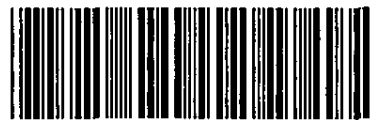


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REGISTERED NUMBER: FC011365 (England and Wales)

HIC First Corporation
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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HIC First Corporation (Registered number: FC011365)

**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2013**

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HIC First Corporation

COMPANY INFORMATION
for the year ended 31 December 2013

DIRECTORS:

Mr M J Way
Mr S R Vincent
Mr S Beasley

SECRETARY:

Mr B Wilson

REGISTERED OFFICE:

C/O Corporation Service Company
2711 Centerville Road
Suite 400
Wilmington
Delaware
DE 19808

REGISTERED NUMBER:

FC011365 (England and Wales)

ACCOUNTANTS:

Hilton Worldwide
Maple Court
Reeds Crescent
Watford
Hertfordshire
WD24 4QQ

HIC First Corporation (Registered number: FC011365)

STRATEGIC REPORT
for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013

The principal activity of the company in the year under review was that of an investment holding company

REVIEW OF BUSINESS

There was no profit or loss for the year after taxation (2012 £nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal activity is that of an investment holding company. As such the principal risks and uncertainties facing the company relate to the recoverability of the value of those investments. The company is also subject to exchange rate risk on the value of its investments. The company's treasury department monitors exchange rates.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013


FIXED ASSETS

Movements in respect of fixed asset investments during the year are detailed in the notes to the financial statements

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies and strategies which have resulted in the company's performance in recent years. It is not expected that there will be any change in the business activities of the company during the coming year.

ON BEHALF OF THE BOARD:



Mr S Beasley - Director

Date 03/09/2014

HIC First Corporation (Registered number. FC011365)

**REPORT OF THE DIRECTORS
for the year ended 31 December 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report

Mr M J Way
Mr S R Vincent

Other changes in directors holding office are as follows

Mr S Beasley was appointed as a director after 31 December 2013 but prior to the date of this report

Mrs E J Rabin ceased to be a director after 31 December 2013 but prior to the date of this report

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events since the balance sheet date

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year Hilton Worldwide Holdings Inc purchased and maintained on behalf of the company, liability insurance for its directors and officers as permitted by section 236 of the Companies Act 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

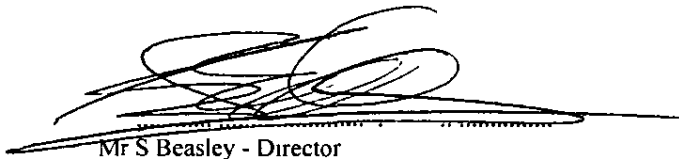
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:



Mr S Beasley - Director

Date 03/09/2014

HIC First Corporation (Registered number: FC011365)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

| | Notes | 2013 £ | 2012 £ |
|---|-------|-----------|-----------|
| TURNOVER | | <u>-</u> | <u>-</u> |
| OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | - | - |
| Tax on profit on ordinary activities | 4 | <u>-</u> | <u>-</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>-</u> | <u>-</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2013

| | 2013 £ | 2012 £ |
|---|--------------------|---------------------|
| Currency translation on foreign currency net investments | <u>(8,634,942)</u> | <u>(18,839,872)</u> |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR | <u>(8,634,942)</u> | <u>(18,839,872)</u> |

The notes form part of these financial statements

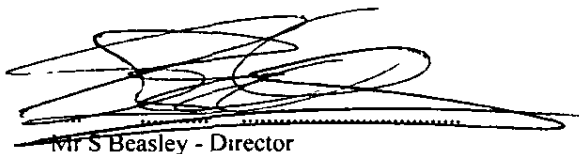
HIC First Corporation (Registered number: FC011365)

BALANCE SHEET

31 December 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Investments | 6 | 429,343,544 | 437,981,777 |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | <u>(163,623)</u> | <u>(166,914)</u> |
| NET CURRENT LIABILITIES | | <u>(163,623)</u> | <u>(166,914)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>429,179,921</u> | <u>437,814,863</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 141,036,901 | 143,874,512 |
| Share premium | 9 | 303,337,587 | 309,440,627 |
| Profit and loss account | 9 | <u>(15,194,567)</u> | <u>(15,500,276)</u> |
| SHAREHOLDERS' FUNDS | 11 | <u>429,179,921</u> | <u>437,814,863</u> |

The financial statements were approved by the Board of Directors on 03/09/2014 and were signed on its behalf by



Mr S Beasley - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

1 AUDIT EXEMPTION

No audit was performed on the accounts of this company as it is not required to produce, or audit its accounts, under the corporation law of the jurisdiction in which it, or its parent company, were incorporated

