

Hyatt Hotels Corp
Form S-1/A
October 15, 2009
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As filed with the Securities and Exchange Commission on October 15, 2009

Registration No. 333-161068

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-effective

AMENDMENT NO. 3

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

HYATT HOTELS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

7011
(Primary Standard Industrial

20-1480589
(I.R.S. Employer

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(Incorporation or organization)

(Classification Code Number)

(Identification Number)

71 South Wacker Drive, 12th Floor

Chicago, Illinois 60606

(312) 750-1234

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Mark S. Hoplamazian

President and Chief Executive Officer

Hyatt Hotels Corporation

71 South Wacker Drive, 12th Floor

Chicago, Illinois 60606

(312) 750-1234

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Michael A. Pucker, Esq.

Harmit J. Singh

Andrew J. Pitts, Esq.

Cathy A. Birkeland, Esq.

Chief Financial Officer

Craig F. Arcella, Esq.

Latham & Watkins LLP

Hyatt Hotels Corporation

Cravath, Swaine & Moore LLP

233 S. Wacker Drive, Suite 5800

71 South Wacker Drive, 12th Floor

Worldwide Plaza

Chicago, Illinois 60606

Chicago, Illinois 60606

825 Eighth Avenue

(312) 876-7700

(312) 750-1234

New York, New York 10019

(212) 474-1000

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated October 15, 2009.

Shares

Hyatt Hotels Corporation

Class A Common Stock

This is an initial public offering of shares of Class A common stock of Hyatt Hotels Corporation.

Hyatt Hotels Corporation is offering _____ shares of Class A common stock to be sold in the offering. The selling stockholders identified in this prospectus are offering an additional _____ shares of Class A common stock. Hyatt Hotels Corporation will not receive any of the proceeds from the sale of the shares of Class A common stock by the selling stockholders.

Prior to this offering, there has been no public market for the Class A common stock. It is currently estimated that the initial public offering price per share will be between \$ _____ and \$ _____. Our Class A common stock has been approved for listing on the New York Stock Exchange under the symbol H, subject to official notice of issuance.

Following this offering, Hyatt Hotels Corporation will have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. The Class A common stock is entitled to one vote per share. The Class B common stock is entitled to ten votes per share. Each share of Class B common stock is convertible at any time into one share of Class A common stock.

See **Risk Factors** beginning on page 16 to read about factors you should consider before buying shares of the Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to Hyatt Hotels Corporation	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$
If the underwriters sell more than _____ shares of Class A common stock, the underwriters have the option to purchase up to an additional _____ shares of Class A common stock from Hyatt Hotels Corporation at the initial public offering price less the underwriting discount.		

The underwriters expect to deliver the shares against payment in New York, New York on or about _____, 2009.

Goldman, Sachs & Co.

Deutsche Bank Securities **J.P. Morgan**

Prospectus dated _____, 2009.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider in making your investment decision. You should read this entire prospectus carefully, including the section entitled Risk Factors and our financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless otherwise specified or the context otherwise requires, references in this prospectus to we, our, us, Hyatt and the Company refer to Hyatt Hotels Corporation and its consolidated subsidiaries. On June 30, 2009, we changed our name from Global Hyatt Corporation to Hyatt Hotels Corporation.

Our Company

We are a global hospitality company with widely recognized, industry leading brands and a tradition of innovation developed over our more than fifty-year history. Our mission is to provide authentic hospitality by making a difference in the lives of the people we touch every day. We focus on this mission in pursuit of our goal of becoming the most preferred brand in each segment that we serve for our associates, guests and owners. We support our mission and goal by adhering to a set of core values of mutual respect, intellectual honesty and integrity, humility, fun, creativity and innovation that characterize our culture. We believe that our mission, goal and values, together with the strength of our brands, strong capital and asset base and opportunities for expansion, provide us with a platform for long-term value creation.

We manage, franchise, own and develop Hyatt-branded hotels, resorts and residential and vacation ownership properties around the world. As of June 30, 2009, our worldwide portfolio consisted of 413 Hyatt-branded properties (119,509 rooms and units), including:

158 managed properties (60,934 rooms), all of which we operate under management agreements with third-party property owners;

100 franchised properties (15,322 rooms), all of which are owned by third parties that have franchise agreements with us and are operated by third parties;

96 owned properties (including 4 consolidated hospitality ventures) (25,786 rooms) and 6 leased properties (2,851 rooms), all of which we manage;

28 managed properties owned or leased by unconsolidated hospitality ventures (12,361 rooms);

15 vacation ownership properties (933 units), all of which we manage; and

10 residential properties (1,322 units), all of which we manage and some of which we own.

