January 25, 2010

Financial Accounting Standards Board
401 Merrit 7
PO Box 5116
Norwalk, CT 06856
USA

International Accounting Standards Board
First Floor
30 Cannon Street
London EC4M6XH
United Kingdom

Dear Board Members:

Re: Discussion Paper – Effective Dates and Transition Methods

Hilton Worldwide, Inc. (referred to herein as we, us, our, Hilton or the Company) is pleased to respond to the Financial Accounting Standards Board’s (FASB) and International Accounting Standards Board’s (IASB) Discussion Paper entitled Effective Dates and Transition Method (the Discussion Paper).

Hilton is one of the world’s largest lodging companies based on system-wide room count and is engaged in the ownership, leasing, management, development, marketing and franchising of hotel, resort and timeshare properties. The Company was formed through the acquisition in 2006 of Hilton International Company by Hilton’s predecessor Hilton Hotels Corporation. Thus, the effort to convert the entire enterprise to consistent U.S. GAAP reporting is a familiar process, however, in terms of operating hotels, there were not pervasive changes to accounting processes in the enterprise relating to the merger. As of December 31, 2010, our system included over 3,600 hotels and resorts, totaling 605,000 rooms in 82 countries and territories. Our globally recognized brands include Hilton Hotels & Resorts, Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts, Doubletree by Hilton (including Doubletree Guest Suites by Hilton), Embassy Suites Hotels, Hilton Garden Inn, Hampton Inn (including Hampton Inns & Suites), Homewood Suites by Hilton, and Home2 Suites by Hilton. Additionally, we develop, market and operate a system of vacation ownership resorts in select destinations under our Hilton Grand Vacations brand.

Hilton is a private company domiciled in the U.S. and not currently registered on any securities exchange.

Overall, we support the efforts of the FASB and IASB in working towards convergence and improved financial reporting. We believe the Boards’ efforts to seek input from key stakeholders will help identify the best alternative for timing and implementation of the proposed changes.

The following is our response to selected questions:
Question 1:

As a multi-national hospitality company, Hilton is engaged in the leasing of 80 hotel properties, as well as the use of leases to finance operating equipment throughout our operations. We are also engaged in the management and franchising of over 3,500 hotel properties globally which operate under agreements with a diverse range of terms and performance obligations. Hilton will be most impacted by the proposed changes to Leases and Revenue Recognition. As drafted, the implementation of the proposed standards will have a pervasive impact on the Company’s accounting processes and systems. We believe the effect may be material to Hilton’s consolidated (reported under US GAAP) and statutory entities (which are reported internationally, some of which use IFRS) financial reporting requirements.

Question 2:

As noted, Hilton is engaged in the leasing, management, and franchising of numerous hotel properties globally. It is difficult for the Company to predict a timeline for implementation at this point in time as we have no experience in implementing accounting changes of this magnitude. The Company will need to devote a significant amount of time obtaining and analyzing all existing lease arrangements and management contracts under the proposed standards. We would anticipate needing extra personnel. Further, significant financial and personnel resources will need to be devoted to evaluating current system limitations and implementing new systems as well as sufficient technical expertise in applying the complex judgments required to achieve the appropriate accounting under such standards to comply with the expected reporting and disclosure requirements. Additionally, to the extent any changes require retrospective presentation the time required would be greatly increased versus a prospective approach. As a multi-national organization, we will face challenges in educating and training a global work force. In many instances, the work force will not be familiar with the proposed standards. The Leases and Revenue Recognition proposals will add significant complexity to the financial reporting decision making for our decentralized employees. Both of the proposed standards increase the application of significant estimates, which will need to be interpreted and applied in a consistent manner globally by our employees and systems.

Question 3:

The Leases and Revenue Recognition proposals require dependency on significant estimates by management which will pose significant challenges to our external auditors. In many cases, the external auditors utilize certified valuation personnel to validate our estimates which will also add significant cost to the audit and often require the Company to employ external valuation teams which will further increase costs to our operations. As with any significant change, the proposed standards have the potential for unanticipated consequences.

Question 4:

In the context of a broad implementation plan, we agree with the proposals to require retrospective or simplified retrospective transition methods. However, as noted in the Company’s comment letter on the Leases exposure draft, the treatment of all leases and
revenue contracts as if they were new arrangements on the date of adoption would significantly skew operating results during the early years of the standard. A modification to present a cumulative effect adjustment based on the historical results for the leases or contracts at the point that they exist in their life cycle would be a more fair presentation of how financial statements would be impacted by this standard on a go-forward basis. This would provide a more realistic representation of the impact of the standard on the period of implementation as opposed to the current proposal which would essentially treat all leases as new arrangements on the date of implementation, resulting in significant impact on the results of operations of financial statement preparers in the year of implementation.

Question 5:

As noted above, the effort to adopt the new accounting standards will have a pervasive impact on the Company. Whether prospective or retrospective adoption is required, we prefer a sequential approach over the single date approach. We believe a sequential approach will allow the highest probability of successful implementation for companies as they will have adequate time to utilize existing resources within its infrastructure to absorb the accounting guidance and ensure that the Company’s internal review process is sufficient to achieve the effective implementation of the proposed changes.

If the Board agrees to a sequential approach, we recommend effective dates of the Leases and Revenue Recognition accounting requirements be grouped together due to their interdependence.

We believe that completion of all projects noted in the request for views by June 2011 is too aggressive of a timeframe for a thoughtful consideration of the many variables that could be impacted by these standards. We further believe the resource requirements to implement under this timeframe may not even be available as most companies would seek additional guidance and/or outside resources. Additionally, we believe many companies will need system changes and these resources are also limited. This pressure could lead to failures in reporting that would be avoided by taking additional time. The Board should take the time needed to evaluate the many comments and thoughtfully modify the proposed standards to be practical and sufficiently detailed to allow for consistent application by financial statement preparers.

Questions 6 – 8:

We believe the Board should have the same transition method and effective dates for the new standards. A staggered sequential approach with the option for early adoption will allow the scarce resources both internal and external time to correctly adopt and implement. We believe that a key to implementation is the alignment of the timing of the standards for purposes of IFRS and US GAAP. Implementation of these standards will prove challenging to the systems and processes of financial statement preparers in any case, but for a multi-national company such as Hilton, it is imperative for purposes of systems and functional implementation that the standard be applicable for statutory entity (which is reported internationally, typically using IFRS) and consolidated (reported under US GAAP) reporting at the same time, to allow for an appropriate roll out of the standards on a consistent basis. Further, we have certain international subsidiaries which will be impacted by the conversion to IFRS from local GAAP
reporting requirements. Any change in the standards under IFRS subsequent to the conversion would prove more burdensome. The Board should also appropriately consider the impact of such conversions in the overall implementation plan of the proposed standards.

**Question 9:**

While Hilton is currently a private company we believe we may, in the future, be a registrant. We, therefore, review the implementation of all guidance in a manner that would allow us to report under public company guidelines.

We appreciate the opportunity to comment on this Discussion Paper. We would be pleased to discuss our views with you at your convenience.

Very truly yours,

/s/ Paula A. Kuykendall

Paula A. Kuykendall
Senior Vice President and Chief Accounting Officer
Hilton Worldwide, Inc.