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HNA Group Makes Strategic Investment in Hilton

Acquires 25% Equity Interest from Blackstone

MCLEAN, Va. & BEIJING & NEW YORK--(BUSINESS WIRE)-- Hilton Worldwide Holdings Inc. (NYSE: HLT) ("Hilton"), HNA Group ("HNA") and Blackstone (NYSE: BX) announced today that HNA will acquire an approximate 25 percent equity interest in Hilton from affiliates of Blackstone, establishing a long-term strategic investment in Hilton and Hilton's planned spin-offs of Park Hotels & Resorts ("Park") and Hilton Grand Vacations ("HGV").

This Smart News Release features multimedia. View the full release here:

<http://www.businesswire.com/news/home/20161024005683/en/>

The transaction is valued at approximately \$6.5 billion, or \$26.25 per share in cash, reducing Blackstone's interest in Hilton to approximately 21 percent. The transaction is expected to close in the first quarter of 2017. Following Hilton's previously announced spin-offs of Park and HGV, which are expected to occur on or about the end of the year, HNA will own approximately 25 percent of all three companies.

As part of the transaction, HNA has entered into a stockholders agreement with Hilton, and into similar agreements with Park Hotels & Resorts and Hilton Grand Vacations, effective upon closing. The agreement allows HNA to appoint two directors (one HNA member and one independent member) to Hilton's Board of Directors, bringing the total to ten members. Pursuant to the agreement, HNA has agreed to certain restrictions on its ability to sell any of its interest in Hilton for a two-year period, and to limitations on HNA's ability to acquire more than 25 percent of Hilton's outstanding shares, without Hilton's consent. Furthermore, under the agreement, HNA will vote its shares in excess of 15 percent proportionally with other stockholders, subject to certain exceptions. Blackstone will continue to have two seats on Hilton's Board, including Jon Gray who will remain chairman.

"We are pleased to welcome HNA Group as a long-term investor and strategic partner," said Christopher J. Nassetta, president and CEO of Hilton. "HNA Group has a broad portfolio of successful travel and hospitality businesses and a proven track record of creating value in this industry. We believe this mutually beneficial relationship will open new opportunities for our brands and guests around the world, particularly in light of HNA's strong position in the fast-growing Chinese travel and tourism market, the largest outbound travel and tourism market in the world."

"Hilton is an iconic global hospitality company with an unmatched portfolio of high-quality brands and a reputation for operational excellence," said Adam Tan, vice chairman and CEO of HNA Group. "This investment is consistent with our strategy to enhance our global tourism business, and we look forward to working together on new initiatives that leverage our

respective strengths, expertise and tourism platforms to provide travelers more choice, value and world-class services.”

“Since our initial investment in Hilton nine years ago, the company and its leadership team have delivered phenomenal results,” said Jon Gray, global head of real estate, Blackstone, and chairman of the Hilton Board of Directors. “We think the company’s future is bright, and this long-term investment from HNA Group only adds to its potential.”

Evercore served as exclusive financial advisor and WilmerHale and Morris, Nichols, Arsht & Tunnell LLP served as legal advisors to the special committee of Hilton’s Board of Directors. J.P. Morgan served as exclusive financial advisor and Weil, Gotshal & Manges LLP served as legal counsel to HNA. Simpson Thacher & Bartlett LLP served as legal counsel to Blackstone.

About Hilton

Hilton (NYSE: HLT) is a leading global hospitality company, comprising more than 4,700 managed, franchised, owned and leased hotels and timeshare properties with over 775,000 rooms in 104 countries and territories. For 97 years, Hilton has been dedicated to continuing its tradition of providing exceptional guest experiences. The company’s portfolio of 13 world-class global brands includes Hilton Hotels & Resorts, Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts, Canopy by Hilton, Curio - A Collection by Hilton, DoubleTree by Hilton, Embassy Suites by Hilton, Hilton Garden Inn, Hampton by Hilton, Tru by Hilton, Homewood Suites by Hilton, Home2 Suites by Hilton and Hilton Grand Vacations. The company also manages an award-winning customer loyalty program, Hilton HHonors®. Hilton HHonors members who book directly through preferred Hilton channels have access to benefits including an exclusive member discount, free standard Wi-Fi, as well as digital amenities that are available exclusively through the industry-leading Hilton HHonors app, where Hilton HHonors members can check-in, choose their room, and access their room using a Digital Key. Visit news.hiltonworldwide.com for more information and connect with Hilton on [Facebook](#), [Twitter](#), [YouTube](#), [Flickr](#), [LinkedIn](#) and [Instagram](#).

About HNA Group

HNA Group is a global Fortune 500 company focused on Tourism, Logistics and Financial Services. Since its founding in 1993, HNA Group has evolved from a regional airline based on Hainan Island into a global company with over \$90 billion of assets, \$30 billion in annual revenues and an international workforce of nearly 200,000 employees, primarily across North America, Europe and Asia. HNA’s tourism business is a fast-growing, vertically-integrated global player with market-leading positions in aviation, hotels and travel services. HNA operates and invests in nearly 2,000 hotels with over 300,000 rooms across major markets, and has 1,250 aircraft carrying over 90 million passengers to 260 cities worldwide. For more information, please visit www.hnagroup.com.

About Blackstone

Blackstone is one of the world’s leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with over \$350 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary

funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter [@Blackstone](https://twitter.com/Blackstone).

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