Hyatt Newsroom

CHICAGO (August 1, 2012) – Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported financial results as follows:

- Adjusted EBITDA was $180 million in the second quarter of 2012 compared to $151 million in the second quarter of 2011, an increase of 19.2%.
- Net income attributable to Hyatt was $39 million, or $0.24 per share, during the second quarter of 2012 compared to net income attributable to Hyatt of $37 million, or $0.22 per share, in the second quarter of 2011. Adjusted for special items, net income attributable to Hyatt was $39 million, or $0.24 per share, during the second quarter of 2012 compared to net income attributable to Hyatt of $46 million, or $0.27 per share, during the second quarter of 2011. See the table on page 3 of the accompanying schedules for a summary of special items. Note that net income in the second quarter of 2011 benefited from a $12 million, or $0.07 per share, release of a tax valuation allowance against certain foreign net operating losses.
- Comparable owned and leased hotel RevPAR increased 7.6% (9.4% excluding the effect of currency) in the second quarter of 2012 compared to the second quarter of 2011.
- Owned and leased hotel operating margins increased 320 basis points in the second quarter of 2012 compared to the second quarter of 2011. Comparable owned and leased hotel operating margins increased 120 basis points in the second quarter of 2012 compared to the same period in 2011. See the table on page 9 of the accompanying schedules for a reconciliation of comparable owned and leased hotel operating margin to owned and leased hotel operating margin.
- Comparable North American full service hotel RevPAR increased 8.7% (8.9% excluding the effect of currency) in the second quarter of 2012 compared to the second quarter of 2011. Comparable North American select service hotel RevPAR increased 6.4% in the second quarter of 2012 compared to the second quarter of 2011.
- Comparable international hotel RevPAR increased 3.8% (8.5% excluding the effect of currency) in the second quarter of 2012 compared to the second quarter of 2011.
- The Company opened five properties during the second quarter of 2012.
- The Company's Board of Directors authorized a repurchase of common stock of up to $200 million.

Mark S. Hoplamazian, president and chief executive officer of Hyatt Hotels Corporation, said, "Our second quarter results were strong, with Adjusted EBITDA increasing over 19% compared to last year. RevPAR increased over 8% in North America as we experienced strong transient demand. Owned and leased RevPAR grew over 9% in constant dollars as we benefited from last year's significant renovations.

"Our international hotels continued to perform well, with RevPAR up over 8% in constant dollars. In particular, most of our hotels in China continued to show solid results, with a sequential increase in year-over-year RevPAR growth for comparable hotels in the second quarter. In addition, results from our hotels in Europe, which are primarily located in gateway cities such as Paris and London, remained good, despite the economic uncertainty in the wider region.

"Over the last 18 months, we have completed hotel acquisitions totaling over $900 million. These properties are performing well, with re-branding largely complete and the benefits of our system leading to strong growth in RevPAR and in market share.

"Looking ahead, we are encouraged by recent trends in transient travel and positive group pace as compared to last year. Our base of executed contracts for future openings is the largest it has ever been – at 175 hotels. We are on track to open over 20 hotels this year, including our first select service hotel outside the U.S. In addition, the Company is well positioned to take advantage of growth opportunities, as our balance sheet remains strong. Our organizational realignment is progressing well and slated for completion during the fourth quarter of 2012.

"Our Board of Directors has authorized a repurchase of common stock of up to $200 million. The decision to authorize a repurchase of common stock reflects the Board's judgment as to what is in the best interests of all shareholders in the context of our strategy, financial position, business results, and macro-economic factors."

SEGMENT RESULTS & OTHER ITEMS

Owned and Leased Hotels Segment

Adjusted EBITDA increased 15.8% in the second quarter of 2012 compared to the same period in 2011.

RevPAR for comparable owned and leased hotels increased 7.6% (9.4% excluding the effect of currency) in the second quarter of 2012 compared to the same period in 2011. Occupancy improved 360 basis points and ADR increased 2.6% (4.4% excluding the effect of currency) compared to the same period in 2011.

Revenues increased 9.1% in the second quarter of 2012 compared to the same period in 2011. Comparable hotel revenues increased 4.5% in the second quarter of 2012 compared to the same period in 2011.

Owned and leased hotel expenses increased 4.6% in the second quarter of 2012 compared to the same period in 2011. Excluding expenses related to benefit programs funded through Rabbi Trusts and non-comparable hotel expenses, expenses increased 2.8% in the second quarter of 2012 compared to the same period in 2011. See the table on page 9 of the accompanying schedules for a reconciliation of comparable owned and leased hotels expenses to owned and leased hotels expenses.

The following hotel was added to the portfolio during the second quarter:

- Hyatt Regency Mexico City (owned, 756 rooms)

North American Management and Franchising Segment

Adjusted EBITDA increased 22.7% in the second quarter of 2012 compared to the same period in 2011.

RevPAR for comparable North American full service hotels increased 8.7% (8.9% excluding the effect of currency) in the second quarter of 2012 compared to the same period in 2011. Occupancy increased 290 basis points and ADR increased 4.8% (5.0% excluding the effect of currency) compared to the same period in 2011.

Group rooms revenue at comparable North American full service hotels increased approximately 6% in the second quarter of 2012 compared to the same period in 2011, as a result of strong corporate revenue offset by slightly lower association revenue.

Transient rooms revenue at comparable North American full service hotels increased approximately 10% in the second quarter of 2012 compared to the same period in 2011, driven by strength from corporate customers.

Revenue from management and franchise fees increased 17.9% in the second quarter of 2012 compared to the same period in 2011.

The following four hotels were added to the portfolio during the second quarter:

- Hyatt French Quarter (franchised, 254 rooms)
- Hyatt Chicago Magnificent Mile (franchised, 417 rooms)
- Hyatt Place Boston/Braintree (franchised, 204 rooms)
- Hyatt Place Riverside/Downtown (franchised, 125 rooms)

International Management and Franchising Segment

Adjusted EBITDA increased 9.1% in the second quarter of 2012 compared to the same period in 2011.

RevPAR for comparable international hotels increased 3.8% (8.5% excluding the effect of currency) in the second quarter of 2012 compared to the same period in 2011. Occupancy increased 250 basis points and ADR decreased 0.1% (increased 4.4% excluding the effect of currency) compared to the same period in 2011.

Revenue from management and franchise fees increased 2.6% (7.3% excluding the effect of currency) in the second quarter of 2012 compared to the same period in 2011.

The following hotel was added to the portfolio during the second quarter:

- Hyatt Regency Mexico City (owned, 756 rooms)

One property was removed from the portfolio during the second quarter.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses decreased by 1.4% in the second quarter of 2012 compared to the same period in 2011. Adjusted selling, general, and administrative expenses increased by $4 million, or 5.7%, in the second quarter of 2012 compared to the same period in 2011. Adjusted selling, general, and administrative expenses included an approximate $2 million benefit related to a bad debt reversal in the second quarter of 2012. See the table on page 8 of the accompanying schedules for a reconciliation of adjusted selling, general, and administrative expenses to selling, general, and administrative expenses.

<u>OPENINGS AND FUTURE EXPANSION</u>

Hyatt added five hotels in the second quarter of 2012, each of which is listed above.

The Company expects to open a significant number of new properties in the future. As of June 30, 2012 this effort was underscored by executed management or franchise contracts for more than 175 hotels (or more than 39,000 rooms) across all brands. The executed contracts represent potential entry into several new countries and expansion into many new markets or markets in which the Company is under-represented. Approximately 75% of the future expansion is expected to be located outside North America.

CAPITAL EXPENDITURES

Capital expenditures during the second quarter of 2012 totaled $62 million, categorized as follows:

- Maintenance: $20 million
- Enhancements to existing properties: $32 million
- Investment in new properties: $10 million

COMMON STOCK REPURCHASE AUTHORIZATION

The Company's Board of Directors authorized the repurchase of up to $200 million of the Company's common stock. These repurchases may be made from time to time in the open market, in privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan, at prices that the Company deems appropriate and subject to market conditions, applicable law and other factors deemed relevant in the Company's sole discretion.

The common stock repurchase authorization is effective immediately. It does not obligate the Company to repurchase any dollar amount or number of shares of common stock, and may be suspended or discontinued at any time. The Company intends to pay for shares repurchased with cash from its balance sheet. As of June 30, 2012, the Company had approximately 46.1 million shares of Class A common stock, par value $0.01 per share, and approximately 119.6 million shares of Class B common stock, par value $0.01 per share, issued and outstanding.

CORPORATE FINANCE

During the second quarter of 2012, the Company purchased an existing 756-room hotel in Mexico City for a purchase price of approximately $190 million. The hotel was rebranded as Hyatt Regency Mexico City.

On June 30, 2012, the Company had total debt of approximately $1.2 billion.

On June 30, 2012, the Company had cash and cash equivalents, including investments in highly-rated money market funds and similar investments, of approximately $400 million and short-term investments of approximately $500 million.

On June 30, 2012, the Company had undrawn borrowing availability of approximately $1.4 billion under its revolving credit facility.

2012 INFORMATION

The Company is providing the following information for the 2012 fiscal year:

- Adjusted SG&A expense is expected to be approximately $320 million.
- Capital expenditures are expected to be approximately $360 million.
- Depreciation and amortization expense is expected to be approximately $360 million.
- Interest expense is expected to be approximately $70 million.
- The Company expects to open over 20 hotels in 2012.

CONFERENCE CALL INFORMATION

The Company will hold an investor conference call today, August 1, 2012, at 10:30 a.m. CT. The Company requests that questions be submitted via email to earnings@hyatt.com by 9:00 a.m. CT. Hyatt management will read and respond to as many submitted questions as possible. All interested persons may listen to a simultaneous webcast of the conference call, which may be accessed through the Company's website at http://www.hyatt.com and selecting the Investor Relations link located at the bottom of the page, or by dialing 617.213.8049, passcode #52577109, approximately 10 minutes before the scheduled start time. For those unable to listen to the live broadcast, a replay will be available from 1:00 p.m. CT on August 1, 2012 through midnight on August 8, 2012 by dialing 617.801.6888, passcode #75467851. Additionally, an archive of the webcast will be available on the Investor Relations website for approximately 90 days.

DEFINITIONS

Adjusted EBITDA

We use the term Adjusted EBITDA throughout this earnings release. Adjusted EBITDA, as we define it, is a non-GAAP measure. We define consolidated Adjusted EBITDA as net income attributable to Hyatt Hotels Corporation plus our pro-rata share of unconsolidated hospitality ventures Adjusted EBITDA based on our ownership percentage of each venture, adjusted to exclude the following items:

equity earnings (losses) from unconsolidated hospitality ventures;

asset impairments;

other income (loss), net;

discontinued operations, net of tax;

net loss attributable to noncontrolling interests;

depreciation and amortization;

interest expense; and

(provision) benefit for income taxes.

We calculate consolidated Adjusted EBITDA by adding the Adjusted EBITDA of each of our reportable segments to corporate and other Adjusted EBITDA.

Our Board of Directors and executive management team focus on Adjusted EBITDA as a key performance and compensation measure both on a segment and on a consolidated basis. Adjusted EBITDA assists us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operating performance both on a segment and on a consolidated basis. Our president and chief executive officer, who is our chief operating decision maker, also evaluates the performance of each of our reportable segments and determines how to allocate resources to those segments, in significant part, by assessing the Adjusted EBITDA of each segment. In addition, the compensation committee of our Board of Directors determines the annual variable compensation for certain members of our management based in part on consolidated Adjusted EBITDA, segment Adjusted EBITDA or some combination of both.

We believe Adjusted EBITDA is useful to investors because it provides investors the same information that we use internally for purposes of assessing our operating performance and making compensation decisions.

Adjusted EBITDA is not a substitute for net income attributable to Hyatt Hotels Corporation, income from continuing operations, cash flows from operating activities or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted EBITDA. Although we believe that Adjusted EBITDA can make an evaluation of our operating performance more consistent because it removes items that do not reflect our core operations, other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use Adjusted EBITDA or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, Adjusted EBITDA should not be considered as a measure of the income generated by our business or discretionary cash available to us to invest in the growth of our business. Our management compensates for these limitations by reference to our GAAP results and using Adjusted EBITDA supplementally.

Adjusted Selling, General, and Administrative Expense

Adjusted selling, general, and administrative expenses exclude the impact of expenses related to benefit programs funded through Rabbi Trusts.

Comparable Owned and Leased Hotel Operating Margin

We define Comparable Owned and Leased Hotel Operating Margin as the difference between comparable owned and leased hotels revenue and comparable owned and leased hotels expenses. Comparable owned and leased hotels revenue is calculated by removing noncomparable hotels revenue from owned and leased hotels revenue as reported in our condensed consolidated statements of income. Comparable owned and leased hotel expenses is calculated by removing both noncomparable hotels expenses and the impact of expenses funded through Rabbi Trusts from owned and leased hotel expenses as reported in our condensed consolidated statements of income.

Comparable Hotels

“Comparable systemwide hotels” represents all properties we manage or franchise (including owned and leased properties) and that are operated for the entirety of the periods being compared and that have not sustained substantial damage, business interruption or undergone large scale <>renovations during the periods being compared or for which comparable results are not available. We may use variations of comparable systemwide hotels to specifically refer to comparable systemwide North American full service or select service hotels or comparable systemwide international full service hotels for those properties that we manage or franchise within the North American and international management and franchising segments, respectively.<> “Comparable operated hotels” is defined the same as “Comparable systemwide hotels” with the exception that it is limited to only those hotels we manage or operate and excludes hotels we franchise. <>“Comparable owned and leased hotels” represents all properties we own or lease and that are operated and consolidated for the entirety of the periods being compared and have not sustained substantial damage, business interruption or undergone large scale renovations<> <>during the periods being compared or for which comparable results are not available. Comparable systemwide hotels and comparable owned and leased hotels are commonly used as a basis of measurement in the industry. “Non-comparable systemwide hotels” or “Non-comparable owned and leased hotels” represent all hotels that do not meet the respective definition of “comparable” as defined above.<>

Revenue per Available Room (RevPAR)

RevPAR is the product of the average daily rate and the average daily occupancy percentage. RevPAR does not include non-room revenues, which consist of ancillary revenues generated by a hotel property, such as food and beverage, parking, telephone and other guest service revenues. Our management uses RevPAR to identify trend information with respect to room revenues from comparable properties and to evaluate hotel performance on a regional and segment basis. RevPAR is a commonly used performance measure in the industry.

RevPAR changes that are driven predominately by changes in occupancy have different implications for overall revenue levels and incremental profitability than do changes that are driven predominately by changes in average room rates. For example, increases in occupancy at a hotel would lead to increases in room revenues and additional variable operating costs (including housekeeping services, utilities and room amenity costs), and could also result in increased ancillary revenues (including food and beverage). In contrast, changes in average room rates typically have a greater impact on margins and profitability as there is no substantial effect on variable costs.

Average Daily Rate (ADR)

ADR represents hotel room revenues, divided by total number of rooms sold in a given period. ADR measures average room price attained by a hotel and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. ADR is a commonly used performance measure in the industry, and we use ADR to assess the pricing levels that we are able to generate by customer group, as changes in rates have a different effect on overall revenues and incremental profitability than changes in occupancy, as described above.

Occupancy

Occupancy represents the total number of rooms sold divided by the total number of rooms available at a hotel or group of hotels. Occupancy measures the utilization of our hotels’ available <>capacity. Management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ADR levels as demand for hotel rooms increases or decreases.

Select Service

The term “select service” includes our Hyatt Place and Hyatt Summerfield Suites brands. These properties have limited food and beverage outlets and do not offer comprehensive business or banquet facilities but rather are suited to serve smaller business meetings.

FORWARD-LOOKING STATEMENTS

Forward-Looking Statements in this press release, 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 adjusted SG&A expense, capital expenditures, depreciation and amortization expense, interest expense and effective tax rate, 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; our ability to successfully execute and implement our organizational realignment and the costs associated with such organizational realignment; our ability to successfully execute and implement our common stock repurchase program; loss of key personnel, including as a result of our organizational realignment; 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; foreign exchange rate fluctuations or currency restructurings; general volatility of the capital markets; 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, 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 press release. 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.

For further information:

About Hyatt Hotels Corporation

Hyatt Hotels Corporation, headquartered in Chicago, is a leading global hospitality company with a proud heritage of making guests feel more than welcome. Thousands of members of the Hyatt family strive to make a difference in the lives of the guests they encounter every day by providing authentic hospitality. The Company's subsidiaries manage, franchise, own and develop hotels and resorts under the ***Hyatt®, Park Hyatt®, Andaz®, Grand Hyatt®, Hyatt Regency®, Hyatt Place®*** and ***Hyatt House™***. ***Hyatt House*** is changing its brand identity from ***Hyatt Summerfield Suites®***. **Hyatt Residential Group, Inc.**, a **Hyatt Hotels Corporation** subsidiary, develops, operates, markets or licenses ***Hyatt Residences™*** and ***Hyatt Residence Club™***. As of June 30, 2012, the Company's worldwide portfolio consisted of 492 properties in 45 countries. For more information, please visit ***www.hyatt.com***.

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To download the second quarter 2012 earnings release with tables, please visit the Hyatt Investor Relations website.

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