Our full service hotels operate under four world-recognized brands, Park Hyatt, Grand Hyatt, Hyatt Regency and Hyatt. We recently introduced our fifth full service brand, Andaz. Our two select service brands are Hyatt Place and Hyatt Summerfield Suites (an extended stay brand). We develop, sell and manage vacation ownership properties in select locations as part of the Hyatt Vacation Club.

Our associates, whom we also refer to as members of the Hyatt family, consist of over 80,000 individuals working at our corporate and regional offices and our managed, franchised and owned properties in 45 countries around the world. Substantially all of our hotel general managers are trained professionals in the hospitality industry with extensive hospitality experience in their local markets and host countries. The general managers of our managed properties are empowered to manage their properties on an independent basis based on their market knowledge, management experience and

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understanding of our brands. Our associates and hotel general managers are supported by our divisional management teams located in cities around the world and our executive management team, headquartered in Chicago.

We primarily derive our revenues from hotel operations, management and franchise fees, other revenues from managed properties and sales of vacation ownership properties. For the year ended December 31, 2008, revenues totaled \$3.8 billion, net income attributable to Hyatt Hotels Corporation totaled \$168 million and Adjusted EBITDA totaled \$687 million. For the six months ended June 30, 2009, revenues totaled \$1.6 billion, net loss attributable to Hyatt Hotels Corporation totaled \$36 million and Adjusted EBITDA totaled \$210 million. See [Summary Consolidated Financial Data](#) for our definition of Adjusted EBITDA and why we present it and [Summary Consolidated Financial Data](#) for a reconciliation of our consolidated Adjusted EBITDA to net income attributable to Hyatt Hotels Corporation for the periods presented. For the year ended December 31, 2008 and the six months ended June 30, 2009, 79.9% and 81.3% of our revenues were derived from operations in the United States, respectively. As of June 30, 2009, 76.9% of our long-lived assets were located in the United States. As of June 30, 2009, and after giving effect to the August 2009 issuance and sale of \$500 million aggregate principal amount of senior notes and the use of a portion of the proceeds from the sale of the senior notes to repay certain outstanding secured debt and settle certain related swap agreements as described under [Recent Developments](#), we had total debt of \$858 million and cash and cash equivalents of \$1.2 billion. As of June 30, 2009 and after giving effect to the July 2009 amendment and extension of our revolving credit facility, we had undrawn borrowing capacity of \$1.4 billion. These sources provide us with significant liquidity and resources for future growth.

Our History

Hyatt was founded by Jay Pritzker in 1957 when he purchased the Hyatt House motel adjacent to the Los Angeles International Airport. Over the following decade, Jay Pritzker and his brother Donald Pritzker, working together with other Pritzker family business interests, grew the company into a North American management and hotel ownership company, which became a public company in 1962. In 1968, Hyatt International was formed and subsequently became a separate public company. Hyatt Corporation and Hyatt International Corporation were taken private by the Pritzker family business interests in 1979 and 1982, respectively. On December 31, 2004, substantially all of the hospitality assets owned by Pritzker family business interests, including Hyatt Corporation and Hyatt International Corporation, were consolidated under a single entity, now named Hyatt Hotels Corporation. For more information about this transaction, see [Corporate Information](#).

Commencing in 2007, third parties, including affiliates of Goldman, Sachs & Co. and Madrone GHC, LLC, made long-term investments in Hyatt. Pritzker family business interests, affiliates of Goldman Sachs and Madrone GHC, LLC and affiliates (Madrone GHC) currently own approximately 85.0%, 7.5% and 6.1%, respectively, of our common stock, and immediately following completion of this offering will own approximately %, % and %, respectively, of our common stock, assuming no exercise of the underwriters' option to purchase additional shares.

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Our Competitive Strengths

We have significant competitive strengths that support our goal of being the most preferred brand for our associates, guests and owners.

World Class Brands. We believe that our widely recognized, industry leading brands provide us with a competitive advantage in attracting and driving preference for our associates, guests and owners. We have consistently received top rankings, awards and accolades for service and guest experience from independent publications and surveys, including Condé Nast Traveler, Travel and Leisure, Mobil and AAA. As an example, 54 properties across our Park Hyatt, Grand Hyatt and Hyatt Regency brands received the AAA four diamond lodging award in 2009.

