



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

Dear Fellow Stockholders:

2016 was another year of solid growth for Hyatt Hotels Corporation. Our relentless focus on super-serving the high-end traveler yielded record earnings and new deal signings, and powered the opening of 59 hotels, more than in any previous year.

This past year, we put “Growing with Focus” at the center of our business – a comprehensive yet targeted approach to the customers we serve, the experiences they have with us, and the opportunities we have to serve more of their needs and desires over time.

As we enter 2017, we are in a strong position and remain focused on sustaining our growth and creating value for our stockholders through solid operating performance and thoughtful capital allocation. And we have taken a significant strategic step to extend our business beyond traditional hotel stays with our acquisition of Miraval Group.

We are pleased to share the following highlights of how we’re driving our business forward across our four strategic priorities: Building & Delivering Brand-Led Experiences, Growing with Intent, Operating with Excellence, and Cultivating the Best People and Culture.

Building & Delivering Brand-Led Experiences

As we strive to become the world’s most preferred hospitality company, Hyatt is focused on building and delivering experiences for our guests that are relevant and drive loyalty for our brands. We know that our loyal guests choose Hyatt because they are looking for a trusted partner that treats them like family.

We began 2016 with the launch of The Unbound Collection by Hyatt, a ‘collection of stays’ providing rich social currency through story-worthy, shareable experiences. We begin 2017 with five distinctive properties in the brand portfolio: The Driskill Hotel in Austin, Texas; Hôtel du Louvre in Paris, France; Carmelo Resort & Spa in Carmelo, Uruguay; The Confidante in Miami Beach, Florida; and Royal Palms Resort & Spa in Phoenix, Arizona. The brand has continued its growth with the recent announcement of plans to convert the James Robertson building in Nashville, Tennessee into a luxury hotel later this year. In addition, the Coco Palms resort in Kauai, Hawaii will become part of the portfolio when the resort completes its comprehensive renovation. Each of these properties truly embodies the “Unbound” spirit of the brand.

2017 is also a pivotal year for our company with our recent launch of ‘World of Hyatt,’ a global platform designed to deepen engagement with our high-end guests across our entire portfolio of brands. We launched the platform with an integrated campaign that highlights the importance of listening, extending a thoughtful gesture and connecting with one another. World of Hyatt also celebrates our reimagined loyalty program which, based on feedback from our members, was re-designed to emphasize meaningful rewards and benefits.

Growing with Intent

Since our IPO in 2009, we have expanded our hotel development pipeline by an average of 12% per year, and have entered 143 new markets and 14 new countries. In 2016, we continued our focus on global growth by broadening the presence of our brands worldwide while pursuing our asset recycling strategy and expanding our foundation for future growth and value creation. Over the course of 2016, we increased our base of executed contracts from approximately 260 hotels and 56,000 rooms to approximately 305 hotels and 66,000 rooms, even as we opened a record number of hotels. Our pipeline equates to nearly 40% of Hyatt’s current global inventory of rooms, and we expect these rooms to open over the next five years. Importantly, nearly 80% of this growth is happening outside the U.S., bringing more global diversity to our hotel portfolio and building awareness of the Hyatt brand in high-growth markets around the world. It is clear that our brands are resonating and gaining traction with hotel owners and developers, as substantially all of our expansion is driven by managed and franchised hotels. This expansion, in turn, is fueling the growth of our high-return fee business.

Looking at our global footprint of distinctive brands, we were excited to introduce several of our brands to new markets in 2016. Andaz experienced terrific momentum with the brand's first properties in Canada, Mexico and India. Hyatt Centric opened its first international location in Uruguay followed by the opening of a new location in Hawaii, and Grand Hyatt added an impressive location in Rio de Janeiro ahead of the 2016 Olympics. Hyatt Place and Hyatt House continued their global expansion, including opening in additional U.S. cities, as well as in new dual-branded locations, including Shenzhen Airport in China. We entered Colombia in 2016 with the opening of Hyatt Regency Cartagena, and the opening of Park Hyatt Mallorca marked the reintroduction of Hyatt into Spain.

