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HILTON HOTELS CORPORATION ANNOUNCES PLANS FOR 1,000-ROOM HILTON AND 500-ROOM WALDORF=AstORIA AT BONNET CREEK – ADJACENT TO WALT DISNEY WORLD RESORT

ORLANDO, Fla. – May 31, 2006 – Hilton Hotels Corporation announced plans today to build a 1,000-room Hilton and a 500-room Waldorf=Astoria at Bonnet Creek, a resort development adjacent to the Walt Disney World Resort. Construction of the project is currently in the design phase and is on schedule to break ground by the end of 2006 and to open in the summer of 2009.

GEM Realty Capital, Inc., with Merrill Lynch Global Principal Investments and another private investment company, will partner with Bonnet Creek Venture, Ltd. and Hilton Hotels Corporation to develop and own the resort. Bonnet Creek Venture, Ltd., a joint venture between Brooksville Development Corporation and the estate of the original owner of the property, will oversee construction and ensure delivery of the project. The properties will be managed by Hilton Hotels Corporation.

In January 2006, The Waldorf=Astoria Collection™ of luxury hotels was announced to extend the cachet of New York's legendary Waldorf=Astoria hotel. As one of America's first 'grand hotels' that combines luxurious elegance with a myriad of amenities and services, the Waldorf=Astoria has been renowned for over a century. The Waldorf=Astoria Bonnet Creek will be the first ground-up Waldorf=Astoria hotel to be built since the original in New York, and will feature many of the signature food and beverage establishments that have made the Waldorf=Astoria popular, including Peacock Alley, the Bull & Bear, Sir Harry's Bar, and Oscar's. The newly developed hotel's décor will include Art Deco design and original art work.

The Hilton and Waldorf-Astoria Hotels will include a Rees Jones designed golf course, expansive swimming pools that overlook the golf course, and a state-of-the-art spa and fitness center. Each hotel will also feature upscale and specialty restaurants, a pool bar and outdoor grill, a lobby lounge and a sports bar.

“We are excited to invest in this unique opportunity and partner with talented and experienced industry leaders that include Hilton, Merrill Lynch, and BCV,” said Norman S. Geller, senior managing partner of GEM Realty Capital. “Our private/public investment platform served as the foundation to complete this complex transaction.”

The two hotels announced today will have a combined total of 145,000 square feet of meeting space, of which 115,000 square feet will be located in a conference facility. The largest ballroom will be 36,000 square feet. Each hotel will have its own meeting space: 25,000 square feet in the Hilton and 11,000

square feet in the Waldorf=Astoria. Each hotel will feature multiple food and beverage facilities. The hotels will share a 25,000 square foot spa and fitness center and 5,000 square feet of specialty retail. The Rees Jones designed golf course will be completed prior to the opening of the project.

ABOUT GEM REALTY CAPITAL, INC.

Founded in 1994, GEM Realty Capital, Inc. is a Chicago-based real estate investment company that invests in private-market and publicly traded real estate through two lines of business, GEM Realty Properties and GEM Realty Securities. GEM invests capital on behalf of itself and clients, including pension funds, insurance companies, financial institutions, endowments, foundations, and private clients.

ABOUT BONNET CREEK VENTURE, LTD.

Bonnet Creek Venture is a partnership between Brooksville Development Corporation of Orlando and the estate of the original owner of the property. Bonnet Creek Venture as the master developer has completed the entire infrastructure for the resort and in addition to being a partner in this project will own the golf course. Bonnet Creek Venture and the ownership have brought KUD International, LLC (a wholly subsidiary of Kajima USA) in to manage the design and development of the project through completion. KUD International in turn has hired Smallwood, Reynolds, Stewart & Stewart of Atlanta to be the project architect and The Hunt Construction Group as the general contractor. Brooksville Development Corporation, the managing partner of Bonnet Creek Venture, is also the managing partner of Plaza International, the premier tourist/commercial development outside of Disney and Universal Studios and the site of the Orange County Convention Center.

Bonnet Creek, a 482-acre mixed use resort development that sits within Orange County, will have a total of 2400 hotel rooms, 1600 time share units and a Rees Jones designed golf course. Bordered by Disney's Caribbean Beach Resort to the west and Interstate 4 to the east, access to the property is through Buena Vista Drive, a main artery connecting the Walt Disney World attractions.

ABOUT HILTON HOTELS CORPORATION

Hilton Hotels Corporation (NYSE:HLT) is the leading global hospitality company, with more than 2,800 hotels and 485,000 rooms in more than 80 countries, including 150,000 team members worldwide.

The company owns, manages or franchises a hotel portfolio of some of the best known and highly regarded brands, including Hilton®, Conrad®, Coral by Hilton®, Doubletree®, Embassy Suites Hotels®, Hampton Inn®, Hampton Inn & Suites®, Hilton Garden Inn®, Hilton Grand Vacations™, Homewood Suites by Hilton®, Scandic and The Waldorf=Astoria Collection™.

For more information, please visit www.hiltonworldwide.com.

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