Rabbi Trust Primer

Hyatt Hotels Corporation

February 3, 2012

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Forward Looking Statements

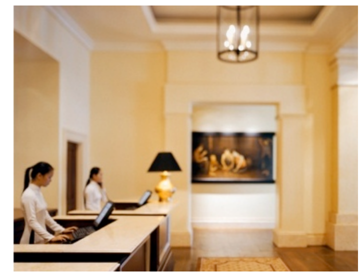


Forward-Looking Statements in this presentation, which are not historical facts, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements about our plans, strategies, occupancy and ADR trends, market share, the number of properties we expect to open in the future, our expected capital expenditures, depreciation and amortization expense and interest expense, estimates, financial performance, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, our actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “likely,” “will,” “would” and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, among others, general economic uncertainty in key global markets, the rate and pace of economic recovery following economic downturns; levels of spending in business and leisure segments as well as consumer confidence; declines in occupancy and average daily rate; hostilities, including future terrorist attacks, or fear of hostilities that affect travel; travel-related accidents; changes in the tastes and preferences of our customers; relationships with associates and labor unions and changes in labor law; the financial condition of, and our relationships with, third-party property owners, franchisees and hospitality venture partners; if our third-party owners, franchisees or development partners are unable to access the capital necessary to fund current operations or implement our plans for growth; risk associated with potential acquisitions and dispositions and the introduction of new brand concepts; changes in the competitive environment in our industry and the markets where we operate; outcomes of legal proceedings; changes in federal, state, local or foreign tax law; fluctuations in currency exchange rates; general volatility of the capital markets and our ability to access the capital markets; and other risks discussed in the Company’s filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which filings are available from the SEC. We caution you not to place undue reliance on any forward-looking statements, which are made as of the date of this presentation. We undertake no obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

General Definition



- A “Rabbi trust” is typically used with a nonqualified deferred compensation plan in which an employee elects to defer current income and the deferral is pre-tax for federal and state income tax purposes, similar to a 401(k) program



- Called a Rabbi trust due to the initial ruling made by the IRS on behalf of a synagogue

- These forms of trusts create security for employees because the investments made within the trust are outside the direct control of the Company

- The Company sets aside the assets in the trust for the employee’s future, and the assets are typically invested in funds the employee selects

- Assets of the trust are subject to general creditors of Hyatt and, as such, are treated as assets of Hyatt

How does Hyatt's Rabbi trust work?

- The assets of the trust must be marked-to-market, which creates a gain or loss
  - Gain or loss flows through the line "Net gains (losses) and interest income from marketable securities held to fund operating programs" on Hyatt's income statement
  - "Net gains (losses) and interest income from marketable securities held to fund operating programs" also includes interest income on the Rabbi trust and Gold Passport assets
- The gain or loss portion of the above-mentioned account is offset by an equal-and-opposite impact to selling, general, and administrative expenses and direct costs
  - The interest income portion of the above-mentioned account is *not* offset in selling, general, and administrative expenses or direct costs

Does Hyatt account for Rabbi trust differently than its peers?

- Many public companies have similar trusts reflected on their financial statements
- The relative volatility of the stock market coupled with the relative value of Hyatt's pool of assets in the Rabbi trust can create sizable swings in the related accounts
- Hyatt separates the Rabbi trust line items on its financial statements for more transparency while other companies may keep this information embedded within other items on their financial statements

Components of the Rabbi trust

Earnings Release – Schedule 1



The line item "Net gains (losses) and interest income from marketable securities held to fund operating programs" (highlighted below) can be found on the first schedule of each earnings release. This line item includes the marked-to-market gains (losses) as well as interest income on Rabbi trust and Gold Passport assets.

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Condensed Consolidated Statements of Income

For the Three and Nine Months Ended September 30, 2011 and 2010

(In millions, except per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
REVENUES:				
Owned and leased hotels	$ 470	$ 455	$ 1,386	$ 1,389
Management and franchise fees	66	61	211	182
Other revenues	18	11	49	34
Other revenues from managed properties (a)	343	352	1,062	1,004
Total revenues	897	879	2,708	2,609
DIRECT AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:				
Owned and leased hotels	360	376	1,086	1,114
Depreciation and amortization	75	68	218	204
Other direct costs	8	3	18	-
Selling, general, and administrative	58	68	199	195
Other costs from managed properties (a)	343	352	1,062	1,004
Direct and selling, general, and administrative expenses	844	867	2,583	2,517
Net gains (losses) and interest income from marketable securities held to fund operating programs	(15)	13	(7)	12
Equity earnings (losses) from unconsolidated hospitality ventures	1	(4)	6	(23)
Interest expense	(15)	(16)	(42)	(40)
Asset impairments	(1)	(11)	(2)	(14)
Other income (loss), net	(15)	52	(21)	62
INCOME BEFORE INCOME TAXES	8	46	59	89

This is for illustrative purposes only. Historical results are necessarily indicative of the results expected for any future period.

