Hilton Worldwide
7930 Jones Branch Drive
McLean, Virginia 22102

September 30, 2011

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 34

Dear Board Members:

Hilton Worldwide, Inc. (referred to herein as we, us, our, Hilton or the Company) is pleased to respond to the Public Company Accounting Oversight Board's (PCAOB) Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements (the Concept Release).

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, which was subsequently acquired by a private equity fund in 2007. As of June 30, 2011, our system included over 3,700 hotels and resorts, totaling 611,000 rooms in 85 countries and territories.

While Hilton is currently a private company domiciled in the U.S. and not currently registered on any securities exchange, we may, at some point in the future, be a registrant. We, therefore, review the implementation of all guidance in a manner that would allow us to report under public company guidelines.

Based on the questions raised by the PCAOB Release No. 2011-003, our comments focus on certain key questions, and provide a discussion on key concepts within each section of the questions raised. Our responses are as follows:

Questions:

2. *The standard auditor's report on the financial statements contains an opinion about whether the financial statements present fairly, in all material respects, the financial condition, results of operations, and cash flows in conformity with the applicable financial reporting framework. This type of opinion is sometimes referred to as the "pass/fail model."*

   a. *Should the auditor's report retain the pass/fail model? If so, why?*

   The pass/fail model should be retained for public companies. Due to the wide range of potential users of public company financial statements, the statements should either be fair and acceptable for filing with the SEC or not. The pass/fail model allows users to have a clear understanding of whether there is risk in using the information contained in the financial statements. A graduated model would put much more burden on the users to interpret what a specific grade would mean as related to a company within a specific industry and within a specific geographical operating area. This would inevitably lead to a lower level of trust on the reliance of financial statements overall. A clear pass/fail model allows the investment community and users of the financial statements to place comparable reliance when evaluating companies' quarterly and annual financial reporting. We believe moving away from this model would result in decreased confidence by all engaged constituents, thereby undermining reliability of the financial reporting of companies within the U.S.

b. *If not, why not, and what changes are needed?*

N/A

c. *If the pass/fail model were retained, are there changes to the report or supplemental reporting that would be beneficial? If so, describe such changes or supplemental reporting.*

We believe the current model best serves users of financial statements and the public. Departure from the pass/fail model may result in audit reports that are misunderstood, to the detriment of an unsophisticated user or the issuer. Additionally, the departure would put more burden on the user to assess the level of reliance that could be placed on financial statements issued in the U.S. This could result in U.S. companies being disadvantaged as compared to Companies reporting in other countries. We do not believe changes to the report or supplemental reporting would be beneficial but instead may cause confusion and create subjective and inconsistent interpretation of financial results of Companies.

III. Potential Alternatives for Changes to the Auditor's Report

A. Auditor's Discussion & Analysis (AD&A)

We do not believe that an AD&A will increase transparency and provide further context to an investor's understanding of a company's financial statements and management's related discussion and analysis. As identified by the Board in its Concept Release, because an AD&A provides the auditor's perspectives about the audit and the issuer's financial statements, the perspectives in the AD&A on certain matters could differ from those that management has provided in the Management's Discussion & Analysis (MD&A). The presentation of differing views (both of which presumably would be acceptable under US GAAP and result in an unqualified audit opinion) would needlessly detract from investors' and other financial statement users' confidence in management and/or reliance on the financial statements. As such, an AD&A may cause users to decrease their reliance on information provided by management which we believe is an unintended consequence of the concept release.

Potentially requiring auditors to comment on certain topics (below) may result in the presentation of financial information not reported by management:

- Critical accounting estimates, assumptions underlying the estimates and how susceptible the estimates are to change

- Critical accounting policies including a discussion of permissible alternative accounting treatments, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor
- Material matters that are in technical compliance with the applicable financial reporting framework but, in the auditor's view, disclosures could be enhanced or those areas where the auditor believes management could have applied different accounting or disclosures.

These suggestions would represent a fundamental shift in the current roles of management (preparer of financial information) and its auditors (attest). Such changes would further confuse users and raise legal questions regarding who is responsible for all of the audited information in filings with the Securities Exchange Commission (SEC). Allowing the auditor to provide commentary in this manner that may differ from the information presented by an issuer would undermine the reliability and quality of the financial statements.

