



Hilton Worldwide
7930 Jones Branch Drive
McLean, Virginia 22102

June 6, 2011

Technical Director
Financial Accounting Standards Board
401 Merrit 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Board Members:

Re: Proposed Accounting Standard Update, *Intangibles – Goodwill and Other* (Topic 350): *Testing Goodwill for Impairment* (File Reference No. 2011-180)

Hilton Worldwide, Inc. (referred to herein as we, us, our, Hilton or the Company) is pleased to comment on the Financial Accounting Standards Board's (FASB) Proposed Accounting Standard Update (ASU) *Testing Goodwill for Impairment* (the "proposed ASU").

Overall, we support the efforts of the FASB to simplify how an entity is required to test goodwill for impairment and believe in certain situations the proposed ASU will reduce the overall costs and complexity compared to existing guidance. Our responses to specified questions are outlined below.

Question 1: Please describe the entity or individual responding to this request.

Hilton is one of the world's largest lodging companies based on system-wide room count and is engaged in the ownership, leasing, management, development, marketing and franchising of hotel, resort and timeshare properties. The Company was formed through the acquisition in 2006 of Hilton International Company by Hilton's predecessor Hilton Hotels Corporation, and was subsequently acquired by a private equity fund. As of December 31, 2010, our system included over 3,600 hotels and resorts, totaling 604,000 rooms in 82 countries and territories. Hilton is a private company domiciled in the U.S. and not currently registered on any securities exchange.

Question 2: For preparers, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why.

We believe that in certain circumstances the proposed amendments will reduce overall costs and complexity.

Our concern with the proposed ASU is that indefinite-lived intangible assets are not included within the scope of the update. Hilton incurs significant costs in the application of our annual quantitative testing of both goodwill and indefinite-lived intangible assets. While the proposed qualitative test might reduce the overall cost and complexity of testing goodwill, it will likely have the inverse effect on the cost of the Company's annual impairment testing for indefinite-lived intangible assets. Goodwill and indefinite-lived intangible assets carry similar characteristics, and the events and circumstances that would likely result in impairment of goodwill are similar to those that would indicate an impairment of indefinite-lived intangible assets. We encourage



the Board to consider including indefinite lived intangibles within the scope of the proposed ASU. Otherwise, we do not believe that under the current proposed ASU the Company would benefit from any reduction in overall costs.

Question 3: For preparers, do you expect your entity will choose to perform the qualitative assessment proposed in the amendments, or will your entity choose to proceed directly to performing the first step of the two-step impairment test?

We do expect to utilize the qualitative assessment proposed in the amendments prior to performing the quantitative test. However, if the Board concludes indefinite-lived intangible assets are not within the scope of qualitative testing, the Company would likely perform initial quantitative testing for both.

Question 6: Do you agree that the proposed examples of events and circumstances to be assessed are adequate? If not, what changes do you suggest?

We believe that the examples of events and circumstances are the key for the standard to be applied practically. The examples should be expanded to include as many specific circumstances where the qualitative assessment would or would not be sufficient as possible, such that preparers and auditors could clearly understand and apply the intended guidance. Without sufficient clarity, preparers and auditors may default to the quantitative analysis for evidence of goodwill impairment triggers, which will significantly limit the usefulness of these updates to the standard.

Further, we would suggest that the Board define or clarify the intended interpretation of "recent" in the proposed amendment at ASC 350-20-35-3F. We believe that companies will likely try to leverage evidence from the most recent quantitative test and thus the interpretation of this amendment will prove key in understanding potential limitations to this approach.

Question 7: Do you agree that the guidance in the proposed amendments about how an entity should assess relevant facts and circumstances is clear? If not, how can the guidance be improved.

We agree that the guidance in the proposed amendments about how an entity should assess relevant facts and circumstances is clear.

Question 8: Do you agree with the Board's decision to make the proposed amendments applicable to both public entities and nonpublic entities? If not, please explain why.

We agree that the amendments should be applicable to both public and nonpublic entities.

Questions 9: Do you agree with the proposed effective date provisions? If not, please explain why.

We agree with the proposed effective date.



We appreciate the opportunity to comment on this Accounting Standard Update. We would be pleased to discuss our views with you at your convenience.

Very truly yours,

/s/ Paula A. Kuykendall

Paula A. Kuykendall
Senior Vice President and Chief Accounting Officer
Hilton Worldwide, Inc.