

Formation of Global Hyatt Corporation Progresses

Hyatt Corporation, the worldwide hotel management and real estate development company, announced today that it will purchase the 143-unit AmeriSuites hotel chain from affiliates of The Blackstone Group. Definitive agreements have been concluded and the transaction is expected to close in early January. Terms of the deal have not been disclosed.

The move is a strategic component of the process resulting in the formation of Global Hyatt Corporation, a new parent company over Hyatt Hotels Corporation (domestic US, Canada and Caribbean hotel operations), Hyatt International Corporation (international hotel operations), Hyatt Equities (hotel ownership) and Hyatt Vacation Club, Inc. (timeshare). According to Thomas Pritzker, chairman and CEO of Hyatt Corp, the formation of the new umbrella company will be completed by December 31, 2004. Mr. Pritzker will also serve as chairman and CEO of Global Hyatt.

AmeriSuites is a leading all-suite, upscale limited service hotel brand. Hyatt's acquisition of AmeriSuites will enable it to ultimately create a new Hyatt brand that is fully distinguishable from its existing portfolio of 214 upper upscale and luxury hotels in 43 countries around the world. According to Pritzker, it is Hyatt's intention that the AmeriSuites chain will become the upscale limited service leader in performance and profitability by means of new segment-appropriate product and service standards.

"A primary objective of the Global Hyatt process is to better utilize the power of the Hyatt brand, infrastructure, distribution network and talents of our people more intensively to increase earnings growth without compromising the value of our brand," Pritzker said. "The addition of this leading, upscale limited service entity will enable us to create a new brand extension that will benefit the Hyatt brand and the owners and customers of our existing hotels, as well as the owners, franchisees and customers of AmeriSuites."

Nicholas Pritzker, chairman of Hyatt Development Corp., who will also serve as vice chairman and director of Global Hyatt, said, "Consistent with our family's tradition, we believe this acquisition represents a key strategic opportunity for growth and profitability for Hyatt. The future growth of AmeriSuites will complement the continuing growth of Hyatt's full-service hotel portfolio."

Following its acquisition of AmeriSuites, Hyatt plans to invest more than \$150 million in capital expenditures and related brand and marketing innovations that will translate appropriate elements of "the Hyatt Touch" into the upscale limited service arena. The new brand will be created following completion of that program.

"Within its category, we expect this new segment of our business to reflect Hyatt's reputation for high quality customer experiences and accommodations, innovation and leading-edge technology," said Doug Geoga, Hyatt's president who will also serve as president of Global Hyatt Corp. "Following the repositioning, the AmeriSuites hotels will carry a new Hyatt brand, communicating that segment leading position and allowing the chain to deliver outstanding value to its customers and superior economics to the owners of its hotels."

According to Geoga, the addition of the AmeriSuites product will also extend Hyatt's distribution, leading to improved customer loyalty and greater breadth of the company's Gold Passport frequency program, and allow Hyatt's global sales force to sell more effectively by offering accommodations at multiple tiers of the market and increasing the number of destinations that Hyatt serves.

"Growth potential in the upscale limited service category is significant both in the U.S. and internationally," said Steve Goldman, Hyatt's executive vice president of acquisitions and development, who will also serve in that capacity for Global Hyatt. "Hyatt will analyze opportunities for expanding the new brand in strategic markets around the world."

A senior management team led by industry veterans Jim Abrahamson and Mike Leven will effectuate the AmeriSuites strategy for Hyatt.

"This team will build on the strength of Hyatt's management depth and experience and the strong management capabilities of the existing AmeriSuites organization," Geoga said.

Abrahamson will be responsible for all aspects of the AmeriSuites business. Before joining Hyatt, he was president of Baymont Inns and Woodfield Suites, and also spent 13 years with Hilton in its franchising, development and operating groups. Among his other responsibilities at Hilton, Abrahamson led the creation, development, implementation and franchising of Hilton Garden Inns.

Leven is founder, CEO and president of U.S. Franchise Systems (USFS), a Hyatt subsidiary with nearly 500 hotel franchises currently open or under construction. Leven, who has become an industry icon during his 44-year hospitality career, previously served as president and chief operating officer of Holiday Inn Worldwide and as president of Days Inn of America. The capabilities of Leven and his USFS team will be used by Hyatt to assure the provision of high quality franchise services to AmeriSuites franchisees.

It is anticipated that by second quarter 2005, AmeriSuites customers will be able to participate in Hyatt's Gold Passport loyalty program through their stays at AmeriSuites. Until then, they will continue to participate in the Prime Rewards program. AmeriSuites will also be included in Hyatt's global sales efforts in the future.

The brands

AmeriSuites is a leading, 143-hotel (18,000 rooms) all-suite brand in 32 states that serves the upscale limited service segment. It has consistently received numerous awards and recognition from national US publications. AmeriSuites hotels offer attractively designed suites with upscale amenities such as in-room microwaves and refrigerators, high-speed internet access, complimentary hot breakfast daily, fitness centers and pools, business centers and meeting rooms.

