Hyatt Hotels Corporation

Table of Contents

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 June 30,		Six Months Ended June 30,	
	2013	**2012**	**2013**	**2012**
Adjusted EBITDA	**$ 212**	**$ 180**	**$ 343**	**$ 305**
Equity losses from unconsolidated hospitality ventures	(5)	—	(6)	(1)
Asset impairments	(3)	—	(11)	—
Gains on sales of real estate	99	—	99	—
Other income (loss), net	(16)	5	(14)	17
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	(19)	(22)	(35)	(40)
EBITDA	**$ 268**	**$ 163**	**$ 376**	**$ 281**
Depreciation and amortization	(85)	(89)	(173)	(175)
Interest expense	(16)	(17)	(33)	(35)
Provision for income taxes	(55)	(18)	(50)	(22)
Net income attributable to Hyatt Hotels Corporation	**$ 112**	**$ 39**	**$ 120**	**$ 49**

Hyatt Hotels Corporation

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

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Three Months Ended June 30,	
		2013	2012
Net income attributable to Hyatt Hotels Corporation		**$ 112**	**$ 39**
Earnings per share		**$ 0.70**	**$ 0.24**
Special items			
Gains on sales of real estate (a)	Gains on sales of real estate	(99)	—
Gain on sale of artwork	Other income (loss), net	(29)	—
Asset impairments (b)	Asset impairments	3	—
Charitable contribution to Hyatt Thrive Foundation (c)	Other income (loss), net	20	—
Debt settlement costs (d)	Other income (loss), net	35	—
Marketable securities (e)	Other income (loss), net	—	(9)
Realignment costs (f)	Other income (loss), net	—	7
Transaction costs (g)	Other income (loss), net	—	1
Unconsolidated hospitality ventures impairment (h)	Equity losses from unconsolidated hospitality ventures	—	1
Total special items - pre-tax		(70)	—
Income tax (provision) benefit for special items	Provision for income taxes	28	—
Total special items - after-tax		**(42)**	**—**
Special items impact per share		**$ (0.27)**	**$ —**
Net income attributable to Hyatt Hotels Corporation, adjusted for special items		**$ 70**	**$ 39**
Earnings per share, adjusted for special items		**$ 0.43**	**$ 0.24**

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

(b) Asset impairments - We recorded a $3 million impairment charge related to a property that was classified as held for sale at June 30, 2013.

(c) 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.

(d) 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.

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

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

(g) Transaction costs - We incurred $1 million in transaction costs to acquire the Hyatt Regency Mexico City in 2012.

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

Hyatt Hotels Corporation

Summary of Special Items - Six Months Ended June 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 six months ended June 30, 2013 and 2012, respectively.

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Net income attributable to Hyatt Hotels Corporation		**$ 120**	**$ 49**
Earnings per share		**$ 0.75**	**$ 0.30**
Special items			
Gains on sales of real estate (a)	Gains on sales of real estate	(99)	—
Gain on sale of artwork	Other income (loss), net	(29)	—
Foreign currency translation loss on sale of joint venture (b)	Equity losses from unconsolidated hospitality ventures	2	—
Asset impairments (c)	Asset impairments	11	—
Charitable contribution to Hyatt Thrive Foundation (d)	Other income (loss), net	20	—
Debt settlement costs (e)	Other income (loss), net	35	—
Marketable securities (f)	Other income (loss), net	—	(17)
Realignment costs (g)	Other income (loss), net	—	7
Transaction costs (h)	Other income (loss), net	—	1
Unconsolidated hospitality ventures impairment (i)	Equity losses from unconsolidated hospitality ventures	—	1
Total special items - pre-tax		(60)	(8)
Income tax (provision) benefit for special items	Provision for income taxes	24	3
Total special items - after-tax		**(36)**	**(5)**
Special items impact per share		**$ (0.23)**	**$ (0.03)**
Net income attributable to Hyatt Hotels Corporation, adjusted for special items		**$ 84**	**$ 44**
Earnings per share, adjusted for special items		**$ 0.52**	**$ 0.27**

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

(b) Foreign currency translation loss on sale of joint venture - During the six months ended June 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.

(c) 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.

(d) 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.

(e) 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.

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

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

(h) Transaction costs - We incurred $1 million in transaction costs to acquire the Hyatt Regency Mexico City in 2012.

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

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 June 30,				Six Months Ended June 30,			
	2013	2012	Change ($)	Change (%)	2013	2012	Change ($)	Change (%)
Adjusted selling, general, and administrative expenses (a)	$ 75	$ 74	$ 1	1.4%	$ 152	$ 157	$ (5)	(3.2)%
Rabbi trust impact	—	(4)	4	100.0%	7	6	1	16.7 %
Selling, general, and administrative expenses	$ 75	$ 70	$ 5	7.1%	$ 159	$ 163	$ (4)	(2.5)%

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2013	2012	Change ($)	Change (%)	2013	2012	Change ($)	Change (%)
Americas management and franchising	$ 13	$ 14	$ (1)	(7.1)%	$ 28	$ 32	$ (4)	(12.5)%
ASPAC management and franchising	8	10	(2)	(20.0)%	17	20	(3)	(15.0)%
EAME/SW Asia management	8	8	—	— %	16	18	(2)	(11.1)%
Owned and leased	3	3	—	— %	6	6	—	— %
Corporate and other (1)	43	39	4	10.3 %	85	81	4	4.9 %
Adjusted selling, general, and administrative expenses	$ 75	$ 74	$ 1	1.4 %	$ 152	$ 157	$ (5)	(3.2)%

(1) Corporate and other includes vacation ownership expenses of $7 million for both the three months ended June 30, 2013 and 2012, respectively, and $15 million for both the six months ended June 30, 2013 and 2012, respectively.

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 June 30,				Six Months Ended June 30,			
	2013	2012	Change ($)	Change (%)	2013	2012	Change ($)	Change (%)
Revenue								
Comparable owned and leased hotels	$ 536	$ 501	$ 35	7.0%	$ 999	$ 956	$ 43	4.5%
Non-comparable hotels	36	27	9	33.3%	65	45	20	44.4%
Owned and leased hotels revenue	$ 572	$ 528	$ 44	8.3%	$ 1,064	$ 1,001	$ 63	6.3%
Expenses								
Comparable owned and leased hotels	$ 386	$ 372	$ 14	3.8%	$ 751	$ 732	$ 19	2.6%
Non-comparable hotels	26	18	8	44.4%	49	31	18	58.1%
Rabbi trust	1	(1)	2	200.0%	4	3	1	33.3%
Owned and leased hotels expense	$ 413	$ 389	$ 24	6.2%	$ 804	$ 766	$ 38	5.0%
Owned and leased hotel operating margin percentage	27.8%	26.3%		1.5%	24.4%	23.5%		0.9%
Comparable owned and leased hotel operating margin percentage	28.0%	25.7%		2.3%	24.8%	23.4%		1.4%