

ADDA HOTELS (UNLIMITED)

Report and Financial Statements

31 December 2005



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COMPANIES HOUSE

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05/10/2006

Adda Hotels (Unlimited)

Registered No. 879456

DIRECTORS

A Bradley
H Friedman (appointed 01 July 2005)
H M Taylor
J C Philip
M J Way
P F James
P S Taylor
S Humphreys
W M Neumann (resigned 01 July 2005)
R Shill (resigned 31 January 2006)

SECRETARY

Ladbroke Corporate Secretaries Limited (resigned 23 February 2006)
B Wilson (appointed 23 February 2006)

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

REGISTERED OFFICE

Maple Court
Central Park
Reeds Crescent
Watford
Hertfordshire WD24 4QQ

Adda Hotels (Unlimited)

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2005.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £848,655 (2004: loss of £6,574,110).

No dividend was paid in the year (2004 - £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

Adda Hotels (Unlimited) has continued to carry on its business as hotel operator.

On 25 February 2005, one hotel was sold to Adda Properties Limited, a fellow group undertaking.

The company will expand when opportunities arise.

POST BALANCE SHEET EVENTS

On 23 February 2006, Hilton Hotels Corporation, a company incorporated in the United States of America, completed its acquisition of the hotels division of Hilton Group plc (which included the company) pursuant to a Sale and Purchase Agreement dated 29 December 2005.

On 23 February 2006, Hilton Group plc was also renamed Ladbrokes plc.

FIXED ASSETS

Movements in respect of fixed assets during the year are detailed in note 10 of the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were as listed on page 1.

According to the register kept by the company pursuant to section 325 of the Companies Act 1985, the directors at 31 December 2005 and their families:

(a) had the following interests in the shares of Hilton Group plc.

	2005	2004
10p ordinary shares ("Shares")		
A Bradley	4,500	4,500
R Shill	11,885	575
J C Philip	19,623	9,059
P F James	13,463	3,945
H M Taylor	6,438	-
Options to purchase shares under the terms of the 1978 share option scheme ("1978 Scheme")		
A Bradley	16,264	16,264
M J Way	9,411	9,515
R Shill	10,696	10,696
H M Taylor	10,080	18,023
J C Philip	11,140	11,140
S Humphreys	10,026	10,026
P F James	12,650	13,303
Options to purchase shares under the terms of the 1983 savings related share option scheme ("1983 Scheme")		
A Bradley	4,403	4,403
M J Way	4,403	4,403
R Shill	6,165	6,165
J C Philip	8,031	8,031

Adda Hotels (Unlimited)

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS (continued)

	2005	2004
Options to purchase shares under the terms of the 1984 share option scheme ("International Scheme")		
A Bradley	311,669	384,336
M J Way	148,089	233,643
H Friedman	578,612	578,612*
R Shill	254,304	294,304
H M Taylor	114,920	186,977
J C Philip	216,360	273,860
S Humphreys	28,636	54,699
P F James	231,183	217,197
 Own share plan		
J C Philip	2,888	2,361
M J Way	2,888	2,361
R Shill	2,888	2,361
P F James	2,888	2,361
H M Taylor	251	-
 Conditional right to receive shares under the Hilton Group performance share plan ("The Plan")		
A Bradley	359,021	263,450
H Friedman	330,915	330,915*
 Stakis 1994 Executive option scheme		
R Shill	-	76,199
 Nil priced options under the Executive Deferred Bonus Plan ("DBS")		
A Bradley	-	26,498
M J Way	-	17,635
R Shill	-	19,218
H M Taylor	-	22,833
J C Philip	-	17,949
P F James	-	16,173
H Friedman	38,083	38,083*
 Conditional shares under the Executive Deferred Bonus Plan ("DBS")		
J C Philip	9,557	-
A Bradley	47,998	7,669
S Humphreys	14,585	10,265
P F James	12,796	-
R Shill	17,841	-
M J Way	15,755	-
H M Taylor	6,423	-

(Note: * denotes holding at date of appointment)

DIRECTORS' REPORT

- (b) were granted, or exercised during the year (or during the period since appointment), options over shares as follows:

