HILTON HOTELS CORPORATION
UNAUDITED PRO FORMA FINANCIAL STATEMENTS

The following unaudited pro forma financial statements of Hilton Hotels Corporation (the "Company") are based on the historical consolidated financial statements of the Company after giving effect to our merger with an affiliate of The Blackstone Group's real estate and corporate private equity funds (the "Blackstone Transaction") and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma financial statements.

The unaudited pro forma balance sheet as of September 30, 2007 is presented as if the Blackstone Transaction had occurred on September 30, 2007. The unaudited pro forma statements of operations for the nine months ended September 30, 2007 and the year ended December 31, 2006 are presented as if the Blackstone Transaction had taken place on January 1, 2006.

The allocation of the purchase price used in the unaudited pro forma financial statements is based upon a preliminary valuation. The estimated fair values of certain assets and liabilities have been determined with the assistance of a third-party valuation firm and such firm's preliminary work. Our estimates and assumptions are subject to change upon the finalization of internal studies and third-party valuations of assets, including investments, property and equipment, intangible assets including goodwill, and certain liabilities.

The unaudited pro forma financial statements are not intended to represent or be indicative of the consolidated results of operations or financial position of the Company that would have been reported had the Blackstone Transaction been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial position of the Company. The pro forma adjustments are based upon available information and upon certain assumptions that Hilton management believe are reasonable.

The unaudited pro forma financial statements do not reflect any revenue enhancements, operating efficiencies, or cost savings that we may achieve. The allocation of the purchase price to the assets and liabilities acquired reflected in this pro forma financial data is preliminary. Accordingly, the actual financial position and results of operations may differ from these pro forma amounts.

Hilton Hotels Corporation and Subsidiaries
Unaudited Pro Forma Balance Sheet
(in millions)

	September 30, 2007			
	Historical	Pro Forma Adjustments		Pro Forma
ASSETS				
Current Assets				
Cash and equivalents	$ 199	502	**(A)**	701
Restricted cash	406	858	**(B)**	1,264
Accounts receivable, net	701	-		701
Inventories	552	54	**(C)**	606
Other current assets	352	552	**(D) (E)**	904
Total current assets	2,210	1,966		4,176
Investments, Property and Other Assets				
Investments and notes receivable, net	884	617	**(F)**	1,501
Property and equipment, net	4,225	5,375	**(G)**	9,600
Amortizable intangible assets, net	1,422	1,878	**(H)**	3,300
Brands	2,559	3,911	**(I)**	6,470
Goodwill	3,090	9,463	**(J)**	12,553
Other assets	939	113	**(D) (K)**	1,052
Total investments, property and other assets	13,119	21,357		34,476
Total Assets	$ 15,329	23,323		38,652
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	$ 1,953	463	**(L) (M)**	2,416
Current maturities of long-term debt	995	(949)	**(N)**	46
Current maturities of non-recourse debt and capital lease obligations of non-controlled entities	115	(2)	**(O)**	113
Income taxes payable	-	67	**(D)**	67
Total current liabilities	3,063	(421)		2,642
Long-term debt	3,955	17,244	**(P)**	21,199
Non-recourse debt and capital lease obligations of non-controlled entities	410	(31)	**(O)**	379
Deferred income taxes and other liabilities	3,580	5,192	**(D) (L)**	8,772
Total liabilities	11,008	21,984		32,992
Stockholders' equity	4,321	1,339	**(Q)**	5,660
Total Liabilities and Stockholders' Equity	$ 15,329	23,323		38,652

Hilton Hotels Corporation and Subsidiaries
Unaudited Pro Forma Statements of Operations
(in millions)

	Nine Months Ended September 30, 2007			Year Ended December 31, 2006		
	Historical	Pro Forma Adjustments	Pro Forma	Historical	Pro Forma Adjustments	Pro Forma
Revenue						
Owned hotels	$ 1,773	-	1,773	$ 2,506	-	2,506
Leased hotels	1,495	-	1,495	1,641	-	1,641
Management and franchise fees	573	-	573	681	-	681
Timeshare and other income	538	(34) **(R)**	504	767	(38) **(R)**	729
	4,379	(34)	4,345	5,595	(38)	5,557
Other revenue from managed and franchised properties	1,601	-	1,601	1,843	-	1,843
	5,980	(34)	5,946	7,438	(38)	7,400
Expenses						
Owned hotels	1,266	-	1,266	1,771	-	1,771
Leased hotels	1,317	-	1,317	1,430	-	1,430
Timeshare and other operating expenses	391	-	391	546	-	546
Depreciation and amortization	323	60 **(S)**	383	426	76 **(S)**	502
Impairment loss and related costs	4	-	4	-	-	-
General and administrative expenses	270	(16) **(T)**	254	311	(27) **(T)**	284
	3,571	44	3,615	4,484	49	4,533
Other expenses from managed and franchised properties	1,592	-	1,592	1,832	-	1,832
	5,163	44	5,207	6,316	49	6,365
Operating income from unconsolidated affiliates	40	-	40	57	-	57
Operating Income	857	(78)	779	1,179	(87)	1,092
Interest and dividend income	19	- **(U)**	19	27	- **(U)**	27
Interest expense	(304)	(943) **(V)**	(1,247)	(498)	(1,143) **(V)**	(1,641)
Net interest from unconsolidated affiliates and non-controlled interests	(36)	-	(36)	(45)	-	(45)
Net (loss) gain on foreign currency transactions	(22)	-	(22)	34	-	34
Net other (loss) gain	(5)	-	(5)	72	(21) **(W)**	51
Loss from non-operating affiliates	(12)	-	(12)	(16)	-	(16)
Income (Loss) Before Taxes and Minority and Non-Controlled Interests	497	(1,021)	(524)	753	(1,251)	(498)
Income tax (provision) benefit	(176)	382 **(X)**	206	(245)	439 **(X)**	194
Minority and non-controlled interests, net	(6)	-	(6)	(7)	-	(7)
Income (Loss) From Continuing Operations	$ 315	(639)	(324)	$ 501	(812)	(311)

