4% excluding Shanghai, which was impacted by very strong comparatives for much of the year due to the 2010 World Expo. Greater China RevPAR grew 7.7% in the fourth quarter (up 11.3% excluding Shanghai), including 11.4% in December.

Revenue increased 15% (15% CER) to $205m and operating profit increased 24% (26% CER) to $67m. This was driven by 13.4% RevPAR growth at the InterContinental Hong Kong and $13m growth in managed profits due to strong RevPAR growth and 14% increase in room count (adding to a 13% increase in 2010).

We opened 8,084 rooms in the year, up on 2010, taking our open rooms in the region to 55,182, and strengthening our market leading position. Openings included 4 InterContinental hotels and 11 Crowne Plaza hotels, demonstrating the strength of these brands in Greater China.

Signings of 12,112 rooms were up on 2010, and takes our pipeline to 49,768 rooms, c.70% of which is under construction. Key signings included the Holiday Inn Macau with Sands China Ltd., which at 1,224 rooms will be the world's largest Holiday Inn, and Hotel Indigo Haitang Bay, the first resort location for the brand in the region.

*See appendix 6 for definition

Capital recycling strategy driving growth

The disposal process of InterContinental New York Barclay continues to be progressed. During the year we completed the disposal of Hotel Indigo San Diego, Staybridge Suites Cherry Creek, Holiday Inn Atlanta-Gwinnett Place, the Holiday Inn Express Essen lease and a hotel asset and partnership interest in Australia. Proceeds from these sales totalled $142m, 22% above book value.

In line with our strategy to recycle capital to drive growth in our brands, during 2011 we invested $93m in growth capital expenditure. This included a $12m equity stake in Summit Hotel Properties Inc. in the US with whom we have a hotel sourcing agreement; $11m in the joint venture which will take Holiday Inn Express into India; and a $25m in the joint venture to develop a Hotel Indigo on the Lower East side of Manhattan.

Interest, tax, cash flow and dividend

The interest charge for the period was flat at $62m as costs relating to our new syndicated bank facility offset the impact of lower levels of net debt.

The effective tax rate for 2011 is 24% (2010: 26%). The 2012 tax rate is expected to be in the high 20s, moving towards the low 30s in 2013.

Exceptional operating items before tax totalled a net credit of $35m. These comprise: credits of (i) $37m from the disposal of hotels (ii) $20m net impairment reversals (iii) $28m relating to the closure of the UK defined benefit pension scheme with effect from 1 July 2013 and (iv) a $9m UK VAT refund and charges of $37m in relation to a settlement of a commercial dispute in Europe and a $22m litigation provision in the Americas.

15% growth in the total dividend to 55.0¢ reflects a strong performance in 2011 and reinforces IHG's resilient, cash generative business model.

The Group refinanced its bank debt in November, putting in place a 5 year $1.07bn facility, which was substantially undrawn at the year end, providing certainty of funding until November 2016.

Strong free cash flow generation of $422m translated into a $205m reduction in net debt from the prior year to $538m (including the $209m finance lease on the InterContinental Boston). Our balance sheet remains robust, which will allow us to invest to accelerate growth and strengthen our brands.

Appendix 1: RevPAR Movement Summary

	January 2012			Full Year 2011			Q4 2011		
	RevPAR	Rate	Occ.	RevPAR	Rate	Occ.	RevPAR	Rate	Occ.
Group	6.0%	3.5%	1.3pts	6.2%	2.5%	2.3pts	4.6%	2.8%	1.1pts
Americas	7.7%	4.0%	1.8pts	7.5%	2.8%	2.8pts	6.6%	3.7%	1.6pts
Europe	3.0%	0.2%	1.5pts	4.7%	2.9%	1.2pts	(0.2)%	0.8%	(0.6)pts
AMEA	4.2%	2.5%	1.1pts	0.9%	1.3%	(0.2)pts	1.6%	3.2%	(1.2)pts
G. China	1.2%	9.2%	(3.6)pts	10.7%	5.9%	2.8pts	7.7%	3.9%	2.3pts

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

			System			Pipeline	
	Openings	Removals	Net	Total	YoY%	Signings	Total
Group	44,265	(33,078)	11,187	658,348	2%	55,424	180,484
Americas	27,107	(24,284)	2,823	442,198	1%	30,109	84,450
Europe	6,167	(3,931)	2,236	99,885	2%	5,779	16,682
AMEA	2,907	(3,434)	(527)	61,083	(1)%	7,424	29,584
G. China	8,084	(1,429)	6,655	55,182	14%	12,112	49,768

Appendix 3: Quarter 4 financial headlines

Operating Profit	Total		Americas		Europe		AMEA		G. China		Central	
$m	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Franchised	118	108	99	91	14	13	4	3	1	1	-	-
Managed	54	46	9	6	9	2	23	29	13	9	-	-
Owned & leased	32	32	4	5	11	11	1	2	16	14	-	-
Regional overheads	(32)	(35)	(12)	(17)	(10)	(9)	(5)	(6)	(5)	(3)	-	-
Profit pre central overheads	172	151	100	85	24	17	23	28	25	21	-	-
	(35)	(41)	-	-	-	-	-	-	-	-	(35)	(41)

Central overheads												
Group Operating profit	137	110	100	85	24	17	23	28	25	21	(35)	(41)

Appendix 4: Full year financial headlines

Operating Profit	Total		Americas		Europe		AMEA		G. China		Central	
$m	2011	2010										