

**The best trips start here.**



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Sabre Holdings (NYSE: TSG) is a world leader in travel commerce, retailing travel products and providing distribution and technology solutions for the travel industry. Through our businesses – Travelocity, Sabre Travel Network, and Sabre Airline Solutions – we serve travelers, corporations, travel agents, and travel suppliers around the globe. With more than 40 years of experience in the travel industry, we feel confident in promising our customers and our investors alike, “The best trips start here.”

## TABLE OF CONTENTS

Letter to Shareholders	2
Travelocity	7
Sabre Travel Network	8
Sabre Airline Solutions	9
Financial Review	10
Board of Directors and Executive Management	19
Investor Information	20

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## FINANCIAL HIGHLIGHTS<sup>(1)</sup>

Year ended December 31,	2003	2002	Percent Change
<b>INCOME STATEMENT DATA</b> (in millions, except per share data)			
Revenues			
Sabre Travel Network	\$ 1,560.2	\$ 1,630.2	(4.3)%
Travelocity	394.5	338.8	16.4 %
Sabre Airline Solutions	232.4	216.8	7.2 %
Elimination of Intersegment Revenue	(141.9)	(129.3)	—
Total revenues	2,045.2	2,056.5	(0.5)%
Total revenues before special items <sup>(2)</sup>	2,000.9	2,056.5	(2.7)%
Operating expenses			
Operating expenses	1,879.0	1,739.0	8.0 %
Operating income	166.2	317.5	(47.7)%
Operating income before special items <sup>(3)</sup>	198.0	414.1	(52.2)%
Net earnings			
Net earnings	\$ 83.3	\$ 214.1	(61.1)%
Net earnings before special items <sup>(4)</sup>	\$ 119.2	\$ 255.0	(53.3)%
Operating margin			
Operating margin	8.1%	15.4%	(7.3) pts
Weighted average shares, diluted	143.4	142.6	0.6 %
Earnings per share – diluted	\$ 0.58	\$ 1.50	(61.3)%
Earnings per share before special items, diluted	\$ 0.83	\$ 1.79	(53.6)%
<b>OTHER DATA</b>			
Direct reservations booked using the Sabre global distribution system (GDS) <sup>(5)</sup>	309.1	339.6	(9.0)%
Total reservations booked using the Sabre GDS <sup>(6)</sup>	365.6	397.4	(8.0)%

(1) The selected consolidated financial data included herein should be read in conjunction with the consolidated financial statements of Sabre Holdings Corporation ("Sabre Holdings") and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2003, as filed with the Securities and Exchange Commission.

(2) Reconciliation of revenue (GAAP) to revenue before special items

(\$ in millions)	FY2003	FY2002
Revenue (GAAP)	\$2,045.2	\$2,056.5
Subscriber settlement	(36.5)	0.0
Recognition of deferred revenue on warrants	(7.8)	0.0
Revenue Before Special Items	\$2,000.9	\$2,056.5

(3) Reconciliation of operating income (GAAP) to operating income before special items

	FY2003	FY2002
Operating Income (GAAP)	\$166.2	\$317.5
Adjustments		
Intangible amortization, stock compensation and transaction fees arising from the merger of Travelocity.com, Inc. and Preview Travel Inc., the acquisitions of Dillon Communication Systems GmbH, Gradient Solutions Limited, GetThere Inc., Sabre Pacific, Site59, World Choice Travel and Nexion	\$62.7	\$87.1
Facilities charge related to business unit integration	13.4	0.0
Restructuring charges	0.0	9.5
Subscriber settlement	(36.5)	0.0
Recognition of deferred revenue on warrants	(7.8)	0.0
Operating Income Before Special Items	\$198.0	\$414.1

(4) Reconciliation of net earnings (GAAP) to net earnings before special items

	FY2003	FY2002
Net Earnings (GAAP)	\$83.3	\$214.1
Adjustments, net of taxes and minority interests:		
Intangible amortization, stock compensation and transaction fees arising from the merger of Travelocity.com, Inc. and Preview Travel Inc., the acquisitions of Dillon Communication Systems GmbH, Gradient Solutions Limited, GetThere Inc., Sabre Pacific, Site59, World Choice Travel and Nexion	\$36.7	\$51.7
Restructuring charges	0.0	5.9
Facility, real estate, and other	9.5	0.0
Loss on synthetic lease	17.3	0.0
Gain on sale of company building	0.0	(11.3)
Recognition of deferred revenue on warrants	(4.9)	0.0
Subscriber settlement	(22.5)	0.0
Gain on sale of France Telecom shares	0.0	(4.5)
Realized gain on disposal of warrants	(0.2)	(0.9)
Net Earnings Before Special Items	\$119.2	\$255.0

(5) GDS reservations for which Sabre Holdings collects a booking fee — excluding bookings transferred to our joint venture partners.

(6) Includes direct reservations plus GDS reservations processed by joint venture partners using the Sabre GDS.



**“We head into 2004 on a strong foundation, with our primary focus to execute on our plans and drive more predictable revenue and earnings growth.”**

**Sam Gilliland**  
President and Chief Executive Officer

**To Our Shareholders,**

A year ago, things looked quite different for this company and for our industry. We’ve come to expect change – even encourage it – at Sabre Holdings, because change often spells opportunity. One prominent change occurred on the last day of 2003, when we learned that one of our business segments would be deregulated in the United States, our largest market.

Even without that headline, 2003 would have qualified as a benchmark period for Sabre Holdings. We took a number of steps last year to strengthen the foundations of our businesses – steps that significantly enhance our ability to keep a simple pledge: “The best trips start here.” That’s the promise we make to our customers. It’s also an apt way to describe the prospects for Sabre Holdings.

We are well positioned today in large part because of what we accomplished in 2003, although we are not satisfied with last year’s financial results. The steps we took caused some short-term financial pain, as we increased investment in our travel retailing capabilities and launched a progressive pricing program to prepare ourselves for deregulation of the global distribution system (GDS) industry. But we are confident that Sabre Holdings now has a foundation in place to produce more predictable revenue and earnings growth in 2004 and beyond. As the company’s new chief executive officer, I’m excited and energized by the opportunities ahead.

We will take a closer look at the key elements of that foundation in just a moment. But first, let’s review the company’s financial performance for 2003.

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### Financial Summary

Sabre Holdings finished the year with diluted earnings per share of \$0.58 (on a GAAP basis), compared to \$1.50 per diluted share in 2002. Total revenues were \$2.05 billion, a decrease of 0.5 percent.

Contributing to the decline was our new discounted pricing option – the *Sabre® Direct Connect® Availability* Three-Year Option (DCA-3) – offered to airlines by our Sabre Travel Network business unit. While the program diminished our unit revenues, we believe it was a necessary step in anticipation of deregulation, resulting in long-term commitments by major carriers to the highest level of participation in our GDS network and guaranteed access to virtually all of their airfares. Our financial results were also impacted by a number of exogenous factors that stifled travel demand; yet we recognize that we must manage to our plan even in a difficult environment.