Further, the public presentation of the AD&A reduces the authority of audit committees who currently receive, have oversight, and engage in dialogue over such matters with the auditors and management. Investors rely on the audit committee to review the financial statements and related information prepared by management in light of the required auditor communications. The authority and governance of the audit committee could be seen to be undermined when auditor communications are presented to the larger audience served by the audit committee. Investors wishing for further clarity have the ability to consult the audit committee and/or management. Information provided in the AD&A may be taken out of context by the broader audience, and could provide users of the financial statements with information the issuer does not agree with and may be misleading.

The AD&A would also add significantly to the financial reporting timeline as a result of increased review time by the auditors, and increased review and sign-off by national office. This process would be costly to companies and their shareholders, without providing the intended benefits of reliability and transparency.

B. Required and Expanded Use of Emphasis Paragraphs

This proposal is to expand emphasis paragraphs to highlight the most significant matters, and possibly provide additional information on significant management judgments and estimates, areas of significant measurement uncertainty and other areas of importance determined by the auditor.

We believe this places the onus on the auditor to determine those significant matters necessary to understand the financial statements, which if different from what Management has focused on, could undermine the credibility of financial statements prepared by Management. In addition, significant accounting policies are required disclosures, which highlight Management's use of estimates and the underlying principals under which such financial statements are prepared and presented. Any changes deemed necessary should not be addressed in an emphasis of matter paragraph, but should rather follow revisions to current standards under which companies report.

In addition, when the auditor emphasizes only certain notes to the financial statements, financial statement users may focus solely on the information referenced by the auditor. All notes included in the financial statements are required under the financial statement reporting framework and are integral to the financial statements taken as a whole. If auditors emphasize only certain portions of the notes to the financial statements, users may be misguided.

Emphasis paragraphs may require the auditor to comment on key audit procedures performed related to the matters emphasized. For non-auditor users of the financial statements to obtain value from such a discussion, the language would have to be very detailed and precise, limiting its effectiveness. Such information could also become boilerplate over time. In addition, key audit procedures are currently communicated to the audit committee which has the responsibility to oversee the audit process.

C. Auditor Assurance on Other Information Outside the Financial Statements

We do not believe that an auditor providing assurance on information outside of the financial statements will improve the quality, completeness, and reliability of such information, or provide investors and other users of financial statements with a higher level of confidence in information about the issuer than that which is provided by management. As the Concept Release noted, an auditor's current "responsibilities include reading and considering whether such information or the manner of its presentation is materially inconsistent with the financial statements or represents a material misstatement of fact." As such, auditors currently perform procedures to review the information outside of financial statements and reconcile that information to the audited financial statements. Also noted within the Concept Release was the existing attest standard whereby an auditor engaged to attest on MD&A would express an opinion on the MD&A presentation. However, in our experience such engagements are not utilized, which indicates that investors and financial statement users do not find substantial added value when attestation reports on MD&A are issued.

The MD&A is required to conform to the rules and regulations adopted by the SEC, and the SEC performs reviews of companies' filings to monitor such compliance. We believe requiring auditors to attest on the completeness of the MD&A may not provide incremental value since this task is executed by the SEC and may be seen to represent only incremental effort and cost to investors.

Lastly, when registrants issue securities, underwriters require comfort letters from the registrants' auditors. Such comfort letter procedures would appear to duplicate certain procedures auditors would perform to provide assurance on information outside of the financial statements. This would be inefficient and costly to the registrant. However, it appears that such duplicate procedures would continue to be performed if this alternative were to be put in effect as the level of assurance gained from a comfort letter versus the opinion would be different.

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D. Clarification of the Standard Auditor's Report

We do not have any concerns with clarifying language being added to the auditor's report. However, the expanded wording could result in the auditor's report becoming lengthy and cumbersome. We believe the report should remain concise and easy for investors to determine quickly the "pass/fail" nature of the auditor's opinion. In addition, the possible language that could be clarified in the auditor's report is fully described in PCAOB standards that are readily available at no cost to the public.

We appreciate the opportunity to comment on this Concept Release. 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.