

Hyatt Hotels Corporation
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Financial Information (unaudited)

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Reconciliation of Non-GAAP to GAAP Measure: Adjusted EBITDA to EBITDA and a Reconciliation of EBITDA to Net Income Attributable to Hyatt Hotels Corporation

The table below provides a reconciliation of consolidated Adjusted EBITDA to EBITDA and a reconciliation of EBITDA to net income attributable to Hyatt Hotels Corporation. Adjusted EBITDA, as the Company defines it, is a non-GAAP financial measure. See Definitions for our definition of Adjusted EBITDA and why we present it.

(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Adjusted EBITDA	\$ 154	\$ 135	\$ 459	\$ 395
Equity earnings (losses) from unconsolidated hospitality ventures	(5)	1	(6)	6
Asset impairments	—	(1)	—	(2)
Other income (loss), net	(5)	(15)	12	(21)
Net loss attributable to noncontrolling interests	—	1	—	2
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	(18)	(22)	(58)	(59)
EBITDA	\$ 126	\$ 99	\$ 407	\$ 321
Depreciation and amortization	(88)	(75)	(263)	(218)
Interest expense	(18)	(15)	(53)	(42)
(Provision) benefit for income taxes	3	5	(19)	—
Net income attributable to Hyatt Hotels Corporation	\$ 23	\$ 14	\$ 72	\$ 61

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Reconciliation of Non-GAAP to GAAP Measure: Adjusted Selling, General, and Administrative Expenses to Selling, General, and Administrative Expenses

Results of operations as presented on condensed consolidated statements of income include the impact of expenses recognized with respect to employee benefit programs funded through rabbi trusts. Certain of these expenses are recognized in selling, general, and administrative expenses and are completely offset by the corresponding net gains (losses) and interest income from marketable securities held to fund operating programs, thus having no net impact to our earnings. Below is a reconciliation of this account excluding the impact of our rabbi trust investments.

(in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012	2011	Change (\$)	Change (%)	2012	2011	Change (\$)	Change (%)
Adjusted selling, general, and administrative expenses (a)	\$ 70	\$ 70	\$ —	—%	\$ 227	\$ 206	\$ 21	10.2%
Rabbi trust impact	5	(12)	17	141.7%	11	(7)	18	257.1%
Selling, general and administrative expenses	<u>\$ 75</u>	<u>\$ 58</u>	<u>\$ 17</u>	<u>29.3%</u>	<u>\$ 238</u>	<u>\$ 199</u>	<u>\$ 39</u>	<u>19.6%</u>

(a) Segment breakdown for adjusted selling, general, and administrative expenses.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012	2011	Change (\$)	Change (%)	2012	2011	Change (\$)	Change (%)
North American management and franchising	\$ 10	\$ 12	\$ (2)	(16.7)%	\$ 38	\$ 35	\$ 3	8.6%
International management and franchising	17	18	(1)	(5.6)%	52	51	1	2.0%
Owned and leased	2	2	—	—%	8	7	1	14.3%
Corporate and other (1)	41	38	3	7.9%	129	113	16	14.2%
Adjusted selling, general, and administrative expenses	<u>\$ 70</u>	<u>\$ 70</u>	<u>\$ —</u>	<u>—%</u>	<u>\$ 227</u>	<u>\$ 206</u>	<u>\$ 21</u>	<u>10.2%</u>

(1) Corporate and other includes vacation ownership expenses of \$8 million and \$7 million for the three months ended September 30, 2012 and 2011, respectively, and \$23 million and \$20 million for the nine months ended September 30, 2012 and 2011, respectively.

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Reconciliation of Non-GAAP to GAAP Measure: Comparable Owned and Leased Hotel Operating Margin to Owned and Leased Hotel Operating Margin

Below is a breakdown of consolidated owned and leased hotels revenues and expenses, as used in calculating comparable owned and leased hotel operating margin percentages. Results of operations as presented on condensed consolidated statements of income include the impact of expenses recognized with respect to employee benefit programs funded through rabbi trusts. Certain of these expenses are recognized in owned and leased hotels expenses and are completely offset by the corresponding net gains (losses) and interest income from marketable securities held to fund operating programs, thus having no net impact to our earnings. Below is a reconciliation of this account excluding the impact of our rabbi trusts and excluding the impact of non-comparable hotels.

(in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012	2011	Change (\$)	Change (%)	2012	2011	Change (\$)	Change (%)
Revenue								
Comparable owned and leased hotels	\$ 453	\$ 445	\$ 8	1.8%	\$ 1,378	\$ 1,318	\$ 60	4.6%
Non-comparable hotels	50	25	25	100.0%	126	68	58	85.3%
Owned and leased hotels revenue	<u>\$ 503</u>	<u>\$ 470</u>	<u>\$ 33</u>	<u>7.0%</u>	<u>\$ 1,504</u>	<u>\$ 1,386</u>	<u>\$ 118</u>	<u>8.5%</u>
Expenses								
Comparable owned and leased hotels	\$ 350	\$ 345	\$ 5	1.4%	\$ 1,066	\$ 1,031	\$ 35	3.4%
Non-comparable hotels	30	20	10	50.0%	77	58	19	32.8%
Rabbi trust	2	(5)	7	140.0%	5	(3)	8	266.7%
Owned and leased hotels expense	<u>\$ 382</u>	<u>\$ 360</u>	<u>\$ 22</u>	<u>6.1%</u>	<u>\$ 1,148</u>	<u>\$ 1,086</u>	<u>\$ 62</u>	<u>5.7%</u>
Owned and leased hotel operating margin percentage	<u>24.1%</u>	<u>23.4%</u>		<u>0.7%</u>	<u>23.7%</u>	<u>21.6%</u>		<u>2.1%</u>
Comparable owned and leased hotel operating margin percentage	<u>22.7%</u>	<u>22.5%</u>		<u>0.2%</u>	<u>22.6%</u>	<u>21.8%</u>		<u>0.8%</u>