Although our revenue and earnings performance was unsatisfactory in 2003, Sabre Holdings stock provided a total return to shareholders of 20.4 percent for the year. This gain included a 52-week stock price appreciation of 19.2 percent, and dividends totaling 21 cents per share. In January of 2004, the Board of Directors increased the quarterly dividend to 7.5 cents per share, signaling its continued confidence in our ability to generate free cash flow, as well as our prospects for growth.

### Starting Points for the Best Trips

We think the Board's confidence is well placed, thanks to a couple of key starting points that are now in place for your company.

First, we are much better positioned today than we were a year ago to make our mark as a travel retailer. That's important, because it promises to reduce our reliance on traditional booking fees as a source of revenue, while also creating opportunities to increase profit margins on more of the transactions we complete.

Second, we are well prepared for deregulation. The timing may have been largely coincidental, but the new year began on exactly the right note for our Sabre Travel Network business, when the U.S. Department of Transportation announced that it would allow computer reservation system rules to expire in 2004.

We now have DCA-3 agreements in place with six of the largest U.S. airlines, as well as two major European carriers. It's important to understand that DCA-3 isn't just a defensive move. It's a central part of our strategy – a starting point – for reinvigorating the traditional travel agency channel as a method of distribution for airlines and other travel suppliers. In recent years, online channels of distribution – both supplier-direct Web sites and online agencies such as our own Travelocity – have captured a growing share of travel bookings. But traditional brick-and-mortar agencies are still very important players in the industry, booking 55 percent or more of all travel purchased in North America.

DCA-3, then, represents an important first step in strengthening the business outlook for a valuable set of customers. From there, we expect to use our emerging skills as a travel retailer to create attractive new marketing opportunities going forward – developing innovations that leverage the enormous reach of the *Sabre®* GDS to help both travel

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suppliers and travel agencies achieve profitable growth.

In another notable move in 2003, we integrated our GetThere corporate travel business unit into our other operating units. This decision allowed us to realize a number of internal operating synergies. It also strengthens our go-to-market tactics by reducing overlap in our marketing and sales activities. Where we used to have multiple points-of-contact within Sabre Holdings, particularly for our corporate customers, we can now serve their needs through a focused sales and account management effort. And it also helped establish Travelocity Business™ as our online corporate travel agency of record, accelerating its ability to deliver comprehensive end-to-end travel solutions to companies of any size.

Let's take a closer look at each of our businesses.

#### Travelocity

As one of the industry's leading online travel retailers, Travelocity represents the cornerstone of our effort to offer both leisure and business travelers an easy-to-use online solution for booking the best trips. Of course, the two sets of customers have distinctly different definitions of what constitutes a great trip. The recent changes we have made at Travelocity are specifically designed to address their expectations. For leisure travelers, we invested heavily in new technologies – such as our *Travelocity TotalTrip*™ dynamic packaging engine – that let them shop for great deals in powerful new ways. We also established our own merchant hotel offering, ending the year with more than 9,000 hotel properties in the program. For the business market, we launched Travelocity Business, drawing on the strength of

our *GetThere*® technology, to offer business travelers a proven way to reduce travel expenses and manage their travel budgets.

Although Travelocity's overall financial results did not meet our expectations in 2003, there were clear signs in the fourth quarter that the changes we've made in the business are beginning to pay off: transaction revenue grew 50 percent year over year for the quarter; total hotel room nights booked across the Travelocity network increased 36 percent compared to 4Q 2002; and package sales ended the year over 300 percent above the previous year.

#### Sabre Travel Network

Along with the DCA-3 program, our Sabre Travel Network business took additional steps in 2003 to enhance the value proposition we provide to travel suppliers and to our travel agency customers. A case in point is the launch of *Jurni Network*™, our consortium for leisure travel agencies, which provides both a compelling array of high-margin packaged travel products and a sophisticated set of data-driven marketing tools. More innovations will follow, as Sabre Travel Network develops creative ways to market and promote the full range of travel products and services – and in the process, deliver even more value to travel suppliers than we have in the past.

#### Sabre Airline Solutions

Our Sabre Airline Solutions business turned in a solid performance despite the fact that many companies in its primary customer base – commercial airlines – continue to be under substantial cost pressure. Sabre Airline Solutions scored wins across all three product areas of its business – reservations hosting, software tools for airline operations,

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and consulting services – signing more than 300 new contracts in all, including 60 in the Asia-Pacific region, the world’s fastest-growing airline market. Going forward, Sabre Airline Solutions will continue to offer advanced technology and expert insights that help the world’s airlines take full advantage of their opportunities in the marketplace.

#### 2004 Outlook

We head into 2004 on a strong foundation, with our primary focus to execute on our plans and drive more predictable revenue and earnings growth. We expect to deliver on that promise by aggressively implementing these four core strategies:

- **We will excel at travel retailing**, leveraging the market-leading technologies for travel packaging and hotels we’ve developed for Travelocity to further enhance our product creation and customer service. This includes a strong push on our marketing and branding campaign to reach our targeted consumers and increase traffic to our consumer site.
- **We will unleash the full potential of the Sabre GDS**, as this industry rapidly evolves from deregulation. We’ll see continued innovation, and our greatest opportunities will be in the form of new products and services that add significant value to our proven distribution capabilities.
- **We will reduce our cost structure** to create competitive advantage, by focusing on productivity improvements and by leveraging our enormous scale, particularly in the Sabre Travel Network business.
- **We will maximize the performance of each business unit.** Individually, each of our businesses has what it takes to

excel in its targeted portion of the travel market. They also benefit from being part of a broader portfolio that has great technology and intellectual capital – and we can leverage these strengths across businesses to create differentiation and significant value for our customers.

As I noted earlier, we believe Sabre Holdings is at the start of something new, and something exciting, as we look ahead. Our people are energized by the opportunity to compete in a deregulated marketplace. We are also eager to prove our mettle as the industry’s premier retailer and distributor of travel products and services.

In short, we’re ready to prove why “the best trips start here” at Sabre Holdings. And by keeping that promise to our customers, we expect to create real value for our shareholders along the way.



Sam Gilliland  
President and Chief Executive Officer

## THE BUSINESSES OF SABRE HOLDINGS

### TRAVELOCITY

Travelocity pioneered online travel and today gives consumers access to hundreds of airlines, thousands of hotels, cruises, last-minute and vacation packages, entertainment tickets, car rental companies, and ground transportation, all backed by 24-hour customer service. Travelocity is the sixth-largest travel agency in the United States and powers Web sites in seven languages across four continents.



