



Blackstone buys Hilton for \$26bn

US private equity group Blackstone is buying the global Hilton Hotels chain for \$26bn (£13bn) in an all-cash deal.

Under the deal, Blackstone is paying \$47.50 for each Hilton Hotels Corporation share, a 32% premium over their closing price on Tuesday.

Blackstone said the deal had been approved by Hilton's board, and was due to be completed by the end of 2007.

The surprise announcement comes two weeks after Blackstone raised \$4.13bn through floating a 13.2% stake.

Numerous hotel brands

Blackstone said it intends to grow the Hilton business.

The private equity firm already has a number of hotel investments, including La Quinta Inns and Luxury Resorts and Hotels.

US-based Hilton's other brands include Conrad Hotels, and the Waldorf-Astoria Collection.

Blackstone's co-founders, Stephen Schwarzman, 60, and Peter Peterson, 81, earned more than \$2.4bn between them from last month's share sale.

The global network of Hilton hotels were reunited as one company in 2006 after a 42-year split.

The reunion happened after Hilton Hotels Corporation (HHC) paid \$3.3bn to buy the 400 international Hilton hotels owned by UK-based Hilton Group.

The division took place in 1964, when HHC sold off all its overseas hotels to concentrate on the US market.

Story from BBC NEWS:
<http://news.bbc.co.uk/go/pr/fr/-/2/hi/business/6267856.stm>

Published: 2007/07/03 23:05:39 GMT

© BBC MMVII