Deep Culture and Experienced Management Teams. Hyatt has a strong culture rooted in values that have supported our past and form the foundation for our future. The members of the Hyatt family are united by shared values, a common mission and a common goal. The associates at our properties are led by an experienced group of general managers. For example, the general managers at our full service owned and managed hotels have an average tenure of more than 21 years. Regional and divisional management teams located around the world support our hotel general managers by providing corporate resources, mentorship and coaching, owner support and other assistance necessary to help them achieve their goals. Senior operating management has an average of 27 years of experience in the industry. Our experienced executive management team sets overall policies for our company, supports our regional and divisional teams and our associates around the world, provides strategic direction and leads our growth initiatives worldwide.

Global Platform with Compelling Growth Potential. Our existing global presence is widely distributed and we operate in 20 of the 25 most populous urban centers around the globe based on demographic research. We believe that our existing hotels around the world provide us with a strong platform from which to selectively pursue new growth opportunities in markets where we are under-represented. We have a long history of executing on growth opportunities. Our dedicated global development executives in offices around the world apply their experience, judgment and knowledge to ensure that new Hyatt branded hotels enhance preference for our brands. An important aspect of our compelling growth potential is our strong brand presence in higher growth markets around the world such as India, China, Russia, the Middle East and Brazil. The combination of our existing presence and brands, experienced development team, established third-party relationships and significant access to capital provides us with a strong foundation for future growth and long-term value creation.

Strong Capital Base and Disciplined Financial Approach. As of June 30, 2009, we had cash and cash equivalents of \$1.2 billion, after giving effect to the August 2009 issuance and sale of the senior notes and the use of a portion of the net proceeds from the sale of the senior notes to repay certain outstanding secured debt and settle certain related swap agreements, as described under Recent Developments. As of such date and after giving effect to the July 2009 amendment and extension of our revolving credit facility, we had undrawn borrowing capacity of \$1.4 billion. We have a modest level of debt and no significant debt maturities through 2012. We believe that as a result of our balance sheet strength, we are uniquely positioned to take advantage of strategic opportunities to develop or acquire properties and brands, even in economic downturns such as the one we are currently experiencing.

Diverse Exposure to Hotel Management, Franchising and Ownership. We believe that our experience as a multi-brand manager, franchisor and owner of hotels makes us one of the best positioned lodging companies in the world. Our mix of managed, franchised and owned hotels provides a broad and diverse base of revenues, profits and cash flows and gives us flexibility to evaluate growth opportunities across these three lines of business.

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High Quality Owned Hotels Located in Desirable Markets. We own and operate a high quality portfolio of 96 owned properties and 28 managed properties owned or leased by unconsolidated hospitality ventures consisting of luxury and upper-upscale full service and select service hotels in key markets. A number of these hotels are unique assets with high recognition and a strong position in their local markets. As a significant owner of hotel assets, we believe we are well positioned for a recovery of demand as we expect earnings growth from owned properties to outpace growth in revenues due to their high fixed-cost structure. This benefit can be achieved either through increased earnings from our owned assets or through value realized from select asset sales.

A Track Record of Innovation. Successful innovation has been a hallmark of Hyatt since its founding. More than forty years ago, we opened the Hyatt Regency Atlanta, which was the first- ever large-scale atrium lobby hotel. We also have a long track record of creative approaches to food and beverage outlets at our hotels throughout the world, which have led to highly profitable venues that create demand for our hotel properties, particularly in Asian markets. We launched our Hyatt Place brand in 2006 and our Andaz brand in 2007, each of which features a unique internally developed service model that eliminates a number of de-personalized aspects of the hotel experience. We believe that our commitment to fostering a culture of innovation throughout Hyatt positions us as an industry leader.

Our Business Strategy

Our goal is to be the most preferred brand in each customer segment that we serve for our associates, guests and owners. We enhance brand preference by understanding who our customers are and by focusing on what they need and want and how we can deliver value to them. This understanding and focus informs our strategy for improving the performance of our existing hotels and expanding the presence of the Hyatt brand in markets worldwide.