Note 1: Basis of Presentation

The unaudited pro forma financial statements of the Company are based on the historical consolidated financial statements of Hilton Hotels Corporation after giving effect to the Blackstone Transaction and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma financial statements.

The historical consolidated financial statements of Hilton are presented under United States Generally Accepted Accounting Principles ("US GAAP") and as such, the historical statements of income have been adjusted to remove the impact of any asset sales that qualify for discontinued operations treatment. The historical statements of operations present results through income from continuing operations.

The unaudited pro forma balance sheet as of September 30, 2007 is presented as if the Blackstone Transaction had occurred on September 30, 2007. The unaudited pro forma statements of operations for the nine months ended September 30, 2007 and the year ended December 31, 2006 are presented as if the Blackstone Transaction had taken place on January 1, 2006.

The allocation of the purchase price used in the unaudited pro forma financial statements is based upon a preliminary valuation. The estimated fair values of certain assets and liabilities have been determined with the assistance of a third-party valuation firm and such firm's preliminary work. Our estimates and assumptions are subject to change upon the finalization of internal studies and third-party valuations of assets, including investments, property and equipment, intangible assets including goodwill, and certain liabilities.

The unaudited pro forma financial statements are not intended to represent or be indicative of the consolidated results of operations or financial position of the Company that would have been reported had the Blackstone Transaction been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial position of the Company. The pro forma adjustments are based upon available information and upon certain assumptions that Hilton management believe are reasonable.

The unaudited pro forma financial statements do not reflect any revenue enhancements, operating efficiencies, or cost savings that we may achieve. The allocation of the purchase price to the assets and liabilities acquired reflected in this pro forma financial data is preliminary. Accordingly, the actual financial position and results of operations may differ from these pro forma amounts.

Note 2: The Blackstone Transaction

On October 24, 2007, the Blackstone Transaction was completed for consideration of approximately $26 billion, including assumed debt. In order to finance the Blackstone Transaction, debt repayments and other transaction expenses, we incurred new indebtedness totaling approximately $20.6 billion (see "Note 3: Debt"). This new debt, together with approximately $5.7 billion of equity invested by affiliates of Blackstone, was used to fund the acquisition of our previously outstanding common stock, pay transaction costs, establish certain cash reserves and finance the retirement of debt.

For purposes of the pro forma September 30, 2007 balance sheet, the total purchase price is comprised of the following:

(in millions)	
Purchase of common shares	$ 19,427
Direct acquisition costs	470
Purchase price at closing	19,897
Assumed conversion of remaining convertible debt (see "Note 3: Debt")	337
Purchase price for pro forma financial statements	$ 20,234

The preliminary allocation of the pro forma purchase price is as follows:

(in millions)	
Current assets, including $605 in cash and equivalents	$ 2,657
Investments and notes receivable	1,566
Property and equipment, net	9,600
Identifiable intangible assets	9,770
Goodwill	12,553
Other assets	770
Current liabilities	(3,178)
Deferred income taxes	(7,523)
Long-term debt, including capital lease obligations	(4,386)
Non-recourse debt and capital lease obligations of non-controlled entities	(492)
Other liabilities	(1,103)
	$ 20,234

Note 3: Debt

The Blackstone Transaction, the repayment of certain indebtedness and the payment of transaction expenses has been financed with $20.6 billion of mortgage and mezzanine debt financing (the “Secured Debt”) incurred by our subsidiaries and approximately $5.7 billion of equity invested by investment funds affiliated with The Blackstone Group. The Secured Debt bears interest at a blended average rate equal to the one-month London Interbank Offering Rate (“LIBOR”) plus 2.45%. The term of the Secured Debt is three years, with up to three one year extensions at our option. We have entered into interest rate swaps that effectively convert the interest payable on approximately $5.1 billion of the senior mortgage loan from a variable rate of LIBOR plus 2.45% to a fixed interest rate of 6.82% for a period of three years.