Components of the Rabbi trust

Earnings Release – Schedule 8



The line item highlighted below shows the Rabbi trust impact to selling, general, and administrative expenses

- A negative number on this page represents a loss from marketable securities that is offset by a reduction in selling, general, and administrative expenses
- The adjusted sg&a represents the actual sg&a expenses, factoring out the Rabbi trust impact

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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,			
	2011	2010	Change ($)	Change (%)	2011	2010	Change ($)	Change (%)
Adjusted Selling, General, and Administrative Expenses..	$ 70	$ 61	$ 9	14.8 %	$ 206	$ 190	$ 16	8.4 %
Rabbi Trust impact..............................	(12)	7	(19)	(271.4)%	(7)	5	(12)	(240.0)%
Selling, General, and Administrative Expenses	$ 58	$ 68	$ (10)	(14.7)%	$ 199	$ 195	$ 4	2.1 %

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Components of the Rabbi trust

Earnings Release – Schedule 9



The line item highlighted below shows the Rabbi trust impact to owned and leased expenses

- A negative number on this page represents a loss from marketable securities that is offset by a reduction in owned and leased expenses

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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,		Change ($)	Change (%)	Nine Months Ended September 30,		Change ($)	Change (%)
	2011	2010			2011	2010		
Revenue								
Comparable owned and leased hotels..............................	$ 446	$ 411	$ 35	8.5 %	$ 1,324	$ 1,257	$ 67	5.3 %
Noncomparable hotels...........	24	44	(20)	(45.5)%	62	132	(70)	(53.0)%
Owned and Leased Hotels Revenue	$ 470	$ 455	$ 15	3.3 %	$ 1,386	$ 1,389	$ (3)	(0.2)%
Expenses								
Comparable owned and leased hotels..............................	$ 348	$ 335	$ 13	3.9 %	$ 1,040	$ 1,000	$ 40	4.0 %
Noncomparable hotels............	17	37	(20)	(54.1)%	49	112	(63)	(56.3)%
Rabbi Trust	(5)	4	(9)	(225.0)%	(3)	2	(5)	(250.0)%
Owned and Leased Hotels Expense	$ 360	$ 376	$ (16)	(4.3)%	$ 1,086	$ 1,114	$ (28)	(2.5)%

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Rabbi trust impact to Adjusted EBITDA?

Earnings Release – Schedule 5

Although it is not stated, adjustments for the Rabbi trust do not need to be made when evaluating the segment financial summary for Adjusted EBITDA

- Segment-level sg&a expenses and direct costs that are included in segment-level Adjusted EBITDA have already been adjusted to factor out the Rabbi trust impact

Hyatt Hotels Corporation
Segment Financial Summary

(in millions)

	Three Months Ended September 30, 2011	2010	Change ($)	Change (%)
Revenue:				
Owned and leased	$ 470	$ 455	$ 15	3.3 %
North America	52	48	4	8.3 %
International	34	31	3	9.7 %
Total management and franchising	86	79	7	8.9 %
Corporate and other	18	11	7	63.6 %
Other revenues from managed properties	343	352	(9)	(2.6)%
Eliminations	(20)	(18)	(2)	(11.1)%
Total revenues	**$ 897**	**$ 879**	**$ 18**	**2.0 %**
Adjusted EBITDA:				
Owned and leased	$ 84	$ 66	$ 18	27.3 %
Pro rata share of unconsolidated hospitality ventures	22	18	4	22.2 %
Total owned and leased	106	84	22	26.2 %
North American management and franchising	40	37	3	8.1 %
International management and franchising	17	17	-	0.0 %
Corporate and other	(28)	(27)	(1)	(3.7)%
Adjusted EBITDA	**$ 135**	**$ 111**	**$ 24**	**21.6 %**

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How can the Rabbi trust be modeled?



- There are a few ways to model that account for or exclude the impact of the Rabbi trust:
  - Forecast total selling, general, and administrative expense and owned and leased expenses
  - Forecast adjusted selling, general, and administrative expense and keep the Rabbi trust components flat
  - Remove the Rabbi trust components completely
- Consideration:
  - To ensure that the impact of the Rabbi trust does not impact the Company's adjusted EBITDA, any increases or decreases in the Rabbi trust components of selling, general, and administrative expense and owned and leased hotels expense must also be made to Net gains (losses) and interest income from marketable securities held to fund operating programs

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