### SABRE TRAVEL NETWORK

Sabre Travel Network connects travel buyers and sellers through the world's largest computer reservation system, providing approximately 53,000 travel agency locations with instant access to content from airlines, hotels, car rental companies, cruise lines, and more. Sabre Travel Network also offers a broad range of products and services that enhance the operations of travel agencies and their ability to serve their travelers.

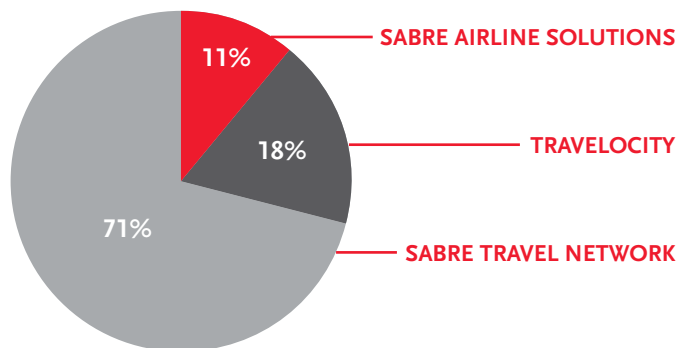


### SABRE AIRLINE SOLUTIONS

Sabre Airline Solutions is the world's largest provider of software products, passenger solutions, and consulting services to the airlines. Its industry-specific applications help airlines reduce operating costs, maximize revenue, and manage reservations functions.



### 2003 REVENUES BY BUSINESS



New technologies and a focused brand strategy combine to help this business excel at travel retailing.

“The best trips start here” clearly applies to Travelocity, starting with the way we help travelers know more about their trips before they go. During the year, we enhanced many technologies and added numerous product offerings to help leisure and business customers make better, more informed travel decisions. And we will continue to deliver new capabilities and enhancements to make it even easier for customers to book their best trips here in 2004 and beyond.

### Merchant Hotel Program

Just 15 months after its launch, our higher-yielding merchant hotel program reached a significant milestone. By year-end 2003, more than 9,000 hotels had signed on to participate in the program, which now accounts for 49 percent of Travelocity’s total hotel bookings. The program offers Travelocity higher yields because hoteliers provide rooms at discounted rates, and Travelocity controls the consumer pricing.

Both travelers and hoteliers benefit from our industry-leading technology:

- Our advanced hotel-shopping technology makes it easy for travelers to search for hotels by price range, location, amenities, and other factors. They can even use the booking tool to select the type of room they prefer. And only Travelocity presents more than 30,000 reviews written by travelers who’ve stayed at the hotels.
- Our powerful technology also saves time and reduces costs for hoteliers by linking seamlessly to their central reservation systems, which eliminates the need to allocate blocks of rooms and enter reservations from distributors, manually.
- With our purchase of World Choice Travel (WCT) late last year, we expanded Travelocity’s hotel distribution outlets through WCT’s network of 1,700 Web-based affiliates.

### Dynamic Packaging Technology

In 2003, we launched *Travelocity TotalTrip* – the next generation in dynamic packaging. *TotalTrip* goes well beyond the basics of providing access to attractively priced package deals on air and hotel bookings. Our best-in-class technology helps travelers make informed decisions by providing features such as airline seat maps for seat selection, hotel room choice, and the option of booking either the flight or the room first. Our dynamic packaging technology is important to both airlines and hotels because it provides pricing opacity for their discounted inventory.

### Travelocity Business

With the launch of Travelocity Business in 2003, we began offering the benefits of the industry’s most proven online corporate travel technology to business customers large and small. The full-service corporate travel agency solution can help companies lower their travel costs by an average of more than \$142 per trip. We back our technology with a service guarantee that travelers will be able to connect with a Travelocity Business agent by telephone within 60 seconds, any time of the day or night. We provide more choices to travelers and a wide range of management tools that allow businesses of any size to get more impact from their travel spending. The solution is already being used by hundreds of businesses, including Fortune 500 companies such as Computer Associates and General Dynamics.

### Marketing Investment

To attract new customers to the Web site and enhance our reputation as the starting point for all the best trips, Travelocity launched an advertising campaign in the first quarter of 2004. The new campaign features the “Roaming Gnome” – a whimsical character who credits Travelocity for making his globe-hopping trips as exciting and enjoyable as possible.

“Since participating in Travelocity’s merchant programs, Wyndham properties experienced an incredible growth in bookings. Providing tremendous value at both ends of the supply value chain makes Travelocity a winner to both customers and suppliers.”

Chris Heinz, Senior Vice President, Distribution and Revenue Management, Wyndham International



## SABRE TRAVEL NETWORK

### Strategic moves position us to unleash the full potential of the Sabre GDS.

For millions of travelers, the best trips begin with the *Sabre* global distribution system (GDS). The *Sabre* system delivers a remarkable array of travel products and services to travel agents around the world. Last year, an estimated \$70 billion worth of travel products was sold through the *Sabre* GDS.

Sabre Travel Network made a number of key moves in 2003 to solidify the value of our GDS to the world's airlines and to ensure that travel agents have access to the best travel products and services through our market-leading technology.

#### Long-Term Commitments

Anticipating a decision by the United States Department of Transportation to deregulate the GDS industry, we introduced an attractive pricing option for airlines in late 2002 – the *Sabre Direct Connect Availability Three-Year Option* (DCA-3). The program gave airlines the opportunity to lock in a discounted booking fee for three years, when committing to the highest level of participation in the system, and guaranteeing our access to virtually all of their flight inventory. Participants now include the six largest U.S. carriers and more than 30 airlines around the world. These contracts ensure that travel agents can offer their customers a choice from the full range of available published airfares and provide an important measure of stability in a deregulated world.

#### Next-Generation Travel Retailing

With the launch of *Jurni* Network in 2003, we took an important step toward redefining how leisure travel products are bought and sold. This new breed of travel consortia makes it easy for participating travel agencies to help their customers find and book the best trips, tailored to their lifestyles.

As members of *Jurni* Network, travel agencies get access to a powerful array of products and tools that help them market

high-margin leisure travel products. The *Jurni* offering includes a variety of merchant model travel products that lets even the smallest agencies take advantage of our buying power. In addition, *Jurni* members can tap into sophisticated market intelligence to help predict which travel products are most likely to appeal to specific customers and target them with tailored marketing messages. The result: a potentially perfect match between the traveler and the trip.

#### Acquisition of Dillon Communication Systems

In a move to expand our leisure travel content and capabilities in Europe and other regions, we acquired the 49 percent of Germany-based Dillon Communication Systems GmbH (DCS) that we did not already own. DCS is a major electronic distributor of leisure packages and other travel products to travel agents in Germany, with content from more than 140 tour and service providers.

