



WALDORF=ASTORIA
BEVERLY HILLS

MEDIA CONTACTS:

Marie Garvey, Garvey Communications
For Oasis West Realty, LLC
(310) 689-7490
mtg@garveycommunications.com

Jeanne Datz Rice
For Waldorf=Astoria Collection
(310) 205-4070
jeanne_datz_rice@hilton.com

NEW WALDORF=ASTORIA[®] HOTEL TO JOIN THE BEVERLY HILTON AS PART OF A LONG-TERM REVITALIZATION OF HOTEL PROPERTY

*Revitalized property gets new look with new world-class architecture,
4.5 acres of gardens, open space and public art collection*

BEVERLY HILLS, California, January 18, 2007 – Oasis West Realty, LLC, the owner of The Beverly Hilton, and Hilton Hotels Corporation announced today the first new west coast Waldorf=Astoria[®] hotel as part of the \$500 million long-term plan to revitalize the nine-acre hotel property at the corner of Wilshire and Santa Monica Boulevards in Beverly Hills.

“Bringing two legendary hotel brands together in Beverly Hills will create a new legacy of luxury for The Beverly Hilton property,” said Beny Alagem, chairman of Oasis West and owner of The Beverly Hilton. “In the future the entire property will have a whole new look transforming its urban setting into a garden environment. Together, The Waldorf=Astoria Beverly Hills and The Beverly Hilton will create a one-of-a-kind hotel property that is unmatched in its diverse offerings, services and amenities for guests and residents of Beverly Hills.”

The 120-room Waldorf=Astoria Beverly Hills hotel will be located in a new signature building celebrating California’s luxury lifestyle designed by Gwathmey Siegel & Associates Architects. Extending the cachet of New York City’s landmark art deco Waldorf=Astoria hotel, The Waldorf=Astoria Beverly Hills will be the first new-build hotel for the brand on the west coast and will feature the legendary and luxurious comfort and personal attention for which the Waldorf=Astoria is famous.

The new Waldorf=Astoria Beverly Hills will join The Beverly Hilton, which recently completed an \$80 million renovation. The Beverly Hilton will be a 402-room hotel in the future and will feature new luxury rooms, an expanded destination pool area, an upgraded Executive Conference Center that is intended to meet the stringent standards of IACC (International Association of Conference Centers) and a new Grand Entry as part of the long-term plan. Each hotel will be a singular and separate experience catering to a variety of guests needs and will be operated and managed by Hilton Hotels Corporation. The long-term plan also includes creating a new luxury environment with 500% more open space and gardens, distinctive public art collection, unparalleled services as well

as 120 new luxury residences that will share hotel services and will be situated throughout three new buildings on the property.

“The Beverly Hilton has been part of Beverly Hills for over 50 years and it was important for us to ensure that the community had a meaningful role in shaping the future vision of the property,” said Alagem. “As a result of almost a year of community input, we have stronger vision for the future, one that will bring significant new revenues and much needed transportation improvements to Beverly Hills.”

Creating a Green Property and Environmental Stewardship

The vision for the future of The Beverly Hilton will create sustainability with innovative programs that makes environmental stewardship a meaningful part of the property and its operations in the future. Working with landscape architects, Peter Walker & Partners the plan will replace the urban concrete nature of the property with gardens and open space as well as implement a cohesive street and landscape design to transform Wilshire and Santa Monica Boulevards and Merv Griffin Way. The revitalized Beverly Hilton property will be designed to achieve U.S. Green Building Council’s LEED (Leadership in Environment and Energy Design) standards to certified environmental standards in building and construction process and sustainable site management policies. The green program will create 4.5 acres of new open space and gardens, enhance water conservation by recapturing storm and wastewater for on-site landscape irrigation, design energy efficient indoor and outdoor lighting and implement extensive recycling and waste management programs. In addition, The Beverly Hilton is working to create an innovative environmental program partnership with Beverly Hills schools.

Major Commitment to Improving Traffic and Circulation

As part of the future plan, Oasis West will make a significant investment to address current and future transportation issues at the intersection of Wilshire and Santa Monica Boulevards and improve parking and circulation to and from The Beverly Hilton property. Improvements include adding two new lanes (a new eastbound lane and right turn lane) to Wilshire Boulevard and one new westbound lane on Santa Monica Boulevard along the hotel property, realigning Merv Griffin Way with North Whitter Drive including widening it with a new right turn lane, creating a new signalized intersection on Santa Monica at Merv Griffin Way with new pedestrian crosswalks, improving transit access and building all new underground parking and additional on-site parking for hotel guests and employees as well as new landscaping throughout the project.