In connection with the Blackstone Transaction, we commenced tender offers and consent solicitations in relation to approximately $1.83 billion principal amount of our unsecured debt securities. Pursuant to the terms of the tender offers and consent solicitations, we purchased and retired approximately $1.56 billion of debt securities concurrent with the completion of the Blackstone Transaction and completed amendments to the indentures pursuant to which the terms of the debt securities were amended to eliminate certain covenants and events of default and to make certain other modifications. We also repaid certain term and revolving loans, industrial revenue bonds and other indebtedness. In the aggregate, the pro forma financial statements reflect the repayment of approximately $3.7 billion of indebtedness outstanding as of September 30, 2007.

Upon completion of the Blackstone Transaction, our 3.375% convertible notes due 2023 became convertible into $2,111 per $1,000 principal amount. For purposes of the pro forma financial statements, all of our 3.375% convertible notes due 2023 are assumed to have been converted and paid out upon closing of the Blackstone Transaction.

Note 4: Pro Forma Adjustments

The following pro forma adjustments are included in the unaudited pro forma financial statements:

(A) To adjust cash to reflect the reclassification of certain cash balances previously restricted under the terms of indebtedness repaid in connection with the Blackstone Transaction, as well as incremental cash resulting from the Blackstone Transaction.

(B) To adjust restricted cash for reserves required under the terms of the Secured Debt and to reflect the reclassification of certain cash previously restricted under the terms of indebtedness repaid in the Blackstone Transaction.

(C) To adjust Hilton Grand Vacation timeshare inventory to estimated fair market value.

(D) To record the estimated current and deferred tax effects of the pro forma balance sheet adjustments.

(E) To adjust the current portion of notes receivable, including timeshare and other notes receivable, to estimated fair market value.

(F) To adjust investments and notes receivable, net, to estimated fair market value.

(G) To adjust property and equipment, net, to estimated fair market value.

(H) To adjust amortizable intangible assets to estimated fair market value, including management, franchise and lease contracts.

(I) To adjust indefinite life brand values to estimated fair market values.

(J) To reflect the excess of purchase price over the estimated fair market value of assets acquired and liabilities assumed.

(K) To record new deferred loan costs, net of the write off of historical unamortized loan costs.

(L) To write off deferred gain balances.

(M) To record certain current liabilities associated with the Blackstone Transaction.

(N) To adjust the current portion of long-term debt for debt tendered, repaid and the assumed conversion and repayment of convertible debt as part of the Blackstone Transaction.

(O) To adjust non-recourse debt and capital lease obligations of non-controlled entities to estimated fair market value.

(P) To record the following adjustments to long-term debt to reflect new Secured Debt borrowings and repayment of historical debt:

(in millions)	
Repayment of existing debt, less current portion	$ (3,355)
New Secured Debt	20,598
Adjust remaining existing debt to fair market value	1
	$ 17,244

(Q) To eliminate the historical Company equity and to reflect the equity contribution from the Blackstone affiliates.

(R) To reverse the recognition of previously deferred gains.

(S) To adjust depreciation and amortization expense to reflect the preliminary revaluation of acquired property and equipment and identifiable definite lived intangible assets.

(T) To adjust corporate expense for the reduction in stock based awards expense from prior years. For purposes of the pro forma combined statements of income, the Blackstone Transaction is assumed to have occurred on January 1, 2006. As such, all stock awards made prior to January 1, 2006 would have been accelerated and fully expensed prior to January 1, 2006. Only expenses associated with awards granted after January 1, 2006 are included in corporate expense.

(U) Interest and dividend income does not reflect assumed interest income earned on approximately $1.1 billion of restricted cash required under the terms of the Secured Debt. Interest income on the cash reserves would have totaled approximately $50 million and $42 million for the year ended December 31, 2006 and nine months ended September 31, 2007, respectively, assuming an estimated annual investment return of 4.5% and 5.1%, respectively.

(V) To record the estimated increase in interest expense related to the Blackstone Transaction, including amortization of estimated debt issue costs. The estimated interest expense for the Secured Debt is computed at an assumed weighted average borrowing rate of 7.39% and 7.55% for the year ended December 31, 2006 and the nine months ended September 30, 2007, respectively. Each 1/8 percent change in the rate of the floating rate portion of this financing would result in a change in interest expense of approximately $19 million and $14 million for the year ended December 31, 2006, and the nine months ended September 30, 2007, respectively.

(W) To reverse gains and losses on asset sales realized by the Company during the year ended December 31, 2006. The pro forma statements of operations assume the acquisition occurred on January 1, 2006. Therefore, assets sold during 2006 would have been revalued at fair value and no gain or loss would have resulted from the sales.

(X) To adjust income tax expense for the impact of the pro forma adjustments and the impact of the Blackstone Transaction.