

REGISTERED NUMBER: 06400453 (England and Wales)

HLT Owned Mezz IX-G Limited

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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HLT Owned Mezz IX-G Limited (Registered number: 06400453)

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for the year ended 31 December 2016**

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HLT Owned Mezz IX-G Limited

COMPANY INFORMATION
for the year ended 31 December 2016

DIRECTORS:

Mr G W Bennie
Mr R Payer
Hilton Corporate Director LLC
Mr M M Arandelovic

SECRETARY:

HLT Secretary Limited

REGISTERED OFFICE:

Maple Court
Central Park
Reeds Crescent
Watford
Hertfordshire
WD24 4QQ

REGISTERED NUMBER:

06400453 (England and Wales)

ACCOUNTANTS:

Hilton Worldwide
Amsterdam Hilton
Apollolaan 138
Amsterdam, Netherlands
1077 BG

**STRATEGIC REPORT
for the year ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

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

REVIEW OF BUSINESS

The company has not traded during the year and accordingly it has made neither a profit or a loss (2015: €-). No profit and loss account has been prepared and no dividend is recommended. It is not expected that the company will commence trading in the current year.

During the year as part of a group restructuring, the company acquired shares in a group undertaking with a net book value of €18.6m in exchange for issuing a share with a nominal value of €1 (£1) and share premium of €18.6m. The shares were then further contributed to HLT Owned Mezz IX-G Limited's subsidiary in exchange for shares in that subsidiary with no profit or loss being recognised.

PRINCIPAL RISKS AND UNCERTAINTIES

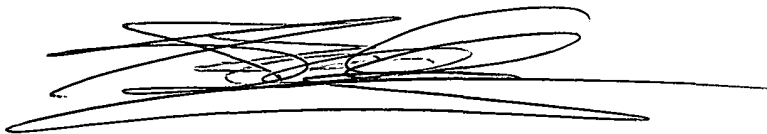
The company's principal activities are those of an investment holding company. As such the principal risks and uncertainties facing the company relate solely to the recoverability of the value of those investments.

The company monitors the fair value of all underlying assets to determine whether there are indicators that the carrying values of investments are not recoverable.

FUTURE DEVELOPMENTS

The company will continue to operate as an investment holding company in the future.

ON BEHALF OF THE BOARD:



Hilton Corporate Director LLC - Director

25 September 2017

HLT Owned Mezz IX-G Limited (Registered number: 06400453)

**REPORT OF THE DIRECTORS
for the year ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

Mr G W Bennie
Mr R Payer
Hilton Corporate Director LLC
Mr M M Arandelovic

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

No significant post balance sheet events have occurred.

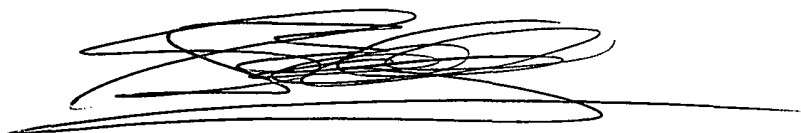
GOING CONCERN

The company's activities, together with the factors likely to affect its future development, its competitive, economic and interest rate risks are set out in the 'Review of Business' and 'Principal Risks and Uncertainties' section in the Strategic Report. The financial statements have been prepared under the going concern basis because the company has net assets. Management believe that the company has the ability to meet its liabilities as they fall due.

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.

ON BEHALF OF THE BOARD:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Hilton Corporate Director LLC - Director

25 September 2017

HLT Owned Mezz IX-G Limited (Registered number: 06400453)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2016

	Notes	2016 €	2015 €
TURNOVER		-	-
OPERATING PROFIT and PROFIT BEFORE TAXATION	5	-	-
Tax on profit	6	-	-
PROFIT FOR THE FINANCIAL YEAR		-	-
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The notes form part of these financial statements

HLT Owned Mezz IX-G Limited (Registered number: 06400453)

BALANCE SHEET
31 December 2016

	Notes	2016 €	2015 €
FIXED ASSETS			
Investments	7	25,467,805	6,910,088
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,467,805</u>	<u>6,910,088</u>
CAPITAL AND RESERVES			
Called up share capital	8	145	144
Share premium	9	25,467,660	6,909,944
SHAREHOLDER FUNDS		<u>25,467,805</u>	<u>6,910,088</u>

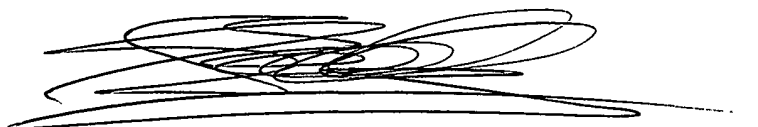
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 25 September 2017 and were signed on its behalf by:



Hilton Corporate Director LLC - Director

The notes form part of these financial statements

HLT Owned Mezz IX-G Limited (Registered number: 06400453)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016

	Called up share capital €	Retained earnings €	Share premium €	Total equity €
Balance at 1 January 2015	144	-	6,909,944	6,910,088
Changes in equity				
Balance at 31 December 2015	144	-	6,909,944	6,910,088
Changes in equity				
Issue of share capital	1	-	18,557,716	18,557,717
Balance at 31 December 2016	145	-	25,467,660	25,467,805

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016**

1. FUNDAMENTAL ACCOUNTING CONCEPT

HLT Owned Mezz IX-G Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared under the going concern basis because the company has net assets. Management believe that the company has the ability to meet its liabilities as they fall due.