#### Corporate Travel Management

The sales and marketing of the travel industry's most widely used brand of online technology for managing corporate travel, the *GetThere* corporate booking tool (CBT), was integrated into the Sabre Travel Network portfolio in 2003. The *GetThere* CBT, which works with all major GDSs, is used by businesses that prefer the latest travel technology combined with hands-on support from any travel management company they choose.

More than a thousand companies – including customers such as Boeing, ChevronTexaco, and SBC Communications – benefit from our technology. The *GetThere* travel procurement and management system helps companies save millions of dollars in travel expenses each year, as well as manage their travel budgets more effectively.



**“Despite the numerous challenges faced by our industry, Sabre perseveres in offering new products and technology to help my business quickly adapt to changing business models.”**

**Mario Fuenzalida B.,  
Chief Executive Officer, Cocha,  
the largest travel organization in Chile**

## SABRE AIRLINE SOLUTIONS

Smart solutions and proven technology provide bankable results for the world's airlines.

Our solutions equip airlines with the tools they need to improve operating costs, maximize revenue, and efficiently manage their business. Despite significant cost pressure in the airline industry, we signed more than 300 new contracts across our three product areas – airline software applications, passenger solutions, and consulting services. We signed more than 60 new contracts in the Asia-Pacific region, the fastest-growing market in the world for airline travel.

### Airline Products and Services

We offer a broad range of decision-support tools to help airlines and airports streamline and automate their operations. Applications include solutions for scheduling, airport and flight operations, revenue management, pricing, crew management, and long-range planning. The best trips start with solutions such as these, which can minimize the impact of weather or other disruptions to flight schedules and airport operations, ensure there is adequate staff at ticket counters and gates, and make sure carriers have the right aircraft at the right gate.

In 2003, Sabre Airline Solutions won a number of multi-product contracts with leading airlines around the globe. One of the year's largest deals was a contract with a major U.S. carrier to provide *Sabre® AirServ®*, a dining- and cabin-services system that will help the airline reduce operating expenses on every flight. This technology is one of many that Sabre Airline Solutions provides through *Sabre® eMergo®*, a Web-enabled application service provider model for accessing our broad product line. The *eMergo* solution appeals to customers both large and small because it allows them to access the latest decision-support tools and mission-critical applications without making significant investments in data center infrastructure.

### Airline Passenger Solutions

Our *SabreSonic™* passenger solutions suite is the industry's leading provider of reservations and departure-control technology. Our innovations enable features such as e-ticketing, Web check-in, and easy-to-use check-in screens for airline airport agents. This innovation was taken to another level in 2003 when Sabre Airline Solutions became the first in the industry to move its core reservations systems to an open-systems platform to reduce costs, provide unmatched flexibility, and speed time-to-market with customer-centric features. This move provided the underpinning for a component approach to passenger-management systems – meaning that airlines now have the choice of selecting specific functionality, such as inventory, shopping and pricing, ticketing, or an online booking system, even if they use an in-house or a third-party reservations system. Airlines choosing *SabreSonic Res™* can also select a combination or all of the four primary modules currently available.

Today, some 100 airlines worldwide rely on technology from Sabre Airline Solutions for their passenger-management solutions that represent the heart of their day-to-day operations. Major wins in 2003 included a contract renewal with ATA Airlines for its passenger-reservations system and an agreement to expand the reservations environment at Southwest Airlines, the world's leading low-cost carrier.

### Consulting Services

More than 100 clients around the world – including both airlines and airport authorities – rely on the expert advice from our consultants on a wide range of strategic, commercial, and operational issues. Among the most significant engagements signed in 2003: a contract with EgyptAir to help the carrier enhance its business performance and develop management expertise in key areas.

**“The unique in-depth expertise and smart technology at Sabre Airline Solutions have been integral to our strategic direction and allow us to be first to market with offerings that distinguish us from the competition.”**

**George Mikelsons, Chairman, President  
and Chief Executive Officer, ATA Airlines**



**TABLE OF CONTENTS**

<b>Selected Consolidated Financial Data</b>	<b>11</b>
<b>Consolidated Balance Sheets</b>	<b>13</b>
<b>Consolidated Statements of Income</b>	<b>14</b>
<b>Consolidated Statements of Cash Flows</b>	<b>15</b>
<b>Consolidated Statements of Stockholders' Equity</b>	<b>16</b>
<b>Report of Ernst &amp; Young LLP, Independent Auditors</b>	<b>18</b>

## SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data included herein should be read in conjunction with the consolidated financial statements of Sabre Holdings and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2003, as filed with the Securities and Exchange Commission. During 2003, we completed the purchase of the remaining 49% interest in Dillon Communication Systems GmbH ("Dillon") that we did not own, as well as the assets and liabilities of World Choice Travel, Inc. During 2002, we completed the purchase of Site59, and during 2001 we completed the acquisition of Sabre Pacific. During 2000, we acquired Preview Travel, Gradient Solutions Limited (now known as Sabre Travel International Limited), GetThere and our initial 51% ownership interest in Dillon. These transactions affect the comparability of the data presented. See Management's Discussion and Analysis of Financial Condition and Results of Operations and the Notes to the Consolidated Financial Statements in the Form 10-K for further information regarding these transactions and their impact on our financial condition and results of operations. We began paying a quarterly dividend of \$.07 per share during the second quarter of 2003, and have declared and paid this dividend during the third and fourth quarters of 2003. On April 8, 2002, we completed a \$28 per share cash tender offer for all of the approximately 16.7 million outstanding publicly held common shares of Travelocity.com that we did not own. Prior to the tender offer, we had an approximate 70% ownership stake in Travelocity.com. We consolidated Travelocity.com and accounted for the 30% outside ownership as minority interest. After the tender offer, we effected a short-form merger on April 11, 2002, whereby Travelocity.com became our indirect 100% owned subsidiary. Effective January 1, 2002, we adopted the provisions of Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS No. 142"). Under the new rules, intangible assets deemed to have indefinite lives are not amortized but are subject to impairment tests annually or when changes in circumstances indicate that the carrying value may not be recoverable. See Note 2 to the Consolidated Financial Statements in the Form 10-K for further information regarding the impact of this change in accounting. Effective on July 1, 2001 we completed the sale of our information technology infrastructure outsourcing business ("Outsourcing Business") to Electronic Data Systems Corporation ("EDS"). The results of operations of the Outsourcing Business have been presented as a discontinued operation for the years ended December 31, 2001, 2000 and 1999. See Note 3 to the Consolidated Financial Statements in the Form 10-K. On February 7, 2000, we declared a cash dividend on all outstanding shares of our Class A common stock. A dividend of approximately \$675 million, or \$5.20 per share, was paid on February 18, 2000 in connection with our separation from AMR Corporation, which was our majority owner until March 2000. The following table presents selected historical financial data for each of the five years in the period ended December 31, 2003.