Focus on Improvement in the Performance of Existing Hotels

A key component of our strategy is to maximize revenues and manage costs at existing hotel properties. We strive to enhance revenues by focusing on increasing our share of hotel stays by our existing guests and increasing the number of new guests we serve on a regular basis, with the ultimate goal of establishing and increasing guest loyalty to our brands. We manage costs by setting performance goals for our hotel management teams and granting our general managers operational autonomy, which we believe leads to improved efficiency.

Increase Share of Hotel Stays. We intend to expand Hyatt's share of hotel stays by continuously striving to provide genuine guest service and delivering value to our guests. We aim to provide differentiated service and product offerings targeted at each customer segment within each of our brands in order to satisfy our customers' specific needs. Our Hyatt Gold Passport guest loyalty program is designed to attract new guests and to demonstrate our loyalty to our best guests. In 2009, we launched an initiative called "The Big Welcome," which was targeted at increasing enrollment in our Hyatt Gold Passport program. During the six-month period ended June 30, 2009, new membership enrollment in our Hyatt Gold Passport program has increased by approximately 39% compared to new membership enrollment during the same period last year.

Emphasize Associate Engagement. Our brands are defined, in large part, by the authentic hospitality that is delivered to our guests by our associates. We believe that while a great product is necessary for success, a service model that promotes genuine service for our guests and that is focused on our customers' particular

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needs is the key to a sustainable long-term advantage. Therefore, we strive to involve our associates in deciding how we serve our guests and what we can do to improve guest satisfaction. We align our associates' interests with our goal of becoming the most preferred brand in each segment that we serve. We rely on our hotel general managers to lead by example and foster associate engagement.

Enhance Operational Efficiency. We strive to align our staffing levels and expenses with demand without compromising our commitment to authentic hospitality and high levels of guest satisfaction. We have made significant changes in operations in response to recent declines in demand for hospitality products and services. We will continue to incentivize and assist our hotel general managers as they proactively manage both the customer experience and the operating costs at each of their properties.

Expanding Our Presence in Attractive Markets

We intend to drive brand preference by expanding the presence of all of our brands in attractive markets worldwide. We believe that the scale of our presence around the world is small relative to the recognition of our brands and our excellent reputation for service and, therefore, we have a unique opportunity to expand. We believe that our mission, goal and values, together with the strength of our brands, people, strong capital and asset base and opportunities for expansion provide us with a platform for long-term value creation.

Increase Market Presence. We will focus our expansion efforts on under-penetrated markets where we already have an established presence. We will also seek to expand into locations where our guests are traveling but where we do not have a presence. We believe our extensive focus on the different customer groups that we serve and our understanding of how we can serve them in new locations will facilitate our growth.

Expand our Select Service Presence. We intend to establish and expand Hyatt Place and Hyatt Summerfield Suites worldwide, which we believe will support our overall growth and enhance the performance of all of our brands. To pursue this strategy, we have a dedicated select service development team. We believe that the opportunity for properties that provide a select offering of services at a lower price point is particularly compelling in certain emerging markets, such as India, China, Russia and Brazil, where there is a large and growing middle class along with a meaningful number of local business travelers.

Increase Focus on Franchising. We intend to increase our franchised hotel presence for our select service brands and our Hyatt Regency brand. By increasing our focus on franchising, we believe that we will gain access to capital from developers and property owners that specifically target franchising business opportunities. To pursue this strategy, we have established an internal team dedicated to supporting our franchise owners and driving the expansion of our franchised hotel presence. We plan to expand existing relationships and develop new relationships with franchise owners who demonstrate an ability to provide excellent customer service while maintaining our brand standards.

Utilize our Capital and Asset Base for Targeted Growth. We intend to use our liquidity and strong capital base along with select asset dispositions to selectively redeploy capital to opportunities that will allow us to strengthen our management presence in key markets worldwide. We will continue to commit capital to fund the

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renovation of certain assets in our existing owned portfolio. Given our focus and expertise as an owner, we expect to maintain significant ownership of hotel properties over time.

Pursue Strategic Acquisitions and Alliances. We expect to evaluate potential acquisitions of other brands or hospitality management or franchising companies as a part of our efforts to expand our presence. These acquisitions may include hotel real estate. We expect to focus on acquisitions that complement our ability to serve our existing customer base and enhance customer preference by providing a greater selection of locations, properties and services. Furthermore, we may pursue these opportunities in alliance with existing or prospective owners of managed or franchised properties to strengthen our brand presence.