2 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

The accounting policies adopted by the company are set out below and are consistent with those of the previous year

Foreign currencies

Assets, liabilities, share capital and reserves denominated in a foreign currency, are translated into sterling at period end rates and exchange movements arising on translation are recorded as movements on capital and reserves

Investments

Investments are stated at cost. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

3 OPERATING PROFIT

All administrative costs of the company are borne entirely by Hilton Worldwide Limited

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012

The company has unutilised UK trading losses. These losses can be carried forward indefinitely and set against future UK trading profits of this company. No deferred tax asset has been recognised in respect of these trading losses as their utilisation is not currently anticipated

5 DIRECTORS' REMUNERATION

The directors of the company are also directors of Hilton UK Hotels Ltd ("the group") and other group companies. The directors received total remuneration for the year of £1.9m (2012: £1.4m) all of which was paid by other companies within the Hilton UK Hotels Ltd group. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of Hilton UK Hotels Ltd and other group companies

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2013**8 CALLED UP SHARE CAPITAL**

Issued, allotted, called up and fully paid shares of all classes of capital stock

| | No of shares | 2013 £ | Exchange Rate Movement £ | 2012 £ |
|-----------------------|----------------|--------------------|-----------------------------------|--------------------|
| Common Stock of US\$1 | 161,515 | 99,991 | (4,302) | 104,293 |
| Preferred Stock 1982 | | | | |
| Series A | 4,729 | 9,016,772 | (388,006) | 9,404,778 |
| Series B | 100 | 190,670 | (8,205) | 198,875 |
| Series C | 650 | 1,239,353 | (53,332) | 1,292,685 |
| Series D | 7,500 | 14,300,231 | (615,362) | 14,915,593 |
| Series E | 45,000 | 85,801,385 | (3,692,170) | 89,493,555 |
| Series F | 17,426 | 33,226,110 | (1,429,772) | 34,655,882 |
| | <u>236,920</u> | <u>143,874,512</u> | <u>(6,191,149)</u> | <u>150,065,661</u> |

| | 2013 £ | Exchange Rate Movement £ | 2012 £ |
|---------------|--------------------|-----------------------------------|--------------------|
| Share premium | <u>309,440,627</u> | <u>(13,315,724)</u> | <u>322,756,351</u> |

The preferred stock ranks par passu with the company's common stock

9 RESERVES

| | Profit and loss account £ | Share premium £ | Totals £ |
|---------------------|------------------------------------|-----------------------|--------------------|
| At 1 January 2013 | (15,500,276) | 309,440,627 | 293,940,351 |
| Profit for the year | - | - | - |
| Bonus share issue | - | (6,103,040) | (6,103,040) |
| Foreign exchange | <u>305,709</u> | <u>-</u> | <u>305,709</u> |
| At 31 December 2013 | <u>(15,194,567)</u> | <u>303,337,587</u> | <u>288,143,020</u> |

10 RELATED PARTY DISCLOSURES

The company has taken advantage of provisions in FRS 8 which exempt wholly owned subsidiary undertakings within the Hilton Worldwide Holdings Inc group, from disclosing transactions with other entities within the group. The ultimate parent undertaking at 31 December 2013, Hilton Worldwide Holdings Inc has included the required related party disclosures within its group financial statements

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2013

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2013 £ | 2012 £ |
|--|---------------------------|---------------------------|
| Profit for the financial year | - | - |
| Other recognised gains and losses relating to the year (net) | (8,634,942) | (18,839,872) |
| Net reduction of shareholders' funds | (8,634,942) | (18,839,872) |
| Opening shareholders' funds | <u>437,814,863</u> | <u>456,654,735</u> |
| Closing shareholders' funds | <u>429,179,921</u> | <u>437,814,863</u> |

12 PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING ENTITY

The company's immediate parent undertaking is HIC Hotels USA Corporation, a company incorporated in the United States of America

The ultimate parent undertaking and controlling party at 31 December 2013 is BH Hotels Holdco LLC, a company controlled by certain investment funds affiliated with the Blackstone Group L P, a publicly owned entity registered in the United States of America

The only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2013, was Hilton Worldwide Holdings Inc (previously Hilton Worldwide, Inc), a Delaware company incorporated in the United States of America. These group financial statements are available from the company secretary, Hilton Worldwide Holdings Inc, 7930 Jones Branch Drive, McLean, Fairfax County, Virginia VA 22102-3302, United States of America

13 CASH FLOW STATEMENT

The company has taken advantage of the provision within FRS 1 which exempts subsidiary undertakings, 90% or more whose voting rights are controlled within Hilton Worldwide Holdings Inc, from preparing a cash flow statement as consolidated financial statements in which the company is included are publicly available