Hyatt Hotels Corporation

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Financial Information (unaudited)

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 September 30,		Nine Months Ended September 30,	
	2013	**2012**	**2013**	**2012**
Adjusted EBITDA	**$ 159**	**$ 154**	**$ 502**	**$ 459**
Equity earnings (losses) from unconsolidated hospitality ventures	16	(5)	10	(6)
Asset impairments	—	—	(11)	—
Gains on sales of real estate	26	—	125	—
Other income (loss), net	2	(5)	(12)	12
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	(13)	(18)	(48)	(58)
EBITDA	**$ 190**	**$ 126**	**$ 566**	**$ 407**
Depreciation and amortization	(81)	(88)	(254)	(263)
Interest expense	(15)	(18)	(48)	(53)
(Provision) benefit for income taxes	(39)	3	(89)	(19)
Net income attributable to Hyatt Hotels Corporation	**$ 55**	**$ 23**	**$ 175**	**$ 72**

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Reconciliation of Non-GAAP to GAAP Measure: Summary of Special Items - Three Months Ended September 30, 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 September 30, 2013 and 2012, respectively.

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
Net income attributable to Hyatt Hotels Corporation		**$ 55**	**$ 23**
Earnings per share		**$ 0.35**	**$ 0.14**
Special items			
Gains on sales of real estate (a)	Gains on sales of real estate	(26)	—
Gain on sale of residential properties (b)	Equity earnings (losses) from unconsolidated hospitality ventures	(8)	—
Marketable securities (c)	Other income (loss), net	(1)	—
Transaction costs (d)	Other income (loss), net	3	—
Realignment costs (e)	Other income (loss), net	—	12
Gain on sublease agreement (f)	Other income (loss), net	—	(2)
Total special items - pre-tax		(32)	10
Income tax (provision) benefit for special items	(Provision) benefit for income taxes	13	(3)
Total special items - after-tax		**(19)**	**7**
Special items impact per share		**$ (0.12)**	**$ 0.04**
Net income attributable to Hyatt Hotels Corporation, adjusted for special items		**$ 36**	**$ 30**
Earnings per share, adjusted for special items		**$ 0.23**	**$ 0.18**

(a) Gains on sales of real estate - During the third quarter, we sold the Hyatt Regency Denver Tech subject to a franchise agreement for a gain of $26 million.

(b) Gain on sale of residential properties - During the third quarter, we recognized a gain of $8 million in connection with the sale of residential properties at one of our joint ventures.

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

(d) Transaction costs - We incurred $3 million in transaction costs to acquire the hotel formerly known as The Peabody Orlando and to close on our investment in the all-inclusive resort segment during the three months ended September 30, 2013.

(e) Realignment costs - Represents costs incurred as part of our Company's realignment in 2012.

(f) Gain on sublease agreement - During the third quarter of 2012, we recorded a $2 million gain due to the termination of a sublease.

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Reconciliation of Non-GAAP to GAAP Measure: Summary of Special Items - Nine Months Ended September 30, 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 nine months ended September 30, 2013 and 2012, respectively.

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Net income attributable to Hyatt Hotels Corporation		**$ 175**	**$ 72**
Earnings per share		**$ 1.10**	**$ 0.44**
Special items			
Gains on sales of real estate (a)	Gains on sales of real estate	(125)	—
Gain on sale of artwork	Other income (loss), net	(29)	—
Gain on sale of residential properties (b)	Equity earnings (losses) from unconsolidated hospitality ventures	(8)	—
Marketable securities (c)	Other income (loss), net	(1)	(17)
Foreign currency translation loss on sale of joint venture (d)	Equity earnings (losses) from unconsolidated hospitality ventures	2	—
Transaction costs (e)	Other income (loss), net	3	1
Asset impairments (f)	Asset impairments	11	—
Charitable contribution to Hyatt Thrive Foundation (g)	Other income (loss), net	20	—
Debt settlement costs (h)	Other income (loss), net	35	—
Gain on sublease agreement (i)	Other income (loss), net	—	(2)
Realignment costs (j)	Other income (loss), net	—	19
Unconsolidated hospitality ventures impairment (k)	Equity earnings (losses) from unconsolidated hospitality ventures	—	1
Total special items - pre-tax		(92)	2
Income tax (provision) benefit for special items	(Provision) benefit for income taxes	36	1
Total special items - after-tax		**(56)**	**3**
Special items impact per share		**$ (0.35)**	**$ 0.02**
Net income attributable to Hyatt Hotels Corporation, adjusted for special items		**$ 119**	**$ 75**
Earnings per share, adjusted for special items		**$ 0.75**	**$ 0.46**

(a) Gains on sales of real estate - Includes gains on the sale of Hyatt Fisherman's Wharf, Hyatt Santa Barbara and Hyatt Regency Denver Tech, which were sold subject to franchise agreements.