Risk Related to the Hospitality Industry and Our Business

Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties summarized below, the risks described under Risk Factors, the other information contained in this prospectus and our consolidated financial statements and the related notes before you decide whether to purchase our Class A common stock.

The hospitality industry is cyclical, and macroeconomic and other factors beyond our control such as hostilities, travel-related accidents and natural disasters can adversely affect and reduce demand for our hospitality products and services.

If the global economic downturn continues or worsens, our revenues and profitability could decline further.

Because we operate in a highly competitive industry, our revenues, profits or market share could be harmed if we are unable to compete effectively.

We are exposed to the risks resulting from significant investments in owned and leased real estate, which could increase our costs, reduce our profits, limit our ability to respond to market conditions or restrict our growth strategy.

In any particular period, our expenses may not decrease at the same rate that our revenues may decrease, which could have an adverse effect on our net cash flows, margins and profits.

If we or our third-party property owners are unable to repay or refinance mortgages secured by the related properties, our revenues could be reduced and our business could be harmed.

If we or 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, our profits could be reduced and our ability to compete effectively could be diminished.

Because we derive a portion of our revenues from operations outside the United States, the risks of doing business internationally could lower our revenues, increase our costs, reduce our profits or disrupt our business.

We are exposed to risks related to our franchisees and third-party property owners, including risks relating to their ability or willingness to invest in properties, the risk of disagreements, risks associated with maintaining our relationships with these parties and the risks of contract termination.

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Factors outside of our control, such as market conditions and the availability of financing, may adversely affect our ability to invest in, acquire or dispose of properties.

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Disputes among Pritzker family members and among Pritzker family members and the trustees of the Pritzker family trusts may result in significant distractions to our management, disrupt our business, have a negative effect on the trading price of our Class A common stock and/or generate negative publicity about Hyatt and the Pritzker family.

These risks and the other risks described under **Risk Factors** could materially adversely affect our business, financial condition and results of operations.

Related Party Transactions with Pritzker Family Business Interests

As described under **Certain Relationships and Related Party Transactions**, we have entered into a number of related party transactions with various Pritzker family business interests, some of which will continue following completion of this offering. Examples of such transactions include:

agreements related to our corporate headquarters at the Hyatt Center, such as our office lease, sublease and office sharing agreements for space at the Hyatt Center and an omnibus office services agreement for services provided by third parties to certain tenants of the Hyatt Center;

aircraft timeshare agreements;

certain tax sharing, transition services and employee benefits agreements; and

leases and other agreements with respect to certain gaming facilities and the related hotels located at, or adjacent to, such gaming facilities.

For additional information, see **Certain Relationships and Related Party Transactions**.

Recent Developments

On August 14, 2009, we issued \$250 million aggregate principal amount of 5.750% Senior Notes due 2015 (the 2015 notes) and \$250 million aggregate principal amount of 6.875% Senior Notes due 2019 (the 2019 notes and, together with the 2015 notes, the senior notes). We used a portion of the net proceeds from the sale of the senior notes to repay \$252 million of outstanding secured debt and settle certain related swap agreements. See **Description of Principal Indebtedness**.

Corporate Information

Prior to June 30, 2004, Hyatt Corporation, which primarily consisted of the North American hotel management and franchise companies, was owned by HG, Inc. (HG). H Group Holding, Inc. (H Group), which is owned by Pritzker family business interests, owns HG. In addition to owning Hyatt Corporation, HG owned various other North American hospitality related businesses (primarily consisting of hotel properties and the vacation ownership business) and on June 30, 2004 contributed these hospitality related businesses to Hyatt Corporation. Following such contribution, the stock of Hyatt Corporation was distributed to the Pritzker family business interests that owned H Group. We refer to this transaction as the **June 2004 Transaction**.

On August 4, 2004, Global Hyatt, Inc. was incorporated in Delaware and subsequently changed its name to Global Hyatt Corporation. On December 31, 2004, pursuant to a Master Contribution Agreement, the stock of Hyatt Corporation and the stock of AIC Holding Co. (AIC), the owner of Hyatt International Corporation and other international hospitality related assets and operations, as well as hospitality related assets and operations held by certain other entities owned by Pritzker family business interests, were contributed to Global Hyatt Corporation by their respective owners in exchange for shares of Global Hyatt Corporation common stock. As a result of this transaction, Hyatt Corporation, AIC and Hyatt International Corporation became wholly-owned subsidiaries of Global

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Hyatt Corporation. The contribution was reflected as a transaction between entities under common control as of January 1, 2004. On June 30, 2009, Global Hyatt Corporation changed its name to Hyatt Hotels Corporation.

