

Hyatt Hotels Corporation
Table of Contents
Financial Information (unaudited)

- Reconciliation of Non-GAAP to GAAP Measure: Adjusted EBITDA to EBITDA and a Reconciliation of EBITDA to Net Income Attributable to Hyatt Hotels Corporation
- Reconciliation of Non-GAAP to GAAP Measure: Summary of Special Items - Three Months Ended March 31, 2013 and 2012
- Reconciliation of Non-GAAP to GAAP Measure: Adjusted Selling, General, and Administrative Expenses to Selling, General, and Administrative Expenses
- Reconciliation of Non-GAAP to GAAP Measure: Comparable Owned and Leased Hotel Operating Margin to Owned and Leased Hotel Operating Margin

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 March 31,	
	2013	2012
Adjusted EBITDA	\$ 131	\$ 125
Equity losses from unconsolidated hospitality ventures	(1)	(1)
Asset impairments	(8)	—
Other income, net	2	12
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	(16)	(18)
EBITDA	\$ 108	\$ 118
Depreciation and amortization	(88)	(86)
Interest expense	(17)	(18)
(Provision) benefit for income taxes	5	(4)
Net income attributable to Hyatt Hotels Corporation	\$ 8	\$ 10

Hyatt Hotels Corporation

Reconciliation of Non-GAAP to GAAP Measure: Summary of Special Items - Three Months Ended March 31, 2013 and 2012

The following table represents a reconciliation of net income attributable to Hyatt Hotels Corporation, adjusted for special items, to net income attributable to Hyatt Hotels Corporation presented for the three months ended March 31, 2013 and March 31, 2012, respectively.

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Three Months Ended March 31,	
		2013	2012
Net income attributable to Hyatt Hotels Corporation		\$ 8	\$ 10
Earnings per share		\$ 0.05	\$ 0.06
Special items			
Asset impairments (a)	Asset impairments	8	—
Foreign currency translation loss on sale of joint venture (b)	Equity losses from unconsolidated hospitality ventures	2	—
Marketable securities (c)	Other income, net	—	(8)
Total special items - pre-tax		10	(8)
Income tax (provision) benefit for special items	(Provision) benefit for income taxes	(4)	3
Total special items - after-tax		6	(5)
Special items impact per share		\$ 0.04	\$ (0.03)
Net income attributable to Hyatt Hotels Corporation, adjusted for special items		\$ 14	\$ 5
Earnings per share, adjusted for special items		\$ 0.09	\$ 0.03

(a) Asset impairments - In conjunction with our regular assessment of impairment indicators, we identified property and equipment whose carrying value exceeded its fair value and as a result recorded an \$8 million impairment charge to asset impairments in the condensed consolidated statements of income in the three months ended March 31, 2013.

(b) Foreign currency translation loss on sale of joint venture - During the three months ended March 31, 2013, we had a foreign currency translation loss of \$2 million as a result of the sale of our interest in a foreign joint venture.

(c) Marketable securities - Represents gains on investments in trading securities not used to fund operating programs.

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 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 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 March 31,			
	2013	2012	Change (\$)	Change (%)
Adjusted selling, general, and administrative expenses (a)	\$ 77	\$ 83	\$ (6)	(7.2)%
Rabbi trust impact	7	10	(3)	(30.0)%
Selling, general and administrative expenses	<u>\$ 84</u>	<u>\$ 93</u>	<u>\$ (9)</u>	<u>(9.7)%</u>

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

	Three Months Ended March 31,			
	2013	2012	Change (\$)	Change (%)
Americas management and franchising	\$ 15	\$ 18	\$ (3)	(16.7)%
ASPAC management and franchising	9	10	(1)	(10.0)%
EAME/SW Asia management	8	10	(2)	(20.0)%
Owned and leased	3	3	—	— %
Corporate and other (1)	42	42	—	— %
Adjusted selling, general, and administrative expenses	<u>\$ 77</u>	<u>\$ 83</u>	<u>\$ (6)</u>	<u>(7.2)%</u>

(1) Corporate and other includes vacation ownership expenses of \$8 million for both the three months ended March 31, 2013 and 2012.

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 the 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 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 March 31,			
	2013	2012	Change (\$)	Change (%)
Revenue				
Comparable owned and leased hotels	\$ 471	\$ 463	\$ 8	1.7 %
Non-comparable hotels	21	10	11	110.0 %
Owned and leased hotels revenue	<u>\$ 492</u>	<u>\$ 473</u>	<u>\$ 19</u>	<u>4.0 %</u>
Expenses				
Comparable owned and leased hotels	\$ 372	\$ 366	\$ 6	1.6 %
Non-comparable hotels	16	7	9	128.6 %
Rabbi trust	3	4	(1)	(25.0)%
Owned and leased hotels expense	<u>\$ 391</u>	<u>\$ 377</u>	<u>\$ 14</u>	<u>3.7 %</u>
Owned and leased hotel operating margin percentage	<u>20.5%</u>	<u>20.3%</u>		<u>0.2 %</u>
Comparable owned and leased hotel operating margin percentage	<u>21.0%</u>	<u>21.0%</u>		<u>— %</u>