Hyatt branded hotels presently consist of 214 upper upscale and luxury full service hotels under the Hyatt, Hyatt Regency, Grand Hyatt and Park Hyatt names.

U.S. Franchise Systems, a Hyatt subsidiary, includes among its franchised brands Hawthorn Suites hotels which serve the mid-scale and upscale extended stay market. Other USFS brands include Microtel Inns & Suites and America's Best Inns & Suites. Currently, there are nearly 500 USFS franchise hotels open or under construction.

In addition, the Hyatt Vacation Club, Hyatt's interval ownership company, presently includes 11 destinations within the United States and Puerto Rico.

About Global Hyatt

Two years ago, Hyatt began a major revamp of the company which focused on enhancing the value it brings to its customers and shareholders. The "Global Hyatt process" as it is called, involves four components:

- Reorganization of corporate structure
- Restructure of the organization
- Service and product enhancements
- Growth

Prior to the creation of Global Hyatt Corporation on December 31, 2004, Hyatt's assets were not held under a single holding company. Global Hyatt has consolidated all of the Pritzker family's hospitality assets under one corporation, with one balance sheet, and one management structure focused solely on hospitality. Global Hyatt will enhance Hyatt's ability to obtain cost effective financing for its current businesses, future growth and future acquisitions, thus adding significant new shareholder value and accelerating the rate of earnings growth.

This reorganization has been a key driver in improved customer focus, enhanced product consistency and worldwide growth on a global basis.

Internally, the consolidation of functions including finance, information technology, distribution management and development has led to better resource allocation and improved decision-making. Hyatt is also now able to draw on the best human talents of its entire enterprise for each need of the organization.

Progress of Global Hyatt's service and product initiatives

- Hyatt has updated its hotel product and service standards on a global basis. Renovation programs in various phases at Hyatt hotels will involve the expenditure of over \$500 million on capital improvements worldwide beginning in 2005, using its owned hotels as models. Innovations such as the new Grand Bed are being incorporated into hotel renovations. For example, the company-owned Grand Hyatt New York --a 1311-room landmark property at Grand Central Station, recently completed a \$60 million renovation which included the formal debut of Hyatt's new Grand Bed.
- Following a successful pilot phase of supplementing traditional face-to-face check-in with automated, self-service check-in kiosks, Hyatt plans to extend the service to all US hotels by the end of 2005 and will be the first hotel company to do so.
- Hyatt recently announced an industry-leading partnership with T-Mobile, giving guests wireless access in most Hyatt hotels in the United States in 2004. Hyatt will offer high-speed wireless access in the USA chain-wide in 2005.
- Hyatt's market visibility is being raised worldwide through the company's new television brand advertising campaign and the new worldwide identity program recently introduced for the Gold Passport loyalty program. Hyatt has significantly increased its marketing expenditures, launching its first major television advertising campaign in over a decade. The \$20 million campaign made its US debut in October, followed by an international launch in late November of this year. The campaign is scheduled to continue throughout 2005 on television and in print.

- In the recently announced 2004 Brandweek Customer Loyalty Award Survey, Hyatt outranked all hotel brands in customer loyalty and earned placement within the "Top 10" among all global brands.

Growth of Global Hyatt Corporation

- Global Hyatt's growth component embraces a number of areas that will drive growth in both traditional Hyatt branded products and in products outside of Hyatt's traditional segment of the hotel industry.
- Hyatt currently has 27 hotels (8000 rooms) under development in 15 countries. Projects are presently slated for development or are under construction in destinations including Beijing, Macau, Shanghai, Colombo, Seoul, Saigon, Dubai, St. Petersburg, Buenos Aires, Cairo, Marbella (Spain), Miami, Dallas and Denver.
- Hyatt is fast becoming one of the largest hotel operators in China, with new projects underway in Beijing (both Park Hyatt and Hyatt Regency), Chongqing, Dongguan, Guangzhou, Hangzhou, Macau, Nanjing, Ningbo, Hainan Island and Shanghai.
- As one of the largest destination spa operators in the world, Hyatt's prestigious portfolio includes such world-renowned spas as Plateau at the Grand Hyatt Hong Kong, Stillwater Spa at Park Hyatt Toronto, Anara Spa at Hyatt Regency Kauai Resort & Spa, Nagomi Spa at Grand Hyatt Tokyo and Spa La Manga Club at Hyatt Regency La Manga (Murcia, Spain). Six new spas are due to open in 2005, including a new spa at Hyatt Regency Scottsdale Resort at Gainey Ranch.
- The acquisition of AmeriSuites provides an additional source of distribution and earnings growth.
- Future acquisitions will be considered under circumstances where the acquisition benefits both the acquired assets and the existing Hyatt chain.

Currently, there are 214 Hyatt hotels and resorts in 43 countries around the world. In the U.S. Hyatt worldwide reservations for individuals or groups can be made by calling (800) 233-1234. Outside the U.S., contact the local Hyatt sales office or representative. For more information about Hyatt Hotels & Resorts, visit Hyatt on the internet at www.hyatt.com.

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