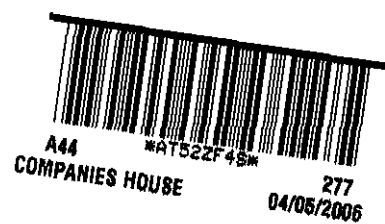


HOLIDAY INNS OF AMERICA (UK) LIMITED

Report and Financial Statements

31 December 2005



Holiday Inns of America (UK) Limited

Registered No. 0891885

DIRECTORS

A S McEwan

C Springett

N P Stocks

R Wheeler

R T Winter

SECRETARY

S M Kamere

REGISTERED OFFICE

67 Alma Road

Windsor

Berkshire SL4 3HD

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company has not traded during the year. Therefore no Profit and Loss Account has been prepared.

DIVIDENDS

The directors do not propose a dividend for the year ended 31 December 2005 (year ended 31 December 2004 - £Nil).

FUTURE DEVELOPMENTS

The directors plan to maintain the Company's dormant status for the foreseeable future.

DIRECTORS' INTERESTS

The directors at 31 December 2005 and since the year end were as follows:

A S McEwan
C Springett
N P Stocks
R Wheeler (appointed 27 March 2006)
R T Winter

CHANGE OF COMPANY SECRETARY

On 6 September 2005, C Engmann resigned and SM Kamere was appointed.

None of the directors had a direct interest in the issued share capital of the Company. With the exception of the directors detailed below, no other director had any interest in the share capital of the ultimate parent undertaking or any other group undertaking.

Please refer to Note 6 for information on the ultimate parent undertaking.

	<i>At 1.01.05 InterContinental Hotels Group PLC Ordinary Shares of 112 pence*</i>	<i>At 31.12.05 InterContinental Hotels Group PLC Ordinary shares of 10 pence</i>
A S McEwan	3,454	11,130
N P Stocks	519	6,795
C Springett	552	404
R T Winter	8,035	5,983

* These share interests were in InterContinental Hotels Group PLC ("IHG PLC") prior to the capital reorganisation effective 27 June 2005. For every 15 existing IHG PLC ordinary shares of 112 pence each held on 24 June 2005, shareholders received 11 new ordinary shares of 10 pence each and £24.75 in cash.

Holiday Inns of America (UK) Limited

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTINUED)

The following directors held share options to subscribe for ordinary shares in IHG PLC under the IHG PLC Executive and Savings-Related Share Option schemes.

Executive Share Option plan

	<i>Options held at 1.01.05</i>	<i>Granted during year</i>	<i>Lapsed during the year</i>	<i>Exercised during the year</i>	<i>Options held at 31.12.05</i>	<i>Option prices</i>	<i>Earliest exercisable date</i>
A S McEwan	8,549	-	-	-	8,549	497.96p	Exercisable
	7,181	-	-	-	7,181	593.29p	Exercisable
	11,114	-	-	-	11,114	466.68p	Exercisable
	32,488	-	-	-	32,488	349.13p	Exercisable
	27,188	-	-	-	27,188	422.81p	Exercisable
	37,276	-	-	-	37,276	434.22p	Exercisable
	67,315	-	-	-	67,315	438.00p	May 2006
	62,520	-	-	-	62,520	494.17p	April 2007
	-	26,230	-	-	26,230	619.83p	April 2008
C Springett	21,689	-	-	-	21,689	438.00p	May 2006
	19,800	-	-	-	19,800	494.17p	April 2007
N P Stocks	18,467	-	-	-	18,467	434.22p	Exercisable
	50,228	-	-	-	50,228	438.00p	May 2006
	48,560	-	-	-	48,560	494.17p	April 2007
	-	20,100	-	-	20,100	619.83p	April 2008
R T Winter	31,634	-	-	-	31,634	593.29p	Exercisable
	11,798	-	-	-	11,798	466.68p	Exercisable
	62,584	-	-	-	62,584	349.13p	Exercisable
	66,516	-	-	-	66,516	422.81p	Exercisable
	121,406	-	-	-	121,406	308.48p	Exercisable
	181,506	-	-	-	181,506	438.00p	May 2006
	172,130	-	-	-	172,130	494.17p	April 2007
	-	74,050	-	-	74,050	619.83p	April 2008

Savesave Plan

	<i>Options held at 1.01.05</i>	<i>Granted during the year</i>	<i>Exercised during the year</i>	<i>Options held at 31.12.05</i>	<i>Option prices</i>	<i>Earliest exercisable date</i>
R T Winter	3,769	-	-	3,769	420.50p	March 2009

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTINUED)

Six Continents Employee Profit Share Scheme

This was a scheme whereby the parent company's board allocated a percentage of profits before tax to the Profit Share Scheme. These profits were used to purchase ordinary shares, which were then divided among participants in proportion to their earnings. The shares were then held in trust on behalf of participants for a period of three years.

The IHG PLC shares held by the Profit Share Trust were subject to a share consolidation in December 2004 and following the final release out of the Scheme during the year, these shares were further subject to the capital reorganisation effective 27 June 2005. For every 15 existing IHG PLC ordinary shares of 112 pence each held on 24 June 2005, shareholders received 11 new ordinary shares of 10 pence each and £24.75 in cash.

