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# Sabre Holdings

**Sam Gilliland, Chairman and CEO**  
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# Sabre Holdings at a Glance

*Sabre Holdings connects people with the world's greatest travel possibilities by retailing travel products and providing distribution and technology solutions for the travel industry*

- NYSE-traded [NYSE:TSG] S&P 500 Company
- Approximately 9,000 employees in 45 countries
- Revenues of \$2.5 billion in 2005
- Three business segments serving travelers, travel agents, corporations, government agencies and travel suppliers



# Sabre Holdings: 2005

***2005 was an investment year – to position us for significant financial growth in 2006 and beyond***

- Made bold investments, appropriately leveraging our balance sheet for long-term growth
- Enhanced the GDS with new technology and content
- Grew retailing capabilities, and expanded internationally
- Returned \$90 million to shareholders through dividends and stock repurchase



# 2005 Financial Results

	2005 Revenue (in millions, USD)	2005 Growth
Sabre Travel Network	\$1,616	4.1%
Travelocity	\$830	65.1%
Sabre Airline Solutions	\$261	7.1%
Total Revenue *	\$2,521	18.3%
	Adjusted	GAAP
Operating Margin	12%	10%
Net Income	\$196m	\$172m
Earnings Per Share, diluted	\$1.50	\$1.32
Adjusted EBIDTA	\$392m	

\*Net of eliminations

# 2005 Accomplishments

- **Travelocity**

- Achieved substantial share gains versus online agency competitors
- Acquired lastminute.com, significantly increasing scale and online presence in Europe
- Strong North America growth rates, better than the industry average
- Gross travel booked for the year of \$7.4 billion – 51% growth

- **Sabre Travel Network**

- Enhanced GDS offering – AirTran agreement; more hotel properties; conversion to open systems shopping technology in North America
- Continued progress with US airlines on long-term, comprehensive agreements

- **Sabre Airline Solutions**

- Success in key growth segments – China, the Middle East and India
- Signed new seven-year contract with Southwest Airlines

# 2006 Strategy

*While 2005 was a significant investment year, we expect 2006 to be about growth*

- **Continue to execute on our strategy road map**
  - **Build** on 2005 investments
  - **Leverage** across assets and scale of network
  - **Execute** internationally, particularly Europe and Asia
  - **Capitalize** on merchandising and retailing opportunities

# 2006 Year to Date Accomplishments

- **Sabre Travel Network signed long-term, full-content agreements with Delta Air Lines, United Airlines, Continental, Northwest, and US Airways**
  - AirTran signed late last year
- **Rolled out Efficient Access Solution for our travel agency partners**
- **Completed \$400 million offering of 10-year senior unsecured notes**
  - Proceeds used to partially pay down bridge loan used to acquire lastminute.com
- **Travelocity acquired complete ownership of ZUJI, the leading online travel company in the Asia-Pacific region**
  - ZUJI includes operations in Australia, Hong Kong, Korea, New Zealand, Singapore and Taiwan
- **Sabre Airline Solutions continued to expand its global footprint**
  - Signed deals with Alitalia, Thai Airways and PIA, among others

# 2006 Financial Results – First Quarter

- **Strong start to the year with earnings at the high end of projections and revenue growth of 20%**
  - Total company revenue of \$700 million, up 20% y/y
  - Earnings per share, of \$0.24 (adjusted)
    - Earning per share, \$0.13 (GAAP)
  - Free cash flow of \$85 million with cash flow from operations of \$113 million
  - Travelocity revenue and gross travel booked, up 59%
  - Sabre Travel Network revenue of \$449 million, up 7%
  - Sabre Airline Solutions revenue of \$65 million, up 3%

# 2006 Priorities

- **lastminute.com integration**
  - Drive operational excellence and profitability
- **Enhance distribution model stability through long term airline agreements and agency partnerships/programs**
- **Continued leadership on supplier relationships and marketing effectiveness to drive Travelocity domestic growth**
- **Continue to manage costs across business units**
- **Significant cash flow growth in 2006 and beyond**

# 2006 Financial Projections\* - Sabre Holdings

- **Total company revenue to approach \$3 billion**
  - Approximately 15% growth
- **Mid-teens operating margin, adjusted**
  - Low-double digits, GAAP
- **~15% growth in earnings per share, >\$1.70, adjusted**
  - Earnings per share >\$1.19, GAAP
- **Full year Adjusted EBITDA expected to be >\$500 million**
  - GAAP Net income of ~ \$160 million
- **Doubling free cash flow to reach over \$300 million**
  - Cash flow from operations > \$425 million

\* Not a reiteration; This guidance has been provided in previous public communications

# 2006 Financial Projections\* - Business Units

- **Sabre Travel Network**

- Revenue of \$1.6 billion
- Operating margin in the mid-teens
- Adjusted EBITDA >\$320 million
  - GAAP operating income of ~\$240 million

- **Travelocity**

- Global revenue approaching \$1.2 billion > 40% growth
  - North America growth approaching 20%
  - Europe revenue of \$410 - \$420 million, >100% growth
- Operating margin approaching 10%, adjusted
  - Operating margin mid-single digits, GAAP
- Adjusted EBITDA tripling y/y to >\$155 million
  - GAAP operating income of ~\$50 million

- **Sabre Airline Solutions**

- Revenue growth in the low single digits
- Operating margin in the mid-teens
- Adjusted EBITDA >\$60 million
  - GAAP operating income of ~\$35 million

\* Not a reiteration; This guidance has been provided in previous public communications

# Cautionary Statement

**Statements in this presentation which are not purely historical facts or which necessarily depend upon future events, including statements about forecasted financial performance 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 Sabre Holdings Corporation on the date of this presentation. Sabre Holdings Corporation 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. Sabre Holdings Corporation 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 Sabre Holdings Corporation's most recent filing on Form 10-Q with the Securities and Exchange Commission.**

**References to non-GAAP financial statements and the reconciliation to GAAP can be found on the Sabre Holdings' website in the investor relations section at <http://www.sabre-holdings.com/investor>.**