



**Hilton Grand Vacations Company Begins Construction
Of Waikiki's Most Luxurious Timeshare Development**

June 15, 2006 – Honolulu, Hawaii USA – A ceremonial ground-breaking today marked the official start of construction for The Grand Waikikian, a 38-story timeshare and retail development at the Hilton Hawaiian Village Beach Resort and Spa®. When completed, The Grand Waikikian will be the largest and most luxurious timeshare resort in Waikiki.

The Grand Waikikian will be operated by Hilton Grand Vacations Company, the timeshare division of Hilton Hotels Corporation. It is the company's fourth timeshare development in the State of Hawaii. Upon anticipated completion in late 2008, The Grand Waikikian will join HGVC's existing 236-unit Lagoon Tower and 72-unit Kalia Tower projects at the Hilton Hawaiian Village, and the recently opened 120-unit Hilton Grand Vacations Club at Waikoloa Beach Resort on the Big Island.

Projected to include 331 units, The Grand Waikikian will be built on a site adjacent to the Lagoon Tower and will feature 34 floors of one-bedroom and two-bedroom timeshare suites, plus an additional four floors of retail, office and guest amenity space. The top five floors of The Grand Waikikian tower will be designated as exclusive penthouse levels with spectacular views, added amenities and expanded guest facilities including a private check area, concierge and lounge on the 35th floor. The penthouse floors will also feature a selection of 3-bedroom suites with panoramic ocean views.

The Waikikian project will include a retail shopping arcade, beachside restaurant and super pool with three slides and a "lazy river" theme designed especially for families. Hilton Hotels Corporation is also making improvements to a number of public areas adjacent to the development, including extensive work to the Village's famed salt-water lagoon.

According to Mark Wang, HGVC Senior Vice President for Hawaii & Asia, the architectural design of the Grand Waikikian will evoke the ambience of a grand hotel, while offering guests the convenience and comfort of a luxury condominium.

"As a purpose-built development within the Hilton Hawaiian Village grounds, we have the opportunity to create the ultimate timeshare experience," Wang said. "The Grand Waikikian will offer elegant, residential-style suites and a sense of exclusivity for everyone who stays here.

But through arrangements with the Village, our owners and guests will also enjoy the services and amenities of a world-class resort hotel."

(more)

The Grand Waikikian Official Construction Launch



Wang added that The Grand Waikikian will offer benefits found nowhere else in the State of Hawaii. "We are creating an unparalleled guest experience, located within one of the world's most famous resorts and overlooking Waikiki's best stretch of beach. This will be a landmark development for the timeshare industry in Hawaii."

Antoine Dagot, President and CEO of HGVC, said the construction of The Grand Waikikian is clear evidence of the growing market for timeshare product in Hawaii, and Hilton's commitment to being a leader in that market.

"Since we began sales at the Hilton Hawaiian Village in 2000, our results have far outpaced our original expectations," Dagot said. "We are very enthusiastic about Hawaii, and the potential this market has for timeshare development and sales."

Dagot added that product quality has been the key to Hilton's success thus far in the timeshare market, both in Hawaii and highly competitive mainland destinations like Las Vegas and Orlando. "The quality of our resorts and the benefits provided by our Club system are the critical difference for us" he said. "The Grand Waikikian is a clear example of our commitment to quality."

Hilton Hawaiian Village Beach Resort & Spa is Waikiki's only self-contained destination resort. The resort spans 22 acres, offering the finest dining, shopping and entertainment center on Waikiki's best beach, as well as an oceanfront lagoon, waterfalls, five pools, gardens, an exquisite art collection and exotic wildlife. The Village features more than 20 restaurants and lounges, with fine cuisine ranging from ethnic specialties to traditional steak and seafood menus. The resort is also home to more than 90 shops and retail outlets, including the extensive Mandara Spa in the Kalia Tower.

Hilton Grand Vacations Company, LLC (HGVC) is a division of Hilton Hotels Corporation (NYSE: HLT), recognized as the leading global hospitality company. Headquartered in Orlando, Florida, HGVC develops, markets and operates a system of brand name, high-quality vacation ownership resorts in select vacation destinations. The company also manages two innovative club membership programs, Hilton Grand Vacations Club® and The Hilton Club®, providing exclusive exchange, leisure travel and reservation services for 100,000 Club Members.

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