Research Circular #RS12-520

DATE: October 5, 2012
TO: Permit Holders
FROM: Scott Speer

RE: **InterContinental Hotels Group PLC ("IHG")**
Share Consolidation/Cash Distribution
Anticipated Effective Date: Prior to the Market Open on October 9, 2012

InterContinental Hotels Group PLC ("IHG") has announced a Share Consolidation and Special Cash Dividend whereby each IHG American Depositary Share will be converted into the right to receive 0.933333333 (New) InterContinental Hotels Group PLC (IHG) American Depositary Shares (ADS) and the US Dollar equivalent of 108.4 pence (approximately US$1.72), less fees if any, per IHG ADS.

The Share Consolidation is anticipated to become effective before the market open on October 9, 2012 and is in conjunction with payment of the Special Cash Dividend.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE CONSOLIDTION, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE INTERCONTINENTAL HOTELS GROUP PLC NOTICE OF GENERAL MEETING DATED SEPTEMBER 14, 2012, FOR THE AUTHORITATIVE DESCRIPTION OF THE CONSOLIDATION AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustments

Pursuant to Article VI, Section 11 and 11A, of OCC's By-Laws, all outstanding IHG options shall be adjusted as follows. On Tuesday October 9, 2012, each adjusted InterContinental Hotels Group PLC contract will require the receipt or delivery of' (A) 93 (New) InterContinental Hotels Group PLC ("IHG") ADSs; plus (B) cash in lieu of 0.3333333 IHG ADS; plus (C) approximately $172.00 cash, less fees, if any. Premiums for the adjusted InterContinental Hotels Group PLC options will continue to be calculated on the basis of a multiplier of 100, *i.e.,* for premium and strike-price extensions, 1.00 will equal $100. The InterContinental Hotels Group PLC option symbol will change to **IHG1**. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Tuesday, October 9, 2012, trading in the IHG option series will be on an adjusted basis. At 8:30 A.M., Chicago time, the following symbol adjustments to the options will be effected:

EXISTING SERIES					ADJUSTED SERIES*			
IHG	22.50	2012-11-17	C/P	=>	IHG1	22.50	2012-11-17	C/P
IHG	25.00	2012-11-17	C/P	=>	IHG1	25.00	2012-11-17	C/P
IHG	30.00	2012-11-17	C/P	=>	IHG1	30.00	2012-11-17	C/P

*** Any additional IHG series that are added prior to the effective time of the merger will also be adjusted in the manner described above.**

Settlement

The IHG component of the IHG1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the IHG1 deliverable until the cash in lieu of fractional IHG Shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

GTC Order Conversion

On Monday, October 8, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the IHG order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustments. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments