



Hyatt Hotels Corporation
71 South Wacker Drive
Chicago, IL 60606 USA

Dear Fellow Stockholders:

As we move into our fifty-sixth year, we reflect on 2012 as a year characterized by strong operating performance, solid progress on long-term strategies and harmonious growth. Hyatt remains focused on creating long-term value by becoming the most preferred brand for our colleagues, guests and owners in each segment that we serve. At the end of 2012, we implemented a new global organizational structure to allow more seamless and decentralized practices that foster adaptability and rapid innovation. Grounded firmly in the belief that it is the power of our people that will differentiate Hyatt, the realignment was designed to unleash the passion of our more than 95,000 colleagues to bring our brand promise to life creatively and effectively.

We manage Hyatt for the long-term, and we are confident in our ability to continue to expand into markets where our guests are traveling and to deliver strong results in the years ahead. We are working to better differentiate our brands, to improve and align our operating processes, and to develop our talent. We continue to focus on the two main drivers of earnings growth: improving performance of existing hotels and expanding our presence in attractive markets.

Improving Performance of Existing Hotels

Our strategy to improve performance of existing hotels applies across our owned, managed and franchised portfolio. We have executed on this strategy by enhancing our operational efficiency, re-investing in our owned hotels and emphasizing engagement among our colleagues at all levels; in turn, we look forward to increases in customer satisfaction and market share. As a result of our efforts, adjusted EBITDA increased over twelve and one-half percent during 2012 as compared to 2011, with strong performance from owned, managed and franchised hotels.

The investments we have made in our business in the course of recent years have resulted in significant returns. Over the last three years, we invested approximately \$500 million in our owned hotels, and our owned portfolio is currently in excellent physical condition. Owned and leased results were strong in 2012, with comparable RevPAR increasing more than eight percent (in constant currency) as compared to the previous year. Our management and franchise fee businesses also performed well in 2012, with comparable managed and franchised RevPAR up more than six percent (in constant currency) as compared to the previous year.

Our business model of owning, managing and franchising hotels is very effective at this stage in Hyatt's growth cycle. Our model provides us a diversified earnings stream with significant operating leverage from both owned and managed hotels and allows us to choose the most effective structure from several alternatives as we seek opportunities for expansion. Owning hotels enables us to lead by example in key markets. The solid returns we are realizing from investments we have made in new hotels during the past several years support our commitment to long-term shareholder value creation.

Investing in our people is equally important. Using human-centered design thinking as a guide, Hyatt colleagues around the world are encouraging their teams to engage with each other and with our guests in a way that enables our teams to understand our customers on a deeper, more emotional level. Hyatt has continued its company-wide focus on innovation by taking what we learn from our colleagues and guests and focusing on new approaches to better serve them. This approach has already begun to yield new-found levels of engagement and energy from colleagues who are emboldened to create best-in-class experiences that foster loyalty among the guests we serve.

Expanding our Presence in Attractive Markets

In 2012, we successfully expanded our brand presence in several attractive markets. We added 22 hotels to our portfolio, 13 of which were in new markets, including the highly anticipated Andaz Amsterdam Prinsengracht in the Netherlands, Hyatt Regency Mexico City in Mexico, Grand Hyatt Kuala Lumpur in Malaysia, Hyatt Regency

Chongqing in China, and our first select service hotels outside the United States in Costa Rica and India. Toward the end of 2012 and in early 2013, we announced plans for further expansion, including the conversion of five existing hotels in India and four prominent hotels with long operating histories in France.

Our executed contract base is higher than it has ever been, which reflects increasing interest in our brands from developers around the world. At approximately 200 hotels, this base represents about forty percent of our existing portfolio and consists of many managed, full service hotels outside the United States. Hotels planned for India and China account for a large portion of this base, which includes approximately 50 hotels in India and approximately 40 hotels in China. We have a decades-long operating history in each of these countries, and remain confident in our position in these growing economies over the long term. In addition to managed and franchised hotels, we are developing several projects, including Grand Hyatt Rio de Janeiro and Hyatt Place Omaha.

Our strong capital base allows us to weather natural patterns of the lodging cycle and to remain flexible and capable of making strategic investments as opportunities arise. During 2012, we participated in several innovative transactions that will allow Hyatt to maintain presence in existing markets and gain entry into new and attractive markets. We invested more than \$230 million in acquisitions last year and will continue to invest in transactions that make sense for our business. At the same time, we continued to recycle our asset base, while maintaining management or brand presence, as demonstrated by the sale of several wholly-owned and joint venture hotels during 2012. We also returned capital to shareholders, in the form of a repurchase of approximately \$135 million of our common stock.

We have a unique culture and strong emotional ties amongst our colleagues, which we are confident translate into making a difference in the lives of the people we touch every day. We believe that our culture and the relationships amongst our colleagues ultimately position the Hyatt brand to represent human care – and to go beyond service to our guests as a hotel company. This is well supported by our continued work on our global corporate responsibility platform, Hyatt Thrive. In 2012, we distributed our first corporate responsibility report, engaged our colleagues through local grant and volunteer opportunities, and are proud to have made a meaningful difference in the communities around the world we call home.

We encourage you to carefully review our annual report on Form 10-K that accompanies this letter for more information.

We are looking forward to the year ahead and, on behalf of our 95,000 colleagues, we thank you for your commitment and support as together we continue to build lasting and long-term value for our stockholders.

Sincerely,



Thomas J. Pritzker
Executive Chairman of the Board



Mark S. Hoplamazian
President and Chief Executive Officer