	<i>1978 option scheme</i>			<i>Performance share plan</i>	
	<i>granted</i>	<i>exercised</i>	<i>disposed</i>	<i>granted</i>	<i>exercised</i>
A Bradley	-	-	-	95,571	-
H M Taylor	10,080	18,023	-	-	-
J C Philip	-	-	-	-	-
S Humphreys	-	-	-	-	-
P F James	1,292	-	1,945	-	-
M J Way	4,411	4,515	-	-	-
R Shill	-	-	-	-	-
H Friedman	-	-	-	-	-

	<i>International Scheme</i>			<i>Executive Deferred Bonus Plan</i>	
	<i>granted</i>	<i>exercised</i>	<i>disposed</i>	<i>granted</i>	<i>disposed</i>
A Bradley	50,000	118,500	4,167	40,319	26,498
H M Taylor	9,920	81,977	-	6,423	22,833
J C Philip	22,500	73,333	6,667	9,557	17,949
S Humphreys	3,500	28,396	1,167	9,932	5,612
P F James	18,708	-	4,722	12,796	16,173
M J Way	20,589	104,976	1,167	15,755	17,635
R Shill	20,000	53,333	6,667	17,841	19,218
H Friedman	-	-	-	-	-

Except as shown above, no director at 31 December 2005 held at that date or at 31 December 2004 (or on appointment) any interest in, or during the year (or period since appointment) was granted or exercised a right to subscribe for, the shares or debentures of this company or of Hilton Group plc or its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year Hilton Group plc purchased and maintained on behalf of the company, liability insurance for its directors and officers as permitted by section 310 (3) of the Companies Act 1985.

SUPPLIER PAYMENT POLICIES

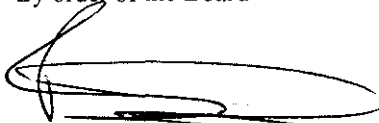
The company agrees payment terms for its business transactions when goods and services are ordered. It ensures that suppliers are aware of the terms of payment and the relevant terms are included in contracts where appropriate. Subject to satisfactory performance by the supplier, arrangements are adhered to when making payments.

At the year end, the company had an average of 33 days purchases outstanding in trade creditors.

AUDITORS

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985.

By order of the Board


Secretary

- 3 OCT 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADDA HOTELS (UNLIMITED)

We have audited the company's financial statements for the year ended 31 December 2005, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

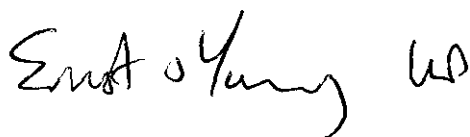
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

31/10/06

Adda Hotels (Unlimited)

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2005

	Notes	2005 £	2004 £
TURNOVER	2	103,751,451	79,923,234
Cost of sales		(93,654,034)	(75,476,645)
GROSS PROFIT		10,097,417	4,446,589
Administrative expenses		(10,866,533)	(7,908,619)
OPERATING LOSS	3	(769,116)	(3,462,030)
Interest receivable	4	1,871,497	17,025
Interest payable	5	(168,509)	(3,129,105)
Exceptional item: loss on disposal of tangible fixed assets	8	(193,527)	-
Exceptional item: impairment of tangible fixed assets	8	(1,406,000)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(665,655)	(6,574,110)
Taxation	9	(183,000)	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(848,655)	(6,574,110)
RETAINED LOSS FOR THE FINANCIAL YEAR	17	(848,655)	(6,574,110)

Turnover and operating loss derive solely from continuing operations.

There were no recognised gains or losses in the year other than those recognised in the profit and loss account.

Adda Hotels (Unlimited)

BALANCE SHEET

at 31 December 2005

		2005	2004 <i>Restated</i>
	Notes	£	£
FIXED ASSETS			
Tangible assets	10	109,275,634	103,842,395
Investments	11	725	725
		<u>109,276,359</u>	<u>103,843,120</u>
CURRENT ASSETS			
Stocks	12	336,043	333,589
Debtors	13	16,969,532	100,409,210
Cash at bank and in hand		165,517	219,450
		<u>17,471,092</u>	<u>100,962,249</u>
CREDITORS: amount falling due within one year	14	(29,050,305)	(106,442,568)
NET CURRENT LIABILITIES		<u>(11,579,213)</u>	<u>(5,480,319)</u>
Provisions for liabilities and charges	15	(183,000)	-
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>97,514,146</u>	<u>98,362,801</u>
CAPITAL AND RESERVES			
Called up share capital	16,17	110,005,500	110,005,500
Profit and loss account	17	(12,491,354)	(11,642,699)
EQUITY SHAREHOLDERS' FUNDS	17	<u>97,514,146</u>	<u>98,362,801</u>