(b) Gain on sale of residential properties - During the third quarter, we recognized a gain of $8 million in connection with the sale of residential properties at one of our joint ventures.

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

(d) Foreign currency translation loss on sale of joint venture - During the nine months ended September 30, 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.

(e) Transaction costs - We incurred $3 million in transaction costs to acquire the hotel formerly known as The Peabody Orlando and to close on our investment in the all-inclusive resort segment during the nine months ended September 30, 2013. In the nine months ended September 30, 2012, we incurred $1 million in transaction costs to acquire the Hyatt Regency Mexico City.

(f) Asset impairments - We recorded a $3 million impairment charge related to a property that was classified as held for sale at June 30, 2013. In conjunction with our regular assessment of impairment indicators, we identified property and equipment whose carrying values exceeded its fair value, and as a result, we recorded an $8 million impairment charge during the first quarter of 2013.

(g) Charitable contribution to Hyatt Thrive Foundation - We committed to fund $20 million to a charitable foundation that we recently formed with the intent that the foundation will fund charitable activities over time.

(h) Debt settlement costs - We incurred $35 million in debt settlement costs for the redemption of our 2015 Notes and the tender of a portion of our 2019 Notes.

(i) Gain on sublease agreement - During the nine months ended September 30, 2012, we recorded a $2 million gain due to the termination of a sublease.

(j) Realignment costs - Represents costs incurred as part of our Company's realignment in 2012.

(k) Unconsolidated hospitality ventures impairment - During the nine months ended September 30, 2012, we recorded an impairment charge of $1 million related to an investment in a vacation ownership property.

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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 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,			
	2013	2012	Change ($)	Change (%)	2013	2012	Change ($)	Change (%)
Adjusted selling, general, and administrative expenses (a)	$ 68	$ 70	$ (2)	(2.9)%	$ 220	$ 227	$ (7)	(3.1)%
Rabbi trust impact	9	5	4	80.0 %	16	11	5	45.5 %
Selling, general, and administrative expenses	$ 77	$ 75	$ 2	2.7 %	$ 236	$ 238	$ (2)	(0.8)%

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2013	2012	Change ($)	Change (%)	2013	2012	Change ($)	Change (%)
Americas management and franchising	$ 14	$ 11	$ 3	27.3 %	$ 42	$ 43	$ (1)	(2.3)%
ASPAC management and franchising	9	11	(2)	(18.2)%	26	31	(5)	(16.1)%
EAME/SW Asia management	7	9	(2)	(22.2)%	23	27	(4)	(14.8)%
Owned and leased	3	2	1	50.0 %	9	8	1	12.5 %
Corporate and other (b)	35	37	(2)	(5.4)%	120	118	2	1.7 %
Adjusted selling, general, and administrative expenses	$ 68	$ 70	$ (2)	(2.9)%	$ 220	$ 227	$ (7)	(3.1)%

(b) Corporate and other includes vacation ownership expenses of $8 million for both the three months ended September 30, 2013 and 2012, respectively, and $23 million for both the nine months ended September 30, 2013 and 2012, 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 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 September 30,				Nine Months Ended September 30,			
	2013	**2012**	**Change ($)**	**Change (%)**	**2013**	**2012**	**Change ($)**	**Change (%)**
Revenue								
Comparable owned and leased hotels	$ 475	$ 449	$ 26	5.8 %	$ 1,431	$ 1,364	$ 67	4.9%
Non-comparable hotels	46	54	(8)	(14.8)%	154	140	14	10.0%
Owned and leased hotels revenue	$ 521	$ 503	$ 18	3.6 %	$ 1,585	$ 1,504	$ 81	5.4%
Expenses								
Comparable owned and leased hotels	$ 363	$ 344	$ 19	5.5 %	$ 1,082	$ 1,045	$ 37	3.5%
Non-comparable hotels	33	36	(3)	(8.3)%	114	98	16	16.3%
Rabbi trust	3	2	1	50.0 %	7	5	2	40.0%
Owned and leased hotels expense	$ 399	$ 382	$ 17	4.5 %	$ 1,203	$ 1,148	$ 55	4.8%
Owned and leased hotel operating margin percentage	23.4%	24.1%		(0.7)%	24.1%	23.7%		0.4%
Comparable owned and leased hotel operating margin percentage	23.6%	23.4%		0.2 %	24.4%	23.4%		1.0%