Year Ended December 31,	2003 <sup>(4)</sup>	2002 <sup>(4)</sup>	2001 <sup>(4)</sup>	2000 <sup>(2)</sup>	1999 <sup>(2)</sup>
<b>INCOME STATEMENT DATA<sup>(1) (2) (3) (9)</sup>:</b>					
(in millions, except per share data and other data where indicated)					
Revenues	\$ 2,045.2	\$ 2,056.5	\$ 2,145.0	\$ 1,955.5	\$ 1,705.4
Operating expenses, excluding amortization					
of goodwill and intangible assets	1,822.7	1,685.6	1,876.2	1,673.3	1,399.9
Amortization of goodwill and intangible assets	56.3	53.4	277.5	109.4	—
Operating income (loss)	166.2	317.5	(8.7)	172.8	305.5
Other income (expense), net <sup>(10)</sup>	(38.4)	21.4	20.2	(13.9)	155.4
Minority interests	(.4)	.2	22.5	30.7	—
Income from continuing operations before					
income taxes	127.4	339.1	34.0	189.6	460.9
Income taxes	44.1	125.0	81.0	93.5	170.4
Income (loss) from continuing operations	83.3	214.1	(47.0)	96.1	290.5
Income from discontinued operations, net <sup>(1) (5)</sup>	—	—	75.1	48.0	41.4
Cumulative effect of accounting change, net <sup>(6)</sup>	—	—	3.1	—	—
Net earnings	\$ 83.3	\$ 214.1	\$ 31.2	\$ 144.1	\$ 331.9
Earnings (loss) per common share – basic:					
Income (loss) from continuing operations <sup>(1)</sup>	\$ .59	\$ 1.53	\$ (.35)	\$ .74	\$ 2.24
Income from discontinued operations, net <sup>(1)</sup>	—	—	.57	.37	.32
Cumulative effect of accounting change, net <sup>(6)</sup>	—	—	.02	—	—
Net earnings	\$ .59	\$ 1.53	\$ .24	\$ 1.11	\$ 2.56
Earnings (loss) per common share – diluted:					
Income (loss) from continuing operations <sup>(1)</sup>	\$ .58	\$ 1.50	\$ (.35)	\$ .74	\$ 2.22
Income from discontinued operations, net <sup>(1)</sup>	—	—	.57	.37	.32
Cumulative effect of accounting change, net <sup>(6)</sup>	—	—	.02	—	—
Net earnings	\$ .58	\$ 1.50	\$ .24	\$ 1.11	\$ 2.54

See page 12 for footnote explanations.

## SELECTED CONSOLIDATED FINANCIAL DATA (continued)

Year Ended December 31,	2003 <sup>(4)</sup>	2002 <sup>(4)</sup>	2001 <sup>(4)</sup>	2000	1999
<b>BALANCE SHEET DATA (AT END OF PERIOD) <sup>(1)</sup> :</b>					
(in millions, except per share data and other data where indicated)					
Current assets	\$ 1,368.3	\$ 1,311.6	\$ 1,092.2	\$ 693.0	\$ 976.4
Goodwill and intangible assets, net	\$ 888.2	\$ 855.7	\$ 672.1	\$ 891.5	\$ —
Total assets	\$ 2,956.2	\$ 2,760.1	\$ 2,376.0	\$ 2,650.4	\$ 1,951.2
Current liabilities	\$ 503.4	\$ 499.9	\$ 564.5	\$ 1,266.4	\$ 525.1
Minority interests	\$ 6.5	\$ 10.3	\$ 219.7	\$ 239.5	\$ —
Long-term capital lease obligation	\$ 160.7	\$ —	\$ —	\$ —	\$ —
Notes payable	\$ 427.4	\$ 435.8	\$ 400.4	\$ 149.0	\$ —
Stockholders' equity <sup>(11)</sup>	\$ 1,680.1	\$ 1,641.6	\$ 1,041.8	\$ 791.0	\$ 1,262.0
<b>OTHER DATA:</b>					
Direct reservations booked using the Sabre system <sup>(4) (7)</sup>	309	340	372	394	370
Total reservations processed using the Sabre system <sup>(4)</sup>	366	397	431	467	439
Operating margin	8.1%	15.4%	(0.4%)	8.8%	17.9%
Ratio of earnings to fixed charges <sup>(8)</sup>	5.34	11.69	0.97	4.75	29.44
Cash flows from operating activities	\$ 261.5	\$ 291.7	\$ 390.2	\$ 310.8	\$ 495.4
Capital expenditures	\$ 71.5	\$ 62.7	\$ 158.4	\$ 190.1	\$ 168.0

- (1) Effective July 1, 2001, we completed the sale of our Outsourcing Business and also entered into agreements with EDS for (i) EDS to manage our IT systems for 10 years and (ii) to jointly market certain IT services and software solutions to the travel and transportation industries. See Note 3 to the Consolidated Financial Statements in the Form 10-K. The results of operations of the Outsourcing Business have been reclassified and presented as income from discontinued operations, net, for 2001, 2000 and 1999. Balance sheet and cash flow data for periods prior to the sale have not been revised for the effects of our sale of the Outsourcing Business.
- (2) Prior to AMR's divestiture of its entire ownership interest in us in the first quarter of 2000, we had significant related party transactions with AMR and American Airlines, Inc. ("American"). The terms of many of the agreements with AMR and its affiliates were revised in connection with the divestiture.
- (3) The results of operations for the periods presented were impacted by our merger and acquisition activities and the amortization expense related to the goodwill and intangible assets recorded in those transactions. Amortization of goodwill and certain indefinite lived intangible assets ceased on January 1, 2002 upon our adoption of SFAS 142, resulting in approximately \$212 million, net of tax and minority interest, less amortization expense being recognized in 2002 compared with 2001. See Notes 2 and 5 to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations in the Form 10-K for additional information regarding mergers and acquisitions, the change in accounting for goodwill and certain intangible assets and their impacts on our financial condition and results of operations.
- (4) On September 11, 2001, the United States was the target of terrorist attacks of unprecedented scope involving the hijacking and destruction of multiple passenger aircraft operated by commercial air carriers. After those attacks, all of our business segments were adversely affected by the state of the United States economy, by the possibility of terrorist attacks, government hostilities and military action, by the financial instability of many air carriers, by delays resulting from added security measures at airports and from channel shift. Our revenues and results of operations for the years ended December 31, 2001, 2002 and 2003 were negatively affected by this continued reduction in travel and from channel shift. Our total global bookings for 2002 were down 7.8% and total bookings for 2002 in the U.S were down approximately 11.9% compared with 2001, while our total global bookings for 2003 were down 8.0% and total bookings for 2003 in the U.S were down approximately 10.8% from 2002.
- (5) Income from discontinued operations for the year ended December 31, 2001 includes a gain of approximately \$39 million, net of related income taxes of approximately \$25 million, recognized upon completion of the sale of our Outsourcing Business to EDS effective July 1, 2001.
- (6) On January 1, 2001 we adopted Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities. See Note 7 to the Consolidated Financial Statements in the Form 10-K.
- (7) Reservations as to which we are entitled to a booking fee directly from the travel service provider ("associate").
- (8) For purposes of computing the ratio of earnings to fixed charges, earnings consist of the sum of income from continuing operations before income taxes and the cumulative effect of change in accounting method, interest expense and the portion of rent expense deemed to represent interest. Fixed charges consist of interest incurred, whether expensed or capitalized, including amortization of debt issuance costs, if applicable, and the portion of rent expense deemed to represent interest. Earnings for the year ended December 31, 2001 were inadequate to cover fixed charges by \$1.3 million.
- (9) See Note 6 to the Consolidated Financial Statements in the Form 10-K for discussion of the impact of other significant events and transactions on the periods presented.
- (10) Prior to June 30, 2001, American held for our economic benefit certain depository certificates representing beneficial ownership of common stock of Equant N.V., which was acquired by France Telecom in the first half of 2001. During 1999 we recognized a gain of \$138 million related to the liquidation of a majority of these certificates. During 2001, our remaining ownership position in these holdings was liquidated and we received proceeds totaling approximately \$47 million. Because our carrying value of these holdings was nominal, a gain approximating the proceeds received was recorded in other income during 2001.
- (11) On February 7, 2000, we declared a cash dividend on all outstanding shares of our Class A common stock. A dividend of approximately \$675 million, or \$5.20 per share, was paid on February 18, 2000 in connection with our separation from AMR Corporation, which was our majority owner until March 2000.

## CONSOLIDATED BALANCE SHEETS (in thousands)

Year Ended December 31,	2003	2002
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 40,862	\$ 21,176
Marketable securities	881,749	890,584
Accounts receivable, net	348,988	298,498
Prepaid expenses	86,475	85,657
Deferred income taxes	10,237	15,728
Total current assets	1,368,311	1,311,643
<b>Property and equipment</b>		
Buildings and leasehold improvements	306,294	156,034
Furniture, fixtures and equipment	36,684	43,578
Computer equipment and software	275,664	236,639
	618,642	436,251
Less accumulated depreciation and amortization	(234,262)	(196,179)
Total property and equipment	384,380	240,072
Investments in joint ventures	181,142	189,002
Goodwill and intangible assets, net	888,198	855,683
Other assets, net	134,122	163,674
<b>Total assets</b>	<b>\$ 2,956,153</b>	<b>\$ 2,760,074</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 202,615	\$ 181,934
Accrued compensation and related benefits	62,557	54,770
Accrued subscriber incentives	70,178	69,132
Deferred revenues	34,791	46,252
Other accrued liabilities	133,254	147,826
Total current liabilities	503,395	499,914
Deferred income taxes	4,420	13,755
Pensions and other postretirement benefits	135,099	119,848
Other liabilities	38,543	38,914
Minority interests	6,463	10,300
Long-term capital lease obligation	160,725	—
Notes payable	427,400	435,765
Commitments and contingencies		
<b>Stockholders' equity</b>		
Preferred stock: \$0.01 par value; 20,000 shares authorized; no shares issued	—	—
Common stock:		
Class A: \$0.01 par value; 250,000 shares authorized; 145,652 and 144,775 shares issued at December 31, 2003 and 2002, respectively	1,457	1,448
Additional paid-in capital	1,291,841	1,269,101
Retained earnings	495,372	442,130
Accumulated other comprehensive loss	(8,115)	(16,024)
Less treasury stock at cost; 4,322 and 2,172 shares, respectively	(100,447)	(55,077)
Total stockholders' equity	1,680,108	1,641,578
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,956,153</b>	<b>\$ 2,760,074</b>

## CONSOLIDATED STATEMENTS OF INCOME (in thousands, except per share amounts)

Year Ended December 31,	2003	2002	2001
<b>REVENUES</b>	<b>\$ 2,045,163</b>	<b>\$ 2,056,466</b>	<b>\$ 2,144,961</b>
<b>Operating expenses</b>			
Cost of revenues	1,269,129	1,161,285	1,307,476
Selling, general and administrative	553,503	524,257	568,672
Amortization of goodwill and intangible assets	56,301	53,424	277,522
Total operating expenses	1,878,933	1,738,966	2,153,670
<b>Operating income (loss)</b>	<b>166,230</b>	<b>317,500</b>	<b>(8,709)</b>
<b>Other income (expense)</b>			
Interest income	16,477	27,903	24,659
Interest expense	(24,077)	(23,350)	(41,165)
Other, net	(30,888)	16,801	36,756
Total other income (expense)	(38,488)	21,354	20,250
<b>Minority interests</b>	<b>(365)</b>	<b>214</b>	<b>22,469</b>
<b>Income from continuing operations before provision for income taxes</b>	<b>127,377</b>	<b>339,068</b>	<b>34,010</b>
Provision for income taxes	44,076	124,924	80,963
<b>Income (loss) from continuing operations</b>	<b>83,301</b>	<b>214,144</b>	<b>(46,953)</b>
<b>Income from discontinued operations, net</b>	<b>—</b>	<b>—</b>	<b>36,305</b>
<b>Gain on sale of discontinued operations, net</b>	<b>—</b>	<b>—</b>	<b>38,772</b>
<b>Income before cumulative effect of accounting change</b>	<b>83,301</b>	<b>214,144</b>	<b>28,124</b>
<b>Cumulative effect of accounting change, net</b>	<b>—</b>	<b>—</b>	<b>3,103</b>
<b>Net earnings</b>	<b>\$ 83,301</b>	<b>\$ 214,144</b>	<b>\$ 31,227</b>
<b>Earnings (loss) per common share – basic</b>			
Income (loss) from continuing operations	\$ .59	\$ 1.53	\$ (.35)
Income from discontinued operations, net	—	—	.57
Cumulative effect of accounting change, net	—	—	.02
<b>Net earnings</b>	<b>\$ .59</b>	<b>\$ 1.53</b>	<b>\$ .24</b>
<b>Earnings (loss) per common share – diluted</b>			
Income (loss) from continuing operations	\$ .58	\$ 1.50	\$ (.35)
Income from discontinued operations, net	—	—	.57
Cumulative effect of accounting change, net	—	—	.02
<b>Net earnings</b>	<b>\$ .58</b>	<b>\$ 1.50</b>	<b>\$ .24</b>
<b>Dividends per common share</b>	<b>\$ .21</b>	<b>\$ —</b>	<b>\$ —</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