Approved by the Board on
and signed on its behalf by:

- 3 OCT 2006

Director



NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2005

1. ACCOUNTING POLICIES

Accounting convention

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

Adoption of new UK GAAP financial reporting standards

The accounting policies adopted by the company are set out below and are consistent with those of the previous year, except for the adoption of FRS 21 'Events after the balance sheet date', the presentation requirements of FRS 25 'Financial Instruments: Disclosure and Presentation' and FRS 28 'Corresponding Amounts'.

The adoption of the presentation requirements of FRS 25 has not resulted in a prior year restatement for the company, and correspondingly the reclassification of the deferred shares from non-equity to equity shareholders' funds.

No restatement has resulted from the adoption of FRS 21 'Events after the balance sheet date' or FRS 28 'Corresponding amounts'.

Investments

Investments are stated at cost. Impairment reviews are carried out as and when required by FRS 11.

Depreciation

Leasehold land and buildings are depreciated to residual values over a period of 50 years or estimated length of the life of the building, or the lease, whichever is less on a straight line basis.

Fixtures, fittings and equipment are depreciated on a straight line basis at rates between 7.5% and 33.3% which are estimated to write down cost to residual values over their useful lives.

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Operating leases

Rentals applicable to operating leases, under which substantially all the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the lease term.

Pension fund

Contributions were made to a Hilton Group plc pension scheme, and though the scheme was a multi-employer defined benefit scheme, it is accounted for in the books of Adda Hotels (Unlimited) as a defined contribution scheme, as fixed contributions were made to the scheme and any surpluses or deficits were accounted for by the ultimate parent company.

2. TURNOVER

Turnover represents the invoice value, excluding VAT, of goods sold and services rendered by the company and arose wholly in the United Kingdom.

Adda Hotels (Unlimited)

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2005

3. OPERATING LOSS

This is stated after charging:

	2005 £	2004 £
Royalty fees payable to group undertaking	3,268,992	2,421,308
Management charge payable to group undertaking	7,597,541	5,487,311
Depreciation of tangible fixed assets	2,735,885	681,809
Impairment of tangible fixed assets	1,406,000	-
Hire of plant and equipment under operating leases	765,019	720,610
Rent payable to group undertaking in respect of operating leases	66,815	335,000
Rent payable under sale and leaseback agreements	21,033,808	23,044,837

The remuneration of auditors was borne entirely by other undertakings within the Hilton Group and is disclosed as appropriate in the financial statements of those undertakings.

4. INTEREST RECEIVABLE

	2005 £	2004 £
Receivable from third party	7,499	17,025
Interest receivable from fellow group undertakings	1,863,998	-
	<u>1,871,497</u>	<u>17,025</u>

5. INTEREST PAYABLE

	2005 £	2004 £
Interest payable on balances due to fellow subsidiary undertakings	168,509	3,129,105
	<u>168,509</u>	<u>3,129,105</u>

6. DIRECTORS' REMUNERATION

The directors of the company were also directors of other undertakings within the Hilton Group. The directors' remuneration for the period was paid by the other undertakings. 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 the fellow subsidiary undertakings.

7. STAFF COSTS

All operations of the company during 2005 have been undertaken by employees of other group undertakings. A charge of £24,015,431 has been included in these financial statements in respect of their services (2004 – £21,616,451).

Adda Hotels (Unlimited)

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2005

8. EXCEPTIONAL ITEMS

	2005	2004
	£	£
Loss on disposal of tangible fixed assets	193,527	-
Impairment of tangible fixed assets	1,406,000	-
	<u>1,599,527</u>	<u>-</u>

On 25 February 2005, the company sold the trade and certain assets of one hotel, for consideration of £125,000.

