



HILTON SAN DIEGO BAYFRONT STATEMENT OF 5/20/2008

Yesterday, May 19th, shortly after 2:00p.m. Pacific time there was a natural gas explosion at the construction site of the Hilton San Diego Bayfront project. The incident occurred on the fifth floor where gas is fed to the domestic water system. At this point the precise cause of the explosion is still under investigation.

During this unfortunate time, the foremost thoughts and concerns of Hilton Hotels Corp. are with those construction workers who were injured in the explosion and their families.

Due to the current stage of construction, Hilton Hotels Corp has not yet taken possession of the property and as such is receiving information regarding the explosion from the facility's builder Hensel Phelps.

The Hensel Phelps press release states the following:

“At this time it appears as though the damage, while extensive, was not structural and was confined to a small portion of the building...

At this point Hensel Phelps is optimistic that this will not effect the opening date this fall.”

Additional information will be shared as soon as it becomes available.

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