Expansion in large, dynamic markets like China and India is central to our growth strategy. Gaining representation in key cities and resort destinations in these markets allows us to serve a broader base of guests and drive preference for our brands in these high-growth and still under-penetrated markets. At December 31, 2016, we had approximately 100 Hyatt hotels open or under development in China, in key markets including Beijing, Hong Kong, Shanghai and Shenzhen. In India, we had approximately 40 Hyatt hotels open or under development at December 31, 2016. In addition to China and India, we have announced further expansion plans in international markets including Australia, Germany, Indonesia, Japan, Saudi Arabia, Singapore and Thailand.

Finally, we laid the foundation for extending the Hyatt brand beyond traditional hotel stays with our January 2017 acquisition of Miraval Group, a renowned expert in wellness and mindfulness experiences. As this area is becoming increasingly important to our guests, adding Miraval to the Hyatt portfolio creates a platform that will allow us to expand customer relationships and satisfy more of our guests' travel and experiential interests.

Operating with Excellence

We have continued to build share in the markets and segments where we compete, a reflection of the growing strength of our brands and the hard work of our colleagues around the world.

At the heart of our business, we have embraced a data-driven model for asset management that allows us to enhance the performance of our hotels. We have rolled out this model across our owned, leased and managed portfolio, and with it have implemented operational improvements that are yielding increases in revenue and operating margins.

Thanks to the focus on core operations across our hotel portfolio and on corporate operating efficiencies, our financial performance has been strong. In 2016, our Net Income was \$204 million, and our Adjusted EBITDA was \$785 million, 65% and 5% growth versus 2015, respectively. This growth continues our long-term track record of performance. Since 2010, we have delivered compound annual growth in Net Income and Adjusted EBITDA of approximately 21% and 8%, respectively. Over the same timeframe, our Adjusted EBITDA margin increased from 23% to 30%, and our return on gross assets, a measure we use to track profitability and asset efficiency, increased from 5% in 2010 to 8% at the end of 2016.

We are also proud that since 2011 we have returned more than \$2 billion to our stockholders in the form of share repurchases, and in March 2017 we announced a \$300 million accelerated share repurchase funded primarily with the proceeds from the redemption of our preferred stock investment in Playa Hotels & Resorts N.V. We will continue to focus on generating long-term stockholder value through investing in the growth of our business, executing our asset recycling strategy, and continuing to return cash to stockholders through repurchases.

Cultivating the Best People and Culture

Listening and understanding are at the core of our business – from how we care for our guests and each other to how we share our brand stories. We continue to focus on bringing our company purpose – to care for people so they can be their best – to life in everything we do. This includes amplifying how we give back to the communities where our colleagues live and work. We saw tangible benefits of this focus again in 2016 and our Hyatt colleagues and family culture were widely recognized with accolades from FORTUNE®'s World's Best Multinational Workplaces to Great Place to Work® and similar recognitions in the U.S., Europe, Germany, France, United Kingdom, UAE and Greater China.

We also remain focused on building and developing our leadership talent. During 2016, Hyatt welcomed two outstanding members to our executive team. Pat Grismer joined Hyatt as CFO after serving as CFO of Yum! Brands and Anne-Marie Law was selected as our chief human resources officer, after serving in a similar capacity at Baxalta Corporation. Both Pat and Anne-Marie have been tremendous additions and wonderful complements to our existing team.

As we look forward to celebrating our 60th anniversary this year, we believe we have a clear path forward and a powerful growth engine to drive our success and create long-term stockholder value.

We encourage you to carefully review our annual report on Form 10-K that accompanies this letter for more information. In addition, for a reconciliation of each Non-GAAP financial measure presented in this letter to the most directly comparable GAAP measure, please refer to our website at investors.hyatt.com under the Financial Reporting, Non-GAAP Reconciliations section.

Thank you for your confidence in Hyatt and your belief in our purpose. We believe 2017 will continue the momentum we experienced in 2016, and we look forward to updating you on our continued success.

Sincerely,



Thomas J. Pritzker
Executive Chairman of the Board



Mark S. Hoplamazian
President and Chief Executive Officer