

Hyatt Hotels Corporation

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Financial Information (unaudited)

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Hyatt Hotels Corporation

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 December 31,		Year Ended December 31,	
	2011	2010	2011	2010
Adjusted EBITDA	\$ 143	\$ 118	\$ 538	\$ 476
Equity earnings (losses) from unconsolidated hospitality ventures	(2)	(17)	4	(40)
Gains (losses) on sales of real estate	-	20	(2)	26
Asset impairments (a)	(4)	(30)	(6)	(44)
Other income (loss), net	8	15	(11)	71
Discontinued operations, net of tax	-	-	-	4
Net loss attributable to noncontrolling interests (a)	-	10	2	11
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	(19)	(18)	(78)	(68)
EBITDA	\$ 126	\$ 98	\$ 447	\$ 436
Depreciation and amortization	(87)	(75)	(305)	(279)
Interest expense	(15)	(14)	(57)	(54)
(Provision) benefit for income taxes	28	(3)	28	(37)
Net Income Attributable to Hyatt Hotels Corporation	\$ 52	\$ 6	\$ 113	\$ 66

(a) Asset impairments for the three months and years ended December 31, 2011 and 2010, include inventory impairments on vacation ownership properties for which we have partners who hold noncontrolling interests. As a result, \$1 million and \$9 million of these impairments, respectively, were reflected in the net loss attributable to noncontrolling interests.

Hyatt Hotels Corporation

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 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 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 December 31,				Year Ended December 31,			
	2011	2010	Change (\$)	Change (%)	2011	2010	Change (\$)	Change (%)
Adjusted selling, general, and administrative expenses (a).....	\$ 78	\$ 75	\$ 3	4.0 %	\$ 284	\$ 265	\$ 19	7.2 %
Rabbi trust impact.....	6	6	-	0.0 %	(1)	11	(12)	(109.1)%
Selling, general, and administrative expenses	<u>\$ 84</u>	<u>\$ 81</u>	<u>\$ 3</u>	<u>3.7 %</u>	<u>\$ 283</u>	<u>\$ 276</u>	<u>\$ 7</u>	<u>2.5 %</u>

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

	Three Months Ended December 31,				Year Ended December 31,			
	2011	2010	Change (\$)	Change (%)	2011	2010	Change (\$)	Change (%)
North America management and franchising	\$ 14	\$ 13	\$ 1	7.7 %	\$ 49	\$ 48	\$ 1	2.1 %
International management and franchising	17	18	(1)	(5.6)%	68	66	2	3.0 %
Owned and leased	3	3	-	0.0 %	10	8	2	25.0 %
Corporate and other (1)	44	41	3	7.3 %	157	143	14	9.8 %
Adjusted selling, general, and administrative expenses.....	<u>\$ 78</u>	<u>\$ 75</u>	<u>\$ 3</u>	<u>4.0 %</u>	<u>\$ 284</u>	<u>\$ 265</u>	<u>\$ 19</u>	<u>7.2 %</u>

(1) Corporate and other includes vacation ownership expenses of \$7 million and \$6 million for the three months ended December 31, 2011 and 2010, respectively, and \$27 million and \$25 million for the years ended December 31, 2011 and 2010, respectively.

Hyatt Hotels Corporation

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 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 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)

	<u>Three Months Ended December 31,</u>				<u>Year Ended December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>2011</u>	<u>2010</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Revenue								
Comparable owned and leased hotels.....	\$ 447	\$ 427	\$ 20	4.7 %	\$ 1,743	\$ 1,657	\$ 86	5.2 %
Non-comparable hotels.....	46	43	3	7.0 %	136	202	(66)	(32.7)%
Owned and leased hotels revenue	\$ 493	\$ 470	\$ 23	4.9 %	\$ 1,879	\$ 1,859	\$ 20	1.1 %
Expenses								
Comparable owned and leased hotels.....	\$ 347	\$ 339	\$ 8	2.4 %	\$ 1,361	\$ 1,313	\$ 48	3.7 %
Non-comparable hotels.....	33	37	(4)	(10.8)%	108	175	(67)	(38.3)%
Rabbi trust	2	3	(1)	(33.3)%	(1)	5	(6)	(120.0)%
Owned and leased hotels expense	\$ 382	\$ 379	\$ 3	0.8 %	\$ 1,468	\$ 1,493	\$ (25)	(1.7)%
Owned and leased hotel operating margin percentage	<u>22.5%</u>	<u>19.4%</u>		<u>3.1 %</u>	<u>21.9%</u>	<u>19.7%</u>		<u>2.2 %</u>
Comparable owned and leased hotel operating margin percentage	<u>22.4%</u>	<u>20.6%</u>		<u>1.8 %</u>	<u>21.9%</u>	<u>20.8%</u>		<u>1.1 %</u>