Our principal executive offices are located at 71 South Wacker Drive, 12th Floor, Chicago, Illinois 60606. Our telephone number is (312) 750-1234. Our website address is www.hyatt.com. The information on, or that may be accessed through, our website is not a part of this prospectus.

Hyatt[®], Park Hyatt[®], Grand Hyatt[®], Hyatt Regency[®], Hyatt Place[®], Hyatt Summerfield Suites[®], Hyatt Vacation Club[®], Andaz[®], Hyatt Gold Passport[®], Hyatt Resorts[®] and related trademarks, trade names and service marks of Hyatt appearing in this prospectus are the property of Hyatt. Unless otherwise noted, all other trademarks, trade names or service marks appearing in this prospectus are the property of their respective owners.

Terms Used In This Prospectus

As used in this prospectus, the term *Pritzker family business interests* means (1) various lineal descendants of Nicholas J. Pritzker (deceased) and spouses and adopted children of such descendants; (2) various trusts for the benefit of the individuals described in clause (1) and trustees thereof; and (3) various entities owned and/or controlled, directly and/or indirectly, by the individuals and trusts described in (1) and (2).

As used in this prospectus, the term *properties* refers to hotels that we manage, franchise, own or lease and our residential and vacation ownership units that we develop, sell and manage. *Hyatt-branded* refers to properties operated under our brands, including Park Hyatt, Grand Hyatt, Andaz, Hyatt Regency, Hyatt, Hyatt Place and Hyatt Summerfield Suites. Our Hyatt-branded property, room and unit counts exclude one non-Hyatt branded property that we own in California. *Residential ownership units* refers to Hyatt-branded residential units that we manage (such as serviced apartments), some of which we own, that are part of mixed-use projects and are often adjacent to a Hyatt-branded full service hotel. *Vacation ownership units* refers to the fractional and timeshare units that we develop, sell and manage that are part of the Hyatt Vacation Club. *Hospitality ventures* refers to entities in which we own less than a 100% equity interest.

As used in this prospectus, the term *associates* refers to the over 80,000 individuals working at our corporate and regional offices and our managed, franchised and owned properties. Of these 80,000 associates, we directly employ approximately 45,000. The remaining associates are employed by certain third-party owners and franchisees of our hotels.

Industry and Market Data

Market data and industry statistics and forecasts used throughout this prospectus are based on independent industry publications, reports by market research firms and other published independent sources. Smith Travel Research and the International Monetary Fund are the primary sources for third-party market data and industry statistics and forecasts. Some data and other information are also based on our good faith estimates, which are derived from our review of internal surveys and independent sources. Although we believe these sources are credible, we have not independently verified the data or information obtained from these sources.

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THE OFFERING

Class A common stock offered by Hyatt Hotels Corporation	shares
Class A common stock offered by the selling stockholders	shares
Class A common stock to be outstanding after this offering	shares
Class B common stock to be outstanding after this offering	shares
Total common stock to be outstanding after this offering	shares

Voting rights

Holders of our Class A common stock and our Class B common stock will vote together as a single class on all matters submitted to a vote of our stockholders. The holders of Class A common stock are entitled to one vote per share and the holders of Class B common stock are entitled to ten votes per share. Following this offering, assuming no exercise of the underwriters' over-allotment option, (1) holders of Class A common stock will control approximately % of our total voting power and will own % of our total outstanding shares of common stock and (2) holders of Class B common stock will control approximately % of our total voting power and will own % of our total outstanding shares of common stock. However, if on any record date for determining the stockholders entitled to vote at an annual or special meeting of stockholders, the aggregate number of shares of our Class A common stock and Class B common stock owned, directly or indirectly, by the holders of our Class B common stock is less than 15% of the aggregate number of shares of Class A common stock and Class B common stock then outstanding, then at such time all shares of Class B common stock will automatically convert into shares of Class A common stock and all outstanding common stock will be entitled to one vote per share on all matters submitted to a vote of our stockholders. With the exception of voting rights and conversion rights, holders of Class A and Class B common stock have identical rights. See Description of Capital Stock for a description of the material terms of our common stock.