Strong Economic Partnership with the City of Beverly Hills

The Beverly Hilton property will become a key economic center for the City of Beverly Hills bringing a new five-star hotel to Beverly Hills alongside The Beverly Hilton, the largest hotel in the City. In 2006, The Beverly Hilton reached a historic level of revenues to the City generating \$6.2 million in hotel and bed tax revenues and other revenues as a result of the hotel renovation. At completion of the long-term plan, the property will generate nearly \$12 million in stabilized annual revenues and will result in the payment of \$11 million in one-time fees to the City of Beverly Hills. In addition, the project is expected to result in \$55 million in annual spending at local retailers from hotels guests and new residents.

Today’s announcement is part of the long-term plan unveiled in April 2006 to revitalize The Beverly Hilton property. Working with the community, world-renown architects Gwathmey Siegel & Associates Architects, Gensler and landscape architects Peter Walker & Partners, the plan has been refined to create a stronger hotel product mix by eliminating the previously proposed hotel-condo concept and replacing it with the new Waldorf=Astoria hotel, enhancing the property with gardens and open space, reducing the number of residences on the site from 200 to 120, meeting leading environmental standards, addressing traffic congestion with the significant improvements to

the intersection of Wilshire and Santa Monica Boulevards, and nearly doubling the current tax revenue contribution to the City of Beverly Hills.

To facilitate the future additions and improvements, the plan will create all new subterranean parking and remove the existing Oasis Court hotel rooms, Lanai hotel rooms, the offices along Wilshire Boulevard and Trader Vic's restaurant as well as the above grade parking structure at the corner of Merv Griffin Way and Santa Monica Boulevard. The construction of the revitalization plan will be phased to be sensitive to local residents, businesses, The Beverly Hilton hotel operations and the Annual Golden Globe Awards. The project is currently in the beginning stages of a comprehensive environmental, public review and hearing process with the City of Beverly Hills. For more information on The Beverly Hilton Revitalization Plan, please visit the website at www.revitalizebeverlyhilton.com

About Alagem Capital and Oasis Hospitality Group

Beny Alagem's business career spans 25 years as a successful entrepreneur in the computer, telecommunications, technology and real estate industries. Mr. Alagem is best known as the co-founder of Packard Bell Electronics which he sold in 1998. Since 1998, he has been involved in a number of entrepreneurial endeavors primarily through Alagem Capital Group, his private equity group based in Beverly Hills, California. Oasis is Alagem Capital's hospitality division and currently owns two premier hotel properties, the 570-room Beverly Hilton in Beverly Hills, California and the 375-room Hilton Los Cabos Beach & Golf Resort in San Jose del Cabo, Mexico.

About Hilton Hotels Corporation/Waldorf=Astoria

The Waldorf=Astoria Collection launched in January 2006, is the new elite brand designation of Hilton Hotels Corporation, building upon the legend that company founder Conrad N. Hilton called "The Greatest of Them All," the Waldorf=Astoria in New York City. The Waldorf=Astoria Collection currently has hotels in New York City, La Quinta, California, Maui, Hawaii, Phoenix and Jeddah, Saudi Arabia. Hilton Hotels Corporation is the leading global hospitality company, with more than 2,800 hotels and 495,000 rooms in more than 80 countries, including 150,000 team members worldwide.

About The Beverly Hilton

Opened in 1955 by distinguished hotelier Conrad Hilton, The Beverly Hilton has combined the excitement and entertainment of Hollywood with the elegance of Beverly Hills for 50 years. Located at the world-famous intersection of Wilshire and Santa Monica Boulevards, the 570-room hotel features 101 suites including the 16 private luxury suites of The Penthouse Collection. With more than 60,000 square feet of upscale indoor/open-air event space, all on the lobby level, the hotel's famed International Ballroom is the centerpiece to the new International Collection. Home to many notable annual events including the Golden Globe Awards, Oscar Nominee Luncheon and the Milken Institute's Global Conference, The Beverly Hilton offers three ballrooms, nine additional meeting rooms, and Executive Meeting Center and more. Owned by entertainer Merv Griffin from 1987 to 2003, Beny Alagem and Oasis West Realty, LLC purchased The Beverly Hilton in late 2003 immediately embarking on an \$80 million dollar reinvention of the property. Today, the hotel is a new definition of modern luxury synonymous with Beverly Hills.

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