Year Ended December 31,	2003	2002	2001
<b>OPERATING ACTIVITIES</b>			
Net earnings	\$ 83,301	\$ 214,144	\$ 31,227
Adjustments to reconcile net earnings to cash provided by operating activities:			
Depreciation and amortization	136,004	116,948	437,647
Stock compensation	11,586	31,142	7,624
Deferred income taxes	(3,837)	53,204	(87,409)
Tax benefit from exercise of stock options	736	9,687	31,126
Minority interests	365	(214)	(22,469)
Loss on facilities lease refinancing	27,947	—	—
Gain on sale of former headquarters building	—	(18,308)	—
Gain on sale of discontinued operations, net	—	—	(38,772)
Gain on sale of France Telecom shares	—	—	(47,303)
Cumulative effect of accounting change, net of tax	—	—	(3,103)
Loss on disposal of equipment	12,284	96	8,347
Other	806	(22,426)	2,536
Changes in operating assets and liabilities:			
Accounts receivable	(43,887)	175	159,794
Prepaid expenses	2,230	(29,101)	(2,601)
Other assets	4,057	22,104	(24,623)
Accrued compensation and related benefits	7,787	(18,505)	(18,702)
Accounts payable and other accrued liabilities	10,851	(26,456)	(723)
Pensions and other postretirement benefits	16,813	(3,950)	(21,133)
Other liabilities	(5,505)	(36,869)	(21,226)
Cash provided by operating activities	261,538	291,671	390,237
<b>INVESTING ACTIVITIES</b>			
Additions to property and equipment	(71,466)	(62,650)	(158,407)
Business combinations, net of cash acquired	(96,114)	(498,508)	(55,343)
Proceeds from exercise of Travelocity.com stock options	—	33,658	13,145
Proceeds from sale of former headquarters building	—	80,000	—
Purchase of data center facility from lessor	—	(92,092)	—
Proceeds from sale of data center facility	—	68,464	—
Proceeds from sale of minority interest in Sabre Pacific	—	23,466	—
Proceeds from sale of discontinued operations	—	—	660,763
Purchases of marketable securities	(7,751,087)	(4,695,307)	(3,340,225)
Sales of marketable securities	7,760,587	4,453,062	2,833,914
Proceeds from sales of investments	5,054	8,807	86,253
Purchases of Travelocity.com common stock	—	—	(17,908)
Other investing activities, net	6,968	12,078	(39,942)
Cash used for investing activities	(146,058)	(669,022)	(17,750)
<b>FINANCING ACTIVITIES</b>			
Proceeds from public offering of common stock	—	399,763	—
Proceeds from exercise of stock options and issuance of stock under employee stock purchase plan	10,541	36,609	109,262
Purchase of treasury stock	(45,596)	(56,610)	(9,064)
Dividends paid	(30,125)	—	—
Payment for facilities lease refinancing	(27,947)	—	—
Issuance of notes payable	—	—	397,392
Repayment of notes payable	—	—	(859,000)
Other financing activities, net	(2,667)	(90)	—
Cash provided by (used for) financing activities	(95,794)	379,672	(361,410)
Increase in cash	19,686	2,321	11,077
Cash at beginning of the period	21,176	18,855	7,778
<b>Cash at end of the period</b>	<b>\$ 40,862</b>	<b>\$ 21,176</b>	<b>\$ 18,855</b>
Cash payments for income taxes	\$ 18,715	\$ 44,069	\$ 177,415
Cash payments for interest	\$ 30,024	\$ 22,412	\$ 32,612

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (in thousands)

	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance at December 31, 2000	\$ 1,321	\$ —	\$ 660,392	\$ 196,759	\$ 111	\$(67,566)	\$ 791,017
Issuance of 3,063 shares of Class A common stock pursuant to stock option, restricted stock incentive and stock purchase plans	30	—	42,081	—	—	67,151	109,262
Tax benefit from exercise of employee stock options	—	—	31,126	—	—	—	31,126
Purchase of treasury stock	—	—	—	—	—	(9,064)	(9,064)
Reclassification of US Airways options to equity instruments	—	—	100,447	—	—	—	100,447
Change in fair value of contingent warrants to be issued to customer	—	—	(10,977)	—	—	—	(10,977)
Comprehensive income:							
Net earnings	—	—	—	31,227	—	—	31,227
Unrealized gain on foreign currency forward contracts, net of deferred income taxes	—	—	—	—	802	—	802
Unrealized gain on investments, net of deferred income taxes	—	—	—	—	2,372	—	2,372
Unrealized foreign currency translation loss	—	—	—	—	(109)	—	(109)
Total comprehensive income							<u>34,292</u>
Other	—	—	(4,327)	—	—	—	(4,327)
Balance at December 31, 2001	1,351	—	818,742	227,986	3,176	(9,479)	1,041,776
Issuance of 1,615 shares of Class A common stock pursuant to stock option, restricted stock incentive and stock purchase plans	16	—	33,145	—	—	3,448	36,609
Issuance of 9,430 shares of Class A common stock pursuant to equity offering	94	—	399,669	—	—	—	399,763
Settlement of warrants issued in connection with business combination	—	—	(15,972)	—	—	—	(15,972)
Conversion of vested stock options pursuant to the acquisition of Travelocity.com minority interest	—	—	14,209	—	—	—	14,209
Tax benefit from exercise of employee stock options	—	—	9,687	—	—	—	9,687
Purchases of treasury stock	—	—	—	—	—	(56,610)	(56,610)
Stock based compensation for employees and consultants	—	—	16,933	—	—	—	16,933

	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Other	(3)	—	(7,561)	—	—	7,564	—
Comprehensive income:							
Net earnings	—	—	—	214,144	—	—	214,144
Minimum pension liability adjustment, net of deferred income taxes	—	—	—	—	(21,638)	—	(21,638)
Unrealized gain on foreign currency forward contracts, net of deferred income taxes	—	—	—	—	4,174	—	4,174
Unrealized loss on investments, net of deferred income taxes	—	—	—	—	(1,867)	—	(1,867)
Unrealized foreign currency translation gain	—	—	—	—	131	—	131
Total comprehensive income							<u>194,944</u>
Other	(10)	—	249	—	—	—	239
Balance at December 31, 2002	1,448	—	1,269,101	442,130	(16,024)	(55,077)	1,641,578
Issuance of 885 shares of Class A common stock pursuant to stock option, restricted stock incentive and stock purchase plans	9	—	10,306	—	—	226	10,541
Tax benefit from exercise of employee stock options	—	—	736	—	—	—	736
Purchases of treasury stock	—	—	—	—	—	(45,596)	(45,596)
Stock based compensation for employees and consultants	—	—	11,586	—	—	—	11,586
Dividends	—	—	—	(30,125)	—	—	(30,125)
Comprehensive income:							
Net earnings	—	—	—	83,301	—	—	83,301
Minimum pension liability adjustment, net of deferred income taxes	—	—	—	—	(1,223)	—	(1,223)
Unrealized gain on foreign currency forward contracts, net of deferred income taxes	—	—	—	—	1,437	—	1,437
Unrealized loss on investments, net of deferred income taxes	—	—	—	—	710	—	710
Unrealized foreign currency translation gain	—	—	—	—	6,985	—	6,985
Total comprehensive income							<u>91,210</u>
Other	—	—	112	66	—	—	178
Balance at December 31, 2003	\$ 1,457	\$ —	\$ 1,291,841	\$ 495,372	\$ (8,115)	\$ (100,447)	\$ 1,680,108

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## REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

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The Board of Directors and Stockholders  
Sabre Holdings Corporation

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheets of Sabre Holdings Corporation and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2003 (not presented separately herein), and in our report dated January 21, 2004, except for Note 17, as to which the date is January 30, 2004, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it was derived.

