

# Hilton Group plc

17 November 2005

## **TRADING STATEMENT FOR THE FOUR MONTHS** **ENDED 31 OCTOBER 2005**

### **Group Highlights**

- Group profit\* increased by 10%, reflecting growth in Hotel division operating profit and a lower interest charge.
- Betting and Gaming profit declined slightly, as good growth in eGaming was offset by adverse Telephone high roller results and tough Retail trading.
- Hotel division's performance showed continuing improvement in Revpar compared to the same period last year.
- Further to our announcement of 14 October, we continue in talks with Hilton Hotels Corporation with regards the sale of Hotel division.

### **Betting and Gaming**

UK Retail like for like gross win was slightly down, but including acquisitions and new licences, gross win increased by 5%. Like for like costs increased by 4% (up 11% including acquisitions and new licences).

eGaming gross win increased by 52%.

Telephone Betting results were adversely affected by high roller activity with gross win down 58%.

\* Group profit before taxation adjusted for non-trading items. 2004 comparatives have been restated under International Financial Reporting Standards.

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## Hotels

Global Revpar trends were positive, driven by both increased occupancy and rate. All regions increased profitability over the period. London trading saw encouraging recovery post the July bombings, and the UK Provinces improved on the first half.

<b>Revpar increase/(decrease) – 2005 vs. 2004**</b>				
	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>
London	(3.1%)	(4.5%)	(0.3%)	0.1%
UK Provinces	-	1.6%	(0.7%)	4.8%
Total UK	(1.7%)	(1.5%)	(0.5%)	2.5%
Europe & Africa	8.7%	(1.8%)	9.9%	4.7%
Middle East	8.0%	1.3%	8.6%	37.7%
Asia Pacific	7.9%	5.7%	7.5%	5.4%
Middle East & Asia Pacific	7.6%	3.5%	7.7%	20.1%
Americas	7.7%	8.3%	11.8%	12.3%
<b>Total Hilton brand</b>	<b>4.1%</b>	<b>1.1%</b>	<b>6.6%</b>	<b>8.6%</b>
Scandic brand	2.5%	12.9%	14.2%	9.7%
<b>Total Hotels</b>	<b>3.9%</b>	<b>3.3%</b>	<b>8.1%</b>	<b>8.8%</b>

\*\* Like for like, constant exchange rates

Revpar performances across our ownership structure are set out below.

<b>Revpar increase - 2005 vs. 2004***</b>	
<b>July to October</b>	
Owned & fixed lease	3.8%
Contingent lease	8.4%
Management contracts	6.5%

\*\*\* Like for like, constant exchange rates

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## Outlook

David Michels, Group Chief Executive, said, "Underpinning the 10% increase in Group profit is a strong improvement in hotel trading across the world which is expected to continue into 2006. Growth in Retail Betting is challenging in the UK, but eGaming continues to grow gross win, profit and its customer numbers."

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A conference call for analysts and investors will take place at 8.30am today and will be hosted by David Michels, Group Chief Executive, Brian Wallace, Deputy Group Chief Executive and Finance Director, and Chris Bell, Chief Executive Ladbrokes. To participate in the conference call dial +44 (0) 20 7162 0125 and ask for the Hilton Group Trading Update.

A recording of the conference call will be available until 24 November 2005 and can be accessed by dialling +44 (0) 20 7031 4064 and quoting the passcode 682505.

In addition, an audiocast of the call will be available on our corporate website, [www.hiltongroup.com](http://www.hiltongroup.com).

High-resolution images are available to download free of charge on [www.vismedia.co.uk](http://www.vismedia.co.uk) this includes profile shots of the Group Board.