The amount written off tangible fixed assets comprises impairment of fixed assets of three hotels. The impairment has been measured by reference to the value in use of income generating units, using a discount rate of 10%.

9. TAXATION

(a) Tax charge on loss on ordinary activities

	2005	2004
	£	£
Current tax:		
Corporation tax payable at 30%	-	-
Total current tax (note 9 (b))	<u>-</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	183,000	-
Total deferred tax (note 15)	<u>183,000</u>	<u>-</u>
Tax charge on loss on ordinary activities	<u>183,000</u>	<u>-</u>

Adda Hotels (Unlimited)

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2005

9. TAXATION (CONT)

(b) Factors affecting the current tax charge

The current tax shown for the period is different from the standard rate of corporation tax in the UK of 30%. The difference is explained below:

	2005 £	2004 £
Loss on ordinary activities before tax	(665,655)	(6,574,110)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	(199,697)	(1,972,233)
Deferred tax timing differences in respect of capital allowances	(183,000)	—
Group relief surrendered (from)/to fellow subsidiary company free of charge	324,639	1,972,233
Non-deductible item	58,058	—
Total current tax (note 9 (a))	—	—

10. TANGIBLE ASSETS

	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost:			
At 1 January 2005	94,268,682	11,123,593	105,392,275
Additions	1,700,292	8,193,359	9,893,651
Disposals	—	(1,426,313)	(1,426,313)
At 31 December 2005	95,968,974	17,890,639	113,859,613
Depreciation:			
At 1 January 2005	91,127	1,458,753	1,549,880
Provided during the year	911,627	1,824,258	2,735,885
Disposals	—	(1,107,786)	(1,107,786)
Impairment	1,406,000	—	1,406,000
At 31 December 2005	2,408,754	2,175,225	4,583,979
Net book value:			
At 31 December 2005	93,560,220	15,715,414	109,275,634
At 31 December 2004	94,177,555	9,664,840	103,842,395

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2005

11. INVESTMENTS

	<i>Shares in other group undertakings</i>
	£
Cost or valuation:	
At 1 January 2005 and 31 December 2005	725
Provisions:	
At 1 January 2005 and 31 December 2005	—
Net book value:	
At 1 January 2005 and 31 December 2005	725

None of the company's investments represent 20% or more of the nominal value of any class of share capital.

12. STOCKS

	2005	2004
	£	£
Food and beverage	336,043	333,589

The directors estimate that the replacement cost of stocks is not materially different from their book amounts.

13. DEBTORS

	2005	2004
	£	£
Trade debtors	4,417,348	4,068,891
Other debtors	17,958	41,302
Prepayments and accrued income	12,159,720	10,764,684
Amounts due from fellow subsidiary undertakings	374,506	85,534,333
	16,969,532	100,409,210

Adda Hotels (Unlimited)

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2005

14. CREDITORS: amounts falling due within one year:

	2005	2004
	£	£
Trade creditors	1,761,205	1,694,634
Taxes and social security	3,972,955	4,036,872
Accruals and other creditors	8,642,792	6,235,874
Amounts due to fellow subsidiary undertakings	14,673,353	94,475,188
	<u>29,050,305</u>	<u>106,442,568</u>

Amounts due to group undertakings are included in amounts due within one year where there are no specified repayment terms. While amounts due to group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the directors are of the opinion that in the ordinary course of business, repayment within such a timescale would not be required.

15. PROVISIONS

	2005	2004
	£	£
Balance at 1 January	-	-
Origination and reversal of timing differences (note 8(a))	183,000	-
Balance at 31 December	<u>183,000</u>	<u>-</u>

The provision at 31 December 2005 relates entirely to capital allowances.

16. SHARE CAPITAL

	2005	2004
	£	Restated £
Authorised, allotted, called up and fully paid:		
110,000,500 ordinary shares of £1 each	110,000,500	110,000,500
5,000 deferred shares of £1 each	5,000	5,000
	<u>110,005,500</u>	<u>110,005,500</u>

The deferred shares carry no rights to participate in the company's profits. On liquidation or otherwise, the surplus assets shall be applied first in repaying to the holders of ordinary shares £1,000 per share, and secondly repaying to the holders of the deferred shares the amount paid up on such shares; the balance of the surplus assets shall be distributed to the holders of the ordinary shares in proportion to the amounts paid up thereon. As regards voting on a show of hands, the holders of each class of share shall rank *pari passu*, and on a poll each ordinary share shall carry 1,000 votes and each deferred share one vote.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2005

16. SHARE CAPITAL (CONT)

The adoption of the presentation requirements of FRS 25 has not resulted in a prior year restatement for the company, and correspondingly the reclassification of the deferred shares from non-equity to equity shareholders' funds.

17. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
At 1 January 2004	5,500	(5,068,589)	(5,063,089)
Issue of share capital	110,000,000	–	110,000,000
Loss for the year	–	(6,574,110)	(6,574,110)
At 31 December 2004	110,005,500	(11,642,699)	98,362,801
Loss for the year	–	(848,655)	(848,655)
At 31 December 2005	110,005,500	(12,491,354)	97,514,146

18. FINANCIAL COMMITMENTS

The annual commitment under non-cancellable operating leases at 31 December 2005 was as follows:

	<i>Land and buildings</i>	
	<i>2005</i>	<i>2004</i>
	£	£
Leases expiring:		
After more than five years	21,033,808	23,044,837
	<u>21,033,808</u>	<u>23,044,837</u>
	<i>Plant and equipment</i>	
	<i>2005</i>	<i>2004</i>
	£	£
Leases expiring:		
Within one year	44,785	37,963
Within two to five years	51,642	32,999
After more than five years	668,592	649,648
	<u>765,019</u>	<u>720,610</u>

The leasing commitments relate to the future annual rentals payable by the Group under non-cancellable operating leases. These primarily relate to rents payable on land and buildings. These include contingent rents, that are determined by the turnover or profit performance of the individual hotels, and are based on budgeted results.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2005

19. CONTINGENT LIABILITIES

The company had jointly and severally guaranteed the value added tax liability of Hilton Group undertakings within the group registration, which amounted to approximately £7.9 million at 31 December 2005 (2004: £12.1 million).

20. PENSIONS

During the period of these financial statements, the company was a subsidiary of Hilton Group plc which operated a number of schemes almost entirely of the defined benefit type. The schemes are held in separate trustee administered funds.

Contributions to the defined benefit pension schemes were based on periodic actuarial valuations and were charged against profits over the periods of the employees' service on a straight line basis. Any difference between the charge to the profit and loss account and the contributions paid to the pension schemes was included as an asset or liability. For defined contribution arrangements, the charge against profit was equal to employer contributions. The latest actuarial valuations of the principal funded defined benefit schemes were carried out between 2001 and 2005. There were no outstanding or prepaid contributions at 31 December 2005 (2004 - £nil).

Full details of the pension schemes are given in the financial statements of Hilton Group plc.

21. CASH FLOW STATEMENT

The company has taken advantage of the provision within FRS 1 which exempts subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from preparing a cash flow statement. The ultimate undertaking at 31 December 2005, Hilton Group plc, has included the required consolidated cash flow statement within its financial statements.

22. RELATED PARTIES

The company has taken advantage of provisions in FRS 8 which exempt subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from disclosing transactions with other entities within the group. The ultimate parent undertaking at 31 December 2005, Hilton Group plc, has included the required related party disclosures within its group financial statements.

23. POST BALANCE SHEET EVENTS

On 23 February 2006, Hilton Hotels Corporation, a company incorporated in the United States of America, completed its acquisition of the hotels division of Hilton Group plc (which included the company) pursuant to a Sale and Purchase Agreement dated 29 December 2005.

On 23 February 2006, Hilton Group plc was also renamed Ladbroke's plc.

24. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Comfort Hotels International Limited, a company registered in England. The ultimate parent undertaking at 31 December 2005 and the only undertaking for which group financial statements were prepared for the year then ended, was Hilton Group plc (renamed Ladbroke's plc), a company registered in England and Wales, financial statements for which can be obtained from the following address:

Imperial House, Imperial Drive, Rayners Lane, Harrow, Middlesex, HA2 7JW.

The company's ultimate parent undertaking and controlling party with effect from 23 February 2006 is Hilton Hotels Corporation, a company incorporated in the United States of America.