Hyatt Hotels Corporation
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Financial Information (unaudited)

Hyatt Hotels Corporation

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

For the Three Months Ended March 31, 2017 and March 31, 2016

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,	
	2017	**2016**
Net income attributable to Hyatt Hotels Corporation	**$ 70**	**$ 34**
Interest expense	21	17
Provision for income taxes	41	16
Depreciation and amortization	91	81
EBITDA	**223**	**148**
Equity (earnings) losses from unconsolidated hospitality ventures	3	(2)
Stock-based compensation expense	16	16
Other (income) loss, net	(40)	4
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	26	28
Adjusted EBITDA	**$ 228**	**$ 194**

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Reconciliation of Non-GAAP Measure: Net Income, EBITDA, Adjusted EBITDA Forecast

No additional disposition or acquisition activity has been included in the forecast. The Company's outlook is based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

(in millions)

	2017 Forecast Range	
	Low Case	**High Case**
Net income attributable to Hyatt Hotels Corporation	**$ 123**	**$ 159**
Interest expense	83	83
(Benefit) provision for income taxes	76	90
Depreciation and amortization	380	376
EBITDA	**662**	**708**
Equity (earnings) losses from unconsolidated hospitality ventures	(5)	(5)
Stock-based compensation expense	31	31
(Gains) losses on sales of real estate and other	—	—
Asset impairments	—	—
Other (income) loss, net	6	(9)
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	75	79
Adjusted EBITDA	**$ 769**	**$ 804**
Adjusted EBITDA (as reported) growth, compared to prior year	(2)%	2%
Negative impact of foreign exchange	$ 15	$ 10
Adjusted EBITDA (in constant currency) growth, compared to prior year	— %	4%
Adjusted EBITDA (in constant currency) growth, compared to prior year excluding Playa (a)	3 %	7%

(a) Excludes Hyatt's pro-rata share of Adjusted EBITDA from Playa of $34 million in 2016, and $13 million in 2017.

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Reconciliation of Non-GAAP Measure: Earnings per Diluted Share and Net Income Attributable to Hyatt Hotels Corporation, to Earnings per Diluted Share, Adjusted for Special Items and Adjusted Net Income Attributable to Hyatt Hotels Corporation - Three Months Ended March 31, 2017 and March 31, 2016

Special items are those items deemed not to be reflective of ongoing operations. The Company uses Adjusted Net Income to provide meaningful comparisons of ongoing operating results.

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income attributable to Hyatt Hotels Corporation		**$ 70**	**$ 34**
Earnings per diluted share		**$ 0.54**	**$ 0.25**
Special items			
Realized losses on redemption of preferred stock (a)	Other income (loss), net	40	—
Transaction costs (b)	Other income (loss), net	2	—
Gain on sale of real estate held by an unconsolidated hospitality venture (c)	Equity earnings (losses) from unconsolidated hospitality ventures	(2)	—
Total special items - pre-tax		40	—
Income tax (provision) benefit for special items	Provision for income taxes	(15)	—
Total special items - after-tax		**25**	**—**
Special items impact per diluted share		**$ 0.19**	**$ —**
Adjusted net income attributable to Hyatt Hotels Corporation		**$ 95**	**$ 34**
Earnings per diluted share, adjusted for special items		**$ 0.73**	**$ 0.25**

(a) Realized losses on redemption of preferred stock- During the three months ended March 31, 2017, Playa redeemed 34,468,193 of our preferred shares plus accrued and unpaid paid in kind dividends thereon for $290 million. We recognized $40 million of realized losses, which were the result of the difference between the fair value of the initial investment and the contractual redemption price.

(b) Transaction costs - During the three months ended March 31, 2017, we incurred $2 million in transaction costs related to the Miraval acquisition.

(c) Gain on sale of real estate held by an unconsolidated hospitality venture - During the three months ended March 31, 2017, an unconsolidated hospitality venture sold a Hyatt Place hotel, for which we recognized a gain of $2 million.

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Reconciliation of Non-GAAP Measure: SG&A Expenses to Adjusted SG&A Expenses

Results of operations as presented on the condensed consolidated statements of income include expenses recognized with respect to employee benefit programs funded through rabbi trusts. Certain of these expenses are recognized in SG&A 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. SG&A expenses also include expenses related to stock-based compensation. Below is a reconciliation of this measure excluding the impact of our rabbi trust investments and stock-based compensation expense.

(in millions)

	Three Months Ended March 31,			
	2017	2016	Change ($)	Change (%)
SG&A expenses	**$ 99**	**$ 88**	**$ 11**	**11.7 %**
Rabbi trust impact	(12)	—	(12)	NM
Stock-based compensation expense	(16)	(16)	—	(2.0)%
Adjusted SG&A expenses	**$ 71**	**$ 72**	**$ (1)**	**(2.3)%**

The table below provides a segment breakdown for Adjusted SG&A expenses.

	Three Months Ended March 31,			
	2017	2016	Change ($)	Change (%)
Americas management and franchising	$ 13	$ 14	$ (1)	(6.7)%
ASPAC management and franchising	9	9	—	2.1 %
EAME/SW Asia management and franchising	9	9	—	0.5 %
Owned and leased hotels	4	3	1	28.4 %
Corporate and other	36	37	(1)	(4.8)%
Adjusted SG&A expenses	**$ 71**	**$ 72**	**$ (1)**	**(2.3)%**

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

Below is a reconciliation of consolidated owned and leased hotels revenues and expenses, as used in calculating comparable owned and leased hotels operating margin percentages. Results of operations as presented on the condensed consolidated statements of income include 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,			
	2017	**2016**	**Change ($)**	**Change (%)**
Revenues				
Comparable owned and leased hotels	$ 511	$ 503	$ 8	1.5 %
Non-comparable owned and leased hotels (a)	61	13	48	383.0 %
Owned and leased hotels revenues	**$ 572**	**$ 516**	**$ 56**	**10.9%**
Expenses				
Comparable owned and leased hotels	$ 379	$ 376	$ 3	1.0 %
Non-comparable owned and leased hotels (a)	45	13	32	243.6 %
Rabbi trust	3	—	3	NM
Owned and leased hotels expenses	**$ 427**	**$ 389**	**$ 38**	**10.0%**
Owned and leased hotels operating margin percentage (a)	**25.3%**	**24.6%**		**0.7%**
Comparable owned and leased hotels operating margin percentage	**25.8%**	**25.3%**		**0.5%**

(a) Includes results of Miraval Group.