Entitlements to directors of the Company under the Profit Share Scheme during the year were as follows:

<i>Award Date</i>	<i>Ordinary shares of 112 pence held in trust at 1.01.05</i>	<i>Ordinary shares of 112 pence released during the year</i>	<i>Ordinary shares of 10 pence held at 31.12.05</i>	<i>Appropriation price</i>	<i>Release date</i>
R T Winter	27.02.02	827	827	- 539.75p	27.02.05

*These share interests were in InterContinental Hotels Group PLC ("IHG PLC") prior to the capital reorganisation effective 27 June 2005.

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTINUED)

Performance Restricted Share Plan (PRSP)

During the year, share awards made in respect of the Performance Restricted Share Plan were as follows:

	<i>Maximum entitlement to awards held over IHG PLC Ordinary shares at 1.01.05</i>	<i>Awarded during the year</i>	<i>Vested during the year</i>	<i>Lapsed during the year</i>	<i>Maximum entitlement to awards held over IHG PLC Ordinary shares at 31.12.05</i>
A S McEwan	124,980	46,060	19,872	13,248	137,920
N P Stocks	94,530	35,300	14,826	9,884	105,120
R T Winter	316,780	130,020	50,022	33,348	363,430
C Springett	-	8,800	-	-	8,800

A full description of the Performance Restricted Share Plan can be found in the InterContinental Hotels Group PLC Annual Report and Financial Statements.

Short Term Deferred Incentive Plan (STDIP)

During the year, share awards made in respect of the Short Term Deferred Incentive Plan were as follows:

	<i>Maximum entitlement to awards held over IHG PLC Ordinary shares at 1.01.05</i>	<i>Awarded during the year</i>	<i>Released during the year</i>	<i>Maximum entitlement to awards held over IHG PLC Ordinary shares at 31.12.05</i>
R T Winter	-	65,067	-	65,067

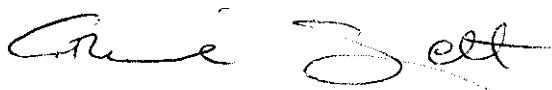
THIRD-PARTY INDEMNITIES

InterContinental Hotels Group has provided to all of its group company directors, limited indemnities in respect of costs of defending claims against them, and third-party liabilities.

ELECTIVE RESOLUTIONS

The Company has passed Elective Resolutions to dispense with the laying of the Accounts before the Company in General Meeting, the appointment of auditors annually and the holding of Annual General Meetings, pursuant to sections 252, 386 and 366A of the Companies Act.

By order of the Board


 Director
 31 March 2006

Holiday Inns of America (UK) Limited

BALANCE SHEET

As at 31 December 2005

	Notes	2005 £000	2004 £000
CREDITORS			
Creditors: amounts falling due after more than one year	3	(880)	(880)
NET LIABILITIES		<u>(880)</u>	<u>(880)</u>
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss reserve	5	(980)	(980)
SHAREHOLDERS' FUNDS	5	<u>(880)</u>	<u>(880)</u>

For the year ended 31 December 2005 the Company was entitled to exemption under section 249A(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- ensuring the Company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

Approved by the board on
and signed on its behalf by



Director
31 March 2006

Holiday Inns of America (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention. They have been drawn up to comply with applicable accounting standards.

The financial statements have been prepared on a going concern basis. The ultimate parent company InterContinental Hotels Group PLC, has confirmed that continued support will be provided in order that future obligations can be met as they fall due.

Statement of cash flows

Under the provisions of Financial Reporting Standard 1 (Revised), the Company has not prepared a statement of cash flows because its ultimate parent undertaking, InterContinental Hotels Group PLC, which is incorporated within the European Union, has prepared consolidated financial statements which include the financial statements of the Company for the year and which contain an appropriate statement of cash flows of the Company.

2. DIRECTORS' EMOLUMENTS

The directors are directors of other undertakings within the InterContinental Hotels Group. The directors' remuneration for the period was paid by other undertakings. The directors do not believe that it is practical to apportion this amount between their services as directors of the Company and their services as directors of the fellow subsidiary undertakings.

3. CREDITORS: Amounts falling due after more than one year

	2005	2004
	£000	£000
Amounts owed to fellow subsidiary undertaking	880	880

4. SHARE CAPITAL

	2005	2004
	£000	£000
Authorised, Allotted, Called Up and Fully Paid 100,000 ordinary shares of £1 each	100	100

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2005

5. RELATED PARTY TRANSACTIONS

As the company was a wholly owned subsidiary of InterContinental Hotels Group PLC at 31 December 2005, the company has taken advantage of the exemption contained in FRS 8 "Related Party Transactions" and has therefore not disclosed transactions or balances with entities which form part of the group, headed by InterContinental Hotels Group PLC.

The directors confirm that there were no related party transactions other than those disclosed in these financial statements.

6. PARENT UNDERTAKING AND CONTROLLING PARTY

As at 31 December 2005, InterContinental Hotels Group PLC (registered no. 5134420), a company incorporated in Great Britain and registered in England and Wales was the ultimate parent undertaking of Holiday Inns of America (UK) Limited.

During a group reorganisation effective 27 June 2005, InterContinental Hotels Group PLC (registered no. 5134420) replaced InterContinental Hotels Group PLC (registered no. 4551528) as the new ultimate parent company. InterContinental Hotels Group PLC (registered no. 4551528) was renamed InterContinental Hotels Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by InterContinental Hotels Group PLC (registered no. 5134420). Consolidated financial statements of InterContinental Hotels Group PLC (registered no. 5134420) are available from the following address:

Companies House, Crown Way, Cardiff CF14 3UZ

The immediate parent and controlling company is Holiday Inns (UK) Inc, a Company registered in the United States of America.