



Hyatt Hotels Corporation
150 North Riverside Plaza
Chicago, IL 60606 USA

Dear Fellow Stockholders:

2017 was another successful year for Hyatt Hotels Corporation as we opened a record-level number of hotels, entered new lines of business that extend the reach of our brands, embarked upon a hotel disposition program to unlock shareholder value and returned meaningful capital to our shareholders.

As we enter into 2018, our evolved business strategy guides us in driving sustainable growth.

Our Evolved Strategy for Growth

Our strategy is focused on three key levers to drive growth and create value for our colleagues, customers and shareholders: maximize our core business, integrate new growth platforms and optimize capital deployment. Each of these remain propelled by our purpose – we care for people so they can be their best – as the foundation underlying everything we do.

Maximize Our Core Business

Maximizing our core business is the key driver of our growth, encompassing the development, management and franchising of full service and select service hotels. As such, our strategies focus on RevPAR growth, net rooms growth and margin expansion, with specific focus on accelerating our growth in China and with our select service hotel offering worldwide. To these ends, we reported growth of 12.8% in management and franchise fees in 2017, driven by 7% rooms growth and 3.3% comparable system-wide RevPAR growth. Our rooms growth was underpinned by 71 new hotels, including 11 hotels in China and 48 select service properties globally. Notwithstanding our record-level openings, we also expanded our development pipeline to 70,000 rooms, representing a 38% increase to our current system of more than 185,000 hotel rooms. We are also making enhancements to the World of Hyatt loyalty program, building upon the 20% growth in membership that we achieved in 2017.

Integrate New Growth Platforms

Building and delivering new experiences to care for the high-end traveler has increased the relevance of our brands and improved engagement and brand preference.

In 2017, we took meaningful steps to enter into an area that our guests find increasingly important: wellbeing and mindfulness. We acquired *Miraval Group*, including its acclaimed flagship wellness resort in Tucson, Arizona and forthcoming resorts in Austin, Texas and Lenox, Massachusetts, and added fitness and spa brand *exhale* to our portfolio. Integrating the mindfulness expertise and experiences of these brands into our core business allows us to create a seamless experience for guests that expands our offerings and further differentiates us in the wellbeing space.

We also made a smaller investment in *Oasis*, a collection of home rentals available in more than 20 destinations worldwide, to explore our customers' interest in alternative high-end accommodations. We will be evaluating how these non-traditional travel experiences differentiate our offerings as we consider new opportunities to complement our business and engage our customers.

Optimize Capital Deployment

We have long viewed strategic capital deployment as an area of focus, including our successful asset recycling program to facilitate our expansion into markets where we were underrepresented. Our plans for capital deployment are now even more disciplined and aligned to our growth strategy. In 2017, we committed to supplement our asset recycling strategy with a targeted reduction in our owned real estate portfolio that is

expected to generate approximately \$1.5 billion in gross cash proceeds by the end of 2020, which we believe will enable us to fuel growth in our core business, invest in new platforms and return capital to our shareholders. In early 2018, we introduced a cash dividend and announced it as \$0.15 per share for the first quarter of 2018 to support returns to shareholders, while preserving liquidity in our common shares.

Executing Our Strategy

To execute our strategy in 2018, we will continue to focus on four company-wide priorities which remain consistent from last year: *Cultivate the Best People and Evolve the Culture, Build and Deliver Brand-Led Experiences, Operate with Excellence and Grow with Intent.*

We believe our recent leadership and organizational changes will help accelerate profitable growth and execution of our business strategy by simplifying our structure and enhancing accountability, clarity, operational excellence and commercial focus across our business.

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

We believe our consistent track record of strong operating results, openings and pipeline growth demonstrates robust global demand for our brands. Thank you for your continued confidence in Hyatt and belief in our purpose. We look forward to updating you on our progress throughout 2018.

Sincerely,



Thomas J. Pritzker
Executive Chairman of the Board



Mark S. Hoplamazian
President and Chief Executive Officer