As discussed in Note 2 to the consolidated financial statements, filed as a part of the Form 10-K, effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*.

*Ernst + Young LLP*

Dallas, Texas  
January 21, 2004,  
except for Note 17, as to which  
the date is January 30, 2004

## BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT



### Board of Directors:

Front, from left to right:

M. Sam Gilliland,  
Paul C. Ely, Jr.

Back, from left to right:

Mary Alice Taylor,  
Royce S. Caldwell,  
Bob L. Martin,  
Richard G. Lindner,  
Pamela B. Strobel,  
Glenn W. Marschel, Jr.  
Richard L. Thomas

### DIRECTORS\*

Royce S. Caldwell

Paul C. Ely, Jr.  
Chairman of the Board

M. Sam Gilliland  
President and Chief Executive Officer

Richard G. Lindner

Glenn W. Marschel, Jr.

Bob L. Martin

Pamela B. Strobel

Mary Alice Taylor

Richard L. Thomas

### EXECUTIVE MANAGEMENT

M. Sam Gilliland  
President and Chief Executive Officer

Michael E. Haefner  
Senior Vice President,  
Human Resources

Jeffery M. Jackson  
Executive Vice President and  
Chief Financial Officer

Carol A. Kelly  
Senior Vice President and  
Chief Information Officer

Thomas Klein  
Senior Vice President and  
Group President, Sabre Airline Solutions

Joan C. Kuehl  
Senior Vice President,  
Product Development

R. Craig Murphy  
Senior Vice President and  
Chief Technology Officer

Michelle A. Peluso  
Senior Vice President, and President  
and Chief Executive Officer, Travelocity

Leslie A. Price  
Senior Vice President,  
Corporate Communications

David A. Schwarte  
Executive Vice President  
and General Counsel

Eric J. Speck  
Executive Vice President and  
Chief Marketing Officer

John S. Stow  
Senior Vice President and President,  
Sabre Travel Network

\*Except for Mr. Gilliland, all of the directors are independent directors and serve on the Audit, Compensation, and Governance and Nominating committees.

## INVESTOR INFORMATION

We welcome inquiries from investors, prospective investors, securities analysts, and other members of the professional financial community. Please contact Sabre Holdings investor relations at 1 866 SABRE IR, or visit [www.sabre-holdings.com](http://www.sabre-holdings.com) and click on "Investors."

### Common Stock

The Class A Common Stock of Sabre Holdings Corporation is listed on the New York Stock Exchange under the symbol TSG.

### Quarterly Per Share Market Price of Common Stock

#### TRADING

	High	Low	Close
<b>FISCAL 2003</b>			
First Quarter	\$20.78	\$14.00	\$15.91
Second Quarter	26.68	15.68	24.65
Third Quarter	27.50	21.14	21.49
Fourth Quarter	23.00	19.58	21.59
<b>FISCAL 2002</b>			
First Quarter	\$49.98	\$36.85	\$46.71
Second Quarter	49.35	33.26	35.80
Third Quarter	35.80	18.42	19.35
Fourth Quarter	22.25	14.85	18.11

### Sabre Holdings on the Internet

Additional information about Sabre Holdings, including a summary of its latest financial results, is available at [www.sabre-holdings.com](http://www.sabre-holdings.com).

### Form 10-K 2003

Stockholders may request a free copy of Sabre Holdings Corporation's 2003 annual report (Form 10-K) to the Securities and Exchange Commission at [www.sabre-holdings.com](http://www.sabre-holdings.com) or from:

Sabre Holdings Corporation  
Attention: Investor Relations  
3150 Sabre Drive  
Southlake, TX 76092  
or by calling 1 866 SABRE IR.

### Annual Meeting

The Annual Meeting of Shareholders will be held at 10:30 a.m. CDT on Tuesday, May 4, 2004, at the Irving Arts Center in Irving, Texas.

Irving Arts Center  
Carpenter Performance Hall  
3333 N. MacArthur Blvd.  
Irving, TX 75062  
972 252 7558

### Transfer Agent and Registrar

Investors who wish to change the name, address, or ownership of their stock or to report lost certificates should contact:

The Bank of New York  
1 866 857 2220  
E-mail: [Shareowner-svcs@bankofny.com](mailto:Shareowner-svcs@bankofny.com)  
Web site: <http://www.stockbny.com>

Address general investor inquiries to:  
The Bank of New York  
Shareholders Relations Department  
P.O. Box 11258  
Church Street Station  
New York, NY 10286

Send certificates for transfer and address changes to:

The Bank of New York  
Receive and Deliver Department  
P.O. Box 11002  
Church Street Station  
New York, NY 10286

### Worldwide Headquarters

Sabre Holdings Corporation  
3150 Sabre Drive  
Southlake, TX 76092 USA  
Tel: 682 605 1000

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#### Trademark and Copyright Notice

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#### Cautionary Notice About Forward-Looking Statements

Statements in this report which are not purely historical facts, including statements about forecasted financial projections, reducing reliance on airline booking fees as a source of revenue, the impact of our DCA Three-Year Pricing Option, or other statements about anticipations, beliefs, expectations, hopes, intentions or strategies for the future, may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended.

Readers are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements are based upon information available to the Company on the date this report was submitted. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements, including risks or uncertainties related to the Company's revenues being highly dependent on the travel and transportation industries or structural changes within the travel industry, such as the financial instability or bankruptcy of many of the air carriers. The Company may not succeed in addressing these and other risks. Further information regarding factors that could affect our financial and other results can be found in the risk factors section of our most recent filing on Form 10-K with the Securities and Exchange Commission.

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Sabre Holdings Corporation  
3150 Sabre Drive  
Southlake, TX 76092  
Tel: 682 605 1000  
[www.sabre-holdings.com](http://www.sabre-holdings.com)