Hyatt Hotels Corporation

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Financial Information (unaudited)

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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,	
	2015	**2014**
Adjusted EBITDA	**$ 169**	**$ 172**
Equity losses from unconsolidated hospitality ventures	(6)	(7)
Gains on sales of real estate	8	61
Other loss, net	(18)	(12)
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	(23)	(20)
EBITDA	**$ 130**	**$ 194**
Depreciation and amortization	(79)	(95)
Interest expense	(17)	(19)
Provision for income taxes	(12)	(24)
Net income attributable to Hyatt Hotels Corporation	**$ 22**	**$ 56**

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Reconciliation of Non-GAAP to GAAP Measure: Summary of Special Items - Three Months Ended March 31, 2015 and 2014

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, 2015 and 2014, respectively.

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	**Three Months Ended March 31,**	
		2015	**2014**
Net income attributable to Hyatt Hotels Corporation		**$ 22**	**$ 56**
Earnings per share		**$ 0.15**	**$ 0.36**
Special items			
Gains on sales of real estate (a)	Gains on sales of real estate	(8)	(61)
Gain on sale of residential property (b)	Equity losses from unconsolidated hospitality ventures	(1)	—
Gain on sale of cost method investment (c)	Other loss, net	—	(1)
Unconsolidated hospitality ventures impairments (d)	Equity losses from unconsolidated hospitality ventures	—	1
Total special items - pre-tax		(9)	(61)
Income tax (provision) benefit for special items	Provision for income taxes	4	25
Total special items - after-tax		**(5)**	**(36)**
Special items impact per share		**$ (0.04)**	**$ (0.23)**
Net income attributable to Hyatt Hotels Corporation, adjusted for special items		**$ 17**	**$ 20**
Earnings per share, adjusted for special items		**$ 0.11**	**$ 0.13**

(a) Gains on sales of real estate - During the three months ended March 31, 2015, we recorded a gain on the sale of Hyatt Regency Indianapolis, which was sold subject to a franchise agreement. The three months ended March 31, 2014 includes gains on the sales of nine select service properties and one full service property, which will remain Hyatt-branded hotels for a minimum of 25 years under long-term agreements.

(b) Gain on sale of residential property - During the three months ended March 31, 2015, we recognized a gain of $1 million in connection with the sale of a residential property at one of our joint ventures.

(c) Gain on sale of cost method investment - During the three months ended March 31, 2014, we sold our interest in a joint venture classified as a cost method investment and recorded a $1 million gain on sale.

(d) Unconsolidated hospitality ventures impairments - During the three months ended March 31, 2014, we recorded $1 million of impairment charges related to hospitality ventures.

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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 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 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,			
	2015	**2014**	**Change ($)**	**Change (%)**
Adjusted selling, general, and administrative expenses (a)	$ 88	$ 85	$ 3	3.5%
Rabbi trust impact	6	2	4	200.0%
Selling, general, and administrative expenses	$ 94	$ 87	$ 7	8.0%

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

	Three Months Ended March 31,			
	2015	**2014**	**Change ($)**	**Change (%)**
Americas management and franchising	$ 18	$ 18	$ —	— %
ASPAC management and franchising	9	9	—	— %
EAME/SW Asia management	11	8	3	37.5 %
Owned and leased hotels	4	5	(1)	(20.0)%
Corporate and other (b)	46	45	1	2.2 %
Adjusted selling, general, and administrative expenses	$ 88	$ 85	$ 3	3.5 %

(b) Corporate and other includes vacation ownership expenses of $8 million the three months ended March 31, 2014.

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

Below is a breakdown 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 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,			
	2015	**2014**	**Change ($)**	**Change (%)**
Revenues				
Comparable owned and leased hotels	$ 481	$ 463	$ 18	3.9 %
Non-comparable owned and leased hotels	28	85	(57)	(67.1)%
Owned and leased hotels revenues	$ 509	$ 548	$ (39)	(7.1)%
Expenses				
Comparable owned and leased hotels	$ 357	$ 346	$ 11	3.2 %
Non-comparable owned and leased hotels	26	68	(42)	(61.8)%
Rabbi trust	1	1	—	— %
Owned and leased hotels expense	$ 384	$ 415	$ (31)	(7.5)%
Owned and leased hotels operating margin percentage	24.6%	24.3%		0.3 %
Comparable owned and leased hotels operating margin percentage	25.8%	25.3%		0.5 %