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Option to purchase additional shares of Class A common stock

shares

Use of proceeds

We intend to use the net proceeds from this offering for working capital and other general corporate purposes, including capital expenditures. We may also use a portion of the net proceeds to acquire or invest in new properties or other businesses that complement our business. There are no agreements or commitments with respect to any such transaction at this time. We will not receive any proceeds from the sale of shares by the selling stockholders. See Use of Proceeds.

Risk factors

You should read the Risk Factors section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our Class A common stock.

New York Stock Exchange symbol

H

The total number of shares of common stock to be outstanding after this offering is based on 168,039,995 shares of our common stock outstanding immediately prior to this offering. This number excludes 9,452,307 shares of Class A common stock reserved for issuance under our Amended and Restated Hyatt Hotels Corporation Long-Term Incentive Plan, as amended (the LTIP), and pursuant to a restricted stock unit agreement. See Compensation Discussion and Analysis Employee Benefits and Compensation Discussion and Analysis Long-Term Incentive.

Except as otherwise indicated, information in this prospectus:

reflects the one-for-two reverse split of our common stock effected on October 14, 2009;

assumes the underwriters have not exercised their option to purchase additional shares of Class A common stock; and

gives effect to the filing of our amended and restated certificate of incorporation, which will occur prior to the consummation of this offering, and which provides for, among other things, (1) the authorization of 1,000,000,000 shares of Class A common stock and 500,000,000 shares of Class B common stock; (2) the reclassification of 34,407 outstanding shares of our common stock into 34,407 shares of Class A common stock; and (3) the reclassification of 168,005,588 outstanding shares of our common stock into 168,005,588 shares of Class B common stock, of which shares will convert into shares of Class A common stock at the time that they are sold by the selling stockholders in this offering.

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SUMMARY CONSOLIDATED FINANCIAL DATA

Overview

The following tables summarize our consolidated financial data for the periods presented. We derived the summary consolidated statements of income data for the years ended December 31, 2008, 2007 and 2006 and the summary consolidated balance sheet data as of December 31, 2008 and 2007 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the summary consolidated statements of income data for the years ended December 31, 2005 and 2004 from our audited consolidated financial statements which are not included in this prospectus. We derived the summary consolidated statements of income data for the six months ended June 30, 2009 and June 30, 2008 and the summary consolidated balance sheet data as of June 30, 2009 from our unaudited consolidated interim financial statements included elsewhere in this prospectus. We have prepared the unaudited consolidated interim financial statements on the same basis as our audited financial statements and, in our opinion, have included all adjustments, which include only normal recurring adjustments, necessary to present fairly in all material respects our financial position and results of operations. The results for any interim period are not necessarily indicative of the results that may be expected for the full year. Additionally, our historical results are not necessarily indicative of the results expected for any future period.

Adjusted EBITDA

We use the term Adjusted EBITDA throughout this prospectus. Adjusted EBITDA, as we define it, is not presented in accordance with generally accepted accounting principles in the United States of America (GAAP). We use Adjusted EBITDA as a supplement to our GAAP results in evaluating certain aspects of our business, as described below.

We define consolidated Adjusted EBITDA as net income (loss) 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;

gains on sales of real estate;

asset impairments;

other income (loss), net;

a 2008 charge resulting from the termination of our supplemental executive defined benefit plans;

discontinued operations and changes in accounting principles, net of tax;

net (income) loss attributable to noncontrolling interests;

depreciation and amortization;

interest expense; and

benefit (provision) 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. See Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations.

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Our Use of 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 annual variable compensation for certain members of our management is based in part on consolidated Adjusted EBITDA, segment Adjusted EBITDA or some combination of both.

Presentation to Investors

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

Limitations of Adjusted EBITDA

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 relying primarily on our GAAP results and using Adjusted EBITDA supplementally. See our consolidated statements of income and consolidated statements of cash flows in our consolidated financial statements included elsewhere in this prospectus.

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You should read the summary historical financial data below together with the consolidated financial statements and related notes appearing elsewhere in this prospectus, as well as Selected Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and Description of Principal Indebtedness and the other financial information included elsewhere in this prospectus.

(in millions, except per share data)	Six Months Ended June 30,		2008	2007	Year Ended December 31,		2004(1)
	2009	2008 (Unaudited)			2006	2005	
Consolidated statements of income data:							