2. STATUTORY INFORMATION

HLT Owned Mezz IX-G Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company's financial statements are presented in Euro, which is the company's functional currency. Amounts have been rounded to the nearest €.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 16 and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 130(f), 134(d to f) and 135 (c to e) of IAS 36 Impairments of Assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

3. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets within the scope of IAS 39 (Financial Instruments: Recognition and Measurement) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

The company currently has no financial liabilities.

Fair values

All the company's financial instruments (except for cash) are not traded in an active market, at initial recognition the fair value is determined using appropriate valuation techniques. Due to the nature of the financial instruments as short term and market rate instruments, transaction price is considered to be the fair value.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Fixed asset investments

Investments in subsidiary undertakings 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

3. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Foreign currency

An entity's functional currency is determined (not chosen). IAS 21 (The Effects of Changes in Foreign Exchange Rates) provide factors, often referred to as indicators, that are considered when identifying the functional currency. In some cases, the indicators will clearly identify a particular currency as the functional currency. In other cases they will not. When the factors provide a varied result and the functional currency is not obvious, management must use judgement based on the entity's individual facts and circumstances to determine its functional currency in a way that gives a fair presentation (ie faithfully represents the economic effects of transactions, events and conditions). As HLT Owned Mezz IX-G Limited's cash flows are denominated in Euro and the immediate parent reporting currency is Euro, management has used their judgement and determined a change in the functional currency of the company from GBP to EUR, this change has been applied fully retrospectively to the underlying records which are in Euro, in accordance with the required Accounting Standards.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year.

Impairment of investments

Determining whether a subsidiary is impaired requires an estimation of the value in use of the subsidiary. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the subsidiary and a suitable discount rate in order to calculate present value. Each investment in subsidiary is an individual CGU.

Details of any impairment losses are disclosed in 'Investments' note.

4. EMPLOYEES AND DIRECTORS

All operations of the company during the year ended 31 December 2016 have been undertaken by employees of other companies within Hilton Worldwide Holdings Inc.. A charge of €- has been included in cost of sales in respect of their services (2015: €-).

The directors received no remuneration in respect of their qualifying services as directors of the company.

5. PROFIT BEFORE TAXATION

This company does not incur audit fees.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

6. TAXATION

Although the company is registered in the UK, it is not resident in the UK for tax purposes as it is managed and controlled in the Netherlands, which country has the taxing right by virtue of the UK and Netherlands Double Taxation Convention. The company is included in the Fiscal Unity election made by HLT Owned IX Holding Limited.

The company made neither a profit nor a loss during the year ended 31 December 2016 nor for the year ended 31 December 2015 and as such there is no tax charge or any tax balances to report.

7. INVESTMENTS

	Shares in group undertakings €
COST	
At 1 January 2016	6,910,088
Additions	18,557,717
At 31 December 2016	25,467,805
NET BOOK VALUE	
At 31 December 2016	25,467,805
At 31 December 2015	6,910,088

Details of the investments in which the company holds nominal value of any class of share capital are as follows:

	Country of registration and operation	Principal activity	Proportion of voting rights and shares held
HLT Owned Mezz IX-F Limited	England	Investment holding company	100%
HLT Owned Mezz IX-E Limited	England	Investment holding company	100%
HLT Owned Mezz IX-D Limited	England	Investment holding company	100%
HLT Owned Mezz IX-C Limited	England	Investment holding company	100%
HLT Owned Mezz IX-B Limited	England	Investment holding company	100%
HLT Owned Mezz IX-A Limited	England	Investment holding company	100%
HLT Owned IX-A Holding Limited	England	Investment holding company	100%

Consolidated financial statements have not been prepared as the company is consolidated into the financial statements of a larger group, for which the consolidated financial statements are publicly available, as disclosed in the below note "Parent undertaking, controlling party and consolidating entity".

In the opinion of the directors the aggregate value of the investment in subsidiary undertakings is not less than the amounts at which they are stated in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		€	€
101 (2015 - 100)	Ordinary	1	145	144

1 Ordinary share of 1 was allotted as fully paid at a premium of €18,557,716 during the year.

9. RESERVES

	Retained earnings €	Share premium €	Totals €
At 1 January 2016	-	6,909,944	6,909,944
Profit for the year	-	-	-
Issue of shares	-	18,557,716	18,557,716
At 31 December 2016	-	25,467,660	25,467,660

10. PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING ENTITY

The company's immediate parent undertaking is HLT Owned Mezz IX-H Limited, an investment holding company registered in England.

The ultimate parent undertaking and the only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2016, was Hilton Worldwide Holdings 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.